

For immediate release
21 February, 2017

Revealed: the \$4,113 tipping point for Aussie credit card holders

- ➔ Aussies worry when credit card balance hits \$4,113, \$964 above the average balance
- ➔ Men are more comfortable with mounting credit card debt than women
- ➔ Tips: How to manage your plastic debt

21 February, 2017, Sydney, Australia – It's no secret Australians enjoy spending on their credit cards, but cardholders have a limit before they start to worry about their plastic debt, according to finder.com.au, Australia's most visited comparison website¹.

New finder.com.au research reveals that once the balance on our plastic hits \$4,113 on average, that's when panic sets in.

A survey of 2031 people found men become worried when their debt reaches \$4999, while women become uneasy at \$3,605.

Australian households have \$52.5 billion of credit card debt, a level that has risen \$1.1 billion in the 12 months to November 2016.

At present, the average credit card balance in Australia is \$3,149 per card.

Average credit card debt that people start to worry:

	ACT	NSW	NT	QLD	SA	TAS	VIC	WA
Credit card	\$3,477	\$4,323	\$1,792	\$4,232	\$3,349	\$3,157	\$4,084	\$4,475

¹ Experian Hitwise 2015

debt								
------	--	--	--	--	--	--	--	--

source: www.finder.com.au



Bessie Hassan, Money Expert at finder.com.au says Australia's borrowing 'binge' continues.

"It's at this \$4,113 level that Aussies start to get anxious which is concerning as this is 31% higher than average credit card balance in Australia (\$3,149 per credit card).

"As credit card debt can put significant financial pressure on households, it's important you do all you can to manage your plastic expenditure.

"Opt for a 0% purchase card or if you have multiple credit card accounts, carry out a balance transfer and try to repay the balance in full during the interest-free period. You can also apply for a card that's light on fees, such as no annual fee," she says.

Generation X were the most comfortable with credit card debt, admitting \$4,357 was their tipping point, compared to \$3,634 for Generation Y.

"This segment of the population typically have a higher earning capacity so they may be in a better position to repay debt compared to retirees or those just starting out," she says.

West Australian credit card customers start to worry when their balance hits \$4,475, while on the other end of the scale Tasmanian borrowers worry once the balance reaches \$3,157.

"This means many Tasmanians would be worried about their credit card debt right now with the average credit card balance nearing their safe zone," Ms Hassan says.

New South Wales card holders start to worry when the outstanding balance reaches \$4,323, while Queensland card holders become anxious at \$4,232.

Interestingly, men from Queensland aged 35 to 54 were the least conservative about credit card debt, not worrying until it hits \$6,387.

On the other hand, women from South Australia aged 18 to 34 were the biggest worrywarts, with just \$1,629 sending them into panic mode.

How to manage credit card debt:

- **Consider a balance transfer:** You can [consolidate multiple credit card debts](#) onto a new card with a low or 0% purchase rate through a balance transfer. This can dramatically lower your credit card interest payments for a fixed number of months. Strive to repay your debt for the low promotional rate runs out. Bear in mind that a balance transfer fee will range from 2-3% of the transfer amount.
- **Think twice before upping your credit limit:** While it may be tempting to increase your credit card limit, this can be risky if you're not in a position to repay a larger amount of debt. Before applying for a limit increase, consider your need for debt and whether you can potentially dip into your savings to cover the expense.
- **Apply for a card with few fees.** Taking out a credit card with few account-keeping fees is an easy way to lower your costs. You can [compare \\$0 annual fee credit cards online](#), but remember these cards may come with less features compared to cards that have all the "bells and whistles."
- **Empty your savings:** If you have money sitting in a savings account, use it to pay off your credit card debt rather than taking out additional credit. Once the debt is paid off, start rebuilding your rainy day fund so you don't rely solely on credit.

###

We now have a news feed on Twitter! Follow us for the latest updates or drop us a line to say hi: @finder_news.

For further information:



Bessie Hassan
Head of PR
& Money Expert
+61402 567 568
+61 1300 FINDER (346 337)
Bessie@finder.com.au



Credit
Cards



Loans &
Savings



Insurance



Electricity
& Gas



Shopping
Deals

[Privacy Policy](#) | [About finder.com.au](#) | [Contact Us](#) | [Media Room](#)