

## Southern States Most Burdened by Credit Card Debt

*Average American Would Take 13 Months to Pay Off Credit Card Liability*

Austin, Texas – December 10, 2018 – New Mexico has the highest credit card debt burden of all 50 states, according to a CreditCards.com report that compared credit card debts and household incomes. After New Mexico, southern states occupy the next 10 spots on the list. The states with the highest credit card debt burdens (relative to income) are:

<b>2018 Rank</b>	<b>State</b>	<b>Total Credit Card Balance</b>	<b>Median Annual Household Income</b>	<b>Months to Pay Off</b>	<b>Total Interest Paid</b>
<b>1</b>	New Mexico	\$8,323	\$46,744	17	\$1,320
<b>2</b>	Louisiana	\$8,110	\$46,145	17	\$1,267
<b>3</b>	West Virginia	\$7,563	\$43,469	17	\$1,167
<b>4</b>	Alabama	\$7,967	\$48,123	16	\$1,163
<b>5</b>	Arkansas	\$7,727	\$45,869	16	\$1,151

Click here for more information:

<https://www.creditcards.com/balance-transfer/#state-debt-burdens>

Setting aside the recommended 15% of earnings to pay down debt, the typical New Mexico household with an annual income of \$46,744 would take nearly a year and a half (17 months) to pay off its credit card liability (\$8,323) while paying \$1,320 in interest.

For comparison, if they stuck to the same guidelines, the overall American family (earning \$60,336 per year) would take 13 months to erase their credit card debt (\$8,195) and would pay \$964 in interest.

“The data illustrates the relationship between debt and income,” explained CreditCards.com industry analyst Ted Rossman. “For example, the states where residents owe the most on their credit cards (Alaska, Virginia, Texas, Maryland and Connecticut) do not rank among the five highest debt burdens because their median household incomes are higher. The problem for people who live in New Mexico, Louisiana, West Virginia, Alabama and Arkansas isn’t just how much they owe, it’s compounded by how low their incomes are by comparison.”

At the other end of the spectrum, the states with the lowest credit card debt burdens are:

<b>2018 Rank</b>	<b>State</b>	<b>Total Credit Card Balance</b>	<b>Median Annual Household Income</b>	<b>Months to Pay Off</b>	<b>Total Interest Paid</b>
<b>46</b>	Hawaii	\$8,423	\$77,765	10	\$785
<b>47</b>	Utah	\$7,727	\$68,358	10	\$751
<b>48</b>	Minnesota	\$7,351	\$68,388	10	\$680
<b>49</b>	Wisconsin	\$6,737	\$59,305	10	\$657
<b>50</b>	Massachusetts	\$7,994	\$77,385	9	\$708

Rossman suggests a balance transfer card (<https://www.creditcards.com/balance-transfer/>), along with disciplined spending and a strict budget, to provide a beneficial tailwind to help get out of debt. “If used correctly – and that means strictly for paying off debt, *not* making additional purchases – a balance transfer card can save consumers hundreds or thousands of dollars,” he adds. Zero percent offers are available for up to 15 months with no transfer fees.

### **Methodology:**

CreditCards.com calculated these payoff times and interest charges using the average credit card debt per bank and retail cardholder (according to Experian) and the median household income (courtesy of the U.S. Census) in each state. CreditCards.com assumed that 15% of gross monthly income would go towards credit card debt. For the average credit card interest rate, CreditCards.com used 20.80%, the median APR the site measured in early November.

### **About CreditCards.com:**

CreditCards.com is the ultimate credit card destination, filled with the largest marketplace of credit card offers you can find online, along with relevant news, advice, features and user-friendly tools. Our mission is to help consumers seize greater opportunity through smarter spending, and we believe that the right credit card, used the right way, can be a life-changer. In 2017, over 42 million unique visitors used CreditCards.com to find the right credit card to suit their needs.

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