



## NerdWallet: U.S. Households Owe More Than \$15 Trillion in Debt

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**<span class="legendSpanClass">New study finds revolving credit card balances are declining, while mortgage and student loans debt is on the rise.</span>**

SAN FRANCISCO, Jan. 11, 2022 /PRNewswire/ -- [NerdWallet](#), Inc. (Nasdaq: NRDS), a website and app that provides consumers and small businesses with trustworthy financial guidance, found that household debt is on the rise, with the average indebted U.S. household owing \$155,622. According to NerdWallet's annual [American Household Credit Card Debt Study](#), American households hold \$15.24 trillion in debt nationwide, an increase of 6.2% from the amount of household debt owed a year earlier.



The study, which includes a survey conducted online by The Harris Poll on behalf of NerdWallet of more than 2,000 Americans aged 18 and older, found that Americans who have been financially struggling over the past year point to both lower income and higher expenses as reasons why. More than a third of Americans (35%) say their household financial situation has gotten worse over the past 12 months. Of that group, 38% say it's because their household income decreased overall, and 36% say it's because their household expenses increased overall.

Pandemic relief programs, including stimulus payments and the expanded child tax credit, have also helped Americans withstand financial hardships, according to the survey. More than three-quarters of Americans (78%) have received some form of pandemic relief since March 2020, with paying for necessities (43%) and adding it to their savings (43%) being the top uses they say they found for this money. Additionally, some Americans used credit cards as a lifeline during the pandemic – 18% of Americans say they relied on credit cards to pay for necessities during this time, and 17% relied on them for emergencies.

"As the pandemic continues, many consumers are still facing financial hardships – and rising costs for life essentials like groceries, gas, and medical needs can be an additional hurdle," said Sara Rathner, a credit cards writer at NerdWallet. "Leaning on a credit card to make ends meet can be costly, but during a difficult time, it can be a necessary fallback. Consumers whose finances have improved this year may be setting lofty money goals, but it's equally admirable to focus on the basics, like adjusting your budget or rebuilding an emergency fund."

The study also found that:

- **The cost of living has been rising faster than income in recent years:** Median household income has fallen 3% over the past two years, while the overall cost of living rose 7% – a reversal of a decade-long trend in which income growth has exceeded inflation.
- **Falling revolving credit card balances mean lower interest charges:** The average household with revolving credit card debt – meaning credit card balances carried from month to month – owes \$6,006, down almost 14% from the year prior. As a result, consumers are paying less interest; U.S. households that carry credit card debt will pay interest charges of \$1,029, on average, this year, down nearly 11% from the year prior.
- **Mortgage and student loans debts are on the rise:** Mortgage debt is 8.2% higher than the year prior, at an average of \$207,861 per household with mortgages. Meanwhile, student loan balances rose about 2.5% over the past year, to an average of \$59,042 per household with student loan debt.

The full study, including charts and other visuals, can be found [here](#).

### Methodology

This survey was conducted online within the United States by The Harris Poll on behalf of NerdWallet from Nov. 9-11, 2021, among 2,036 U.S. adults ages 18 and older. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables and subgroup sample sizes, please contact [press@nerdwallet.com](mailto:press@nerdwallet.com).

NerdWallet's analysis includes data from the following sources:

- [Household Debt and Credit](#), September 2021, from the Federal Reserve Bank of New York's

Center for Microeconomic Data.

- [Families and Households](#), December 2020, from the U.S. Census Bureau.
- [2019 Survey of Consumer Finances](#) from the Board of Governors of the Federal Reserve System.
- Revolving and transacting bank-card balances, June 2021, via email from Experian, one of the major credit reporting agencies in the U.S.
- [Consumer Price Index](#), September 2021, from the U.S. Bureau of Labor Statistics.
- [Historical Income Tables: Households](#), December 2020, from the U.S. Census Bureau.
- [Employment Cost Index Historical Listing – Volume IV](#), September 2021, from the Bureau of Labor Statistics' National Compensation Survey.
- [Commercial Bank Interest Rate on Credit Card Plans, Accounts Assessed Interest](#), August 2021, from the Federal Reserve Bank of St. Louis.

**About NerdWallet**

NerdWallet (Nasdaq: NRDS) is on a mission to provide clarity for all of life's financial decisions. As a personal finance website and app, NerdWallet provides consumers with trustworthy and knowledgeable financial information so they can make smart money moves. From finding the best credit card to buying a house, NerdWallet is there to help consumers make financial decisions with confidence. Consumers have free access to our expert content and comparison shopping marketplaces, plus a data-driven app, which helps them stay on top of their finances and save time and money, giving them the freedom to do more. NerdWallet is available for consumers in the US, UK and Canada. For more information, visit [NerdWallet.com](https://nerdwallet.com).

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