

28 Million Accrued Additional Credit Card Debt Due to Coronavirus Pandemic

Millennial credit cardholders hit the hardest

New York – May 4, 2020 – Nearly half (47%) of U.S. adults, or about 120 million people, currently have credit card debt, up from 43% in early March, according to a new CreditCards.com report. Additionally, 23% of credit card debtors, or about 28 million U.S. adults, have added to their credit card debt as a direct result of the COVID-19 outbreak. Click here for more information:

<https://www.creditcards.com/credit-card-news/coronavirus-spring-debt-poll/>

Unfortunately, millennial credit cardholder debtors (ages 24-39) have been hit the hardest, with more than 1 in 3 (34%) with debt going further into the red because of the pandemic versus 23% of Gen X (ages 40-55) and 15% of baby boomers (ages 56-74). Other groups more inclined to take on additional credit card debt as a direct result of coronavirus include credit card debtors who have children under age 18 (30% vs. 21% of non-parents) and Westerners (30%).

“Between this and the Great Recession, it’s no wonder millennials have had a harder time accumulating assets than Gen Xers and Boomers,” said CreditCards.com analyst Ted Rossman. “Some older millennials also hit adulthood right around the dot-com bust and 9/11. Adjusted for inflation, average hourly wages have barely budged in 50 years, but some major expenses such as housing and college have grown exponentially.”

Overall, 45% of these debtors are currently stressed about their credit card debt, including 30% somewhat stressed and 15% very stressed. More than half (58%) of millennials with credit card debt are stressed versus 49% of Gen X and 34% of boomers. Other groups stressed about their credit card debt include parents with children under age 18 (57% vs. 46% of non-parents) and lower-income households (specifically, 54% of those with household incomes under \$30,000).

The most common credit card payoff strategies among U.S. adults with credit card debt include paying more than the minimum (60%), balance transfer (13%) and paying only the minimum (13%). Less frequent tactics include asking a card issuer for a break (7%), personal loan (6%), credit counseling (5%), installment plans such as Amex Pay It Plan It (5%) and other (4%). Troublingly, a combined 13% are paying nothing at all (9%) or don’t have a plan (4%).

“I definitely recommend asking your card issuer for a break,” added Ted Rossman. “You can potentially skip a payment or two (sometimes even without interest), get a lower interest rate, get other fees waived and protect your credit score. There’s no risk – the worst that can happen is they say no, but most of the time they’ll do you a favor.”

Those most likely to have already taken this step: millennials. More than 1 in 10 (12%) millennial cardholders with outstanding debt asked for a break, compared with 6% of Gen X and 4% of boomers.

Methodology:

CreditCards.com commissioned [YouGov Plc](#) to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,552 adults, including 1,230 adults with personal credit card debt. Fieldwork was undertaken on April 15-17, 2020. The survey was carried out online and meets rigorous quality

standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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