



***AARP Bulletin* Survey on
Consumer Debt and Loans**

Executive Summary



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AARP collected the data for this project through a telephone survey administered by International Communications Research (ICR). This report was written by Gerard Rainville, Senior Research Advisor, AARP Strategic Issues Research. For additional information contact Gerard Rainville at GRainville@aarp.org.

AARP recently commissioned a nationwide survey looking at the amount and type of debt or loans that consumers carry. The survey examined whether adults had credit card debt, loans and other forms of outstanding financial obligations. It also asked respondents whether or not they had taken actions to reduce their debt or loan balances.

Survey findings include:

- **Seventy percent of adults report having some form of debt or loan obligation.** Seventy three percent of those age 18-49 and 60% of those aged 50+ report having some form of debt or loan balances (this difference between age groups is mainly attributable to the twenty five percent of those age 18-49 who have student loan debt compared to only 5% of those age 50 or more). (Tables 1. and 1a.).
- **Thirty percent of adults report having credit card balances that are not paid in full every month.** (Table 1.).
- **Of those with debt, four in ten adults have monthly debt obligations that are greater than half of their monthly income.** (Table 2).
- **One in 10 adults report having filed for bankruptcy or having considered filing for bankruptcy.** (Table 3).
- **Forty six percent of adults that report having debts or loans have tried to reduce the amount that they spend or owe, over the last six months.** Seventy percent of adults say they have put purchases on a debit card, or paid cash, rather than use their credit cards. The same percentage (70%) say they have cut down on expenses such as eating out, purchasing consumer goods, and taking vacations. Fewer (55%) report paying more than the minimum balance on their credit card each month; even fewer (21%) report negotiating better terms with their creditors. (Tables 4. and 5.)

Survey methodology

The study was conducted for AARP via telephone by ICR, an independent research company. Interviews were conducted from May 28- May 31, 2009 among a nationally representative sample of 1,005 respondents 18 years of age or older. The margin of error for total respondents is $\pm 3.1\%$ at the 95% confidence level. More information about ICR can be obtained by visiting www.icrsurvey.com

Annotated Question with Age Breakouts AARP Bulletin Survey on Debt and Loans

1) Do you currently have any of the following types of loans or obligations?

	Total		18-49		50+	
	Yes	No	Yes	No	Yes	No
a. A credit card balance that is not paid in full every month	30%	69%	31%	68%	29%	70%
b. A mortgage payment	38	61	40	59	36	64
c. A student loan	16	83	25	75	5	95
d. A loan that you can pay on a vehicle (for example, a car note)	33	67	36	64	29	71
e. Cash that you owe other people	14	85	17	83	11	89

1a) Summary of loan situation

	Total	18-49	50+
Has at least one form of debt or loan	70%	73%	60%

(Asked of total who have any specified loans or obligations)

2) Compared to your monthly income, would you say what you owe in total each month on your debt is:

Amount	Total	18-49	50+
Total (About 75%/More than monthly income)	42%	43%	40%
Owe more than your monthly income in total each month on debt	17	19	14
Owe about 75% of your monthly income in total each month on debt	25	24	26
Total (About half/Less than half of monthly income)	55%	54%	56%
Owe about half of your monthly income in total each month on debt	23	25	18
Owe less than half of your monthly income in total each month on debt	33	29	38

(Asked of full sample)

3) Have you ever considered filing bankruptcy owing to debts?

Amount	Total	18-49	50+
I've considered bankruptcy	6%	6%	5%
I've filed for bankruptcy before	4	4	5
I've neither considered nor filed for bankruptcy before	89	89	89

4) Which of the following things have you done in the last 6 months to reduce your debt?

Item	Total		18-49		50+	
	Yes	No	Yes	No	Yes	No
I have <i>not</i> tried to reduce my debt over the last 6 months	46%	53%	46%	53%	45%	53%

(Asked of total who have tried to reduce debt in the last 6 months)

5) Over the last 6 months, to reduce your debt have you...

Item	Total		18-49		50+	
	Yes	No	Yes	No	Yes	No
You have put purchases on a debit card, or paid cash, rather than use your credit card	70%	29%	72%	28%	69%	30%
You have paid more than the minimum balance on your credit card each month	55	42	54	42	56	42
You have cut down on expenses such as eating out, consumer good purchases, and vacations	70	30	69	31	71	28
You have negotiated better terms with lenders or people you owe money to	21	79	21	79	21	78