# New survey reveals majority of Americans find credit cards make it challenging to manage their finances

August 17, 2023

*Americans are looking towards more flexible payment options for greater control*

SAN FRANCISCO--(BUSINESS WIRE)--Aug. 17, 2023-- As Americans face record-high credit card debt and fees, nearly three in four (73%) say credit cards make it challenging to manage their finances, according to a new survey conducted by OnePoll and commissioned by Affirm (NASDAQ: AFRM) the payment network that empowers consumers and helps merchants drive growth. The research surveyed 2,000 gen pop Americans, exploring their attitudes and priorities for their personal finances while investigating how they have shifted their budgets and spending amidst increasing economic uncertainties.

Despite a majority of Americans (64%) reporting that they feel "in control of their finances," nearly eight in 10 (79%) think they could be doing a better job managing them.

Saving more (68%) was the most used strategy in the first half of this year, as the U.S. personal savings rate reached 4.3% in June, up from a 15-year low of 2.7% in June 2022. Americans' increased savings may help explain why more than three in four (76%) Americans feel prepared for a potential recession. However, the average person reported spending $350 over budget in the past six months and over eight in 10 (83%) people shared that they still plan to adjust their budget for the remainder of the year.

Americans are seeking more control and flexibility from payment options that can help them better manage their finances, the survey found. Buy now, pay later was ranked number one, with nearly half of respondents (48%) stating that it makes them feel most in control of their finances, followed by credit cards (41%) and cash (28%).

“We can’t talk about buy now, pay later without putting it in the context of the larger credit landscape,” said Libor Michalek, President of Affirm. “The reality is that the average American has three credit cards and nearly $6,000 in revolving credit card debt, while financial institutions collect billions in late fees each year. That is a lot of money coming from consumers’ pockets when they need it most. We offer a more intelligent and responsible way to access credit – you can’t revolve with Affirm by design, and we don’t charge late or hidden fees.”

"The very worst thing we can do is loan money to someone when it's not responsible – for them or for us," Michalek added. "That's why if we think someone is overextending themselves, we'll let them know 'we don't think you should buy this' as opposed to approving them."

Every time someone wants to use Affirm, they have to apply – whether purchasing a $50 sweater or investing thousands of dollars in an engagement ring, a couch, or a vacation. The decision to extend a loan is evaluated against a wide range of data points, including a consumer’s credit history, their debt obligations — both with Affirm and other creditors — their current income and the cost of the purchase.

Once approved, consumers can select the payment option that works best for them and their budgets, choosing from customized payment options. Payment options with Affirm can be interest-free or simple-interest bearing, meaning a consumer never pays more than what they agree to at checkout. This is unlike compound interest, which charges interest on top of existing interest, if a consumer pays the minimum amount due or misses a payment.

Consumers are always reminded by SMS and email when they owe a payment and can easily enable or disable autopay in the Affirm app. Affirm also gives consumers control over their privacy choices and never sells consumer data.

**Survey Methodology**

This random double-opt-in survey of 2,000 general population Americans was commissioned by Affirm between June 20 and June 23, 2023. It was conducted by market research company OnePoll, whose team members are members of the Market Research Society and have corporate membership to the American Association for Public Opinion Research (AAPOR) and the European Society for Opinion and Marketing Research (ESOMAR).

**About Affirm**

Affirm’s mission is to deliver honest financial products that improve lives. By building a new kind of payment network — one based on trust, transparency and putting people first — we empower millions of consumers to spend and save responsibly, and give

thousands of businesses the tools to fuel growth. Unlike credit cards and other pay-over-time options, we show consumers exactly what they will pay up front, never increase that amount, and never charge any late or hidden fees. Follow Affirm on social media: LinkedIn | Instagram | Facebook | Twitter.

AFRM-A

View source version on businesswire.com: https://www.businesswire.com/news/home/20230817280559/en/

**Press**
Affirm
Emily Dale
press@affirm.com

Source: Affirm