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## Americans Don't Understand What's in Their Wallet

### 1 in 5 Americans pay credit card interest without even knowing their interest rate

CHARLOTTE, N.C., Aug. 7, 2015 /PRNewswire/ -- LendingTree®, the [nation's leading online loan marketplace](#), recently conducted a survey among a nationally representative sample of 3,170 Americans to gain insight into credit card behaviors, sentiments and knowledge. Of the 2,462 Americans who stated they owned at least one credit card, many don't know where they financially stand with their credit accounts. Forty-two percent of Americans did not know the combined total credit limit of their credit cards and 58 percent did not know the highest annual percentage rate (APR) of their credit cards.



While many respondents pay off their entire credit card balance each month (almost 52 percent) and therefore pay little attention to APRs, not everyone is as diligent. Of the 58 percent of people who did not know the APRs of their credit cards, nearly 40 percent (38.06%) carried a credit card balance to the next month, incurring interest fees. This translates to a little over one-fifth of card-carrying Americans paying credit card interest without even knowing what the interest payments are.

"Credit cards can be a very convenient and beneficial form of payment when managed responsibly," stated Doug Lebda, CEO of LendingTree. "But when you make purchases using a credit card and carry the balance from month to month, you incur interest - effectively increasing the price of your purchases by fifteen to twenty-five percent, depending on your interest rate. Miscalculating a budget or not understanding how interest rates can affect your bottom line can lead to consumers being in unexpected credit card debt."

The survey also found 40 percent of Americans did not know their credit utilization ratio, or the amount of debt one owes in comparison to their maximum credit debt allowance. Without knowing your total credit limit, you cannot calculate your credit utilization.

A [previous study done by LendingTree](#) showed that less than a quarter knew that credit utilization accounts for approximately 30 percent of one's credit score. In this latest survey only 14 percent of Americans did not know which credit score band they fell into. But in the previous study, data showed that when asked in an open-ended question to provide their credit score, nearly 60 percent of Americans didn't know their exact credit score or provided an implausible value.

"Credit bands only represent a general view of where one stands financially and the bands can be pretty broad. Two individuals both with "very good" credit scores can still get very different rates and offers. A person with a 750 score is likely to get a much better deal than someone with a 720," said Lebda. "To get the best financial rates and offers, it's best to keep track of your credit score and know what could affect it. Having a solid grasp of your credit situation can save you significant money, but it's also just simply good practice to make sure your finances are correct and you're not victim to a reporting error or credit fraud."

There are a number of financial tools available online that can help track your credit score. LendingTree's [My LendingTree platform is a free service](#) that provides monthly credit score updates and insights on how one can improve that score. LendingTree has recently upgraded its platform to also provide savings alerts and recommendations for an individual's financial accounts including mortgages, auto loans, personal loans, and more.

To view the original press release version in the LendingTree Press Room, please visit:

<https://www.lendingtree.com/press-release/americans-dont-understand-their-wallet>

### Methodology

The 2015 U.S. Credit Card Survey was conducted online within the United States by SurveyMonkey® on behalf of LendingTree between July 16 and July 21, 2015 among a nationally representative sample of 3,170 Americans ages 18 and up.

#### **About LendingTree**

LendingTree (NASDAQ: TREE) is the nation's leading online loan marketplace, empowering consumers as they comparison-shop across a full suite of loan and credit-based offerings. LendingTree provides an online marketplace which connects consumers with multiple lenders that compete for their business, as well as an array of online tools and information to help consumers find the best loan. Since inception, LendingTree has facilitated more than 55 million loan requests. LendingTree provides free monthly credit scores through [My LendingTree](#) and access to its network of over 350 lenders offering home loans, personal loans, credit cards, student loans, personal loans, business loans, home equity loans/lines of credit, auto loans and more. LendingTree, LLC is a subsidiary of LendingTree, Inc. For more information go to [www.lendingtree.com](http://www.lendingtree.com), dial 800-555-TREE, like our [Facebook page](#) and/or follow us on Twitter [@LendingTree](#).

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