



Spending During the Giving Season Causes Stress

The winter holiday season can be a magical time, but a recent survey from Affirm of 1,000 U.S. adults shows that joy can be marred by stress and uncertainty when holiday spending gets out of hand.

The survey highlights some of the financial and emotional issues associated with holiday shopping and how consumers plan to spend for the season, and found that the majority of consumers are financially unprepared for holiday spending. While many plan for the holidays by creating a budget and saving money, they still need to find ways to help cover the costs. What's more, the majority of consumers who use credit cards for holiday purchases don't know how much they end up paying for the product(s) after interest. A majority of those who have taken out a deferred interest product specifically for holiday shopping ended up paying more for the purchased holiday items than they expected in the end and over half regretted getting that deferred interest financial product later on, suggesting that even when consumers try to budget and manage spending, they face degrees of uncertainty.

As the holidays approach, consumers should be more aware of their overall spend on the season, as many are planning to spend more on holiday purchases this year than last. Consumers need to be prepared and have a sound financial game plan in place that will mitigate the holiday hangover of financial uncertainty.

KEY FINDINGS

The Giving Season is Stress Inducing

- 61 percent of respondents said that holiday spending is a source of marital/family strife/disagreement
- A third of respondents (34 percent) are worried about how they're going to be able to cover their desired holiday spending costs this year

Financial Preparations for Holiday Shopping

- 56 percent of respondents noted they typically save money before Black Friday in preparation for holiday spending
- Who creates a set budget for your holiday spending before the start of the season?
 - 24 percent of respondents map out exactly how much they can spend with a formal budget/plan before they begin to make purchases
 - 53 percent of respondents have a budget in mind, but it's not set in stone
 - 23 percent of respondents don't create a budget
- 34 percent of respondents expect to spend more on holiday gifts this year than they did last year

Tackling Holiday Shopping With a Game Plan

- 40 percent of respondents plan to shop online at work (e.g., Cyber Monday) for holiday gifts this season
- 33 percent of respondents plan to get up early to go to in-person holiday sales (e.g., Black Friday) this season



- 30 percent of respondents think retail stores should be open on Thanksgiving
- During the holidays, respondents said they are more inclined to spend more money when shopping in a physical store than shopping online:
 - In-store: 46 percent
 - Online, on a laptop/desktop: 31 percent
 - Online, on a mobile device: 9 percent
 - I don't know: 14 percent
- Mobile continues to be a growing platform for product discovery and search, but what about actual transactions? When considering holiday purchases, 70 percent of respondents have completed a purchase on their laptop/desktop after initially researching a product on a mobile device:
 - All of the time or most of the time: 37 percent
 - Sometimes: 33 percent
- A ranking of the barriers that keep respondents from shopping on their mobile phones:
 1. The screen is too small to see products clearly
 2. I'm worried my payment details aren't secure
 3. It's difficult to type
 4. It's difficult to navigate through product/company websites
 5. I can't always get a connection to the internet
 6. Too many steps to check out
 7. The payment process is too difficult

Foraging for Holiday Funds

- Going into this year's holiday season, 1 in 4 respondents (24 percent) plan to use their 2018 tax return in the spring to help pay off their holiday debt
- When considering purchasing holiday gifts this year, 1 in 5 respondents (19 percent) are relying on a holiday bonus from their job to help cover the costs
- 1 in 4 (23 percent) respondents have borrowed money from a family member to help cover holiday spending bills in the past
- 16 percent of respondents have borrowed money from a friend to help cover holiday spending bills in the past

Give Now, Pay Later

- 15 percent of respondents have maxed out a credit card that was used JUST to purchase holiday gifts and related items
- While respondents selected credit cards as their preferred payment option for holiday shopping, 58 percent of respondents who used a credit card to purchase holiday gifts last year don't know how much they paid in total interest on the product(s) that they purchased
- 14 percent of respondents have gotten a deferred interest product (e.g., 0% APR on a purchase for 12 months) specifically to help pay for holiday gifts and holiday-related expenses
 - Of those respondents:
 - 69 percent said that by using a deferred interest product, they ended up paying more for the holiday items they purchased than they expected in the end
 - Over half (51 percent) regretted getting that deferred interest financial product



later on

- 1 in 5 respondents noted that if they needed credit to help cover holiday-related purchases, they would prefer a credit option that didn't involve a physical plastic card, while an additional 40 percent said it depends

ABOUT THE RESEARCH

The September 2017 study collected responses via an online survey from 1,000 consumers who are currently over the age of 18 and located in the U.S. This research was generated by Affirm in partnership with Qualtrics.

ABOUT AFFIRM

Affirm is reinventing credit to make it more honest, transparent, and friendly for consumers. Decades of hidden fees and unclear terms have eroded trust in the financial status quo; Affirm helps consumers regain control of their finances. Founded by PayPal co-founder Max Levchin, Affirm offers shoppers the flexibility to buy now and pay in simple monthly installments. Unlike traditional credit options, Affirm shows customers exactly what they'll owe upfront: no surprise fees, compounding interest, or fine print. Affirm's advanced technology looks beyond traditional FICO scores to reach a broader population of consumers, helping more people advance their financial well-being.