

# Rate survey: Average card APR rises to 15 percent

By [CreditCards.com](#), June 24, 2015, 02:40:00 PM EDT

The average rate on new card offers inched up this week for the first time in more than a month, according to the CreditCards.com Weekly Credit Card Rate Report.

The national average annual percentage rate rose to 15 percent Wednesday after remaining at 14.99 percent for five weeks.

The average rate on new card offers is currently at its highest point in more than seven months. The last time the average rate rose above 14.99 percent was in November 2014.

The national retail chain Gap spurred this week's rate increase by bumping the APR on the Gap Visa card from 23.99 percent to 24.99 percent.

Gap also announced on June 15 that it plans to close around 175 Gap stores across North America and lay off approximately 250 corporate employees. As a result, consumers who apply for a Gap card will have fewer stores to choose from.

## Consumer spending estimate up

Retailers such as Gap have struggled to attract big spenders through much of 2015. But a new analysis from the Commerce Department shows consumers spent significantly more in the first quarter than previously estimated, which could mean consumers are less cautious about their spending than analysts thought.

According to [revised estimates](#) released June 24, consumer spending increased by 2.1 percent in the first quarter -- up from a previously estimated increase of 1.8 percent. In addition, the Commerce Department found, the economy contracted by just 0.2 percent between January and March -- down from a previous estimate of 0.7 percent.

Meanwhile, [research](#) from the Federal Reserve showed that consumers are less cautious about the amount of debt they carry on their cards, which could indicate that cardholders are feeling more confident about their ability to spend. According to the Fed, card balances increased significantly in March and April after declining during the first two months of the year.

A separate [analysis](#) from the credit rating agency Experian also showed that balances on bank-issued cards expanded by 6 percent in the first quarter of 2015 compared to the previous year -- thanks in part to an increase in the number of cardholders willing to use the cards already in their wallets.

According to research released earlier this month by the American Bankers Association, cardholders are swiping their cards more often and leaving fewer cards unused. The number of dormant card accounts fell significantly in the fourth quarter of 2014, indicating that consumers are becoming more comfortable with using credit as the economy improves. "More active credit card use suggests that consumers' confidence in the economy is on the rise," said the American Bankers Association's Molly Wilkinson in a [news release](#).

Consumers still aren't using their cards nearly as often as they did before the recession, however. Research from the newsletter service, The Nilson Report, shows that credit card debt now makes up a much smaller

proportion of total consumer borrowing. By the end of 2014, outstanding card debt accounted for just 26.6 percent of all consumer debt -- down from 36.8 percent in 2008.

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