



**MODERN PEOPLE NO LONGER  
HAVE BABIES OR CREDIT CARDS  
AND THINK THAT "ONLY IDIOTS"  
HAVE THEM ANY MORE.**

## **"Avoiding The Mistakes Of Our Parents" - Only A Third Of Millennials Have A Credit Card**

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by Tyler Durden

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Nearly a decade has passed since Lehman Brothers collapsed, ushering in the most acute phase of the financial crisis - yet, despite all the time that has passed **many**

**millennials remain deeply distrustful of banks and borrowed money**, according to a study published by Bankrate.

The study found that, while a majority of older Americans own credit cards, **only 33% of adults between the ages of 18 and 29 say they have one**. That is, even as the economy and job prospects have improved, millions of Americans continue to shun credit - something that is probably related to [the massive pile of student loan debt](#), the bulk of it borne by millennials, ***who are defaulting in ever-greater numbers.***

While that figure might seem surprisingly large, it's actually down from two years ago, when Bankrate discovered that two-thirds of young adults said they had no "major" credit cards, defined as cards issued by either American Express, Visa, MasterCard or Discover.

 One

In interviews with several "real-life" millennials, Bankrate said they hadn't even considered getting a credit card. Others said they shunned credit cards because of previous financial problems.

**"I've never owned nor have ever wanted to own a credit card,"** says Kristian Rivera, 25, a digital marketing specialist in New York City.

**"It wasn't really a decision that I made, but growing up I was warned of the risks of having a credit card and advised to put off getting one as long as possible."**

**"We don't want to make the same mistakes our parents made in the past,"** Rivera says. "We want to do things smarter and safer."

For millions of Americans, the agglomeration of debt that most people have accumulated by early adulthood is forcing them to put off marrying or starting a family. And [roughly one-third of adult millennials](#) are still living in their parents' basements.

*Darnell Billups, 29, a U.S. Marine Corps captain stationed in Twentynine Palms, California, says when he and his wife, Natasha, married in 2011, they had a combined \$40,000 in debt, including credit cards and student loans. They paid off their debts in 2013, just 2 weeks before Billups was deployed to Afghanistan for the second time.*

**"Our thing is, we will never have a credit card ever again,"** Billups says.

*More than just credit cards, the couple wants to steer clear of all debt. They recently opened a photography business, Emmanuel Photography & Designs, without taking on any debt, and they plan to eventually buy a house using only cash.*

***"It's been just wonderful because we don't have to pay anyone back," he says.***

To be sure, young adults aren't the only demographic group shying away from credit card use...

...While it doesn't perfectly align, credit card use is most common among groups that are also more likely to own stocks. According to one study, [one in three millennials](#) say they would rather own bitcoin than stocks (though, to be fair, that's probably due to bitcoin's torrid rally late last year.

**Here's a breakdown provided by BankRate:**

- Have an annual income of less than \$30,000.
- Haven't attended college.
- Are black or Hispanic.

*Credit card ownership is most prevalent among:*

- Baby boomers.
- College graduates.
- Adults with an annual income of more than \$75,000.
- Those who identify themselves as Republicans.

Unsurprisingly, people with higher incomes are more likely to own credit cards:



By avoiding credit cards, millions of millennials will find it difficult to obtain other types of credit - like mortgages or car loans - when they need it.

*Marc Aschoff learned this lesson when he and a group of friends tried to buy a rental property shortly after college. But since Aschoff had never had a credit card, he hadn't developed a solid credit history and none of the mortgage brokers he spoke with would qualify him for a mortgage.*

***"Needless to say, this isn't something I considered,"*** says Aschoff, 25, of Hoboken, New Jersey.

*Aschoff and one of his business partners, Chris Sorrentino, also 25, say they now own credit cards only to help with their credit scores. And building up their credit helped them qualify for a mortgage.*

*The survey was conducted May 19-22, 2016, by Princeton Survey Research Associates International and included responses from 1,002 adults living in the continental United States. The margin of error is plus or minus 3.7 percentage points.*

*They now own 3 rental properties near Lehigh University in Bethlehem, Pennsylvania. In January, Aschoff, Sorrentino and 2 other partners in their real estate firm — Acrez LLC — purchased a house in Springfield, New Jersey, with cash. They are now renovating and hope to resell.*

***"The only debt we really take on is mortgage debt,"*** Aschoff says. *"Other than that, debt is not our friend."*

Given the fact that millions of millennials can't even be bothered to get even a low-limit card, it probably won't come as a surprise that millennials also don't care about so-called "status" cards like the American Express Black Card.

### Three

Given millennials well-documented preference for experiences - like travel - over material possessions, their unwillingness to apply for credit cards might seem foolish.

***After all, they're missing out on all those free miles...***

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