

One-third of holiday gift givers feel pressure to spend too much, CardRatings survey reveals



Planning to pay for your holiday gift shopping with a credit card? You'll likely be spending more overall than someone who pays with a non-credit option.

The good news, however, is that most of the people using a credit card will pay off those balances in full at the end of their next billing cycle, meaning they won't have to account for interest charges when it comes to their holiday budget... and they just might walk away with substantial credit card rewards as a result.

In November 2019, CardRatings.com polled 800 holiday gift shoppers nationwide to discover who will be spending what on gifts this holiday season and how they intend to pay for it. The survey reveals that 43% of men and 48% of women plan to pay for their gift shopping with a credit card (or cards), while 50% of men and 48% of women expect to pay with a non-credit option (specifically, cash, check or debit card).

Holiday gift spending amounts

But how much are gift-givers planning to spend this holiday season?

A whopping 86% of respondents say they expect to spend about the same or more on gifts this holiday season as they did last year, and those paying with credit cards will be spending the most. Men paying with a credit card expect to spend an average of about \$1,187 on gifts, while women paying with a card will spend \$1,241. For both men and women, those paying with cash report they expect to spend substantially less -- \$767 among men and \$707 for women surveyed.

"The holiday gift-giving season is an excellent time of year to meet minimum spend requirements on a new card in order to earn that big welcome bonus or just to rack up everyday [cash back](#) or [travel rewards](#)," explains Brooklyn Lowery, senior manager of CardRatings.com. "The key during this season just as at any other time of year, is to keep an eye on your budget and to spend within your means so that interest charges don't eat up all those rewards you're earning."

The survey indicates that most people using credit cards for their gift shopping do, in fact, seem to have a budget or plan in mind. Nearly two-thirds (63%) of respondents using credit cards say they usually pay off their balances each billing cycle and anticipate doing so during the holiday season as well. Furthermore, about 50% of both men and women paying with cards say they save ahead of time in order to buy gifts for the holiday season.

Still, one-quarter of the respondents (25%) paying with credit cards do expect to carry a balance as a result of their gift-shopping, even though they say they usually pay off their balances in full each billing

cycle, and 11% say they usually carry a balance on their cards and expect to do so during the holiday season as well.

"Paying interest on your holiday gift purchases is an uncomfortable way to start off the New Year," Lowery observes. "However, if it's your reality this year, make sure you have a solid plan in place to deal with it. About 76% of the people who tell us they expect to carry a balance as a result of their gift shopping also report that they would consider opening a credit card with an [introductory 0% APR](#) in order to help them manage their balances this holiday season.

"We always recommend spending within your means and paying off your credit card balances in full each cycle, but it is good to see that three-quarters of those who expect to carry a balance have a plan for managing that balance without paying interest," Lowery continues.

Holiday shopping season lasts all year for some

November is certainly the start of the holiday gift-shopping season, with 48% of people saying that's when they begin gift shopping, but it seems that some people, women in particular, can get into the gift-shopping spirit throughout the year.

Nearly 17% of women, compared to just 10% of men, say they pick up gifts whenever they see them throughout the year. Perhaps the higher percentage of women who shop this way is related to their plans to buy for more people overall. Women report that they expect to buy gifts for an average of just under 10 people this holiday season, while men say they intend to shop for about seven people.

While men and women may shop for different numbers of people, the pressure both feel to do that shopping is similar. One in three survey respondents -- specifically, 34% of men and 33% of women -- say they feel pressure to spend more on gifts than they can comfortably afford.

Among those who feel the pressure to spend more than they can comfortably afford, 63% say they save up ahead of time in order to buy gifts for the holidays, indicating, perhaps, that the pressure to spend isn't resulting from a lack of planning.

Methodology: In November 2019, CardRatings commissioned Op4G to conduct surveys among 800 holiday gift-givers nationwide. All participants self-reported demographic and personal information.