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Financial Darwinism: National Survey Finds Society is Adapting Credit Card Behavior to Meet Current Market Conditions

Austin, TX, August 20, 2008 – Call it survival of the financially fittest, or financial Darwinism. Consumers are adapting to a changed economic landscape by cutting back on their credit card spending, attempting to pay down debt and monitoring interest rates, according to a new nationwide poll from CreditCards.com.

The findings are from the Second Annual *Taking Charge* survey, an in-depth investigation of America's relationship with credit cards. The national study was fielded by GfK Roper Public Affairs & Media for CreditCards.com, the leading online credit card marketplace and consumer information source.

Taken as a whole, the poll shows most consumers are reacting reasonably to financial difficulties by pulling back on discretionary spending, and express little concern about their ability to pay down debt. But those who can't or won't adjust are finding themselves in deeper and deeper debt trouble. To put it in Darwinian terms, consumers must adapt or they simply won't financially survive.

“As the use of plastic becomes more prevalent in American daily life, consumers who implement healthy credit card habits will be more apt to financially survive in a cashless society,” said Ben Woolsey, Director of Marketing and Consumer Research for CreditCards.com.

Consumers appear to be taking proactive steps to avoid the credit crunch in their credit card affairs:

- 25 percent of U.S. cardholders say they spent less on household living expenses last month compared to normal.
- One-third of cardholders report that they ended the previous month with a lower outstanding balance than the month before.
- 34 percent say they spent less on discretionary expenses, such as eating out or shopping at the mall; 46 percent say they spent less on major purchases, such as appliances or furniture.
- Some consumers are giving up on credit: The proportion claiming to be current cardholders has dropped 4 percentage points since the 2007 "Taking Charge" survey.
- Only 7 percent of Americans say they worry "a lot" about paying off their credit card bills; 63 percent say they are not at all worried.

- People are hunting for low interest rates. Nearly 4 in 10 surveyed agreed that they are always looking for low interest rates to transfer their existing balances, while 67 percent of cardholders agree that they "actively monitor" the interest rates on their credit cards.
- Despite all the bad economic news of the past year, American cardholders are no more worried about paying their credit card bills, with 27 percent agreeing with the statement, "At times I worry about how I'm going to pay my credit cards." That figure is unchanged from last year's poll.

Who does worry about paying credit card bills? According to the poll, those with the greatest credit card bill worries are people:

- With household incomes below \$75,000.
- Who have four or more credit cards.
- Who are older than 40.

To see more of the poll, go to www.creditcards.com/adapt

Poll methodology

The survey was conducted on behalf of CreditCards.com by GfK Roper Public Affairs & Media, a division of GfK Custom Research North America. GfK Roper Public Affairs & Media conducted a total of 1,001 telephone interviews from June 4 - June 26, 2008 with U.S. residents age 19 and higher. Respondents were obtained using Random Digit Dialing (RDD) procedures to provide statistically representative samples of the U.S. population. The margin of sampling error is +/- 3 percentage points for the full sample, and higher comparisons for subgroups.

The 2007 CreditCards.com *Taking Charge* survey was also conducted by GfK Roper Public Affairs & Media and consisted of 1,004 RDD telephone interviews conducted March 5 – March 18, 2007.

CreditCards.com

CreditCards.com is the leading online credit card marketplace helps consumers make smart credit card choices. At its free Web site, consumers can compare hundreds of credit card offers from the nation's leading issuers and banks and apply securely online. CreditCards.com is also a destination site for consumers wanting to learn more about credit cards, offering advice, news, features, statistics and tools – all designed to help consumers make smart choices about credit cards. In 2007, more than 12 million unique visitors used CreditCards.com to search for their next credit card.

Ben Woolsey

Ben Woolsey is director of marketing and consumer research for CreditCards.com and offers his perspective gained from a 20-year financial services career, which involved the design of reward programs and the marketing of consumer and business credit cards for several of the nation's largest issuers.

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