

Do Americans Know the True Cost of Their Credit Card Debt?

No, and credit card companies are happy to keep it that way



Americans are carrying over **\$1 trillion** in credit card debt at an average APR of **22.76%**, both historic highs¹

47%
of Americans don't know the interest rate on their credit card (and a quarter don't know where to find it)



Of the 53% who say they do know their rate, **33%** didn't know their rate fluctuates with the Federal Reserve's interest rates



49%
of cardholder are unaware that their APR increased over 5 percentage points in tandem with Fed interest rate increases



At the same time the Fed was raising interest rates, **45%** of Americans increased their credit card spending

Over a third of Americans say they couldn't manage their finances without a credit card, but many don't understand how their cards work

28%
of cardholders don't understand how interest is calculated



40%
don't know that balance transfers usually come with fees attached

By empowering consumers with knowledge, **LendingClub is helping them understand their debt burden so they can make more informed financial decisions and develop debt management strategies.**

Methodology

Propeller Insights conducted a national online survey of 1,013 consumers from May 13 to May 21 to understand the trends and Americans' opinions on credit card usage and debt management. Respondents opted into an online database, and from there, they were targeted based on demographics. To further confirm qualifications, respondents were asked to verify their information in the survey itself. Self-identifying qualifications with the maximum margin of sampling error was +/- 3 percentage points, with a 95% level of confidence.

References

1 *\$1.14 Trillion*: The Federal Reserve Bank of New York, August 2024. Household Debt and Credit Report (Q2 2024), <https://www.newyorkfed.org/microeconomics/hhdc>. 22.76%: The Federal Reserve, May 2024, <https://www.federalreserve.gov/releases/g19/current/>

All other findings are from LendingClub's survey on Credit Card Usage and Debt Management Trends, August 2024

About LendingClub

LendingClub Corporation (NYSE: LC) is the parent company of LendingClub Bank, National Association, Member FDIC. LendingClub Bank is the leading digital marketplace bank in the U.S. Since 2007, we have facilitated over \$90 billion in loans to more than 4.9 million members. Members frequently consolidate variable high interest rate credit card debt into a fixed rate personal loan, providing a clear path to paying off that debt. Our borrowers who consolidate their credit card debt typically save on fees and interest and see their credit score increase by an average of 48 points.³ For more information on personal loans as a debt management tool, visit <https://www.lendingclub.com>.

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