

Survey: 32% of Buy Now Pay Later plan users struggle to pay their bills

As popularity continues to skyrocket, respondents say these "pay in four" plans like Afterpay, Affirm, Sezzle and Klarna are adding to their debt problems

The logo for DEBTHAMMER, with the word "DEBTHAMMER" in blue capital letters inside a blue rectangular border.

AUSTIN, TEXAS, USA, March 2, 2022

/EINPresswire.com/ -- Americans are struggling financially as Inflation soars to a [40-year high](#). And as we scramble to pay skyrocketing prices for all of our goods and services, Buy Now Pay Later companies are capitalizing.

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“Buy now” is fun. ‘Pay later’ is much less fun.”

*Dr. John Hilston, professor,
Eastern Florida State College*

Like an old-fashioned layaway plan, these “pay in four” services like Afterpay, Affirm, Sezzle or Klarna offer shoppers a way to break purchases into smaller payments with no interest charges. But instead of making you wait until the item is paid off, you take your purchases home immediately. Even that lunch order from Uber Eats can be split into four “easy” payments.

But these plans are also fueling America’s consumer debt struggles: 32% of Buy Now Pay Later plan users have had to skip paying an essential bill such as rent, utilities or child support in order to make their payments. Even after that, 30% report that they’ve struggled to make their payments.

March is National Credit Education Month. To mark this, DebtHammer.org set out to learn how Buy Now Pay Later plans are impacting our finances. We [surveyed 1,050 Americans](#) to learn about their Buy Now Pay Later experiences.

Key takeaways:

Popularity is skyrocketing: More than 45% of Americans have now signed up for at least one Buy Now Pay Later plan. That’s compared to 31% as of April 2021 – a 41% increase in usage over 10 months. Of those who’ve used the plans, 22% regret their decision, saying they wish they’d never signed up for a plan at all.

We're taking on more than we can afford: More than 50% of respondents have been paying off multiple Buy Now Pay Later plans at one time.

They cause us to overspend: Without these plans, more than 65% of users said they wouldn't have been able to purchase the items for various reasons.

Read the full report at debthammer.org/buy-now-pay-later-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 Founder and 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.

The professors weigh in

What's the biggest danger consumers face with Buy Now Pay Later plans?

"Buy now" is fun. 'Pay later' is much less fun. Some consumers have trouble quantifying (when they "buy now") what the "easy monthly payment" will look like when it's time to pay bills. I like to think that most people have good character and fully intend to meet the payback terms.

– Dr. John Hilston, Professor of Economics/History/Business at Eastern Florida State College

Do you feel like Buy Now Pay Later plans are changing Americans' shopping habits?

Some of the BNPL plans that do not require credit checks are making it possible for consumers with bad credit or with thin credit files to be able to access installment credit — again, similar to what credit cards allow. In that sense, the BNPL plans are changing/expanding spending habits.

– Dr. Lawrence White, Professor, Stern School of Business, New York University

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