

## 68% of Retail Credit Card Applicants Applied Impulsively at Checkout

*More than half of retail card applicants applied to benefit from promotions or discounts*

*Highest retail credit card APRs at nearly 30%*

New York – October 12, 2021 – Nearly 7 in 10 (68%) U.S. adults who have applied for a retail-branded credit card say they have applied impulsively at checkout at least once, according to a new study from CreditCards.com. Just 32% who applied for retail cards always planned their sign up in advance. For more information click here:

<https://www.creditcards.com/credit-card-news/retail-store-credit-card-survey/>

Impulsive retail card applications are somewhat concerning in that these cards typically carry much higher APRs than non-retail credit cards. According to CreditCards.com's annual [study](#), the average retail credit card APR is 24.35%, compared to 19.92 for non-retail cards (note: these figures were calculated by averaging the midpoints of the APR ranges offered by the credit cards associated with the 100 largest retailers and 100 popular general-purpose cards).

Shockingly, the highest retail card APR is 29.99%. This includes stores such as Big Lots, Discount Tire, Guitar Center and five members of the Signet Jewelers family: Zales, Kay Jewelers, Sterling Family of Jewelers, Piercing Pagoda and Jared The Galleria of Jewelry. None offer a range. If you're charged interest, it's going to be 29.99%.

The lowest retail credit card APRs are the Amazon Secured Card (10%), the Military Star Card (10.24%), the Sears Home Improvement Account (14.40%) and the Costco Anywhere Visa by Citi (15.24%). None of those offer ranges, either. Several cards offer ranges that could be lower for some cardholders (but much higher for others). Examples include Apple Card (10.99% to 21.99%) and the Kroger REWARDS World Mastercard (11.99% to 23.99%). Store-only cards have a higher average APR (25.77%) than cobranded retail cards that can be used more broadly (22.12%).

"Retail credit cards have sometimes had a negative connotation because of high interest rates and less robust rewards programs," said Ted Rossman, senior industry analyst at CreditCards.com. "Of late, several retailers [have begun offering a more competitive set of rewards categories](#) at their stores and on other spending categories. Before applying, it's important to carefully consider how you'll use the card. If you can pay in full and avoid interest, some retail cards can save you a lot of money, especially if you're loyal to the store."

Overall, almost two-thirds (65%) of U.S. adults have applied for a retail-branded credit card at some point. The older you are and the more money you make, the more likely you are to have applied for a retail credit card. 75% of boomers (ages 57-75), 64% of Gen Xers (ages 41-56), 64% of millennials (ages 25-40) and only 39% of Gen Zers (ages 18-24) have applied for retail cards. Over three quarters (76%) of higher-income households (earning \$80,000 or more annually) have applied, compared with 74% of middle-income households (between \$40,000 and \$79,999) and 58% of lower-income households (under \$40,000).

The most common reason people applied for retail credit cards was to get an upfront discount/promotional offer (55%), followed by ongoing rewards (36%), for the ability to finance a purchase over time (30%), to build their credit score/history (26%) and because they're loyal to the brand/store (18%). There were also 10% who said they felt pressured to apply by the store or an employee and 7% who applied by mistake (thinking it was a store loyalty card rather than a credit card).

Upfront discounts/promotional offers were the #1 answer for boomers (62%), Gen Xers (63%) and millennials (45%) (and a narrow #2 for Gen Zers (36%) behind ongoing rewards (37%)). Those older than 40 sided with upfront discounts/promotional offers by a much wider margin than younger adults.

Gen Zers and millennials were the most likely to report feeling pressure from the store or an employee (27% and 15%, respectively).

#### *Methodology:*

The retail cards research was conducted September 24, 2021 by CreditCards.com using the terms and conditions agreements of 90 cards from 54 retailers, which included 55 store-only cards and 35 co-branded cards. Each of the 100 largest retailers (as defined by the National Retail Federation based upon 2020 sales) that offers a retail credit card program was selected for study.

Additionally, CreditCards.com commissioned YouGov Plc to conduct a consumer survey. Total sample size was 2,226 adults, among whom 1,463 have ever applied for a retail credit card. Fieldwork was undertaken from September 15-17, 2021. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

#### **About CreditCards.com:**

CreditCards.com is the ultimate credit card destination and the largest marketplace of credit card offers you can find online, along with relevant news, advice, features and user-friendly tools. Our mission is to help consumers seize greater opportunity through smarter spending, and we believe that the right credit card, used the right way, can be a life-changer.