



## CONSUMER DEBT: INDUSTRY TRENDS

### CREDIT CARD DEBT

- **Prevalence of Credit Cards.**
  - ◇ The average American family has 8 to 10 credit cards carrying interest rates from 18% to 26% ~ *FinalCall.com "Perspectives: The Debt Trap"*
  - ◇ Credit use overall has grown the fastest among Americans with the lowest income levels ~ *Consumer Federation of America; Federal Reserve Bulletin*
  - ◇ The average consumer carries a debt of \$11,224 ~ *National Score Index, January 2005*
  - ◇ 76% of undergraduate students began the 2004 school year with credit cards. In 2000, undergraduates carried an average credit card balance of \$2,748 and graduate students carried an average balance of \$4,776 ~ *Nellie Mae*
- **Increase in Credit Card Debt.**
  - ◇ A credit card with a balance of \$4,000 at 25% would take 27 years to pay off, making minimum payments, for a grand total of \$12,000. ~ *The MidWeek, March, 2005*
  - ◇ Approximately 60% of cardholders carry credit card debt from month to month ~ *Cardweb.com*
  - ◇ Americans owe more in credit card debt than for education ~ *Federal Reserve Board*
- **Credit Card Loans:** Credit card lending has grown faster than any other type of loan ~ *Consumer Federation of America*

### U.S. CONSUMER DEBT

- **American Consumer Credit Debt:** \$2 trillion nationwide ~ *CardWeb.com July, 2005*
- **U.S. Household Debt:** \$19,000 (average) ~ *CardWeb.com July, 2005*
- **American Spending Habits:** According to the most recent study conducted by the Federal Reserve, the average American spends \$1.22 for every dollar earned. ~ [www.state.il.us/treas/PersFinance.crdtcard.htm](http://www.state.il.us/treas/PersFinance.crdtcard.htm)
- **Revolving Debt:** Increased from \$554 billion to \$730 billion between 1997 to 2002 (mostly credit card debt) ~ *Federal Reserve Bulletin*
- **Bankruptcy Filings:** More Americans filed for bankruptcy during the first quarter of 2003 than in any other previous quarter in history. The 412,968 new cases filed during the first three months of 2003 represent a 9% increase over the same period in 2002 ~ *American Bankruptcy Institute*