

Survey: Will holiday spending leave Americans deeper in debt

Amid supply chain fears and concerns about shipping delays, 58% say they plan to use a short-term loan to cover their holiday expenses this year

AUSTIN, TEXAS, USA, November 17, 2021 /EINPresswire.com/ -- Spending, supply shortages and shipping delays are key fears for Americans as the 2021 holiday shopping season kicks into high gear.



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*Dr. Luke Dean -- CFP(r)
Program Director, Utah Valley
University*

But just how worried are they? As Black Friday approaches, DebtHammer.org set out to learn. We surveyed more than 750 Americans from Oct. 27-Nov. 5 to study how COVID-19, fears of supply shortages and the overall economy are affecting spending plans compared to last year.

Though more than 78% say they have some savings set aside for holiday spending, 58% said they expect to take out a payday loan or other short-term loan to pay for their

holiday

celebrations, and 66% expect to use a "buy now, pay later" plan like Afterpay, Klarna or Affirm to help spread out their expenses.

More key findings

Hope is in short supply: More than 80% of those surveyed are worried that supply chain shortages may prevent them from finding the items they want. More than 30% plan to buy fewer items, 23% will give homemade gifts and 18% will gift items they already have on hand.

Will the post office deliver? More than 81% of Americans are worried about higher shipping costs and longer shipping times over the holiday season. More than 85% of those surveyed are making changes to their normal shopping routine, including 23% who plan to transport gifts themselves and 21% who will give fewer gifts to out-of-town friends and relatives.

We're shopping earlier: The lingering pandemic and anticipated supply shortages have consumers buying earlier, a trend that had already started last year. In 2020, consumers spent \$5.1 billion just on Thanksgiving Day. More than 62% will have already done some shopping by the time Black Friday rolls around, and another 14% will start on that day.

Read the full report at: <https://debthammer.org/holiday-spending-survey/>

DebtHammer is an industry leader in the business of fighting to get Americans out of debt.

Please email media@debthammer.org for more information, or if you would like to schedule a phone or video call with DebtHammer's CEO, Jake Hill.

Feel free to embed any of the visuals included in the report on your website, or to use or edit the raw files as needed. Full data sets are available upon request.

Advice from the experts:

What's the one piece of advice you'd give to anyone planning to go into debt due to holiday spending?

Holidays are a time when consumers' emotions greatly shape their purchase decisions and they are thinking about the smiles on the faces of their family and friends when they exchange gifts. However, I would advise consumers to think about their credit card statements and checking account balances in the month of January when they consider making purchases.

Dr. Larry Chiagouris -- Professor of Marketing, Lubin School of Business, Pace University

Parents need to remember that the joy of the holiday season is genuine regardless of the size of the pile of presents under the tree. Please don't mortgage your family's future financial stability and take on unsustainable high-interest debt like credit card debt or payday loans to place a few more trinkets or bobbles. There are civic/community programs that can help ensure your family has its needs met during the holiday season.

Dr. Luke Dean -- CFP(r) Program Director, Utah Valley University

What steps can people take to help them stay on track with budgeting this holiday season?

Keep entertaining simple. Remember, it's about spending time with people, not trying to impress them or live up to a standard. Have a shopping plan. Think about what gifts you want to give before you go to the store or online; this might cut back on impulse buying or other potential overspending. Be careful and alert when shopping online. Again, have an idea of what you want before going to the online store. Resist those "hot deal" pop-ups.

Dr. James Philpot -- Associate Professor of Finance and General Business, Missouri State University

Consider alternative gifts, such as volunteering or handmade goods, as a way to save money during the holiday season. Also, keep your eye on the price and consider using coupons and coupon codes whenever possible.

Dr. Karen Xie -- Associate Professor, Daniels College of Business, University of Denver

What's the most important piece of advice you have to help get people started on a savings plan for next year's holiday season?

Setting up a direct deposit to a saving or money market account from a checking account. One can start with any amount – \$20, \$25, \$50 – whatever one is comfortable with – and then adjust it (ideally upwards) accordingly.

Dr. Neel Das -- Professor, Walker College of Business, Appalachian State University

Pay yourself first! Place a percentage of your salary in a bank. When next holiday season arrives, you may be able to accumulate a nice fund.

Dr. Ralph Lim -- Associate Professor of Finance, Jack Welch College of Business, Sacred Heart University

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