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to pay for it, according to Bankrate.

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By Katie Kelton  
Bankrate.com (via TNS)

Perhaps your summers hold fond memories of strolling along the beach, hiking mountains or trying new foods at a destination hundreds of miles from home. If so, are you planning to keep the travel streak going this year? Would you go into debt for it? A new Bankrate survey found that only about half (53%) of Americans are

planning a summer vacation in 2024. Of those who plan to travel this summer, more

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to another March 2024 Bankrate survey that asked Americans whether they'd [go into debt to pay for fun this year](#). In that survey, 27% said they'd be willing to go into debt to travel, 14% to dine out and 13% to attend a live entertainment event this year overall — not just in the summer. Ted Rossman, Bankrate Senior Industry Analyst, cautions against racking up expensive credit card debt. "I don't want to tell people they can't have any fun, but I do worry about taking on debt for discretionary purchases such as vacations, especially with credit card balances and rates at record highs," he says.

## A majority of summer travelers will pay with a credit card

[Credit cards](#) are summer travelers' preferred payment method — 62% will use a credit card for at least some of their trip expenses. Forty-three percent of summer travelers plan to use a credit card that they pay in full, and 26% plan to use a card and carry the balance over multiple billing cycles. Some people are doing both. Interestingly, a January 2024 Bankrate survey found that, of the 44% of credit cardholders carrying debt from month to month, [2 in 3 cardholders try to maximize rewards](#). If you can pay your balance in full, a [travel credit card](#) is a great way to earn while you spend and put rewards toward future trips. Using travel credit cards can also help you to reap additional travel benefits like no foreign transaction fees or trip cancellation insurance. However, even with these rewards, it's still worth considering the cost of carrying a balance to pay for travel. "While the travel industry has rebounded from the chaos that immediately followed the pandemic, I'm sure there will still be plenty of delays and cancellations this summer," Rossman says. "It's a good idea to pay with a credit card that offers generous travel insurance benefits such as trip cancellation and interruption insurance and stipends if your flight is delayed or your luggage is lost. Rental car insurance is another helpful benefit included on many cards."

## Domestic summer travel is the most popular option

Vacations are an important part of many people's lives, whether at all-inclusive

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## **Younger Americans are more likely to get away — and use debt to pay for it**

When school's out for summer, students, young parents and other young people might be more likely to jet out of town than older generations. Sixty percent of Gen Zers (ages 18-27) and 61% of millennials (ages 28-43) are planning summer vacations, versus 50% of Gen Xers (ages 44-59) and 44% of boomers (ages 60-78). Young people are also more willing to take on debt to pay for their 2024 summer vacation:—Gen Z: 42%—Millennials: 47%—Gen X: 31%—Boomers: 22%

## **Higher earners and city dwellers are most likely to jet set this summer**

When you scroll on social media this summer, you might notice two types of friends filling your feed with travel photos — those who earn more money and those who live in cities. Nearly 3 in 4 (74%) of survey respondents with annual household incomes of \$100,000 or more are planning a summer vacation. That's considerably more than the 68% earning between \$80,000 and \$99,999, 61% earning between \$50,000 and \$79,999 and just 39% earning under \$50,000 who are planning a summer vacation. As for where these summer travelers live:—61% of people who live in a city are planning a summer vacation—50% of those who live in a suburb—48% of those who live in a town—44% of those who live in a rural area

## **Nearly three in 10 (28%) U.S. adults are skipping a summer vacation due to affordability**

The top explanation among those who are not planning summer vacations, by a wide margin, is that they can't afford it (65%). Even though inflation seems to be cooling off, [the Fed still hasn't lowered rates](#). Thus, credit card rates are still high,

and Americans continue to feel the pain of higher prices on everyday spending. [A new](#)

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[said too many family vacations \(versus 10% in 2023\)](#)—10% are planning a vacation for another time (versus 11% in 2023)—1% said their desired destination is too crowded (versus 23% in 2023)—9% said it was another reason (versus 7% in 2023) Rossman advises “taking advantage of any credit card rewards, airline miles and hotel points you’ve socked away.” “Maybe even sign up for a new credit card with a generous sign-up bonus that you can put toward your getaway,” he says. “Finally, if going somewhere isn’t feasible this year, at least take some time off to relax and recharge close to home.”

### 3 types of debt that can be less expensive than credit card debt

If you’re planning to take on debt to pay for a summer vacation, putting it on your credit card might be an expensive decision. That’s because [credit card interest rates are high](#) — currently averaging almost 21%. For every day that you carry a balance, you’ll pay interest on those vacation expenses (and you’ll also pay interest on your interest). A word of caution that it’s not the best idea to spend beyond your means for a vacation. You could avoid going into debt for a big trip by doing things like [saving, travel hacking](#) with credit card rewards and looking for deals. If you still want to borrow money, here are three forms of debt that might be less costly than credit card debt:—Personal loan. The [best personal loans](#) can come with lower interest rates than credit cards. If you need a large chunk of change to pay for travel expenses up front, you could apply for a personal loan. Having good credit may increase your chances of being approved and getting a lower rate. Just keep in mind that you’ll still be paying interest as you make payments over time.—Buy now, pay later (BNPL) service. You could use a [BNPL app](#) like Affirm, Afterpay, PayPal in 4, Perpay or Sezzle to make interest-free payments over time on large purchases like flights or hotel stays. You’d be joining the 8% of survey respondents planning to use a BNPL service to pay for summer travel.—Zero-percent intro APR credit card Applying for a [0% APR credit card](#) could buy you time to make purchases that you pay off later, interest free.

Just consider whether you can pay off the balance by the time the introductory

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online. The figures have been weighted and are representative of all US adults (aged 18+).(Visit Bankrate online at [bankrate.com](https://www.bankrate.com).)©2024 Bankrate.com. Distributed by Tribune Content Agency, LLC.

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