

How many Americans actually keep a formal budget?

A Gallup poll found only about 1/3 of Americans (32%) maintain a household budget

- Only 30% of Americans have a long-term financial plan that includes savings and investment goals
- You're most likely to budget if you make at least \$75,000 per year

A [MarketWatch report](#) found that more than half of American households (56%) were living paycheck to paycheck in Q1 of 2021.

- More than half of Americans (51%) dipped into their savings over the last 3 months, and 27% of those surveyed had to withdraw \$1,000 or more from savings accounts, including 21% of baby boomers and 30% of Generation Z and Millennials.
- Half of Americans (49%) say they have saved less than \$500 in the past 3 months, and 40% of those who saved less than \$500 were hit by job loss or a fall in income.
- 45% of those surveyed who had an income less than \$30,000 a year said they had more emergency savings than credit-card debt. This percentage increased to 70% for households with an annual income of \$75,000 a year, or more.

According to [NerdWallet's latest 2021 data](#) this is the average American debt:

	Avg. balance owed in 2021	Total debt owed in U.S.	Percent Change (2020-2021)
Total debt	\$155,662	\$15.24 trillion	+6.20%
Mortgage	\$207,861	\$10.67 trillion	+8.22%
Credit cards (revolving)	\$6,006	\$357.04 billion	-13.85%

	Avg. balance owed in 2021	Total debt owed in U.S.	Percent Change (2020-2021)
Student loans	\$59,042	\$1.58 trillion	+2.46
Auto loans	\$28,882	\$1.4 trillion	+6.10

NerdWallet attributes the increase in American indebtedness to the fact that cost of living consistently outpaces income growth. While median household income levels have gone down 3% in the past few years, cost of living increased by 7%.

Percentage of Americans in debt

A [2022 Go Banking Rates article](#) reveals:

- 14 million Americans have over \$10,000 of credit card debt to pay off
- About 46 million have outstanding student loan debt

The latest [U.S. Census Bureau data](#) put 2021 population estimates at almost 332 million (331,893,745) people; however, 22.3% of that figure are under 18. That leaves roughly 257,881,440 adults in the U.S.

[According to Value Penguin](#), the average consumer balance is \$5,315, and the median debt per family is \$2,700. As of 2022, Americans owe \$807 billion across almost 506 million card accounts.

- Roughly 45.4% of American families carry credit card debt balances
- While 15% of American adults carry student loan

That shows just how much of a problem student loan debt is for borrowers, even though more Americans hold credit card debt. Although student loan debt is the second largest source of debt after mortgages, fewer Americans have more total debt in that category.

Defaults and delinquencies on the rise

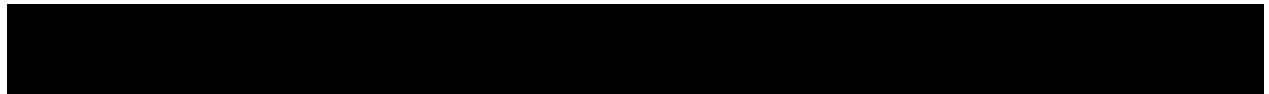
Several reports released in 2021 show how borrowers have fallen behind on their payments:

- [Education Data reports](#) 10.8% of student borrowers default on their education loans within their first year of repayment; 25% of borrowers default within their first five years.
- Over 1 million student loans enter default each year – with \$124.4 billion in student loan debt in default

Meanwhile, the [American Bankers Association](#) found delinquency rates on the rise for bank cards (credit cards) and declining for auto loans:

- Credit card delinquencies increased from 1.65% in Q4 2020 to 2.05% in Q1 2021 (of all accounts)
- Direct auto loan delinquencies fell from 2.05% in Q4 2020 to 1.85% in Q1 2021 (arranged directly through bank)
- Indirect auto loan delinquencies fell from 2.49% in Q4 2020 to 2.10% in Q1 2021 (arranged through a third party)

Average American Financing



[Video Transcript](#)

Auto loans

According to a [WalletHub auto financing report](#):

- The average new car auto loan financing cost was \$35,283.89 (as of Q3 2021)
- The average used car auto loan financing cost was \$23,247.63 (as of Q3 2021)

[USA Today reported:](#)

- The average monthly car payment in the fourth quarter of 2020 hit \$581, up 1.9% from the previous year.

Many Americans also opt for longer terms now. [Edmunds reports](#):

- Nearly 70% of auto loans in the first quarter of 2020 had terms longer than 60 months (increase of 29 percentage points over a decade)
- Most common loan type in the first quarter of 2020 was 72 months, with 84-month loans not too far behind.

Credit card debt

Experian credit data [reported on Bankrate](#) shows credit limits vary based on generation and FICO score:

- Generation Z (ages 18-22) [FICO: 667] = \$8,062
- Millennials (ages 23-38) [FICO: 668] = \$20,647
- Generation X (ages 39-54) [FICO: 688] = \$33,357
- Baby Boomers (ages 55-73) [FICO: 731] = \$39,919
- Silent Generation (ages 74 plus) [FICO: 756] = \$32,338

Following 2 interest rate hikes this year, [CreditCards.com reports](#) average credit card interest rates broke records in 2021:

- National average APR = 16.13%
- Low interest credit cards = 12.94%
- Cash-back credit cards = 16.14%
- Balance transfer credit cards = 13.99%
- Airline credit cards = 15.46%
- Credit cards for bad credit scores = 25.80%

Student loan debt

More than 43 million Americans have federal student loan debt, [Education Data reports](#).

Nearly 19 million borrowers owe between \$10,000 and \$40,000 in federal student loans according to [Nerdwallet](#).

Experian reports \$1.57 trillion in student debt. Student loans are the second-largest [household debt in the U.S.](#), following housing.

[Education Data reported](#) 1 out of 10 Americans has defaulted on a student loan, and 7.8% of all student loan debt is in default (\$124.4 billion); An average of 15% of student loans are in default at any given time.

- 42.8% of borrowers with loans in default owe a debt of \$20,000-\$40,000.
- 77.6% of borrowers owe \$40,000 or less in defaulted student loans.

[StudentAid.gov](#) provides current interest rate information for federal student loans as of July 1, 2021 to July 1, 2022:

- Direct subsidized and unsubsidized loans (undergraduates): 3.73%
- Direct unsubsidized loans (graduates or professionals): 5.28%
- Direct PLUS loans (parents, graduates, or professional students): 6.28%

Mortgage debt

According to a 2021 article published by The Motley Fool:

- The [average loan amount](#) on a new mortgage is \$411,400
- The average interest rate on a [30-year traditional fixed-rate](#) mortgage is 4.114% (as of March 9th 2022).
- As a result, the average homeowners pay a monthly payment of \$1,991
- The average interest rate on a FHA 30-year traditional fixed-rate mortgage is 4.115% and 0.558 average points/credits.

If you're facing challenges with debt, visit Debt.com's Solutions Center today so you can get out of debt fast, minimize interest charges and save your credit!

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Average American Credit Scores

[Video Transcript](#)

The average U.S. FICO credit score broke records in 2021, at an average score of 711.

According to a :

- Average credit score (FICO) tends to improve with age, except if you're age 24-39
 - Generation z (ages 18-23), has an average score of 674, while baby boomers (ages 56-74) have an average credit score of 736.
 - The age group that has the least amount of increase between other groups are Millennials (ages 24-39) with an average credit score of 680.
- Credit score also increases in regards to income:
 - The average score is 658 for low-income earners (50% of Median Family Income)
 - But the average score for high-income earners is 774 (120% of Median Family Income)

[Nerdwallet reported:](#)

- The average FICO score for mortgage applicants (six-month period ending in September 2021):

- 757 for a traditional mortgage
- 677 for FHA loans
- Average credit score for [new car loan or lease](#): 732
 - Average score for used car loan or lease: 665
- Among Nerdwallet users, the average credit score for someone who filed for Chapter 7 bankruptcy was 538.2 in 2010.

[WalletHub also released a map](#) that shows the 2022's highest and lowest median credit scores by city:

- Residents in The Villages, Florida have the highest median credit scores at 806
- Meanwhile, residents in Glendale, Arizona have the lowest median credit scores at 517

Want to improve your credit score? Debt.com's Solutions Center has a variety of tools to help you achieve and maintain good credit.

[Build Good CreditCall To Action Link](#)

Savings and Retirement Statistics

[Video Transcript](#)

As of January 2022, the Federal Reserve listed the average [personal savings rate in the U.S.](#) at 6.4%. This means the average American household saves just over half of what they should save. Experts recommend that your personal savings rate should be 10% of your income.

- The most recent Americans hit this recommended target was July 2021, at 10.5%

- The personal savings rate peaked in the U.S. in April 2020 when the average personal savings rate hit a record 33.8%
- Savings hit its lowest point in July 2005 when we bottomed out at just 2.1%

Saving statistics

- A 2021 survey from [Bankrate](#) revealed that
 - Only 39% of Americans had enough savings to cover a \$1,000 emergency – a figure that has remained relatively consistent since 2014 (hovering between 37-41%)
 - More than 1 in 4 Americans (27%) reported having more credit card debt than money saved in their emergency fund.
- According to Bankrate's July [2021 Emergency Savings Survey](#), more than half of Americans (or 51%) have less than three months' worth of expenses covered in an emergency fund. That total includes 1 in 4 Americans (or 25%) who indicate having no emergency fund at all — up from 21% in 2020.

[From ValuePenguin:](#)

- While the average household savings balance is \$41,600, the median is just \$5,300
- Savings by Income (as of 2019):
 - If you make less than \$25,197.05 annually, you probably have \$800 or less saved ([below income percentile 20%](#))
 - If you make at least \$50,843.56, you average \$4,400 in savings (income percentile 40%)
 - You have to make at least \$80,867.70 annually before you hit an average of \$10,000 in savings
 - And those who make more than \$187,307.67 have \$69,000 on average (income percentile 90%)
- Savings by Age (Mean):
 - Under 35: \$11,200
 - 35-44: \$27,900
 - 45-64: \$48,200

- 55-64: \$57,800
- 65-74: \$60,400
- 75+: \$55,600
- Those who have a college degree have a mean savings balance of \$79,100, while those without have a mean savings of just \$20,100.
- Savings by Race & Ethnicity (Mean):
 - White (Caucasian): \$51,600
 - African American (non-Hispanic): \$13,300
 - Hispanic or Latino(a): \$11,800
 - Other (or mix): \$43,900

Retirement statistics

A 2019 [GOBankingRates](#) report finds 45.5 percent of Americans have \$0 saved for retirement.

- 19% of Americans are expected to retire with less than \$10,000
- Around 20% retire with anywhere from \$10,000 to \$100,000
- Gen Zers and Millennials are least likely to choose more efficient retirement investing tools, such as 401(K) accounts and IRAs, and more likely to use savings accounts
- But Millennials are 20.6% more likely to have \$0 retirement savings than Baby Boomers
- 6% of Baby Boomers had \$500,000 to \$1 million in their retirement nest egg

A separate report by [Smart Asset](#) finds:

- - 30% of Americans 45 and over have no retirement savings or pension
 - The median household net worth for Americans age 35-44 is \$91,300

<li">The median for ages 55-64 is \$212,500

- The average Social Security benefit paid out \$1,543 per month as of January 2021

The average American adult has a personal debt of \$96,371. That's according to [2021 Experian data](#), which is the latest data available. Most of that are mortgages and auto loans.

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