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Interview dates: December 6-8, 2004
Interviews: 1,000 adults, 790 credit cardholders
Margin of error: ± 3.1 for all adults, ± 3.5 for credit card holders

**THE ASSOCIATED PRESS POLL
CONDUCTED BY IPSOS-PUBLIC AFFAIRS**

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AP/Ipsos Poll: Half of Americans Worry About Debt

The Associated Press Poll is conducted by Ipsos-Public Affairs. Between December 6-8, 2004, the AP-Ipsos poll interviewed a representative sample of 1,000 adults nationwide, including 790 credit cardholders. The margin of error is +/- 3.1 for all adults and +/- 3.5 for credit cardholders. Margin of error for subgroups may be higher.

Washington, D.C., December 21, 2004 — This holiday season, most Americans say they are careful about how they use their credit cards. However, four in ten admit that they are concerned by the total amount of debt they carry, and half say they worry frequently about their indebtedness, according to recent polling conducted for The Associated Press by Ipsos-Public Affairs.

Half of Americans Worry About their Debt

Half of U.S. adults worry regularly about the total amount of money they owe. Three in ten (30%) worry “some of the time,” and another two in ten worry “most” (12%) or “all of the time” (8%). Just over four in ten are not concerned, and worry hardly ever (23%) or “not at all” (21%). Women under 45 (64%), married women (58%) and minorities (58%) are most stressed about their personal debt.

Q. Now thinking about those debts you owe, how often do you worry about the total amount you [and your spouse/partner] owe in overall debt? Would you say you worry all of the time, most of the time, some of the time, hardly ever, or not at all? [IF NO DEBT, ASK:] Now just to make certain, when you say that you [and your spouse/partner] have no debt, does that mean that you owe absolutely no money to anyone or for anything?

All of the time	8
Most of the time.....	12
Some of the time	30
Hardly ever.....	23
Not at all.....	21
(NOT READ) No debt.....	5
Not sure.....	1

Total Worry At Least Some Of The Time.....	50
Total Worry Hardly Ever/Not At All	44

Four in Ten Say Debt Causes Stress

The level of debt carried by households is at least “somewhat stressful” to four in ten (42%) adults in the U.S. Half (52%) say it causes them “not very much” or “no stress at all.”

Q. How much stress does the total debt you are carrying cause to you [and your spouse/partner]? It is a great deal of stress, quite a bit of stress, somewhat stressful, not very much stress, or no stress at all?

Great deal of stress	7
Quite a bit of stress	8
Somewhat stressful	27
Not very much stress.....	26
No stress at all.....	26
Not sure.....	1
Have No Debt.....	5

Total Great Deal/Quite A Bit/Somewhat Stressful	42
Total Not Very Much Stress/None at all...	52

One in Four Foresee Problems in Paying Off Current Debt

Three in ten say their current debts may cause them problems in the next five years, although more estimate it as a “medium” (21%) than a “large” (7%) or “extreme” (3%) problem. About six in ten say their total debt will be either “a small problem” (25%) or “no problem at all” (38%).

Q. Now, thinking ahead over the next five years, how much of a problem, if any, will the total debt you [and your spouse/partner] have taken on be for you? Will it be an extreme problem, a large one, medium, small, or no problem at all?

An extreme problem	3
A large one	7
Medium.....	21
Small	25
No problem at all	38
Not sure.....	1
Have No Debt.....	5

One in four (25%) are at least somewhat concerned that they will never be able to pay off their debts; one in ten are “quite” or “very concerned.” Seven in ten (69%) are not very concerned or not concerned at all.

Q. How concerned are you that you [and your spouse/partner] never will be able to pay off these debts? Are you very concerned, quite concerned, somewhat concerned, not very concerned, or not at all concerned?

Very concerned	6
Quite concerned	4
Somewhat concerned.....	15
Not very concerned	24
Not at all concerned	45
Not sure.....	1
Have No Debt.....	5

Total At Least Somewhat Concerned	25
Total Not Very/Not At All Concerned	69

Women under 45 (34%), people with up to a high school education (34%), non-whites (42%), and those with incomes under \$25,000 per year (40%) are more likely than others to be at least somewhat concerned that they won't be able to pay off all their debts.

One in Ten Credit Cardholders Have Maxed Out, Not Made Minimum Payment

Nearly three-quarters (73%) of adults say they have at least one credit card; a quarter (26%) don't have any. Overall, a majority (58%) report that they have fewer than five credit cards. A small share (15%) say they have five or more credit cards.

Q. Do you [and your spouse/partner] have any credit cards? [IF YES, ASK:] How many credit cards do you [and your spouse/partner] have?

	<u>All</u>
YES, CREDIT CARD HOLDER.....	73
- 1	18
- 2	20
- 3	12
- 4	8
- 5	5
- More than 5	10
- Not sure how many.....	1
NO CREDIT CARDS	26
Not Sure.....	-

One in ten credit card holders say they have reached their credit limit; most (88%) card holders have not. Nearly a quarter (23%) of credit card holders under age 30 say they have reached their limit on at least one card. Women (14%) are more likely than men (7%) to be at their limit.

Q. Thinking of the one credit card you mentioned, have you currently reached your charging limit? [IF HAVE AT LEAST 2 CREDIT CARDS, ASK:] Of the [QUANTITY OF CARDS OWNED] cards you mentioned, on how many, if any, have you currently reached your charging limit?

	<u>Credit Card Holders</u>
None Of Them	88
YES, Reached Charging Limit	10
- 1.....	5
- 2.....	3
- 3 or more	3
Not Sure.....	1

Overall, one in ten say they did not pay the minimum amount due at least once in the past six months. Nine in ten (89%) credit card holders report they have paid at least the minimum due each month. Again, cardholders under age 30 are more likely than others to have missed at least one minimum payment (19% vs. 10% overall).

Q In the past six months, how many times did you not pay off at least the minimum amount due on any of your credit cards?

	<u>Credit Card Holders</u>
0, Never missed payment for minimum.....	89
1.....	4
2.....	2
3 or more	4
Not sure	1

A quarter of credit card users say they use their card to make purchases when they don't have the money. One in six (16%) don't trust themselves to manage their credit card debt, especially people under 30 (29%) and low-income earners (26%).

Q For each of the following, please tell me whether the statement describes you very well, describes you somewhat, or does not describe you at all.

THIS TABLE IS RANKED BY THE PERCENTAGE OF CREDIT CARD HOLDERS WHO SAY IT DESCRIBES THEM

	<u>Describes You Very Well</u>	<u>Describes You Somewhat</u>	<u>Does Not Describe You</u>	<u>Not Sure</u>	<u>Total Describes You</u>
I use credit cards to buy what I want even if I don't have enough money at that moment	7	17	75	1	24
I don't trust myself to manage my credit card debt	9	7	84	-	16

Credit Card Holders Say More Holiday Spending Will Be in Cash than on Plastic

Of credit card holders, six in ten say that most of their holiday spending will be paid for in cash (60%) rather than with credit cards (39%). Among those who will be charging their holiday expenses, most (27%) say they will pay off the charges with the next bill. Only about one in ten (12%) cardholders foresee carrying a balance from holiday spending over to the next month.

Q. Do you expect to pay for most of your holiday season expenses using credit cards or cash? [IF CREDIT CARDS, ASK:] Do you expect you will pay off all of your holiday season charges in full when the bill arrives, or will you carry some of them over to the next month?

	<u>Credit Card Holders</u>
Pay With Credit Card (or credit cards/cash equally).....	39
- Pay off charges	27
- Carry some over	12
Pay With Cash	60
Not Sure	1

Most Say They Try to Use Credit Cards Responsibly

Over half (57%) of credit card holders say they used their card last month, four in ten (43%) did not. People who made a charge were twice as likely to say they will pay off the bill in full (38%) than to carry a balance over to next month (19%).

Q. Last month, did you [and your spouse/partner] make any charges or take any cash advances on one or more of your credit cards? [IF YES, ASK:] Have you or will you pay off all of last month's charges and/ or cash advances or will you carry some of them over?

	Credit Card Holders
Used Credit Card	57
- Paid off.....	38
- Carried over	19
Did Not Use Credit Card	43
Not Sure	-

One in four credit cardholders report that they have no outstanding balances on their cards, and another 15% owe less than \$500. Others owe more substantial balances: a quarter owe more than \$500 but less than \$3,000, and as many owe more than \$3,000 in total.

Married men (31%) and seniors (32%) are more likely than others to have no balances on their cards. Unmarried women are more likely than others to carry balances in the moderate range (27% up to \$500, 31% in the \$500-\$2,999 range). Moreover, people who describe their current financial situation as strong are particularly likely to have zero balances (33%, vs. 17% of those in a weak financial situation).

Q. Right now, approximately what is the total amount you [and your spouse/partner] owe on all your credit cards after your most recent payments?

	Credit Card Holders
\$0.....	25
\$1 – \$499.....	15
\$500 – \$2,999	26
\$3,000 – \$4,999.....	7
\$5,000 – \$7,499.....	7
\$7,500 – \$9,999.....	2
\$10,000 or more	9
Not sure	9
<i>Median.....</i>	<i>\$605</i>

Cards More Popular as Means of Payment than of Financing

The majority of credit card holders appear to regard their cards as a convenient means of payment rather than a way of financing purchases. More than three in four (78%) credit card holders state that they only put purchases on their card if they can pay the bill when it arrives. Two-thirds (66%) say they use credit cards because they are more convenient than cash. And for at least half (55%) of credit cardholders, credit cards aren't a means to pay for emergency expenses only.

Q For each of the following, please tell me whether the statement describes you very well, describes you somewhat, or does not describe you at all.

THIS TABLE IS RANKED BY THE PERCENTAGE OF CREDIT CARD HOLDERS WHO SAY IT DESCRIBES THEM

	Describes You Very <u>Well</u>	Describes You <u>Somewhat</u>	Does Not Describe <u>You</u>	Not <u>Sure</u>	Total Describes <u>You</u>
I only put purchases on a credit card if I can pay the bill in full when it comes	51	27	22	-	78
I use credit cards because they are more convenient than paying with cash	41	26	33	-	66
I only use credit cards in emergencies, such as for medical expenses or car repairs	19	26	55	-	45

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