



## H&R Block's 2024 Outlook on American Life Data Shows Rise in Consumer Debt Amidst Increased Holiday Spending

December 18, 2024

### Nearly 1 in 2 Americans holds credit card debt, yet holiday spending is slated to increase year-over-year

KANSAS CITY, Mo., Dec. 18, 2024 (GLOBE NEWSWIRE) -- Even as rising levels of debt further strain household budgets, and with many Americans already facing financial pressures that could lead to even greater economic challenges in the year ahead, holiday spending is increasing. These findings echo H&R Block's (NYSE: HRB) fourth annual 2024 [Outlook on American Life](#) report, which reveals that while many generations remain optimistic about their income and buying power, they are simultaneously burdened by overwhelming debt – especially Gen Z.

This year's report found that most Americans (66%) across income levels and generations feel optimistic about their income growth, retirement prospects, and ability to maintain financial stability. Simultaneously, this theme of optimism is met with the reality that debt and loans are threatening to crush economic momentum for many consumers.

"Following record Black Friday spending, we understand that it can be challenging to make the most of your money while balancing financial responsibilities," said John Thompson, Vice President of Financial Services at H&R Block. "H&R Block is committed to helping people navigate these pressures by providing the tools, guidance, and support they need to manage their finances wisely and avoid falling deeper into debt during the holiday season."

### A Deeper Look at Americans' Debt

This holiday season, people are already exceeding expectations set for retail holiday shopping. Online and in-store purchases were higher than expected during both Black Friday and Cyber Monday, nodding to the increase in buying power that Americans of all generations report experiencing.<sup>1</sup> While holiday shopping is higher than expected, many consumers are feeling the strain of this spending – particularly Gen Z and Gen X.

According to this year's Outlook on American Life report, Gen X is carrying the most credit card debt (55%), followed closely by Millennials (49%), Boomers (47%), and then Gen Z (39%) – though it's Gen Z that feels the most burdened. Of those holding credit card debt, as many as two in three people say their level of debt is unmanageable. Further, Gen X's outlook on their finances and greater economic opportunity conflict with younger Americans, as they are the most likely to be "not at all confident" they're doing what is needed to meet longer-term goals such as saving for retirement.

Credit card debt isn't the only factor weighing these consumers down: H&R Block found that 1 in 6 Americans hold student debt, over a third reporting they have more debt than they can manage.

### Americans of All Ages are Spending More Than They Earn

In addition to increasing amounts of debt, the Outlook on American Life report found that despite growing income and buying power, a third of all respondents across generations reported spending more than they earned in the last 12 months. Only 30% of Gen Z say they do not buy what they cannot afford (vs. 54% of Boomers, 40% of Gen X, and 28% of Millennials), leading them to make unaffordable purchases that pile onto their credit card debt. Plus, with 1 in 5 Americans agreeing that they wouldn't be able to cover household expenses for a full week without a source of income, there is a clear gap between American spending and earning.

"We recognize that spending, earning, and saving looks unique for each and every person, and it is our goal to help every H&R Block client reach the financial future they deserve," said Thompson. "The insights gathered from the Outlook on American Life report on how Americans are faring financially allow us to further understand how generations are evolving, and what they're concerned about, so that we can better assist our clients all year round."

To learn more and read the full Outlook on American Life report, please visit [www.hrblock.com/outlook-on-american-life/](http://www.hrblock.com/outlook-on-american-life/). To view media assets, including a downloadable report and infographics, visit <https://www.hrblock.com/tax-center/media-kit/outlook-on-american-life-report-media-kit/>.

<sup>1</sup> "197 Million Consumers Shop Over Thanksgiving Holiday Weekend", National Retail Federation, <https://nrf.com/media-center/press-releases/197-million-consumers-shop-over-thanksgiving-holiday-weekend>

### About H&R Block

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