

Gen Z faces fastest-growing credit card debt of any generation

Article

The news: Gen Z's credit card debt is growing faster than that of any other generation, [according to](#) data from Credit Karma.

- Gen Z credit card balances averaged **\$3,328** in Q2, a **4.23%** increase from \$3,193 in Q1.
- Despite this growth, Gen Z still holds the least credit card debt of any generation.

The bigger picture: It's getting harder for consumers to pay off their entire monthly credit card balances.

- **More than half (51%) of US consumers can't pay off their entire balance each month and accrue interest on the balance, according to a survey from JD Power.**
- This is the highest level in years: The percentage ranged from 40% to 50% between 2018 and 2022, per JD Power.

Record-high credit card interest rates have helped propel consumer credit debt to new heights. **US consumer credit card debt surpassed \$1 trillion** for the first time in July, per Federal Reserve Economic Data.

Why it matters: Delinquency rates, while increasing, have normalized to pre-pandemic levels. But certain economic factors could push delinquencies to worrying levels, particularly among Gen Zers.

- Inflation remains above the Federal Reserve's target, straining budgets. The core consumer price index (CPI), which excludes volatile food and energy prices, **rose 4.7% YoY, per** the Labor Department.
- Student loan payments will also resume in October, adding another financial burden on consumers. The average monthly payment is expected to be roughly **\$400 per borrower**.
- And consumers' excess pandemic savings are quickly dwindling, eroding a key safety net.