

Debt stress

More than 120 million Americans worry about one of these debt types.

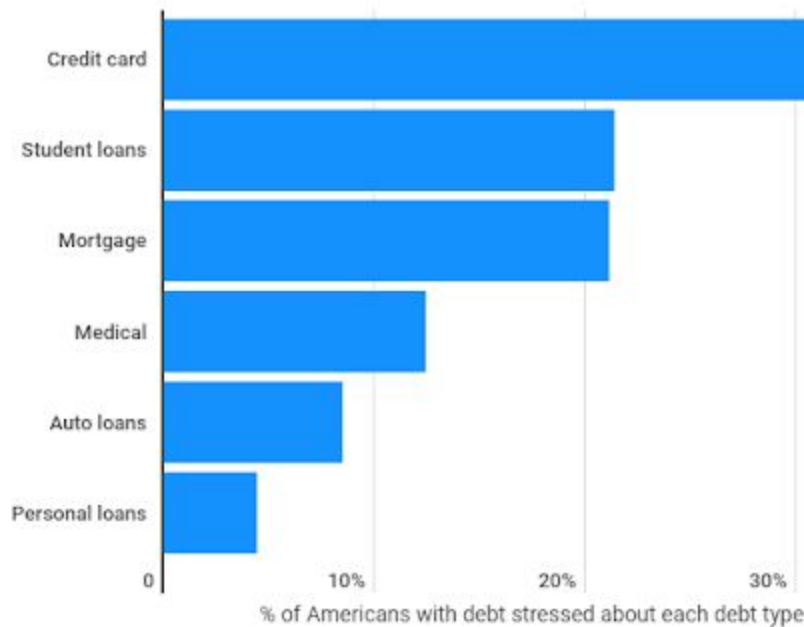


Debt is a reality for millions of Americans, resulting in roughly 47% of American adults (121 million people) having some form of debt stress. But what type of debt stresses us out the most?

According to those who carry debt, it's that little bit of plastic in your wallet that leaves us with the most woe. Some 32% of Americans with debt say their credit card bills give them the most stress. Credit card debt is a full 10 percentage points ahead of two stressors tied for second: student loans and mortgages, which weigh heavily on the minds of 21% of Americans.

At the other end of the spectrum, only 4% of American adults with debt worry about their personal loans, while 8% have concerns about their auto loans.

Which type of debt causes the most stress?



Source: Finder.com

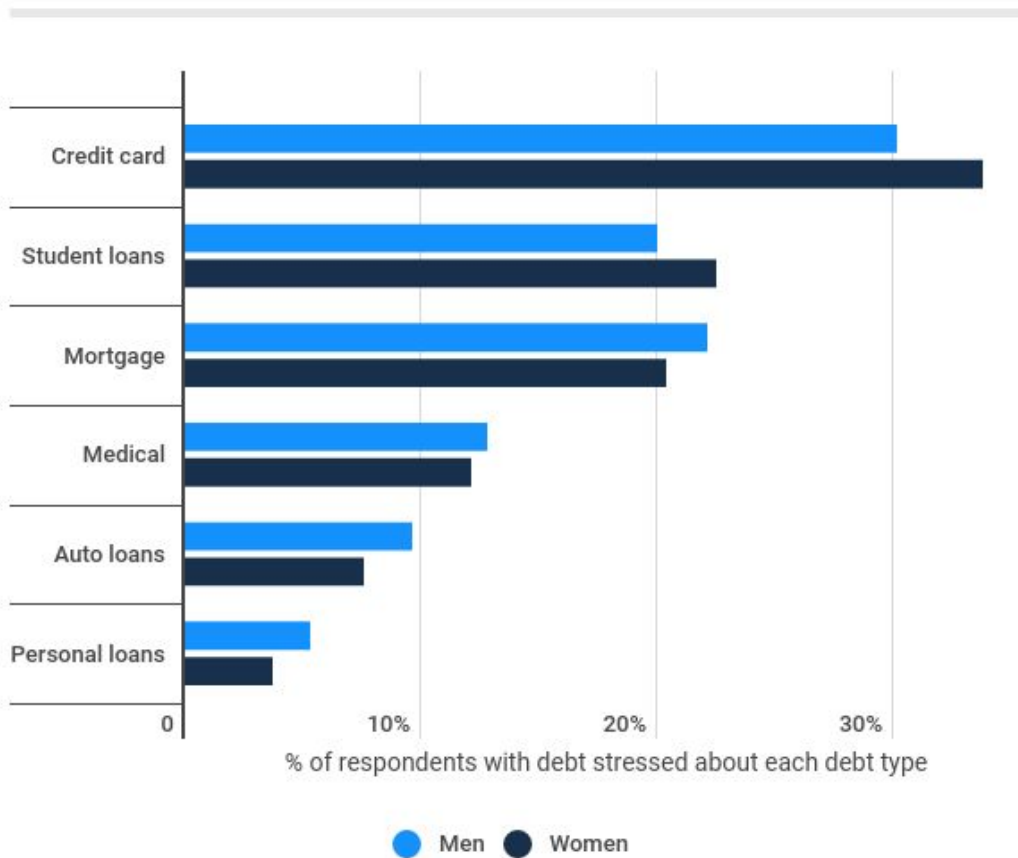


Do the genders stress about debt in the same way?

Men and women worry about the same stuff, but not always to the same extent. When asked about the six types of debt in our survey, 51% of women said they worried about their debts versus 44% of men.

Specifically, women more than men stress about credit card debt and student loans, whereas men are more worried than women about the mortgage, auto loans and personal loans. Both men and women stress similarly about medical debt.

Debt stress by gender



Source: Finder.com

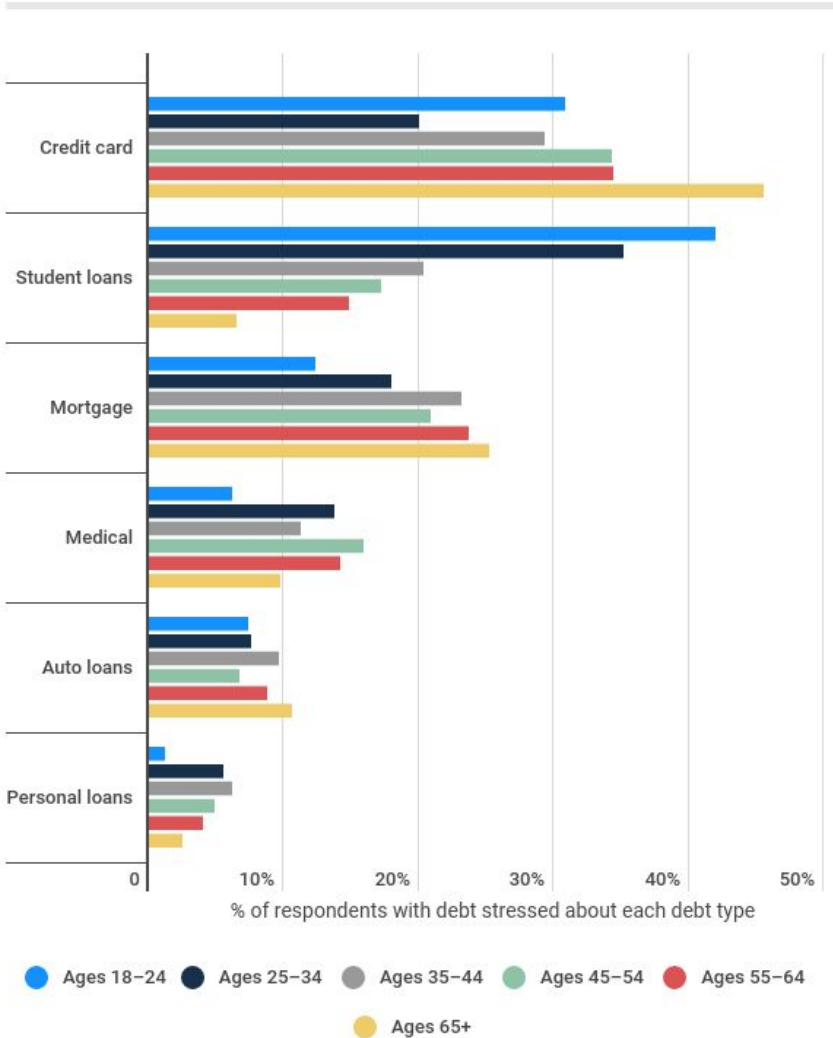


Over 65s racking up that credit card debt

Those over the age of 65 must slap down the plastic without abandon, as almost half (46%) of Americans in this age bracket with debt say they are most concerned about their credit card debt. Credit card debt is also the chief concern for Americans ages 55 to 64 (35%), ages 45 to 54 (34%) and ages 35 to 44 (29%).

As for the whippersnappers, it's debt taken on for education that is most worrisome, with 42% of Americans ages 18 to 24 and 25% of those ages 25 to 34 indicating student loans as their biggest debt stressor.

Debt stress by age



Source: Finder.com

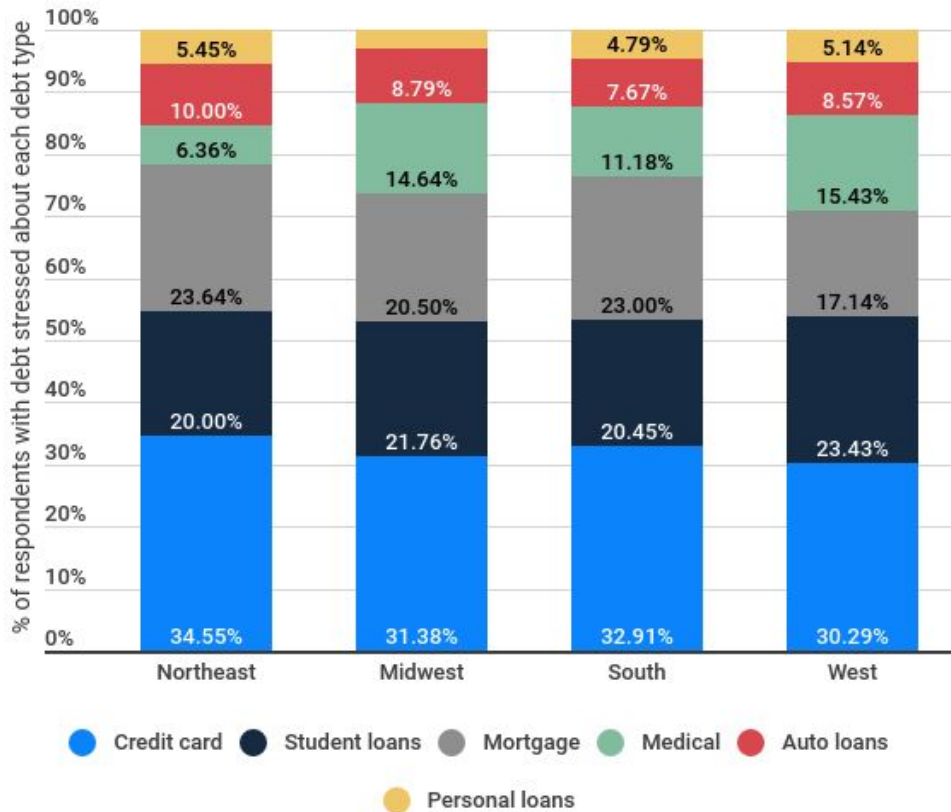


One nation united by credit card debt worry

Credit card debt is the type of debt stress most Americans universally worry about. Of Americans with debt, 35% of those from the Northeast, 33% from the South, 31% from the Midwest and 30% from the West say credit cards are their biggest debt stressor.

Comparing the regions, people from the West with debt worry the most about student loans (23%) and medical debt (15%), while mortgage stress and auto loans are most prolific in the Northeast. Personal loans is the debt that each region stresses the least about.

Debt stress by region



Source: Finder.com





Jennifer Tomko, LCSW and Owner of Clarity Health Solutions:

“The best tips for managing financial stress is really assessing your budget and figuring out what is essential to spend money on and what you can do without. Look at your bank statement from the last few months. Categorize your expenditures into two categories: Wants and Needs. Use this as a guide to where you can cut your monthly budget. Be careful about things you “deserve.” Using this term can confuse us. This sometimes becomes an excuse for overspending. We do deserve things, but we need limits on this. Learn to live with fewer luxuries. A weight will be lifted off your shoulder.

Consult with a financial advisor to help you plan for your future, while managing your current budget. Some banks have complementary resources. If you are the kind of person who feels like they can never get those credit cards paid off, take a break from charging things and only use cash. The fees and interest are dollars you could be saving or spending on those luxuries you did without instead of giving it to the banks.

“Credit cards give me the most stress, personally. For me, credit cards represent living outside my means. Typically, the finance charges are very high, so it feels like I am spending more money on the original purchase than I had intended. I get frustrated every month looking at finance charges because it makes me feel like I need that money more than the banks do.

I can find purpose in my other types of debt. For instance, school loans have provided me with my education and career. I can also deduct those interest costs from taxes. Mortgage and rent is less than a hotel stay, for example, and I can benefit from homeownership. I know my car loans are temporary.”



Howard Dvorkin, CPA and Chairman of Debt.com:

“To reduce financial stress — especially in times like these — it’s best to do what traditionally works. Usually, some exercise and a better diet can start the process, but for people feeling especially overwhelmed, talking to someone or getting professional help is the best action they can take. I’ve been a consumer credit card counselor for almost three decades, and I can tell you that credit card debt is notorious for causing people a lot of heartache and stress. Credit card debt comes with really high-interest rates and it can latch onto people and refuse to let go! I believe Americans have a

credit card debt problem because it’s often encouraged for us to get instant gratification and deal with the consequences later. Most people don’t know how to handle this responsibility, and they end up really stressed out because they quickly rack up unbelievable amounts of debt.”



Timo Wilson, CEO of ASAP Credit Solutions:

“As a financial expert myself, I also give in to the stress that credit card bills give. It is given that sometimes you get out of control on your spendings and later on suffer the consequences of overspending when your payment date arrives. It is stressful because compared to other loans, your credit card gives you the freedom to choose whether you will spend less or spend more so it will depend on how disciplined you are on handling your finances.

Since my company has a majority of American clients, I would say I personally think Americans stress about financial debt more than other countries. Americans stress more with their financial debts compared to other countries because they lack discipline. They are also eager and are easily attracted to different loan offers or promotions because they always want more than what they just need. In general, they tend to overspend because they think that they can get away with it easily.”

Methodology

Our data is based on an online survey of 2,002 US adults ages 18 and older commissioned by Finder and conducted by Google Surveys from July 21, 2020, through July 24, 2020. Participants were users on websites in the Google Surveys Publisher Network and were unpaid.

We assume the participants in our surveys represent the US population of 255.2 million Americans who are at least 18 years old, according to the July 2019 US Census Bureau population estimate. This assumption was made at the 95% confidence level with a 2.19% margin of error.

Our survey asked respondents to select the types of debt that give them the most stress from 7 choices:

- Mortgages
- Auto loans
- Student loans
- Medical debt
- Personal loans
- Credit card debt
- I do not have any debt

We define geographical regions according to the [US Census Bureau](#).

About Finder

Finder is a personal finance website which helps consumers compare products online so they can make better-informed decisions. Consumers can visit the website to compare utilities, mortgages, credit cards, insurance products, shopping voucher codes, and so much more before choosing the option that best suits their needs.

Finder.com launched in the US in July 2015 and is privately owned and self-funded by two Australian entrepreneurs — Fred Schebesta and Frank Restuccia — who successfully grew finder.com.au to be Australia's most visited personal finance website.

For all media enquiries, or for additional comment, contact <ngallina@finder.com>

About the author

Richard Laycock is Finder's insights editor and spent years writing and editing articles about insurance for Finder. Richard studied Media at Macquarie University and The Missouri School of Journalism and has a Tier 1 Certification in General Advice for Life Insurance.