

**CANADIAN PRESS / LEGER MARKETING**

## **Canadians and Credit Cards**

### **Report**



## 1.0 Research Findings

- Four credit card holders out of ten mentioned not knowing how much interest they paid.

Question: What is the interest rate that you are paying on your main credit card?

n=1171	No interest	Less than 5.0%	5.1 to 10%	10.1 to 15.0%	15.1 to 20.0%	More than 20%	Dnk	Refusal
	4.1%	1.5%	12.8%	7.5%	24.1%	3.6%	41.8%	4.7%

- Three-quarters of Canadians said they had at least one credit card and card holders mentioned having an average of 2.5 cards.

Question: How many different credit cards do you personally have?

n=1507	None	1	2	3	4-5	More than 5	Dnk/refusal
	22.3%	27.1%	22.4%	11.7%	8.5%	5.9%	2.2%

Question: Out of the following types of credit cards, which ones do you have?

n =1171 (credit card holders)	... a regular credit card or cards	...a gas station credit card or cards	...a credit card or cards from major department stores	...another type of credit card or cards	Dnk/Refusal
	91.8%	13.5%	49.2%	4.3%	2.8%

- An average debt load of \$1269.

Question: Approximately how much do you currently owe on your credit card or cards?

n=1171	Don't owe anything	\$100 or less	\$101 to \$250	\$251 to \$500	\$501 to \$1000	\$1001 to \$5000	More than \$5000	Dnk/Refusal
	28.6%	6.4%	7.3%	9.6%	9.7%	13.1%	1.7%	23.6%

- A majority of card holders mentioned paying off their entire credit card bill.

Question: Normally, when you receive your credit card bill, do you pay...?

n=1171	... the minimum amount	... the total amount	Between the two	Dnk/Refusal
	11.9%	64.0%	21.4%	2.7%

Question: Do you ALWAYS, OFTEN, RARELY or NEVER pay your credit card bill before the due date?

n=1171	Always	Often	Rarely	Never	Dnk/Refusal
	50.6%	25.6%	12.2%	9.1%	2.5%

## 2.0 Results

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### 2.1 Four credit card holders out of ten did not know how much interest they paid

41.8% of Canadians who have at least one credit card mentioned not knowing the rate of interest charged by their main credit card company.

Although credit card holders estimated the average credit card interest rate to be 13.5%, it is nonetheless important to point out that 4.1% did not think they paid any interest at all. 1.5% of respondents thought they paid less than 5%, 12.8% between 5.1 and 10%, 7.5% between 10.1 and 15%, 24.1% between 15.1 and 20% and 3.6% mentioned thinking that the interest rate they paid was greater than 20%

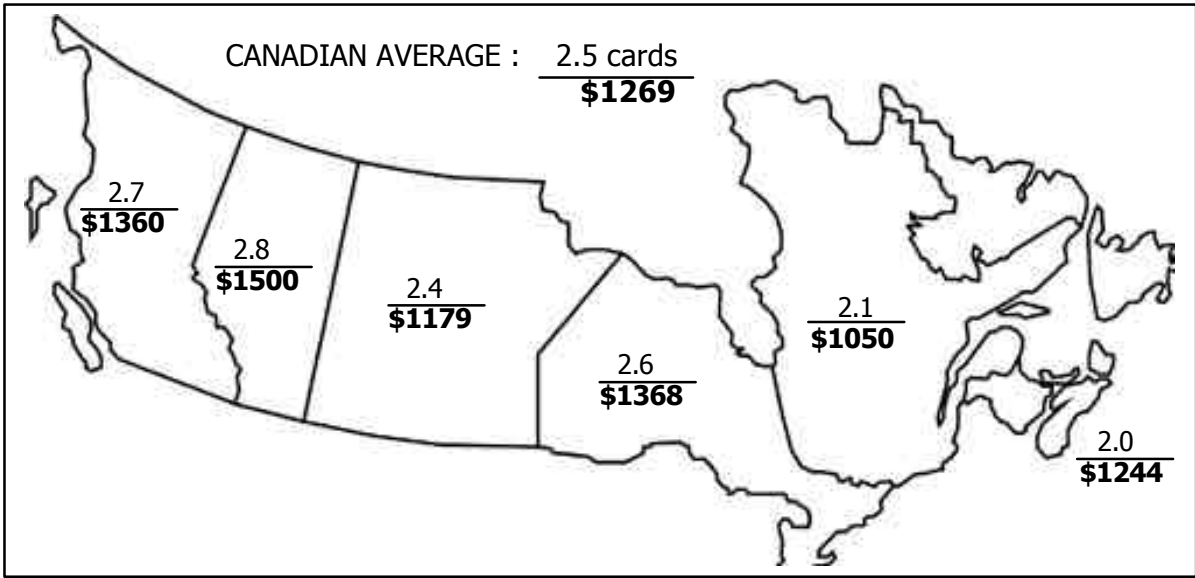
We also noted that 40.6% of those who said they paid the minimum required amount of their total credit bill, did not know the interest rate they were paying. Moreover, 48.3% of those who paid their bill upon receipt did not know the interest rate either. This was also the case for 33.3% of those who said they owed more than \$500 to a credit card company on the day of the survey.

Finally, we noticed that 37.9% of Canadians who rarely or never paid their bills before the due date did not know the interest rate.

Question: What is the interest rate that you are paying on your main credit card?

n=1171 (credit card holders)	No interest	5.0% or less	5.1 to 10.0%	10.1 to 15.0%	15.1 to 20.0%	More than 20%	Dnk
Atlantic provinces	0.0%	0.0%	14.7%	10.0%	21.2%	4.0%	46.9%
Quebec	6.3%	1.0%	8.5%	5.1%	29.1%	4.6%	41.9%
Ontario	4.1%	2.4%	13.7%	6.6%	22.4%	2.9%	41.6%
Prairies	4.1%	0.0%	13.8%	5.1%	19.3%	2.0%	52.3%
Alberta	1.0%	1.9%	16.1%	10.6%	25.0%	1.9%	38.6%
British Columbia	4.6%	0.9%	13.9%	12.1%	23.4%	5.6%	35.4%
Canada	4.1%	1.5%	12.8%	7.5%	24.1%	3.6%	41.8%

Note: 100% is reached by adding the responses of those who refused to answer.



Average number of credit cards  
Average amount owed

## 2.2 Three-quarters of Canadians mentioned having at least one credit card

75.5% of Canadians mentioned having at least one credit card. 27.1% said they had only one, 22.4% said they had two, 11.7% said they had three and 14.4% said they had more than four.

We noted that 22.3% of Canadians mentioned not owning a credit card. 44.0% of those 18 to 24, 44.8% of those with a household income less than \$20,000, 43.6% of students and 31.3% of those who do not have a college education were more likely not to have a credit card.

Among the credit card holders, 91.8% owned at least one regular card, 13.5% at least one gas station credit card, 49.2% a card from a major department store and 4.3% another type of credit card.

In addition, all Albertans mentioned having at least one regular credit card. 94.2% of men were more likely to own a regular card and 16.9% a gas station credit compared to women; on the other hand, 54.6% of women were more likely to own a credit from a major department store.

Question: How many different credit cards do you personally have?

n=1507	None	1	2	3	4-5	More than 5	Dnk/ Refusal
Atlantic provinces	31.7%	25.6%	19.9%	16.2%	4.3%	0.0%	2.2%
Quebec	22.5%	33.3%	21.9%	9.9%	5.9%	4.7%	1.8%
Ontario	20.1%	24.8%	23.1%	12.7%	9.4%	6.7%	3.2%
Prairies	19.9%	25.5%	26.5%	11.5%	9.2%	5.7%	1.7%
Alberta	18.1%	26.0%	25.1%	13.4%	8.7%	8.7%	0.0%
British Columbia	26.9%	24.5%	18.4%	8.8%	12.2%	7.6%	1.5%
Canada	22.3%	27.1%	22.4%	11.7%	8.5%	5.9%	2.2%

Question: Out of the following types of credit cards, which ones do you have?

n=1171 (credit card holders)	... a regular credit card or cards	... a gas station credit card or cards	... a credit card or cards from major department stores	... another type of credit or cards	Dnk/ Refusal
Male	94.2%	16.9%	43.2%	5.2%	1.7%
Female	89.7%	10.4%	54.6%	3.5%	3.8%
Atlantic provinces	95.1%	11.5%	48.5%	3.3%	0.0%
Quebec	89.5%	9.1%	45.4%	5.5%	2.6%
Ontario	90.0%	14.7%	49.0%	4.4%	4.4%
Prairies	92.6%	12.2%	52.5%	2.0%	2.3%
Alberta	100.0%	16.4%	52.1%	2.9%	0.0%
British Columbia	93.3%	17.9%	53.0%	4.6%	2.1%
Canada	91.8%	13.5%	49.2%	4.3%	2.8%

### 2.3 An average debt load of \$1269

At the time of the survey, each card holder owed an average amount of \$1269 to credit card companies.

We find the lowest average amount owed in Quebec with \$1050 and the highest amount in Alberta with \$1500. People 18 to 24 years old (\$774) and those 65 or over (\$807) represent the age groups that have the lowest debt level. Canadians between 55 and 64 were the most indebted owing an average amount of \$1612.

In addition, 46.5% of Canadians 65 years old and more and 35.0% of persons not in the labour force represented those who had no credit card debts.

We must however keep in mind that 28.6% of respondents who owned at least one credit card, did not owe anything to the card issuer.

Question: Approximately how much do you currently owe on your credit card or cards?

n=1171 (credit card holders)	Average	Don't owe anything	\$100 or less	\$101 to \$250	\$251 to \$500	\$501 to \$1,000	\$1,001 to \$5,000	More than \$5,000	Dnk/Refusal
18-24 years old	\$774	22.0%	15.0%	8.8%	16.2%	10.3%	9.0%	1.1%	17.6%
25-34 years old	\$1352	21.9%	6.5%	7.9%	11.2%	14.1%	12.0%	3.5%	22.8%
35-44 years old	\$1225	25.9%	4.5%	5.6%	12.0%	12.7%	15.2%	1.0%	23.1%
45-54 years old	\$1508	26.3%	5.2%	9.8%	8.0%	7.0%	15.1%	2.0%	26.7%
55-64 years old	\$1612	37.1%	6.8%	1.9%	5.2%	7.5%	16.0%	0.9%	24.6%
65 years old and more	\$807	46.5%	6.0%	10.4%	4.8%	3.2%	6.3%	0.7%	22.1%
Atlantic provinces	\$1244	26.1%	8.9%	6.7%	13.0%	5.6%	14.0%	1.6%	24.0%
Quebec	\$1050	28.7%	8.5%	7.3%	12.9%	12.5%	12.3%	1.0%	16.7%
Ontario	\$1368	30.6%	4.8%	7.0%	8.8%	10.0%	12.9%	1.4%	23.5%
Prairies	\$1179	25.9%	6.2%	8.2%	7.2%	11.2%	16.3%	0.3%	24.7%
Alberta	\$1500	25.1%	7.7%	6.7%	4.8%	7.7%	18.2%	3.9%	25.8%
British Columbia	\$1360	27.8%	4.8%	8.3%	9.4%	6.5%	8.4%	2.8%	32.0%
Canada	\$1269	28.6%	6.4%	7.3%	9.6%	9.7%	13.1%	1.7%	23.6%

## 2.4 A majority of card holders mentioned paying off their entire credit card bill

64.0% of credit card holders mentioned normally paying their entire credit card bill while 11.9% mentioned paying the minimum amount required and 21.4% an amount between those two extremes.

Among those who mentioned paying the total amount, we find 81.5% of those aged 55 or more, 70.0% of Francophones, 68.3% of Canadians in the higher income brackets, 70.3% of professionals, 83.7% of retired Canadians, 71.6% of persons not in the labour force and 69.2% of University-educated Canadians.

Finally we note that 50.6% of Canadians mentioned always paying their credit card bill before the due date while 25.6% mentioned doing this often, 12.2% rarely and 9.1% never.

Question: Normally when you receive your credit card bill do you pay....?

n=1171 (credit card holders)	... the minimum amount	...the total amount	...between the two	Dnk/Refusal
Atlantic provinces	9.8%	61.8%	27.7%	0.7%
Quebec	12.1%	68.3%	16.9%	2.8%
Ontario	14.0%	62.5%	20.4%	3.1%
Prairies	7.1%	61.6%	27.1%	4.1%
Alberta	10.6%	67.5%	20.9%	1.0%
British Columbia	10.2%	59.9%	26.9%	3.0%
Canada	11.9%	64.0%	21.4%	2.7%

Question: Do you ALWAYS, OFTEN, RARELY or NEVER pay your credit card bill before the due date?

n=1171 (credit card holders)	Always	Often	Rarely	Never	Dnk/Refusal
Atlantic provinces	56.6%	24.5%	9.8%	8.3%	0.7%
Quebec	55.5%	16.9%	12.1%	12.4%	3.2%
Ontario	53.0%	23.8%	13.3%	7.0%	2.9%
Prairies	42.2%	30.3%	15.3%	9.2%	3.1%
Alberta	42.1%	36.6%	8.7%	11.6%	1.0%
British Columbia	42.1%	37.1%	11.1%	7.6%	2.1%
Canada	50.6%	25.6%	12.2%	9.1%	2.5%

### **3.0 Methodology**

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This study was conducted by Leger Marketing through telephone interviews among a representative sample of 1507 English- or French-speaking Canadians, 18 years of age or older.

The interviews were conducted from our Montreal call centre between October 2 to October 9, 2001. Up to ten recalls were made in the case of non-response.

Using data from Statistics Canada, the results were weighted according to geographic location, gender and language spoken at home to ensure a sample representative of the entire Canadian adult population. In the end, the maximum margin of error obtained for a sample of 1507 respondents is of  $\pm 2.6\%$ , 19 times out of 20.