

Holiday Spending Will Leave Half of Americans in Debt This Year, Survey Shows

Inflation and stress are also leading to anxiety and depression as families worry about overspending.

AUSTIN, TEXAS, USA, November 15, 2022 /EINPresswire.com/ -- Holiday spending is expected to be robust again this year, whether or not Americans can afford it.



If you have to go into debt, try really hard to keep it under control. And as you consider buying gifts, keep remembering: It really is the thought that matters."

*Lawrence White, Professor,
NYU's Stern School of
Business*

About 50% of shoppers are planning to take on new short-term debt this year during the Christmas season to cover their extra costs, and getting through the season is taking a toll on emotional health, causing depression, crying, compulsive overspending and even suicidal thoughts.

And much like the Nov. 8 election, there's a very tight margin between the number of people who say they'll spend more because they're optimistic after the primaries -- 7.58% -- compared to 6.21% who say they'll spend less because the outcome has left them more pessimistic.

The National Retail Federation is forecasting that holiday retail sales during November and December will grow between 6% and 8% over last year, to between \$942.6 billion and \$960.4 billion. And that's after last year's \$889.3 billion shattered previous records. But many families are already struggling with inflation, higher gas prices and day-to-day expenses. The extra costs associated with gift-giving, travel and special meals are expected to bust budgets across the U.S.

How much will families struggle? DebtHammer.org [surveyed 1,100 Americans](#) to learn more about their holiday spending plans this year. Here are the findings:

Americans will end the year in debt: While most said they'll turn to a credit card to help them get through, a third of those credit card users said they won't be able to pay off the bill and will have to carry a balance into 2023. 13% plan to use "Buy Now Pay Later" plans, which require paying an item in four (or sometimes more) installments. Another 8% are planning to use payday loans or title loans, and 7% will use personal loans. Almost 9% will get an advance from a [paycheck advance app](#) like Dave or an employer-sponsored earned wage app like PayActiv. About 3% said they plan to skip paying an essential bill to have extra money to spend on the holidays.

Under pressure: The most wonderful time of the year leads to a lot of stress, anxiety and depression. Just under half of Americans are experiencing some form of anxiety over the approaching season.

Taking a big toll: For those experiencing anxiety or depression, the emotional toll is so extreme that 7% say they have considered suicide or questioned their will to live. About 53% cite constant worry, 31% can't sleep, another 31% have already cried due to holiday stress, 24% experience mood swings, 23% overeat, 23% have stress-purchased items they can't afford and 12% have consumed alcohol. About 15% plan to turn to a lender to ask for help, or to seek financial counseling.

Read the full report at: 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?

People need to consider both finances and psychology when they are looking at the possibility of going into debt due to holiday spending. Both elements are important. On the financial side, people often consider issues such as how much they want to spend, how deep will the created debt be, and what is the rate of interest, and how long will it take to pay off. There are also psychological questions at play as well. These can include: "What does the gift recipient truly need in order to know that I care about them or to make them happy?;" "How much is really enough?;" or "Other than generosity, are there other emotions that are at play that are influencing my gift-giving choices?" Sometimes we realize that this emotional side of spending, even if it is buying for others, is more complicated than we believe at first thought. Taking a few moments to think about these psychological aspects may influence the extent to which people incur debt.

–Steven Meyers, Professor in the Department of Psychology at Roosevelt University

Going into debt due to holiday spending has major drawbacks for your mental health. Our finances can play a major role in impacting our stress levels. When people spend more than they have, or go into debt, their stress multiplies. Financial stress often increases conflict in family

relationships, because of the spending itself when partners don't agree, or because of the sacrifices involved in trying to pay back the debt. Think carefully about the burdens of going into holiday debt, because they just might outweigh any possible benefits.

–Maryam Kia-Keating, Associate Professor of Clinical Psychology for the University of California at Santa Barbara Department of Counseling, Clinical, and School Psychology

There are many logical reasons to accept debt into your life. I think the best reason is to improve your economic situation. Accept debt if you are starting a business or going to university for a degree or certificate that will lead to a promotion and an increase your income. Holiday spending, it's not worth it. Figure out a way to stay within your budget and plan for it all year long.

–Deborah Cohn, Interim Dean, School of Management, New York Institute of Technology

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