



The Resilient American Gen Z

By: Jim Bander and Christina Roman

January 30, 2025

©2025 Experian Information Solutions, Inc. All rights reserved. Experian and the Experian marks used herein are trademarks or registered trademarks of Experian Information Solutions, Inc. Other product and company names mentioned herein are the trademarks of their respective owners. No part of this copyrighted work may be reproduced, modified, or distributed in any form or manner without the prior written permission of Experian.



Introduction



Jim Bander, PhD

Lead Product Manager,
Financial Services Division



Christina Roman

Consumer Education and
Advocacy Manager



Today's Agenda

Introduction

Credit trends to know

Breaking down Gen Z's credit usage and scores

Gen Z has money on their minds

Here's what they're thinking and doing

Cracking the code on Gen Z

Strategies to support and engage this cohort

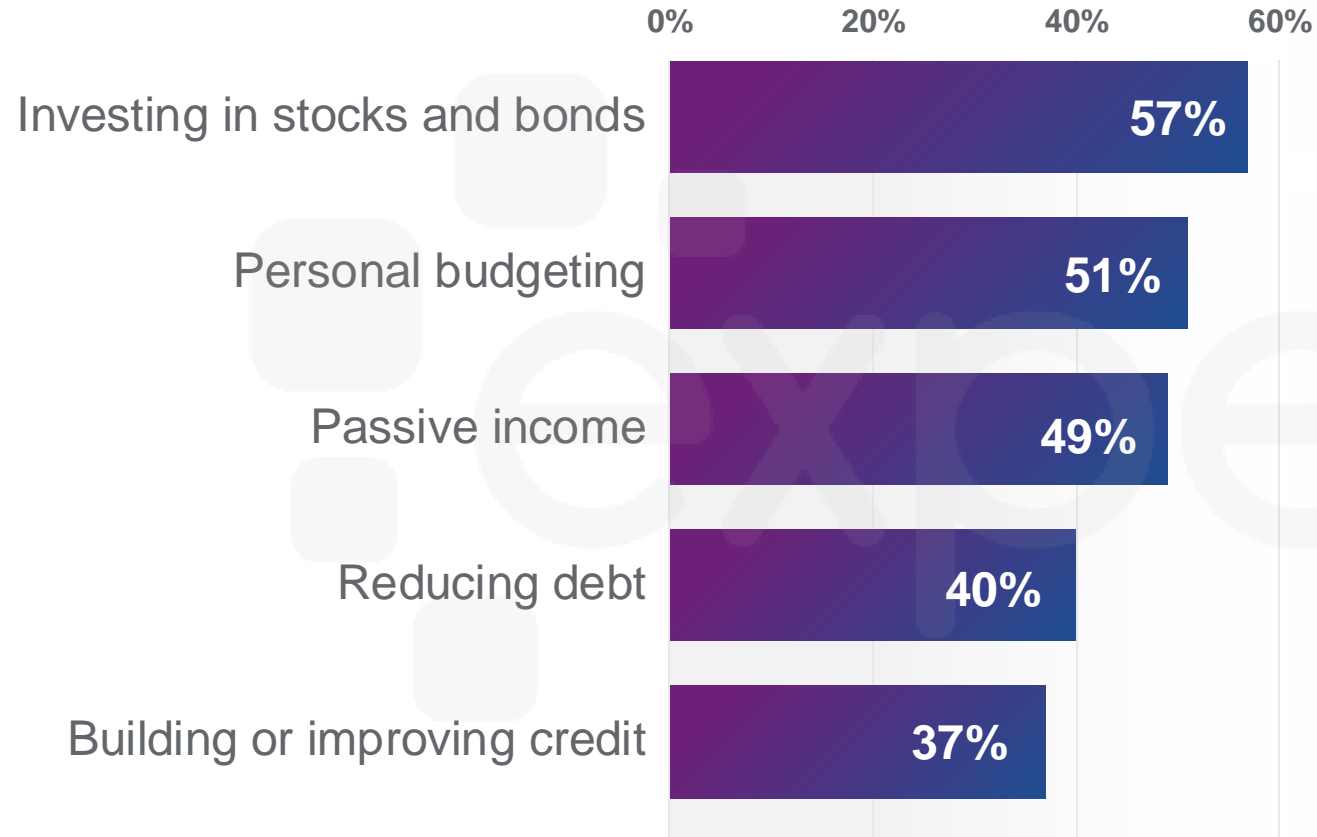
Q&A



Which of these financial topics do you think would be of most interest to your younger customers?

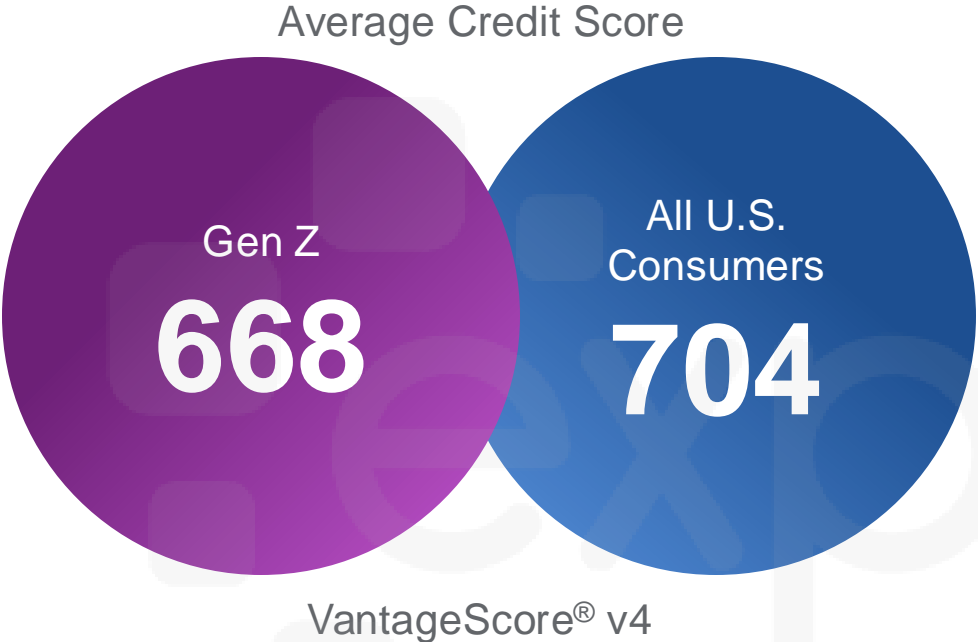


Top 5 financial topics for Millennials and Gen Z



Source: Forbes Advisor, quoted by St. Louis Fed

Gen Z (born 1996+) are active borrowers



Average balances	Gen Z	All U.S. Consumers
Auto balance	\$20,677	\$24,323
Credit Card balance	\$3,886	\$7,423
Mortgage balance	\$256,991	\$264,727
Non-mortgage balance	\$15,662	\$25,782

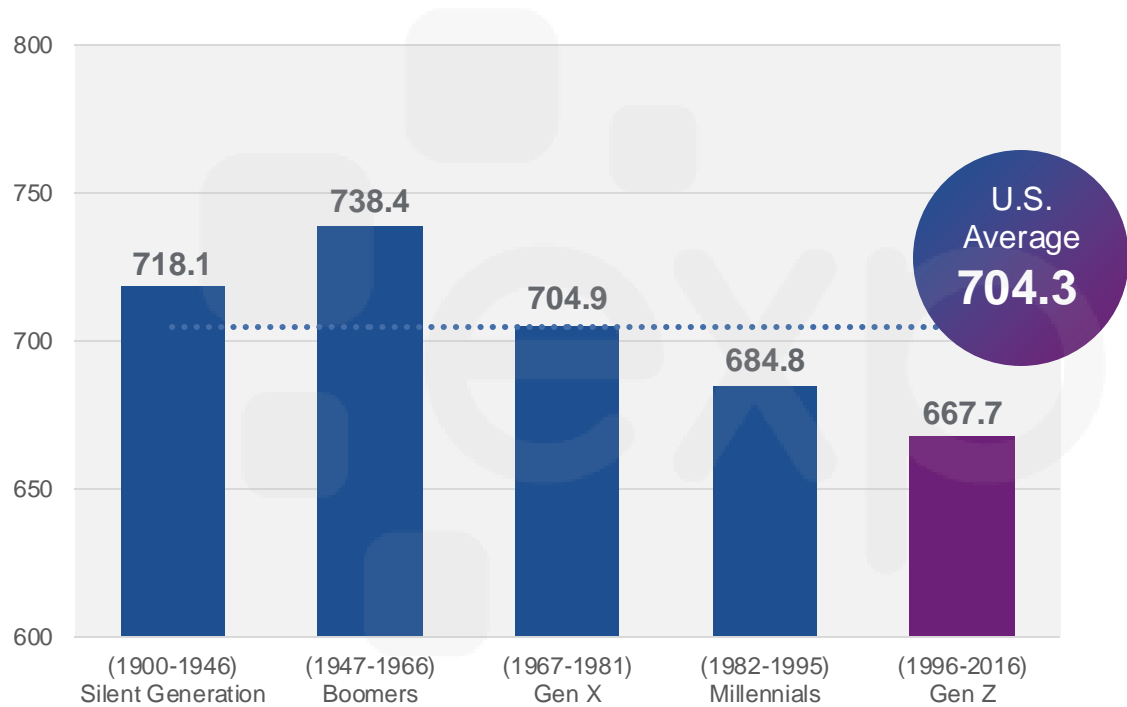
56% of Gen Z consumers agree
that a more established financial plan would help them feel less stressed about their financial situation

Source: Experian Ascend and Experian survey research

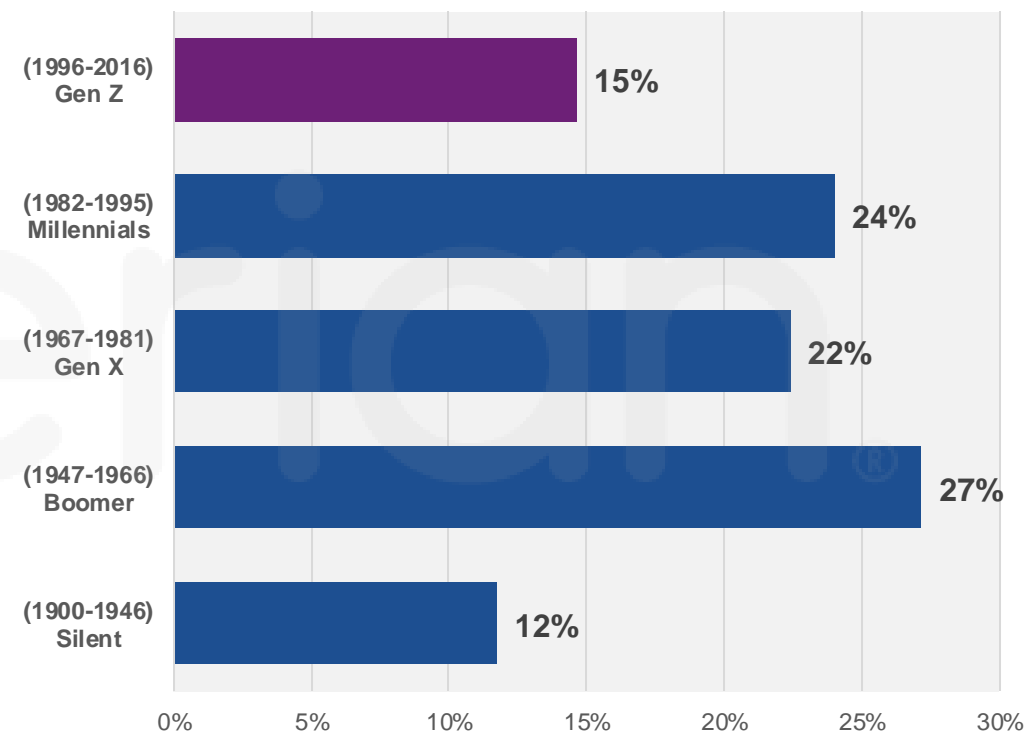


Gen Zers have lower average credit scores than older consumers

Gen Zers have lower average credit scores¹ than older consumers



Population Distribution²



¹Average VantageScore® v4
²27 million randomly sampled consumers who had an Experian credit file and a credit score as of Dec 31, 2024

Source: Experian Ascend



Fact or Myth?

Gen Z consumers are less creditworthy than the prior generation was at that age.





Myth!

Consumers in their early 20s
(Gen Z) are more
creditworthy than the prior
generation was at that age.

Gen Z consumers have higher credit scores than the prior generation because they have fewer delinquent accounts and slightly lower revolving utilization.

Data	Gen Z as of Dec 2024	Younger Millennials as of Dec 2018
VantageScore® 4	668	641
Seriously Delinquent Accounts Per Consumer	0.041	0.131
Revolving Utilization	36.4%	37.6%

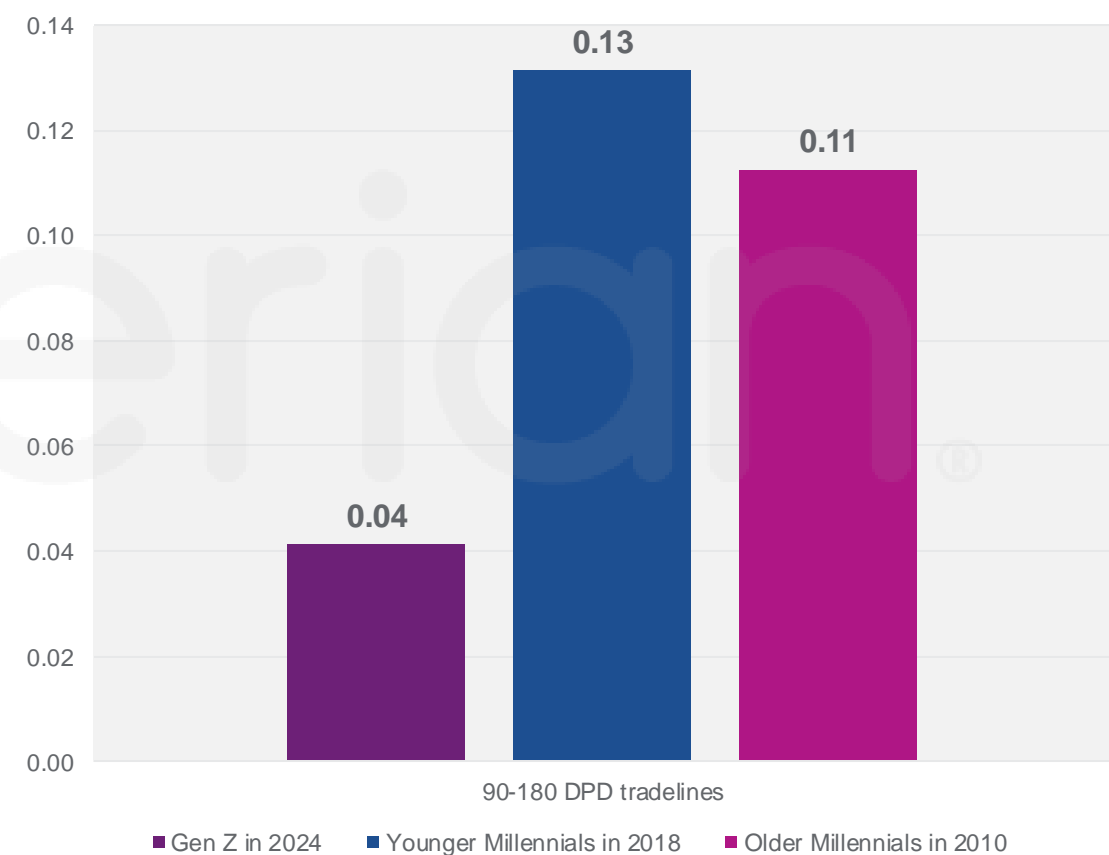
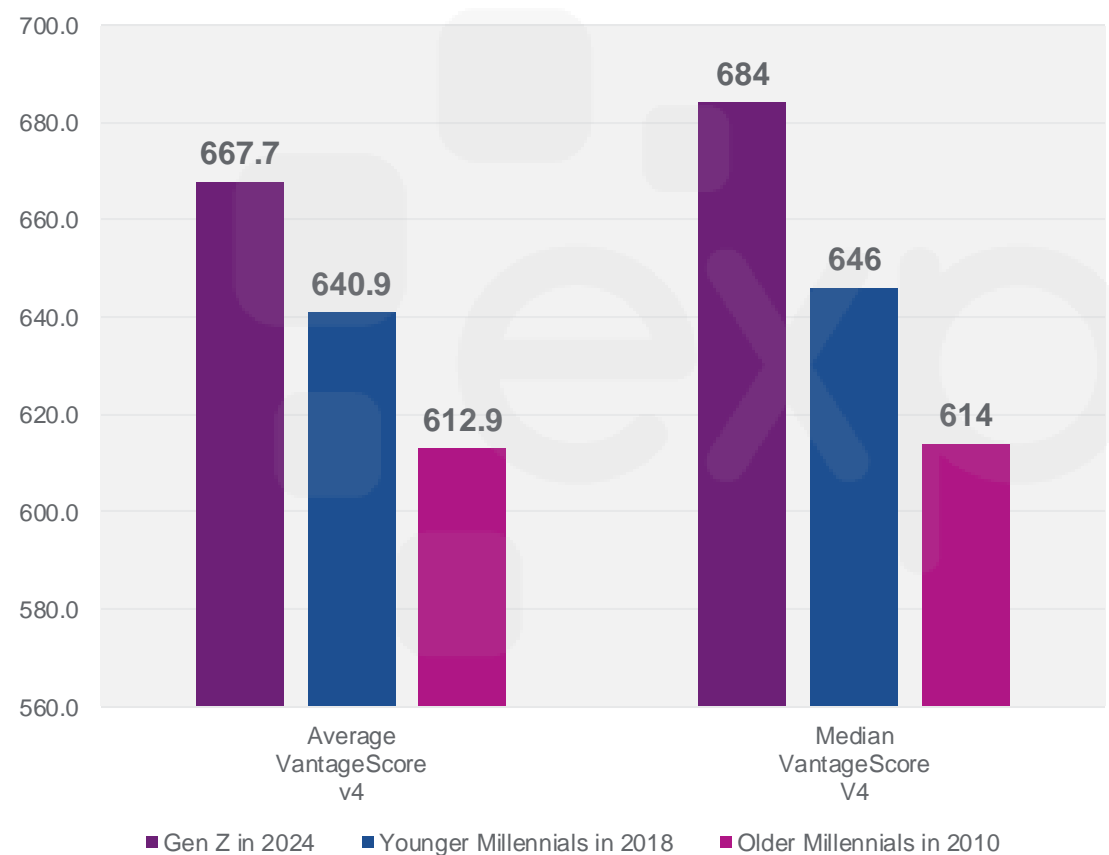
Source: Experian Ascend

Gen Z 1996-2016	Younger Millennials 1990-1995	Older Millennials 1982-1989	Gen X 1967-1981	Boomer 1947-1966
--------------------	-------------------------------------	-----------------------------------	--------------------	---------------------



Gen Z has better credit than their older peers had at the same age

They have higher credit scores because they have fewer delinquent accounts



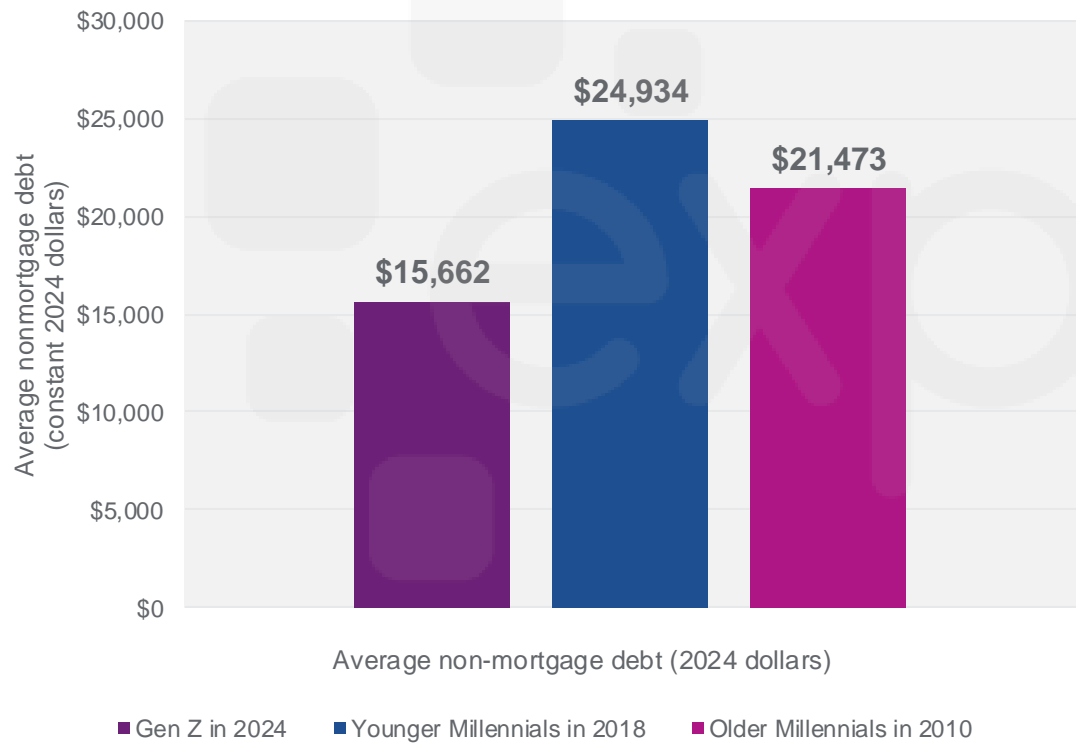
Source: Experian Ascend



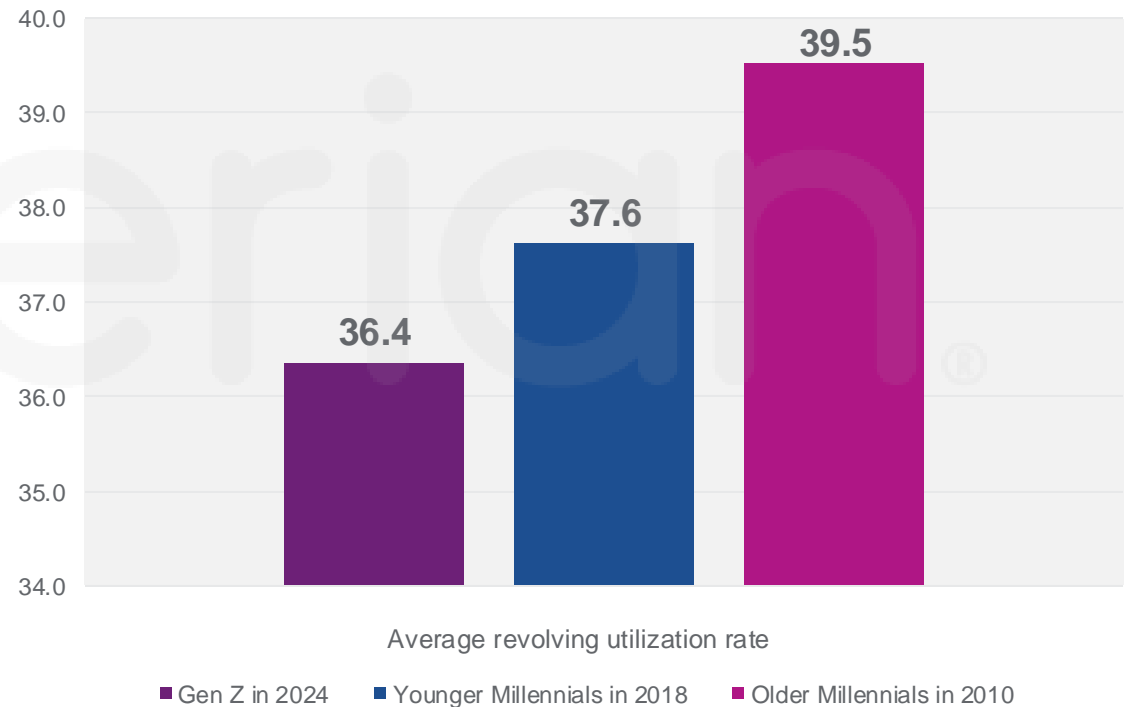
Gen Z owes less in traditional credit than their older peers did

And lower balance to limit ratios

Gen Z owes less money than their older peers owed at the same age



Gen Z is more conservative with revolving credit than their older peers were at the same age



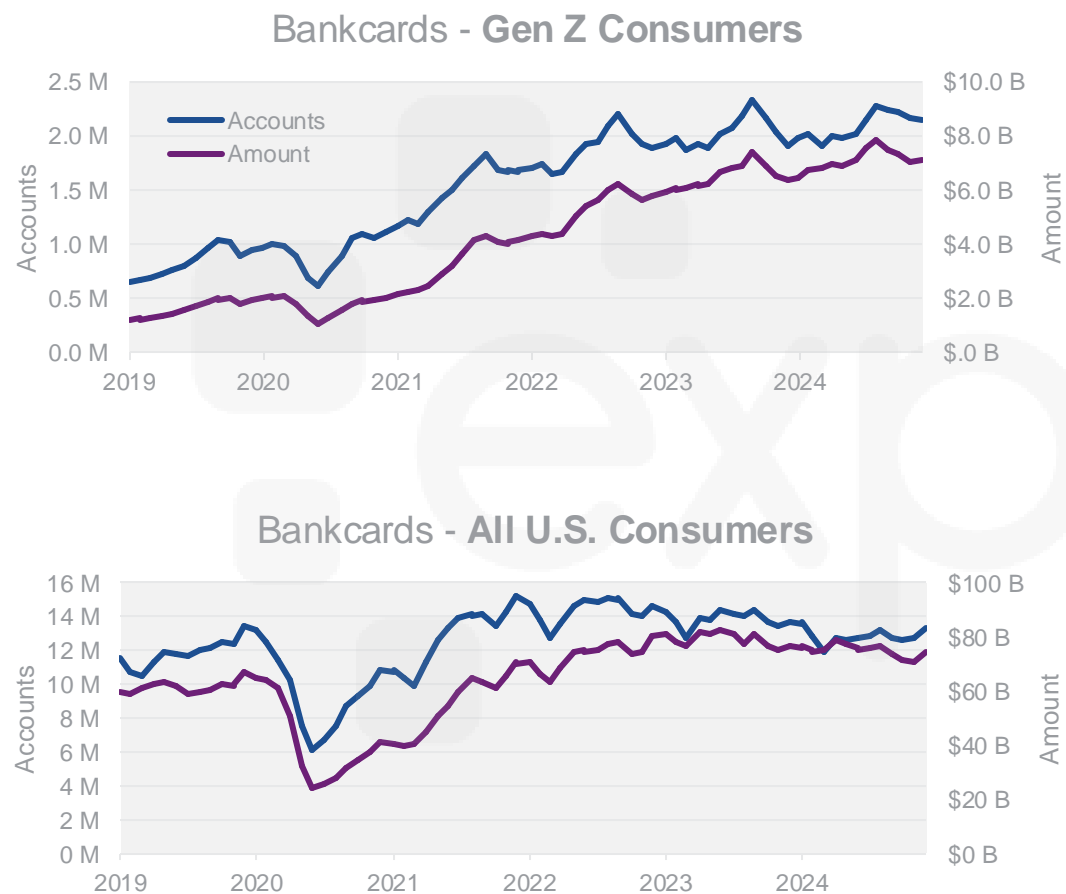
Source: Experian Ascend



Lending Originations Trends



Gen Zers are active credit card users

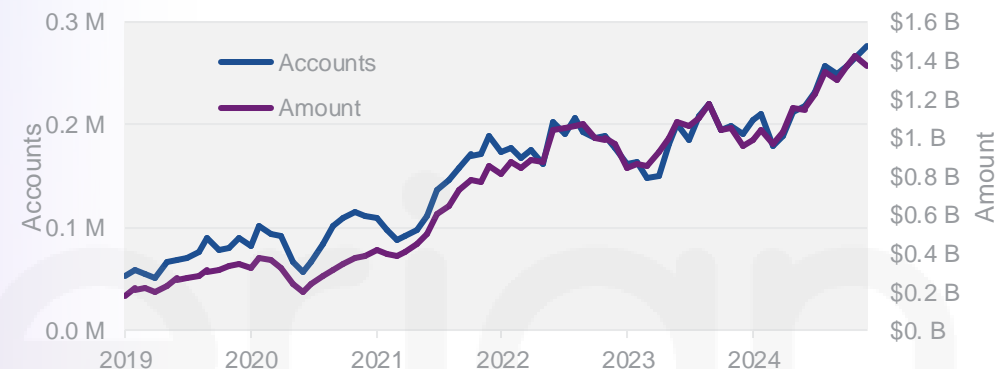


Source: Experian Ascend

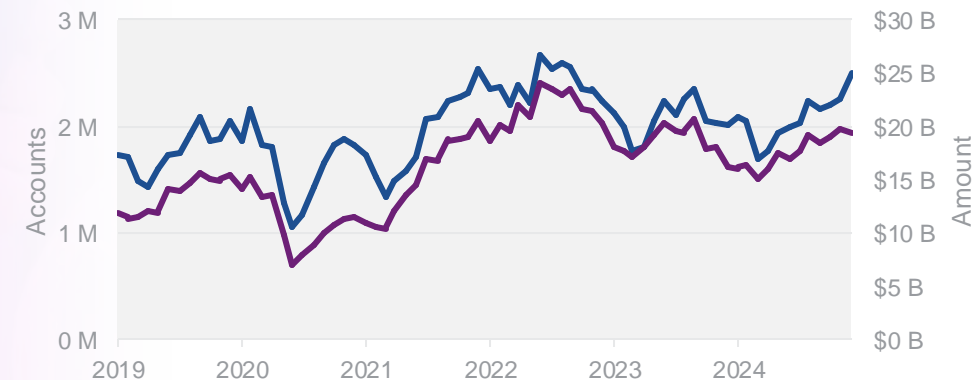


Other generations take out more personal loans than Gen Z

Unsecured Personal Loans - Gen Z Consumers



Unsecured Personal Loans – All U.S. Consumers

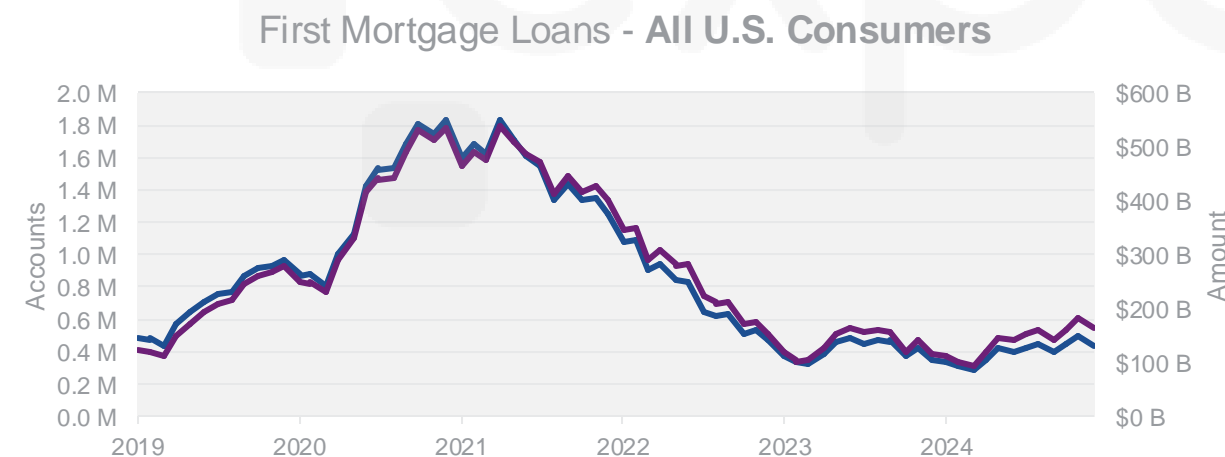
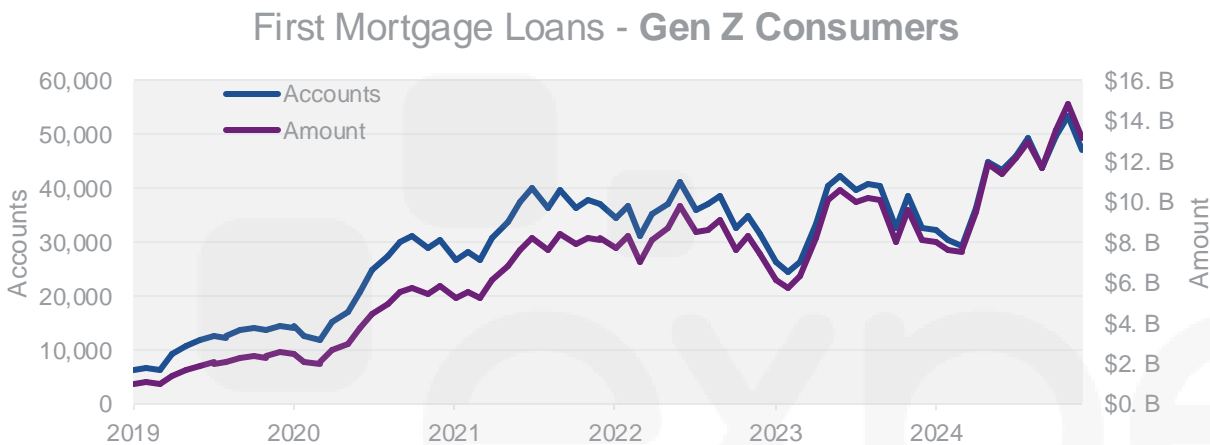


Source: Experian Ascend



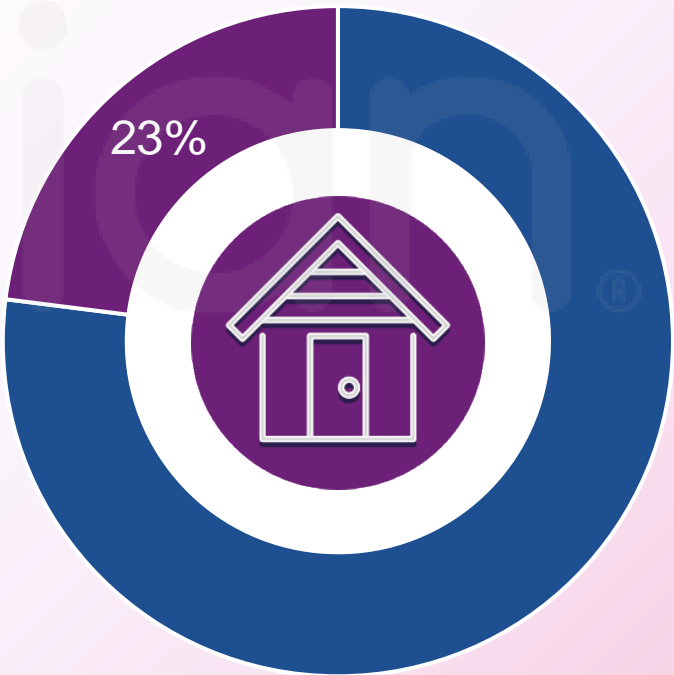
Some Gen Zers are buying homes

despite high prices and unfavorable interest rates



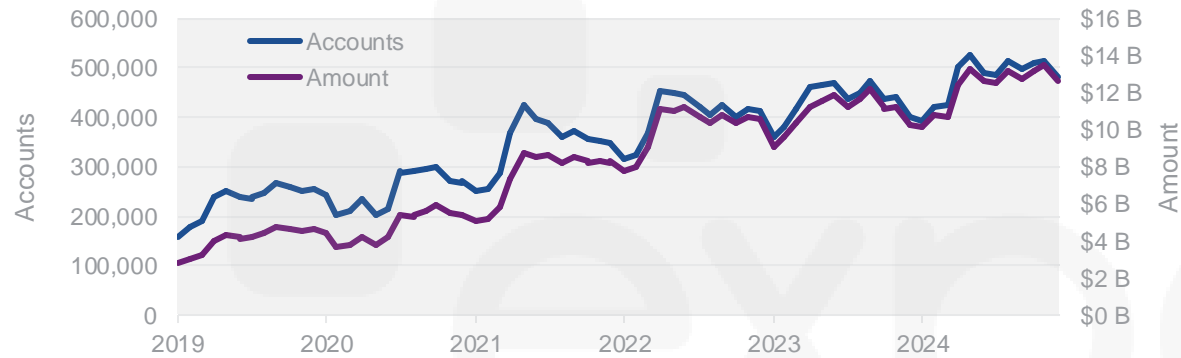
Source: Experian Ascend

Gen Z makes up 23% of all the first-time homebuyers in Experian's Housing database

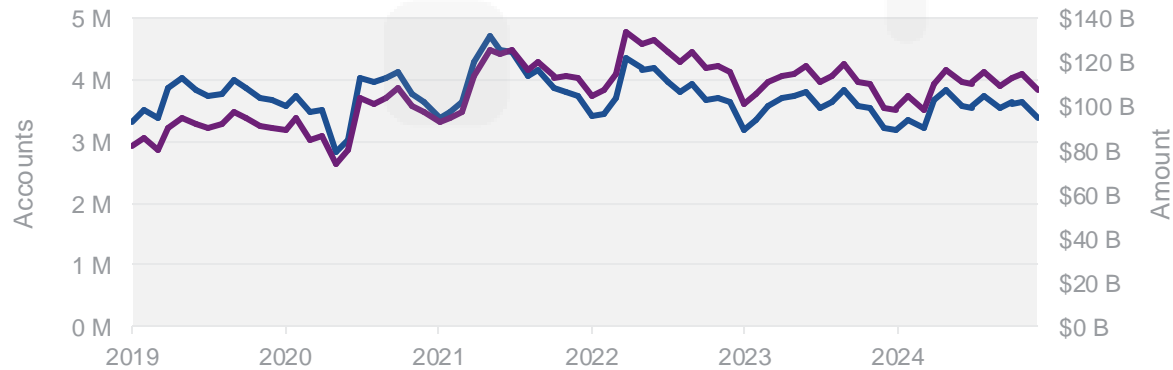


Auto loan and lease volume has plateaued for Gen Zers

Auto Loans & Leases - Gen Z Consumers



Auto Loans & Leases - All U.S. Consumers



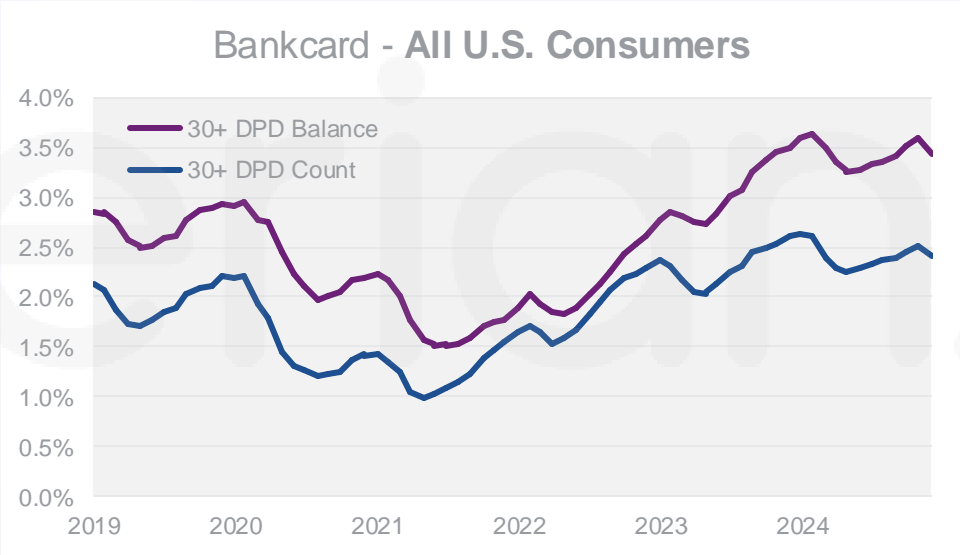
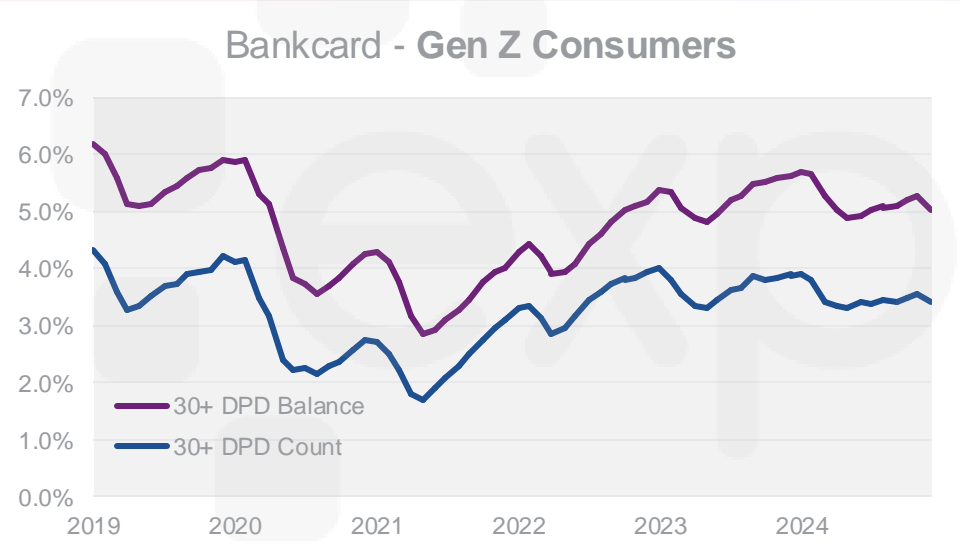
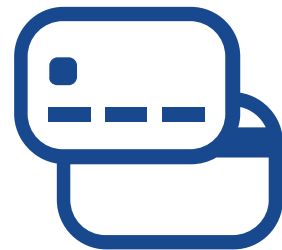
Source: Experian Ascend



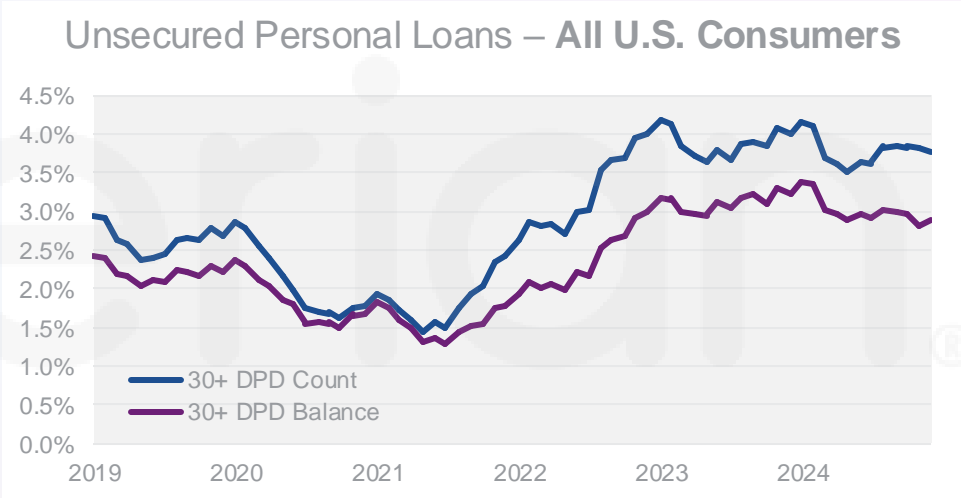
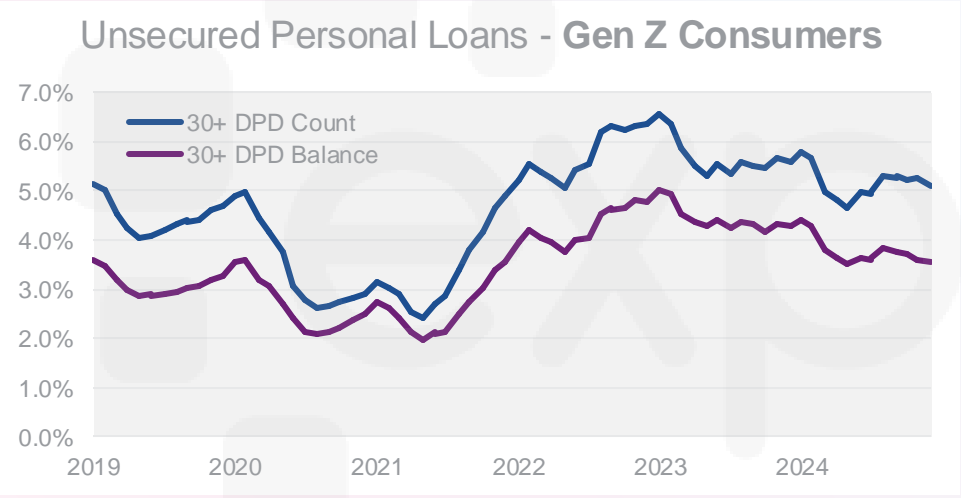
Delinquency and Collections Trends



Bankcard



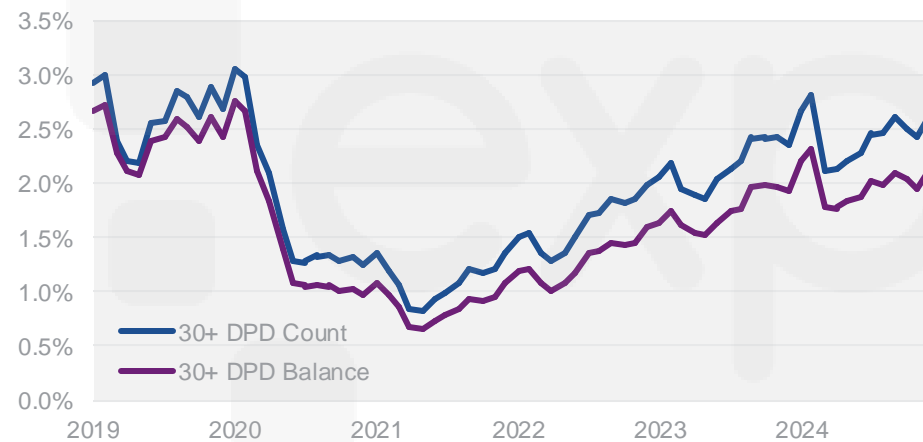
Personal Loan



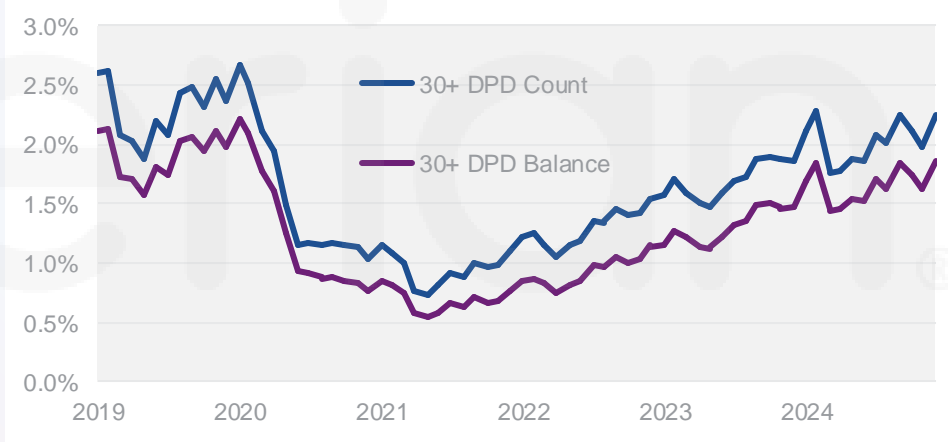
Mortgage



First Mortgage Loans - Gen Z Consumers



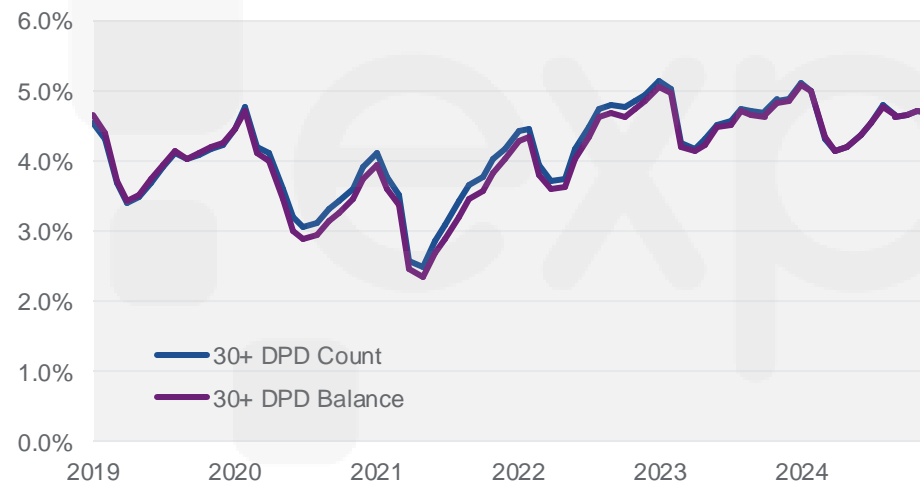
First Mortgage Loans - All U.S. Consumers



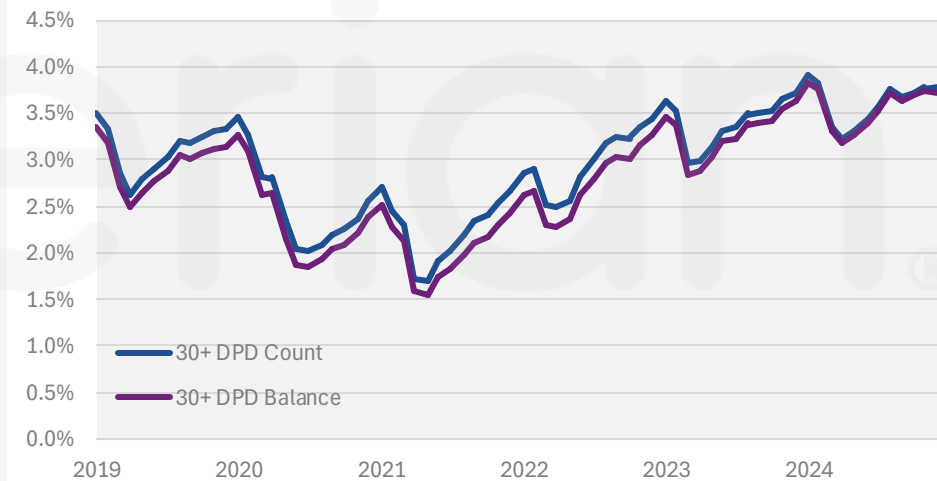
Auto



Auto Loans - Gen Z Consumers



Auto Loans - All U.S. Consumers



Gen Z Consumers are less likely to be involved in Collections

Share of consumers with a debt in collections			
	All U.S. Consumers	White Communities	Communities of Color
Young Adults	16%	14%	20%
Entire U.S. Population	22%	19%	29%

Median debt in collections			
	All US Consumers	White Communities	Communities of Color
Young Adults	\$1,376	\$1,302	\$1,466
Entire U.S. Population	\$2,123	\$2,080	\$2,181

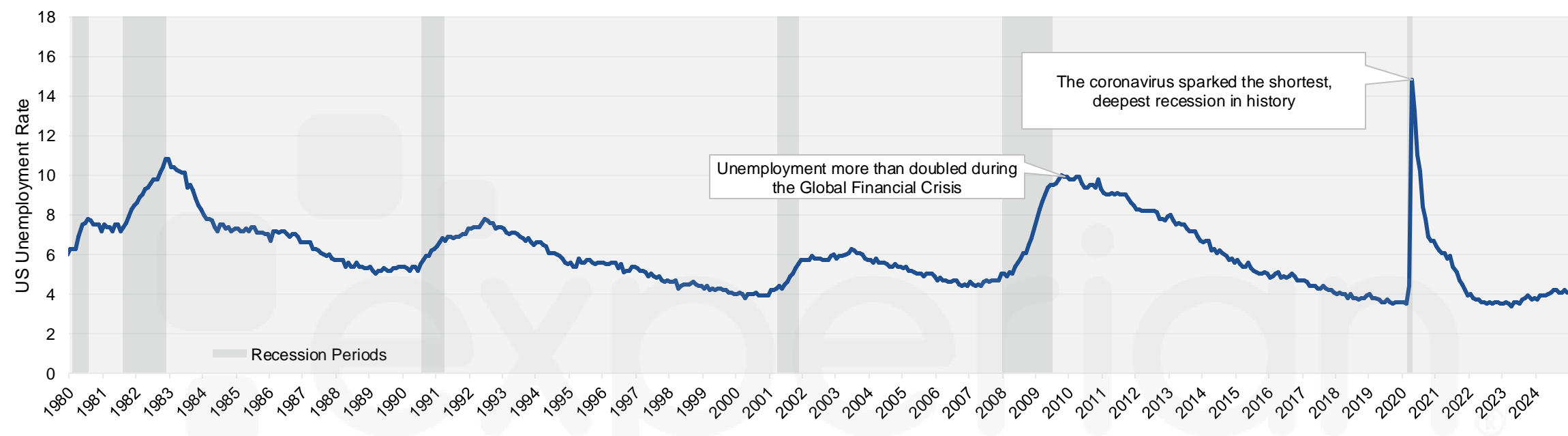
Source: Urban Institute



Gen Z: Unprecedented Resilience



Gen Z lived through two of the deepest recessions in history



Federal Reserve Bank of St. Louis; U.S. Bureau of Labor Statistics via FRED®

Their experience shaped their financial attitudes	Gen Z	Total
I witnessed my parents arguing over money when I was growing up.	85%	67%
My family rarely or never spoke about finances when I was growing up.	28%	51%
I experience negative thoughts, flashback, and/or anxiety about money.	73%	65%

Experian Survey, 2023

Pew Research Center, 2020: <https://www.pewresearch.org/politics/2020/03/26/public-views-of-the-coronaviruss-impact-on-the-u-s/>



Gen Z is seeking trusted resources for financial education.

Gen Z has a strong appetite for furthering their financial knowledge.

- 75% state they are trying to be more financially literate.
- 67% are actively looking for a trusted source of personal finance information.
- Motivated by a strong desire to achieve financial independence early.

Financial literacy gaps come at a cost!

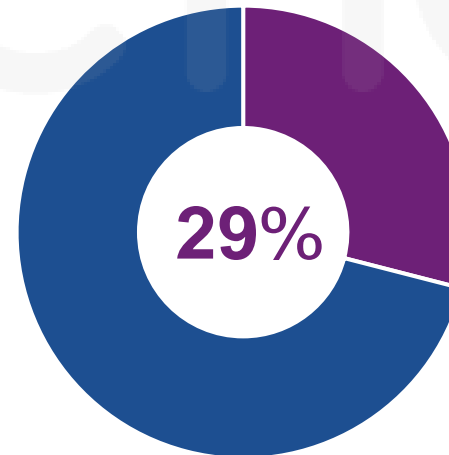
- 71% of Gen Zers say their lack of financial knowledge has come at a price. And 29% say these financial mistakes have cost them \$5K or more.

Gen Z is resilient and quick to adapt.

- When faced by financial challenges or unfamiliar topics, Gen Zers get scrappy - leveraging information and resources that did not exist for older generations.



A recent Experian survey shows, **3 in 5 (60%)** of Americans said their limited understanding has led to costly mistakes.



of Gen Zers report that **financial mistakes made due to lack of financial literacy** have cost them **\$5,000** or more.



Bridging the Financial Literacy Gap

Gen Z's Quest for Knowledge and Stability

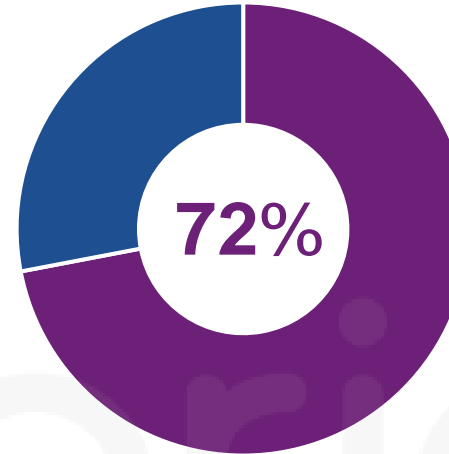
During the COVID-19 pandemic Gen Z'ers saw firsthand the importance of planning for unexpected economic shocks.

Many in Gen Z want to save for significant life milestones—travel, buying a home, or even early retirement—prompting them to seek financial knowledge earlier than previous generations.

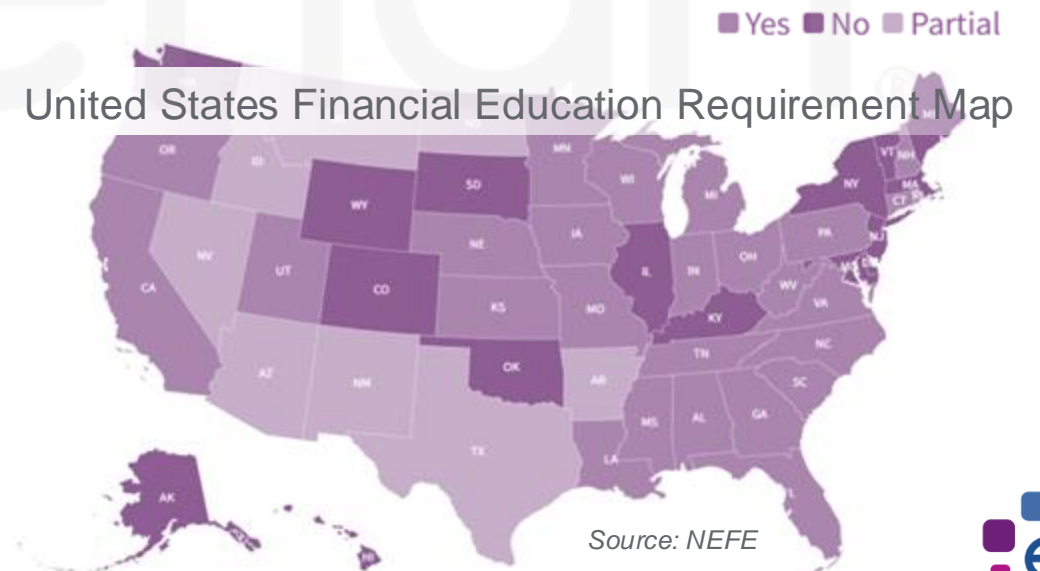
The lack of financial education in schools has pushed Gen Z to get resourceful, turning to alternative sources to gain financial knowledge.

- In 2020, just 8 states required a financial education course in high school to graduate.
- There has been great momentum on this front with 26 states now requiring a financial education course to graduate. However, it will take time to implement!

<https://www.nefe.org/impact/policy-and-advocacy/exisiting-k12-fin-ed-requirements.aspx>
2023 Data Take a Look: Millennial and Gen Z Personal Finance Trends - Experian Global News Blog



of Gen Zers said recent **economic news** and **layoffs** have them more **focused** on their **financial health**.



Financial Literacy on the Go

Gen Z are "Digital Natives" who spend more time than any other generation on their phone.

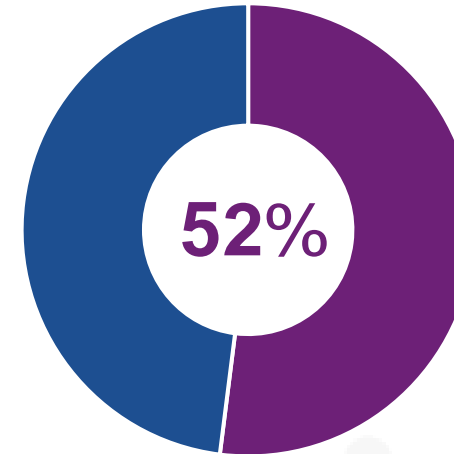
- Social media apps serve as their primary source for news, entertainment and social interaction.
- Gen Z expects instant gratification in all aspects of daily life.
- Gen Z gravitates toward social media for financial education because it aligns with their mobile-first lifestyle, offering financial insights at their fingertips anytime, anywhere.

Daily Phone Screen Time by Generation:



<https://www.harmonyhit.com/phone-screen-time-statistics>

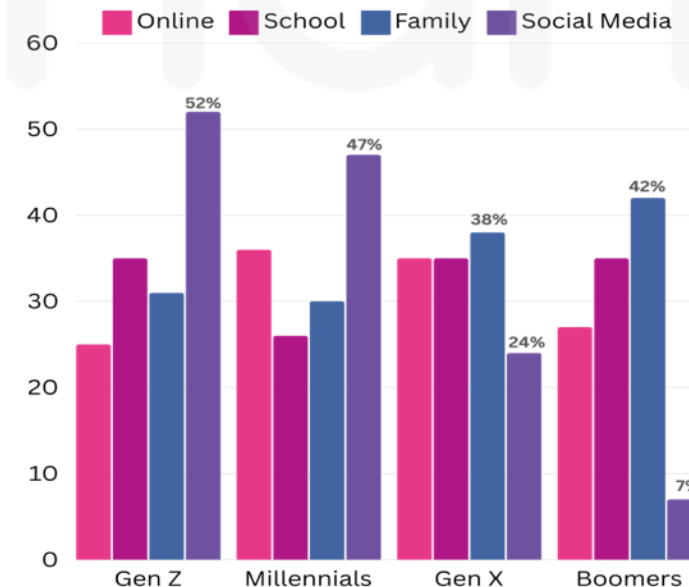
<https://www.nefe.org/impact/policy-and-advocacy/exisiting-k12-fin-ed-requirements.aspx>



of Gen Zers are learning about credit and personal finance from social media platforms including:



Where the different generations are learning about personal finance.



Meeting Gen Z Where They Are

Identifying the platforms and trends shaping Gen Z's financial literacy journey.

YouTube, Instagram and TikTok are Gen Z's preferred platforms













- These platforms offer visual and bite-sized content.
- They seek authenticity in the media they consume.
- Easy searchability and algorithms tailored to their interests.
- Source of community and interaction.

2024 Financial Literacy Trends

- Loud Budgeting
- Soft Savings
- Doom Spending
- Girl Math

Reigning Gen Z in is important!

Top 3 Social Media Chanel's by Generation

	Gen Z	Millennials	Gen X	Baby Boomers
1	 YouTube	 YouTube		
2			 YouTube	 YouTube
3				

Source: Talker Research

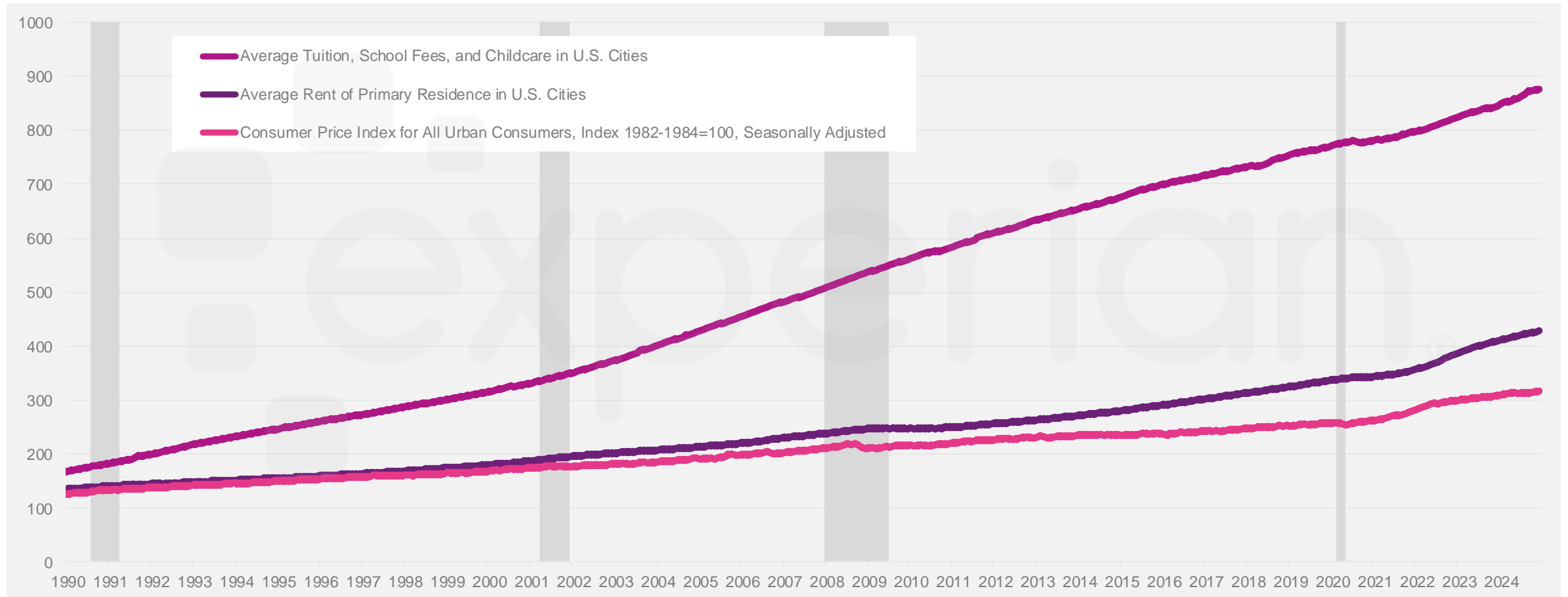


According to an Experian survey over 60% of Gen Zers would prefer to spend money on life experiences now rather than save for retirement.



Young urban consumers face high prices

Tuition and Rent have risen faster than other prices

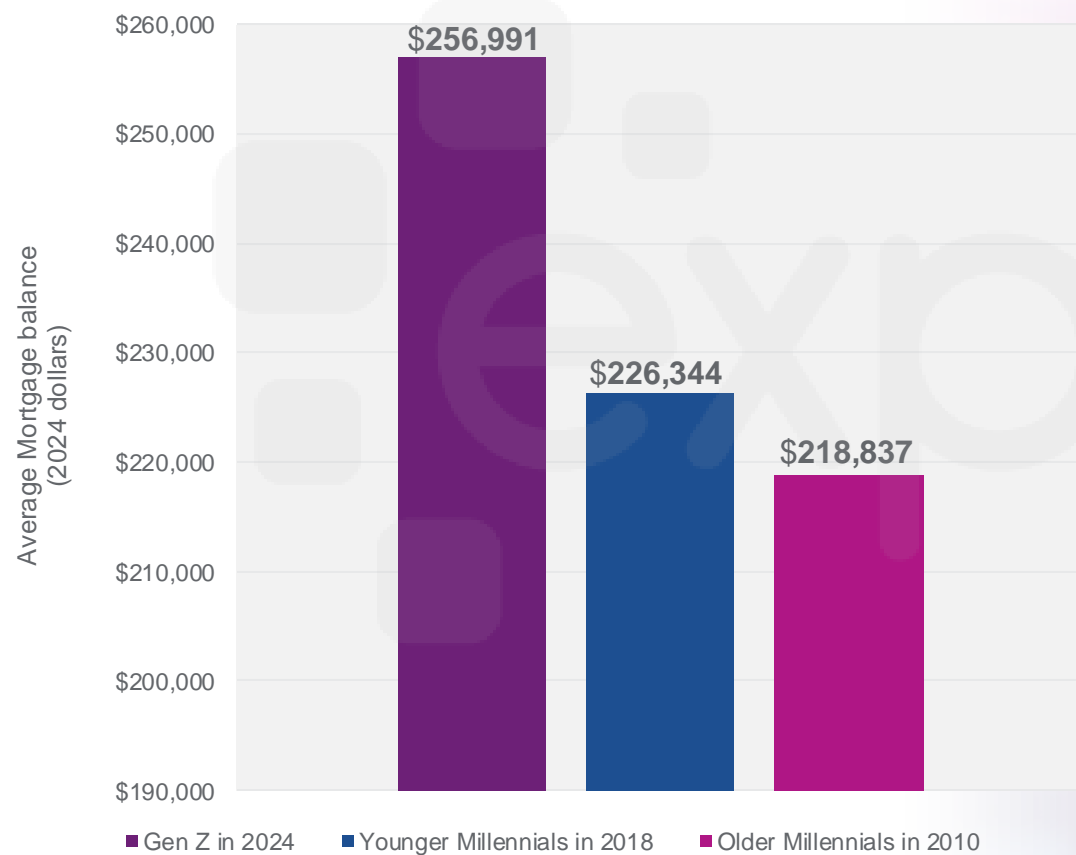


Sources: Federal Reserve Bank of St. Louis; U.S. Bureau of Labor Statistics



Gen Z faces higher housing prices than prior generations

Even after adjusting for inflation

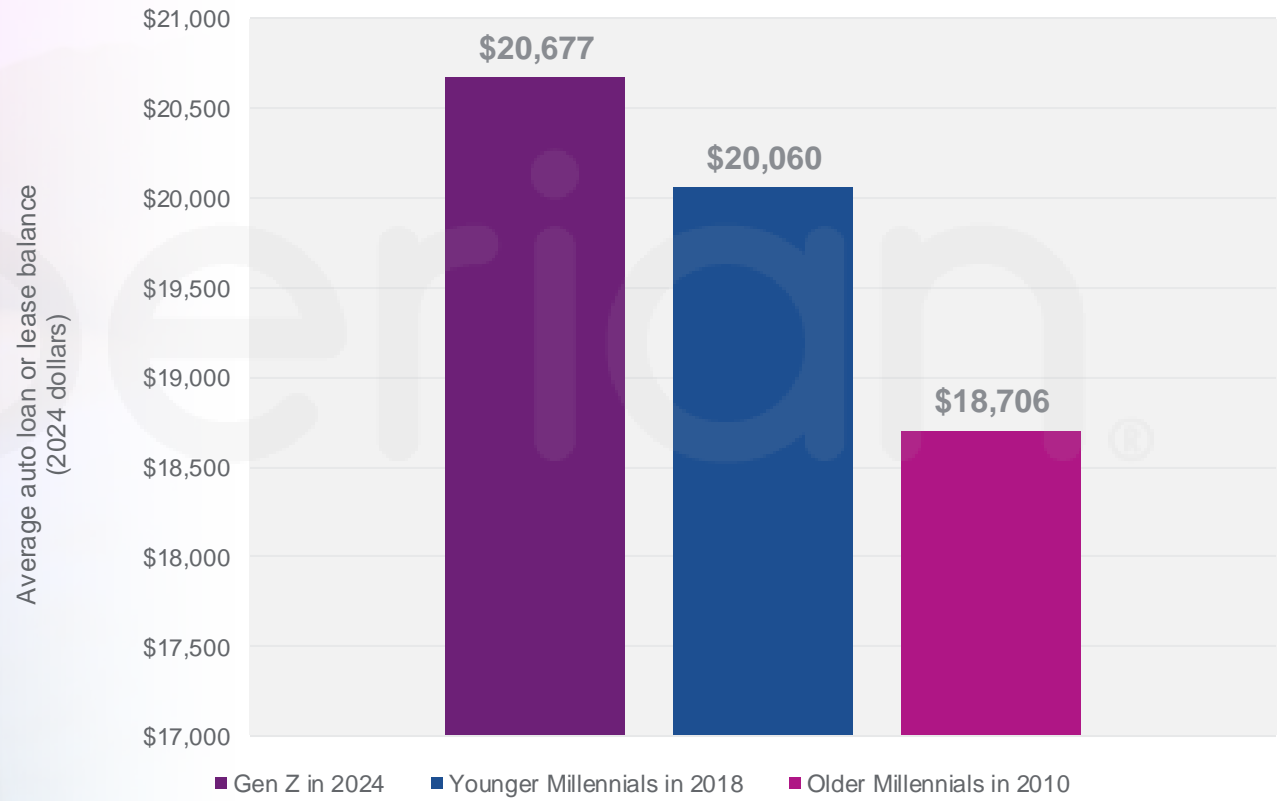


Source: Experian Ascend



Gen Z has larger auto loans and leases than prior generations

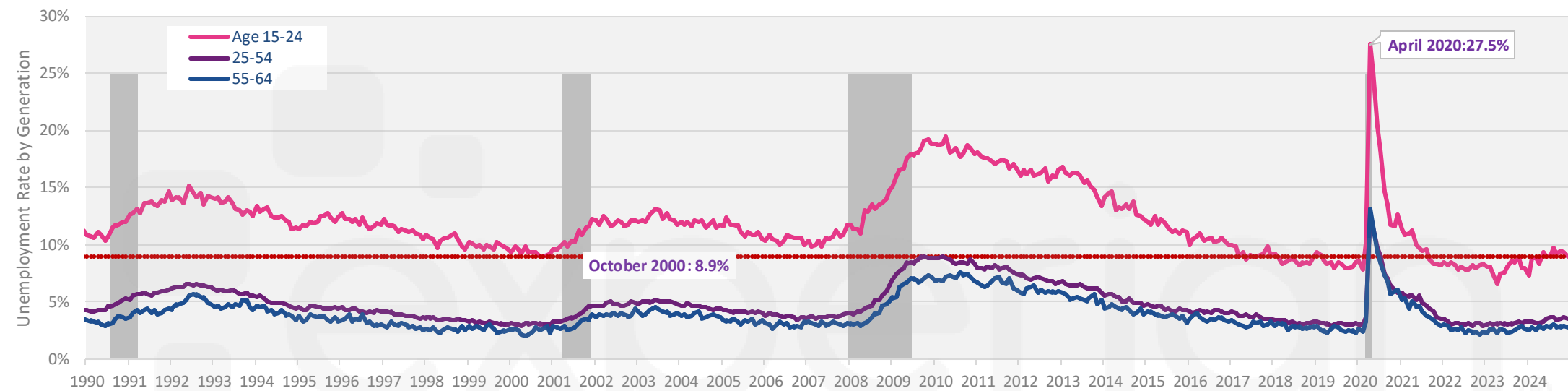
Even after adjusting for inflation



Source: Experian Ascend



Gen Z experiences higher unemployment rate than older generations but lower rates than people their age faced in the past



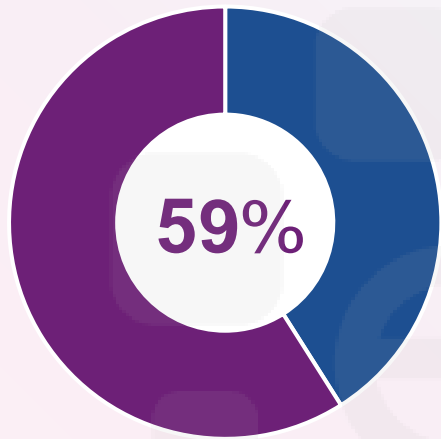
Federal Reserve Bank of St. Louis; U.S. Bureau of Labor Statistics via FRED®

Gen Z would like to know more about money	Gen Z	Total
Having a more established financial plan for my future would help me feel less stressed about my financial situation.	56%	45%
Access to more financial education would help alleviate some of my financial stressors.	74%	55%

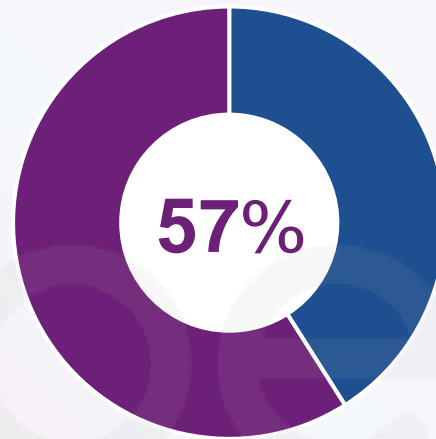
Experian Survey, 2023 Pew Research Center, 2020: <https://www.pewresearch.org/politics/2020/03/26/public-views-of-the-coronaviruss-impact-on-the-u-s/>



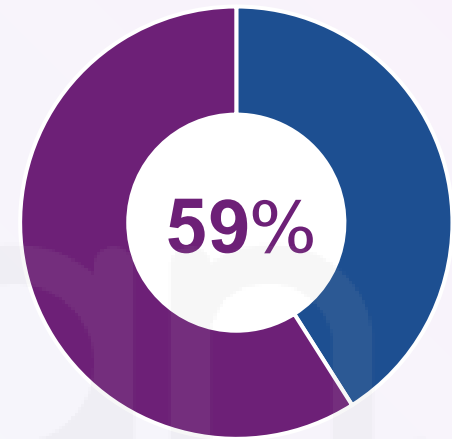
Gen Z: concerned about Gen AI



believe that Gen AI-driven automation will cause the elimination of jobs



think younger generations will find it harder to enter the workforce because of Gen AI



say the prevalence of Generative AI will require them to reskill and will impact their career decisions

Source: Deloitte® 2024 Gen Z and Millennial Survey



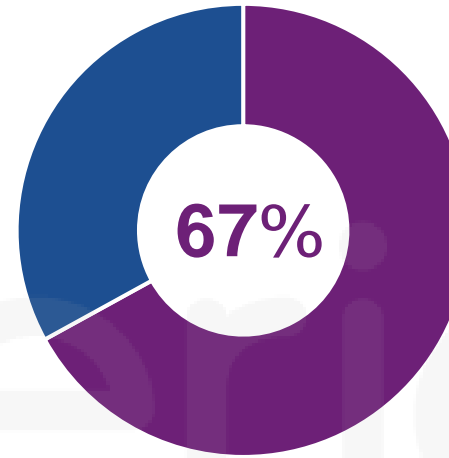
But They Are Still Using AI Every Day

Gen Z is taking advantage of Gen AI as a free tool to help them understand financial topics.

Why AI?

- Gen Z seamlessly integrates AI into their daily lives, using it for tasks like homework, content creation, meal planning, writing resumes and more.
- Gen Z expects instant solutions.
- Many AI tools are free and accessible 24/7.
- Generative AI platforms simplify financial jargon that can seem overwhelming, explain investment strategies making them less intimidating.

AI is an important tool in the toolbox, but it's not a silver bullet and it needs to be used responsibly.



Of Gen Zers **are using AI** to help manage their personal finances today and many are having **positive experiences** with it.

Consumers are using Gen AI tools for advice in the following areas:

48% - Credit Score Improvement

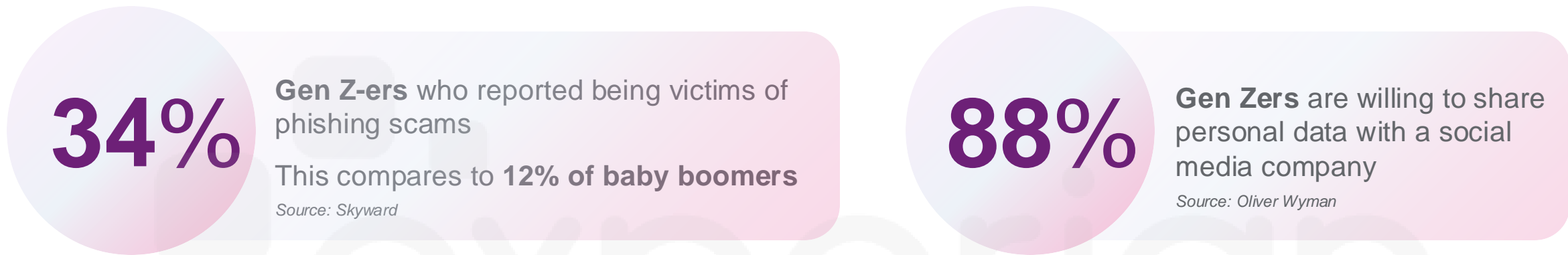
48% - Investment Planning

60% - Budget and Saving

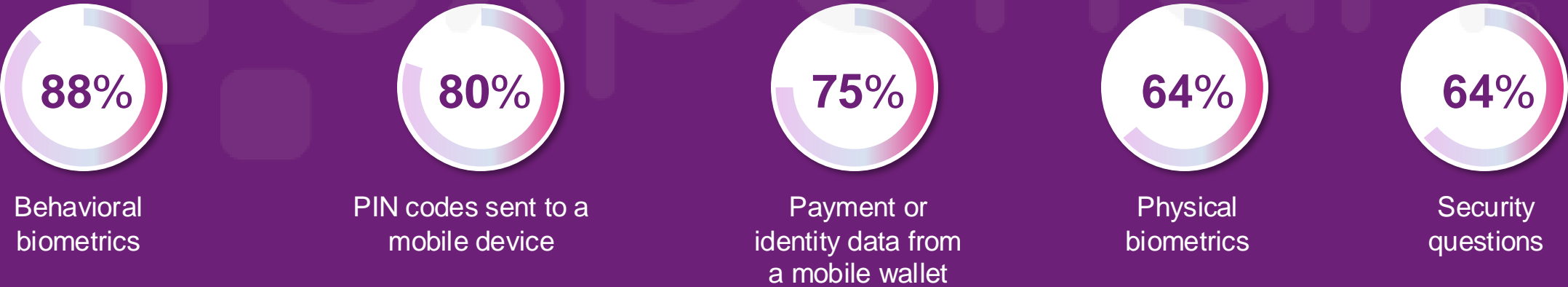


Gen Z has a complicated relationship with privacy and security

Gen Zers say they are less concerned than other generations with online security



Methods that evoke the highest sense of security for Gen Z



Source: For Experian by HarrisX, 2024



What value do you believe Gen Z places most on in a brand?

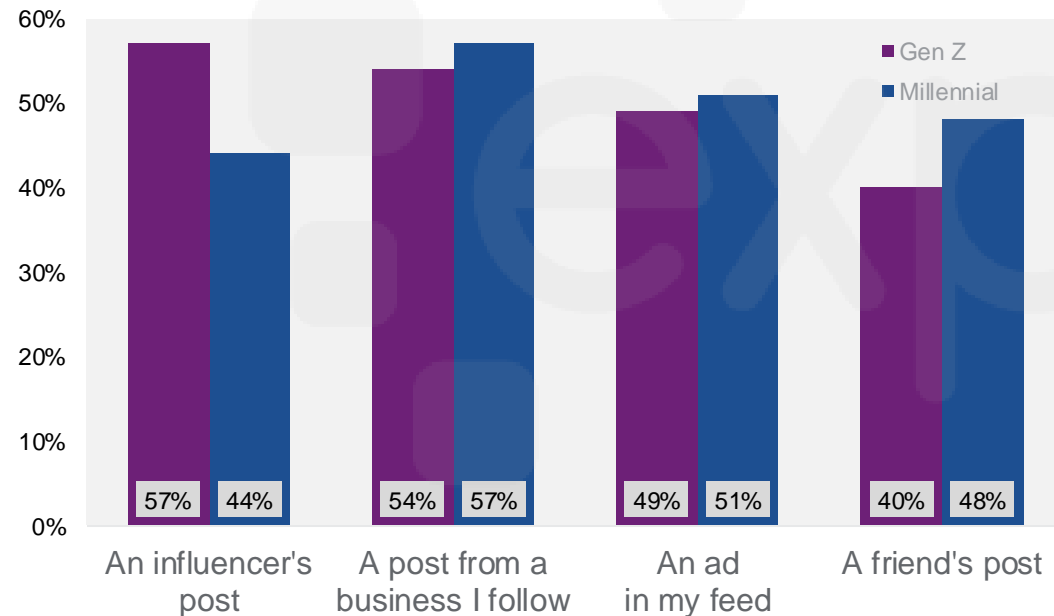


What type of posts are most effective in influencing Gen Z to make a purchase?

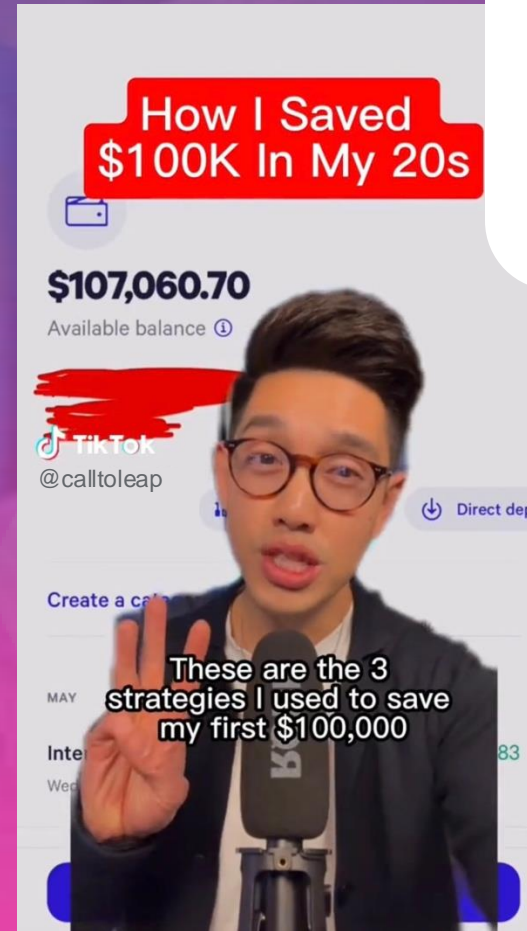


Gen Zers are more likely to buy something an influencer recommends

Millennials are most influenced by the businesses they choose to follow



Source: GoDaddy



September 23rd, 2019 Bastrop, TX

High interest rates even for people with good credit. Extremely high fees. Do not use this company! Do your research like we should have!!



Chris Stevens

1 review

★★★★★ a month ago

Fast service, on point, no nonsense lender. Reasonable terms, delivered timely. I would not hesitate to work with them again. Thanks Jason.

Source: Google Reviews



What can you do now?

Doing business with Gen Z

- **Build the relationship now** for more profitable business relationships later
- **Provide great customer experiences** that Gen Z consumers want to share online
 - Authenticity and Cancel Culture are real
 - Engage with those shares
- **Support Gen Z consumers** with appropriate offers, and a low friction, seamless experience online and in person
- **Keep Gen Zer safe**
 - Digital natives are highly susceptible to online scams
 - AI has made phishing, text, and other scams far more common
- **Train your employees** to talk about credit & fraud with your customers. Offer education for employees and customers.
 - Ask your Experian representative how we can help



Questions? Feedback?

Submit your feedback in the chat:

Ideas on tools that would help you with your **marketing or lending strategy**

Suggestions on data/insights you'd like to see in future reports



Connect with us



Jim Bander

Jim.bander@Experian.com
[linkedin.com/in/jimbander/](https://www.linkedin.com/in/jimbander/)

Christina Roman

Christina.roman@Experian.com
[linkedin.com/in/christinamroman/](https://www.linkedin.com/in/christinamroman/)



Experian Edge

Powering the future with proprietary Experian data and economic, credit and market trends
experian.com/edge

Subscribe to our Experian Insights Newsletter

us-go.experian.com/experian-insights-at-your-fingertips



[linkedin.com/company/experian-consumer-information](https://www.linkedin.com/company/experian-consumer-information)



©2025 Experian Information Solutions, Inc. All rights reserved. Experian and the Experian marks used herein are trademarks or registered trademarks of Experian Information Solutions, Inc. Other product and company names mentioned herein are the trademarks of their respective owners. No part of this copyrighted work may be reproduced, modified, or distributed in any form or manner without the prior written permission of Experian.