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A Quarter of Debtors Expect to Die with Debt

Austin, Texas – January 9, 2019 – Nearly two-thirds (65%) of American adults with debt don't know when (or if) they'll ever be debt-free, according to a new study from CreditCards.com. That includes 41% who don't know when they'll pay off their debt and 25% who expect to die in debt, down from 30% last year. Click here for more information:

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

On a brighter note, 35% of Americans with debt believe they'll conquer it at some point. In fact, the average projected age is 53 years old. When broken down further by age group, the outlook is rather optimistic. Millennials predicted an average age of 43 (just a little past the generation's 18-37-year range), Gen Xers (ages 38-53) said age 54, and Baby Boomers (ages 54-72) gave an average age of 66 for getting out of debt.

Households with annual incomes below \$50,000 think they'll be out of debt the soonest, forecasting 47 as the average age they'll be debt-free. Those with annual household incomes of \$50K+ said they'll pay off their debt almost a decade later, at age 55.

Acknowledging a problem is one thing, but it won't get resolved unless you do something about it. When asked specifically about credit card debt, 80% of respondents with credit card debt said they have a strategy for paying it off. The most common strategy, by far, is paying substantially more than the minimum monthly payment (69%).

“That's a good idea, but I'd suggest a lot more people take advantage of balance transfer cards,” said Ted Rossman, industry analyst at CreditCards.com. “The opportunity to pay 0% interest for 15, 18, 21 months could save hundreds or thousands of dollars, depending on how much you owe. It reminds me of our recent survey that found 49% of U.S. adults don't even realize balance transfer cards exist. If you ever carry a balance – and 60% of cardholders do, according to the ABA – you need to worry about interest rates much more than rewards. With the current national average credit card rate a record-high 17.41%, carrying a balance even occasionally takes a big chunk out of your monthly budget and wipes out the value of any rewards you might earn.”

More respondents should heed this advice, as only 15% said they would take advantage of a balance transfer card. The second most popular answer is paying a little more than the minimum (26%).

Among those who lack a strategy, the most common reason for why was “I don't make enough money” (64%). Rossman noted, “You still need a strategy though. Whether it's boosting your income through a better job or a side hustle, selling stuff online or at a yard sale, taking advantage of a balance transfer or cutting expenses to funnel more dollars toward your credit card debt, you need to attack your credit card debt because it can get out of control in a hurry.”

Most of the study was conducted online in Ipsos' Omnibus using the web-enabled "KnowledgePanel," a probability-based panel designed to be representative of the US general population, not just the online population. The study consisted of 1,000 nationally representative interviews conducted between December 7-9, 2018 among adults aged 18+. The margin of error is +/-3 percentage points.

Select data points came from Research Now SSI, which surveyed 997 U.S. adults online in early December.

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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