



# Millennials, Generation Z and credit



# Introducing:

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Experian

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Experian



# Generation overview



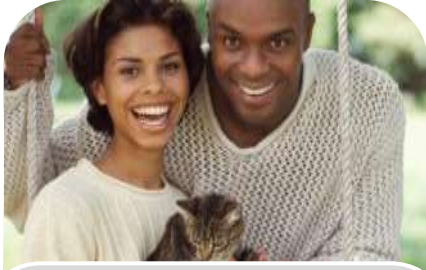
**Gen Z**

**Age 18–20**



**Gen Y**

**Younger:  
Age 21–27  
Older:  
Age 28–34**



**Gen X**

**Age 35–49**



**Boomer**

**Age 50–70**

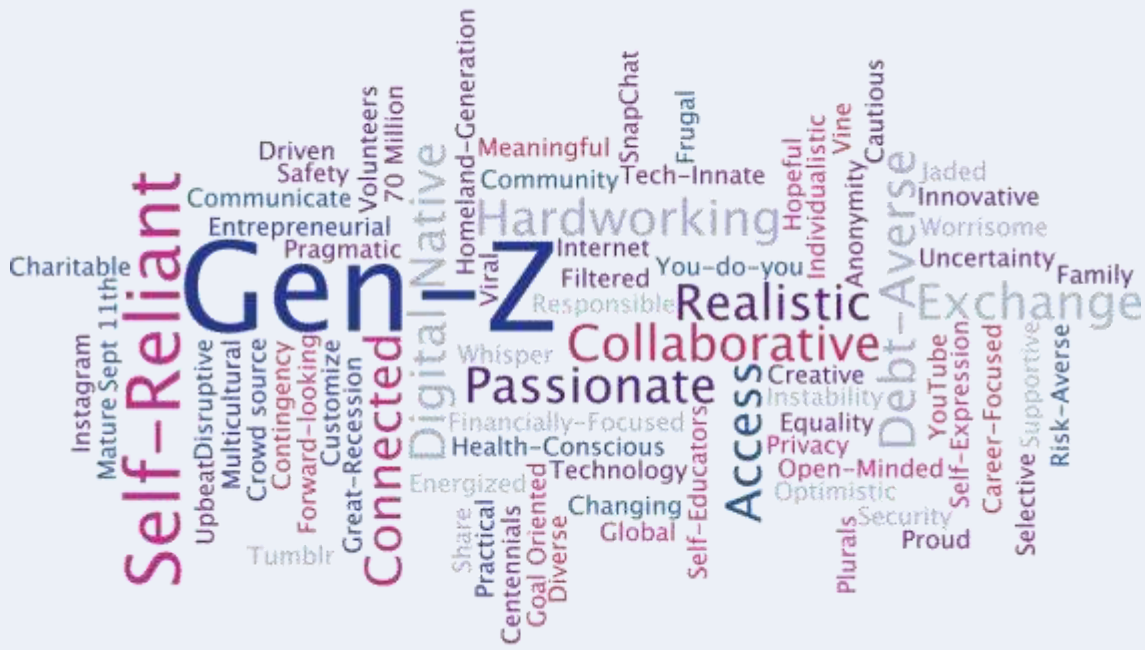


**Silent**

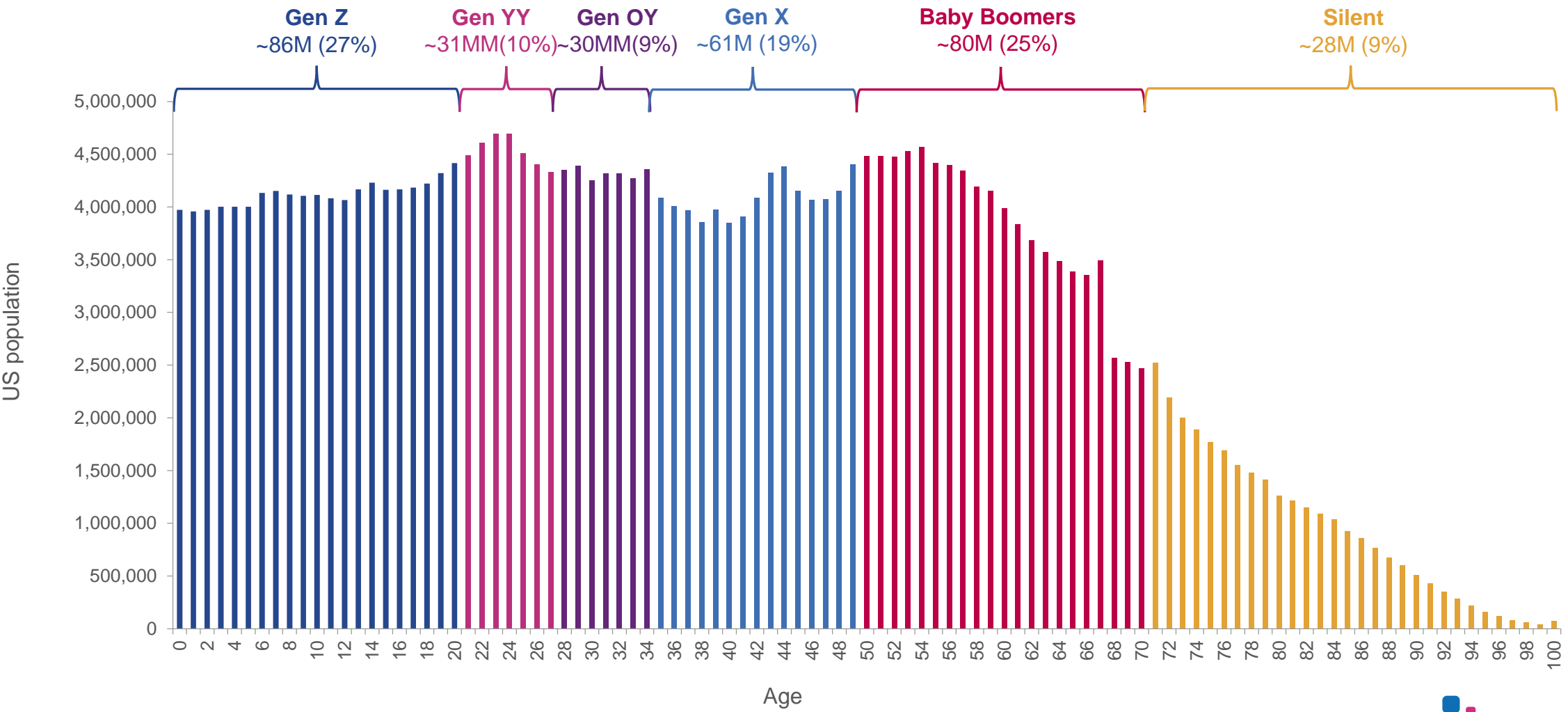
**Age 70+**



# Generational review



# The growth of Gen Z and Millennials



# VantageScore® 3.0

## Model overview

### Predicts risk of borrower

- Likelihood of future serious delinquencies (90 days later or greater)
- Any type of account

### 24-month performance

### Score range of 300–850

- Higher scores represent a lower likelihood of risk
- Lower scores are higher risk

**A = Super-prime 781–850**

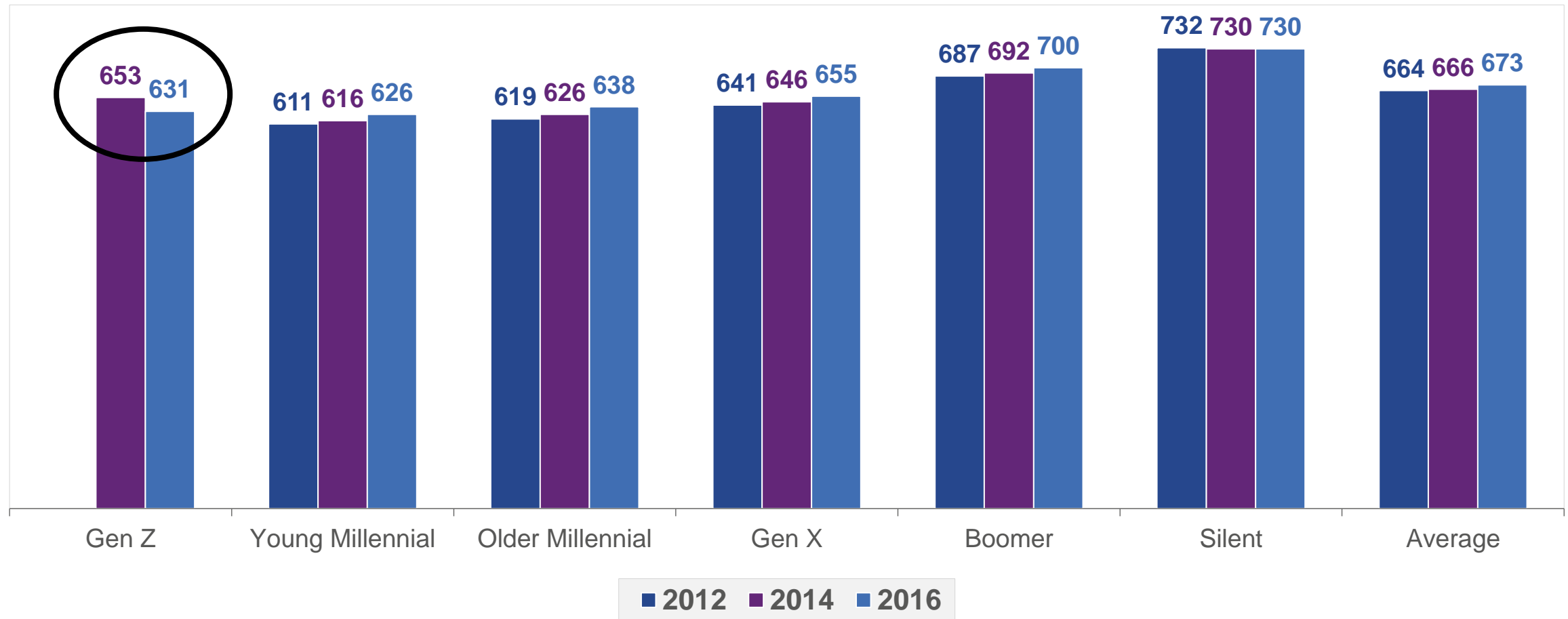
**B = Prime 661–780**

**C = Near prime 601–660**

**D = Sub-prime 500–600**

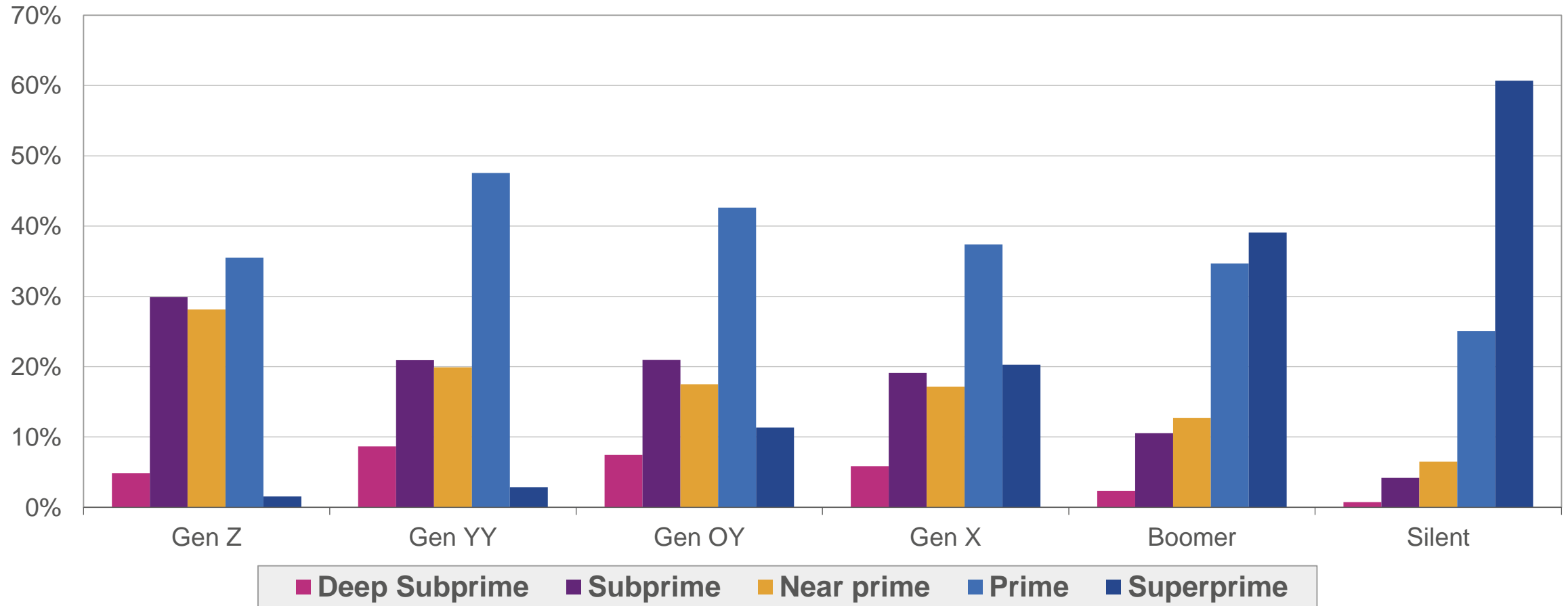
**F = Deep sub-prime 300–499**

# Average VantageScore® by generation



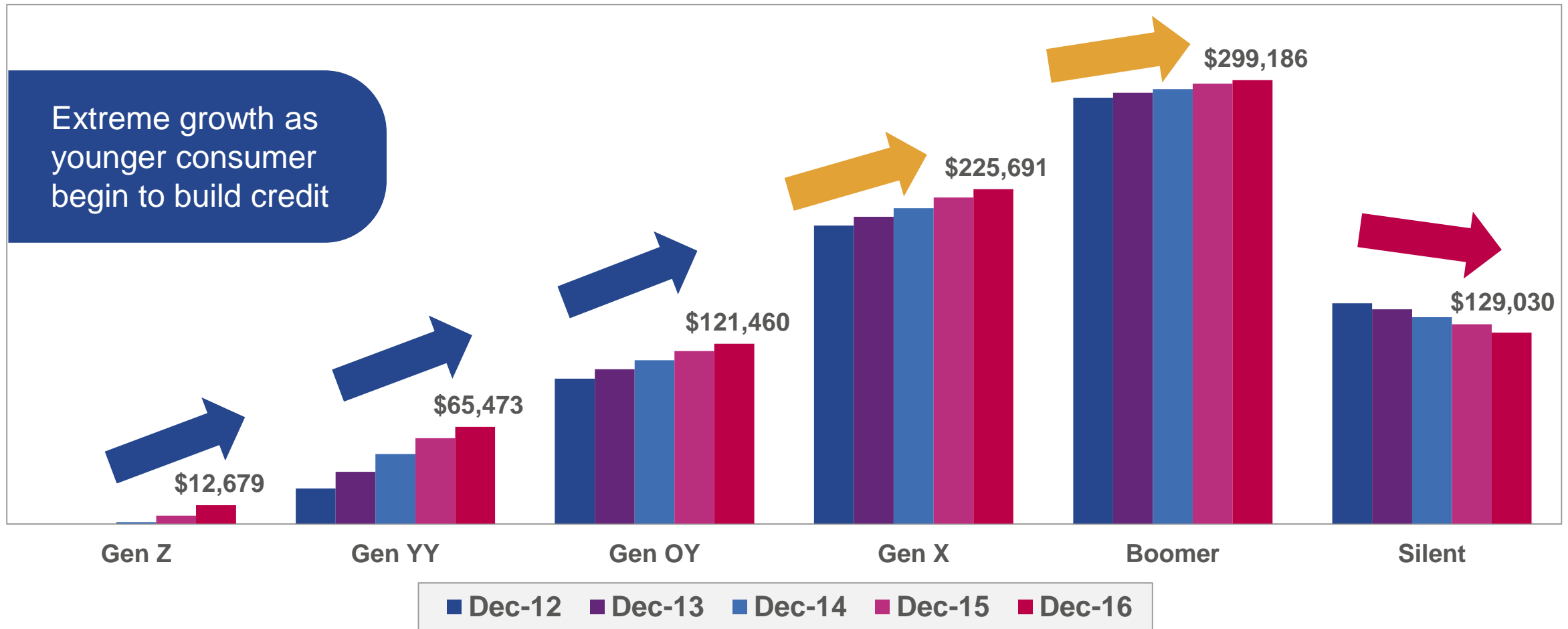
# VantageScore® – Risk tiers

Gen Z subprime / near prime will migrate to prime / super prime as they age

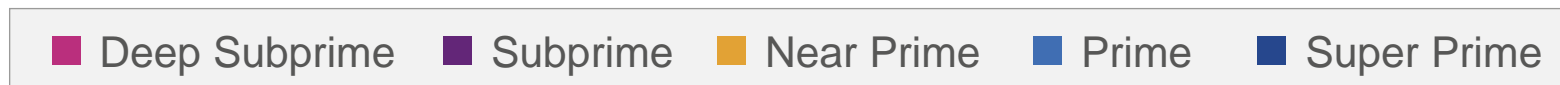
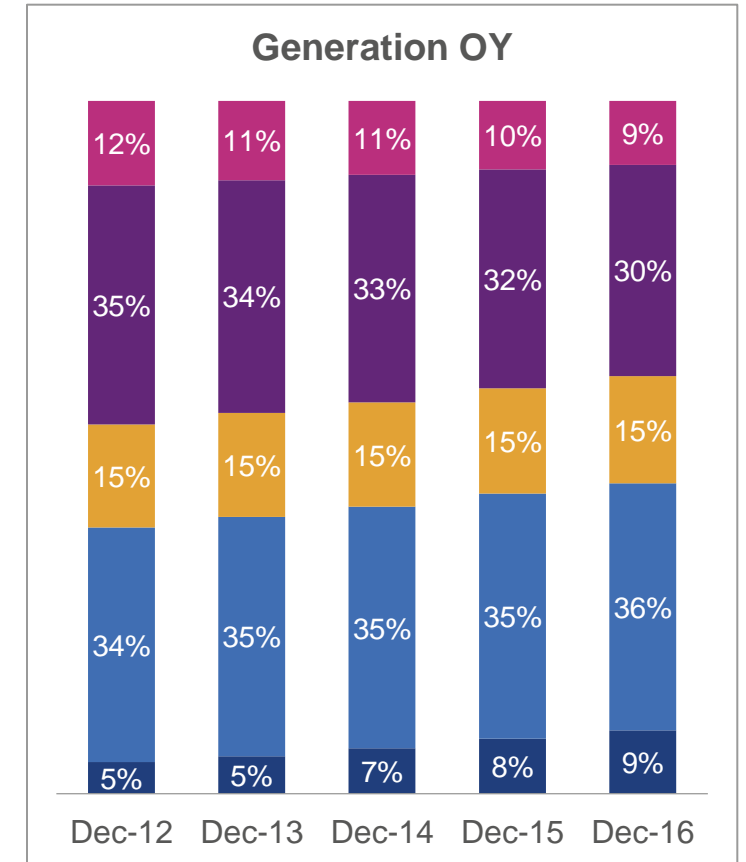
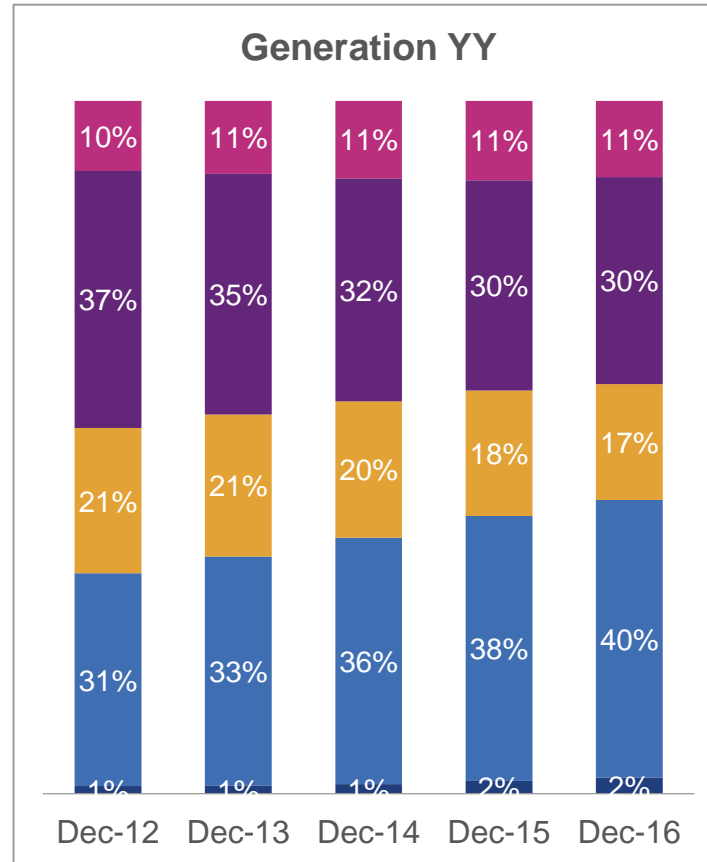
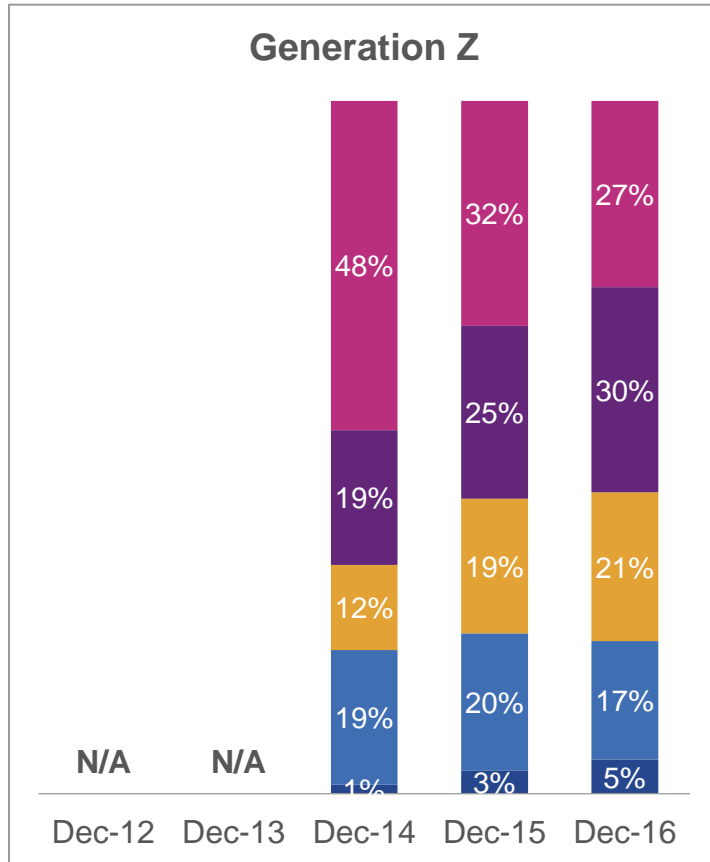




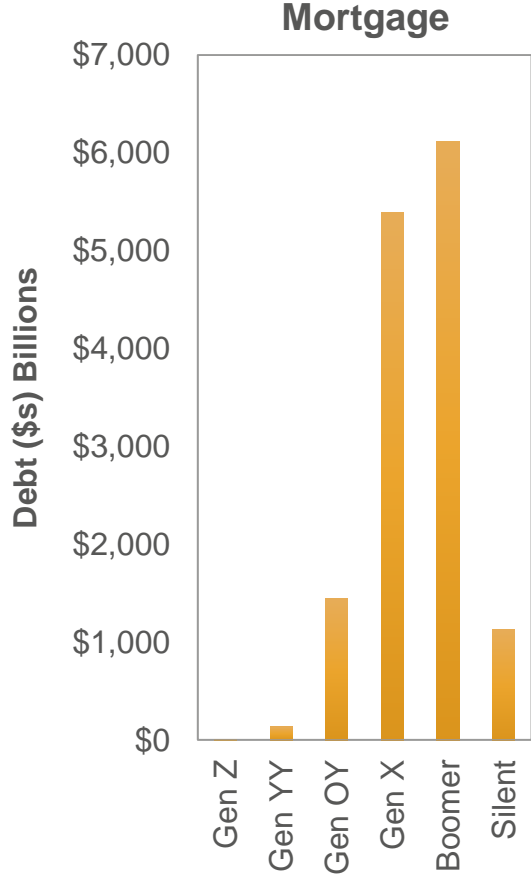
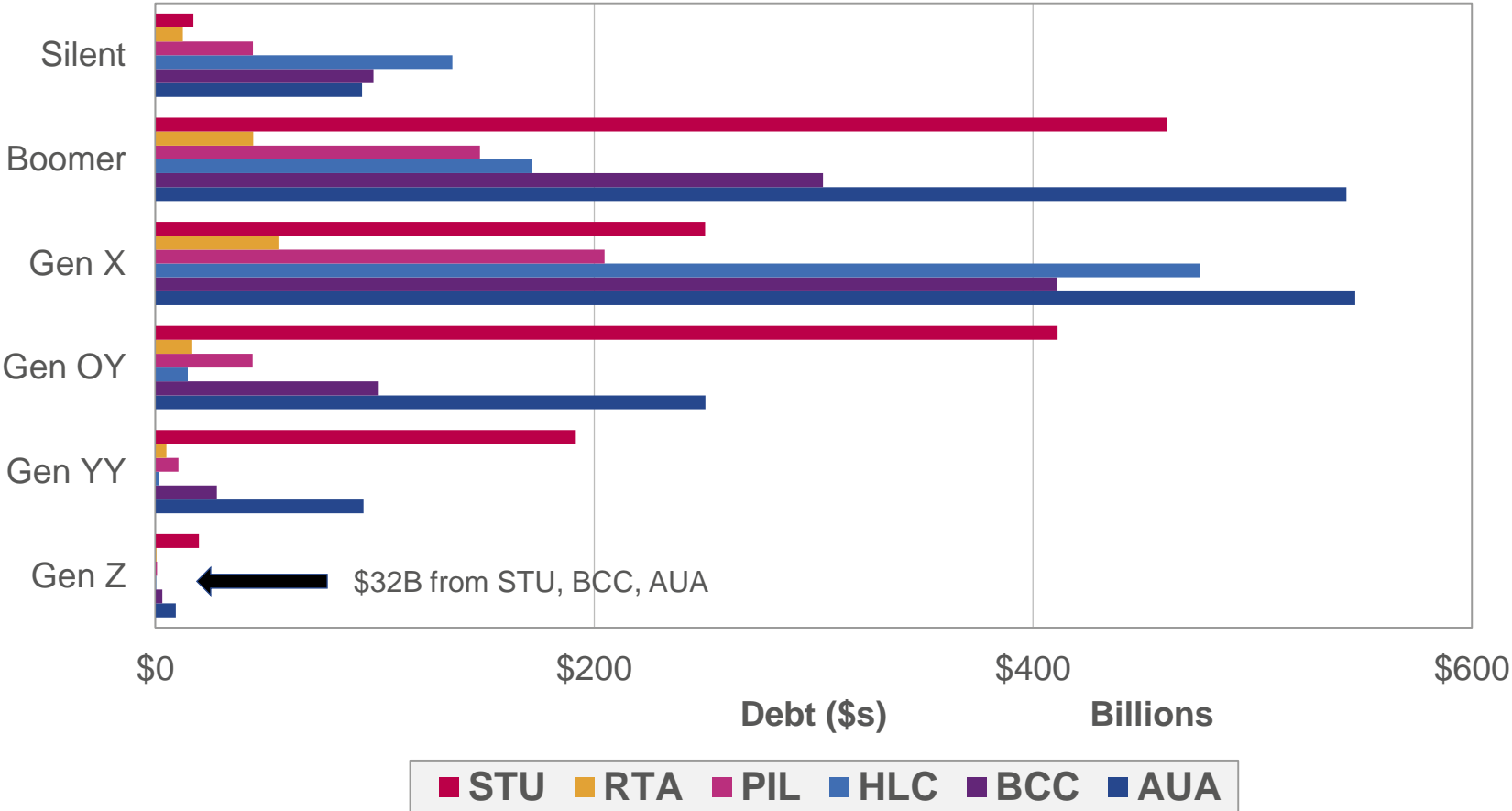
# Debt by risk tier



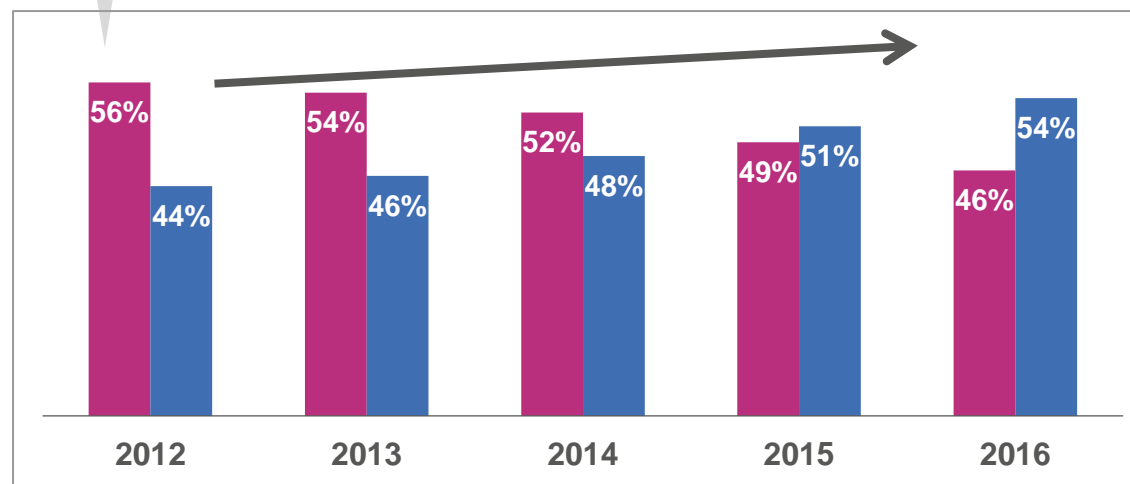
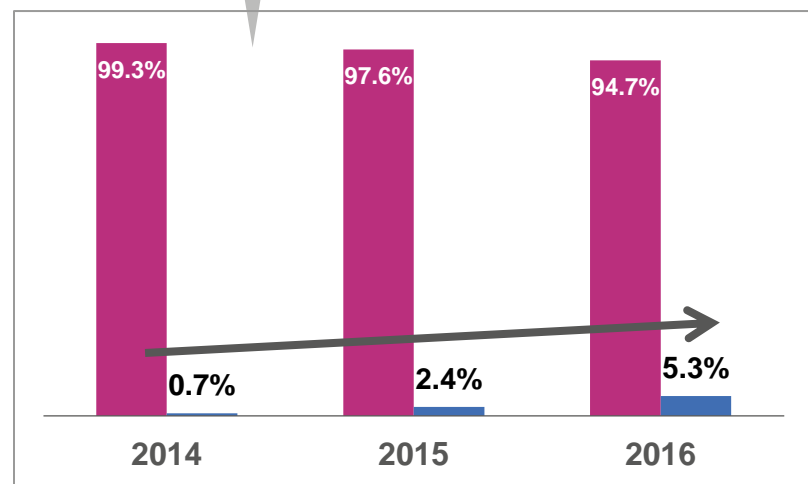
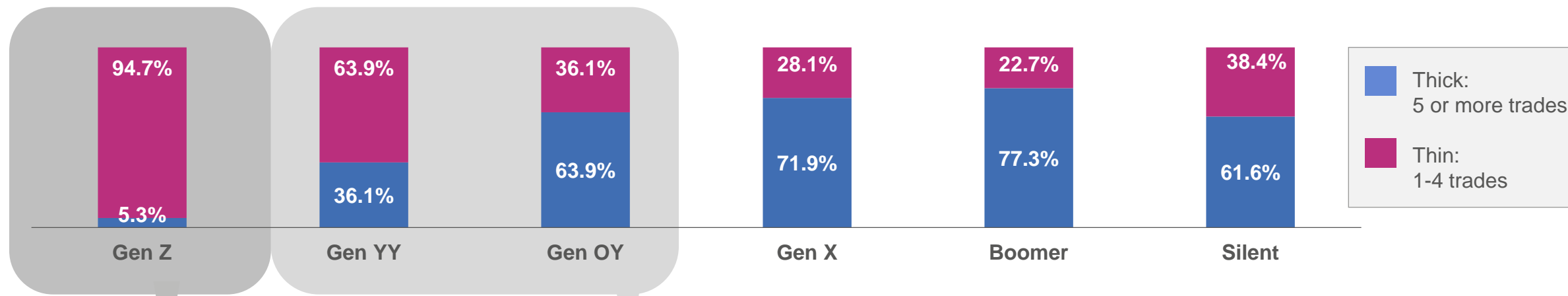
# Percentage of debt by risk tier



# Types of debt by generation

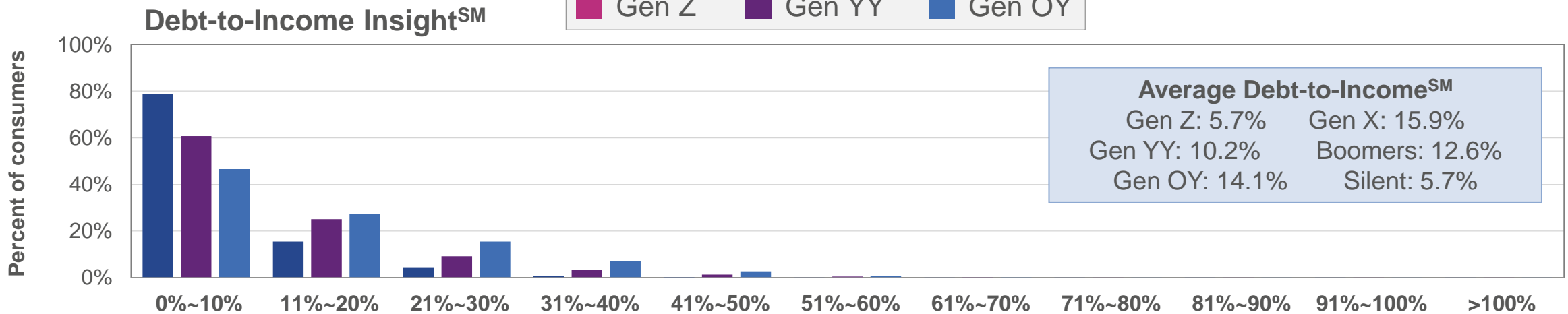
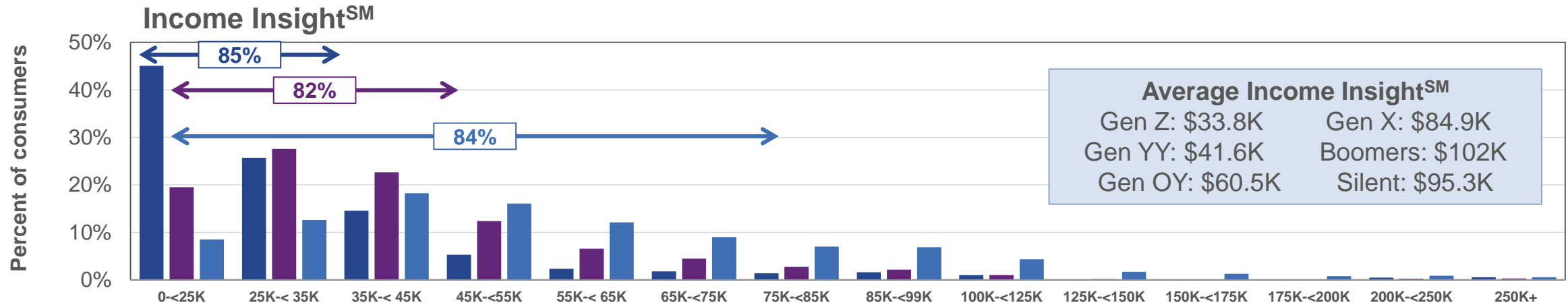


# Thin files by generation



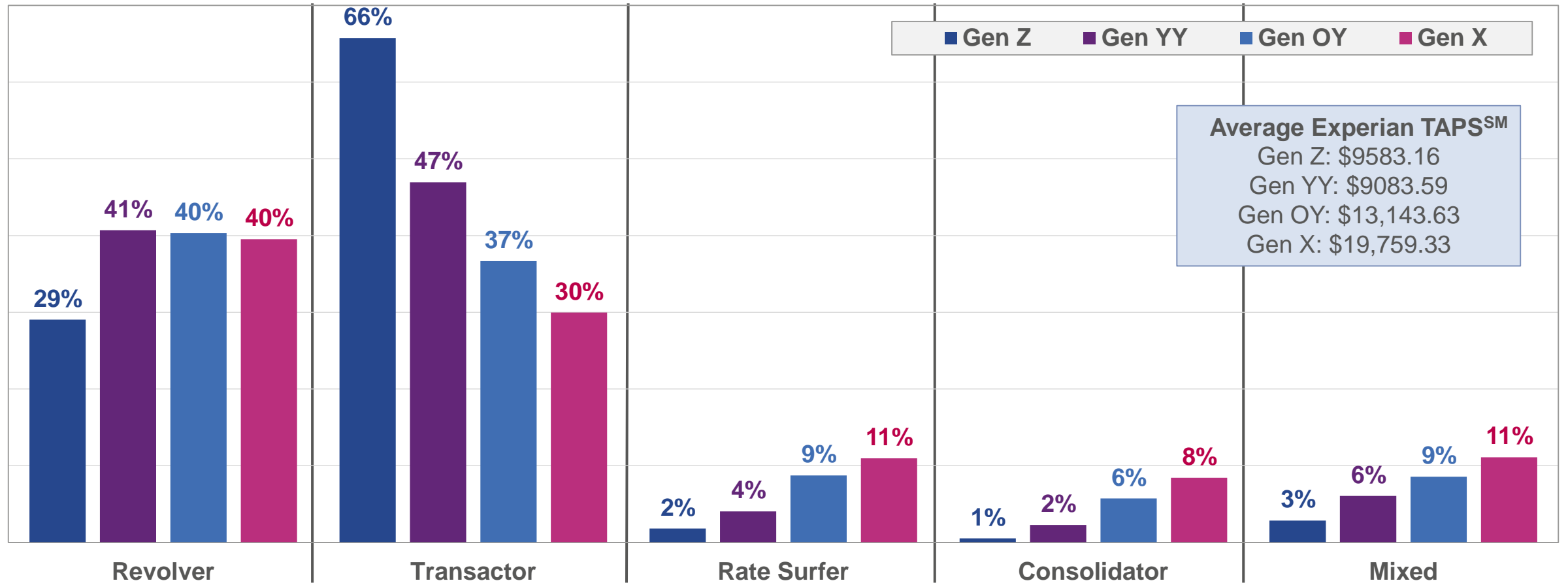
Gen Z and Millennials' files are getting thicker over time

# Average Income Insight<sup>SM</sup> and Debt-to-income<sup>®</sup>

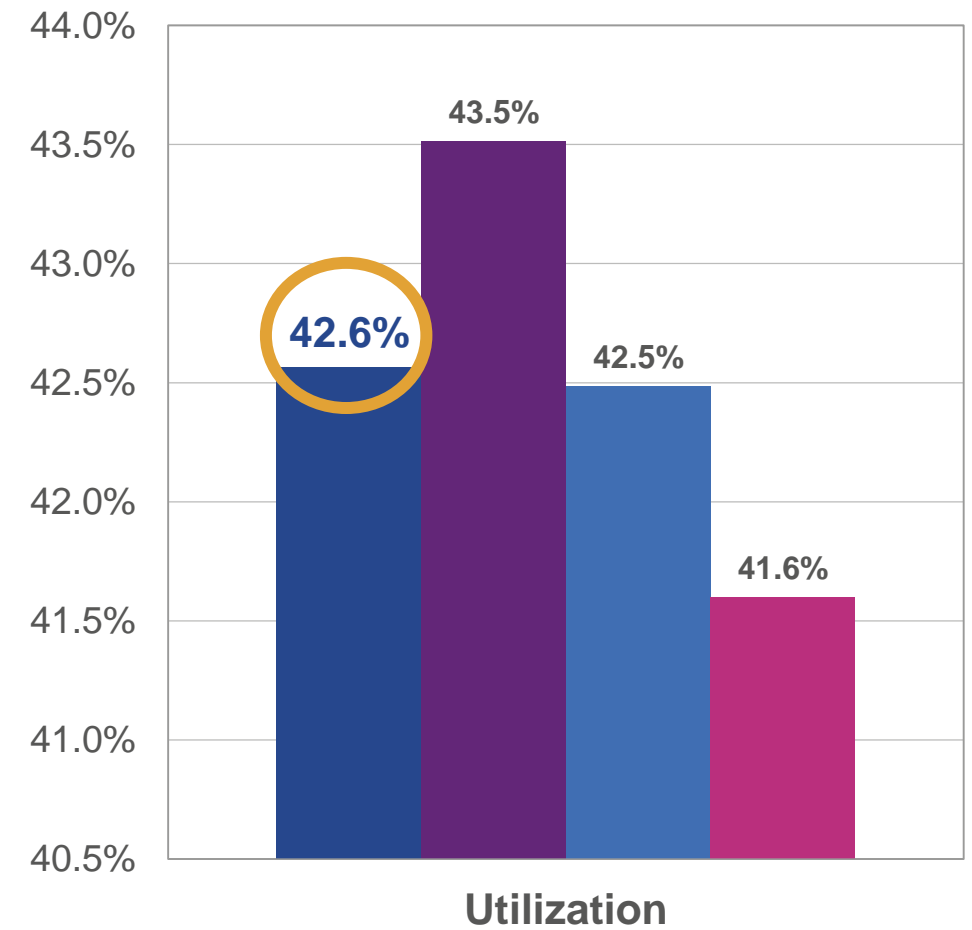
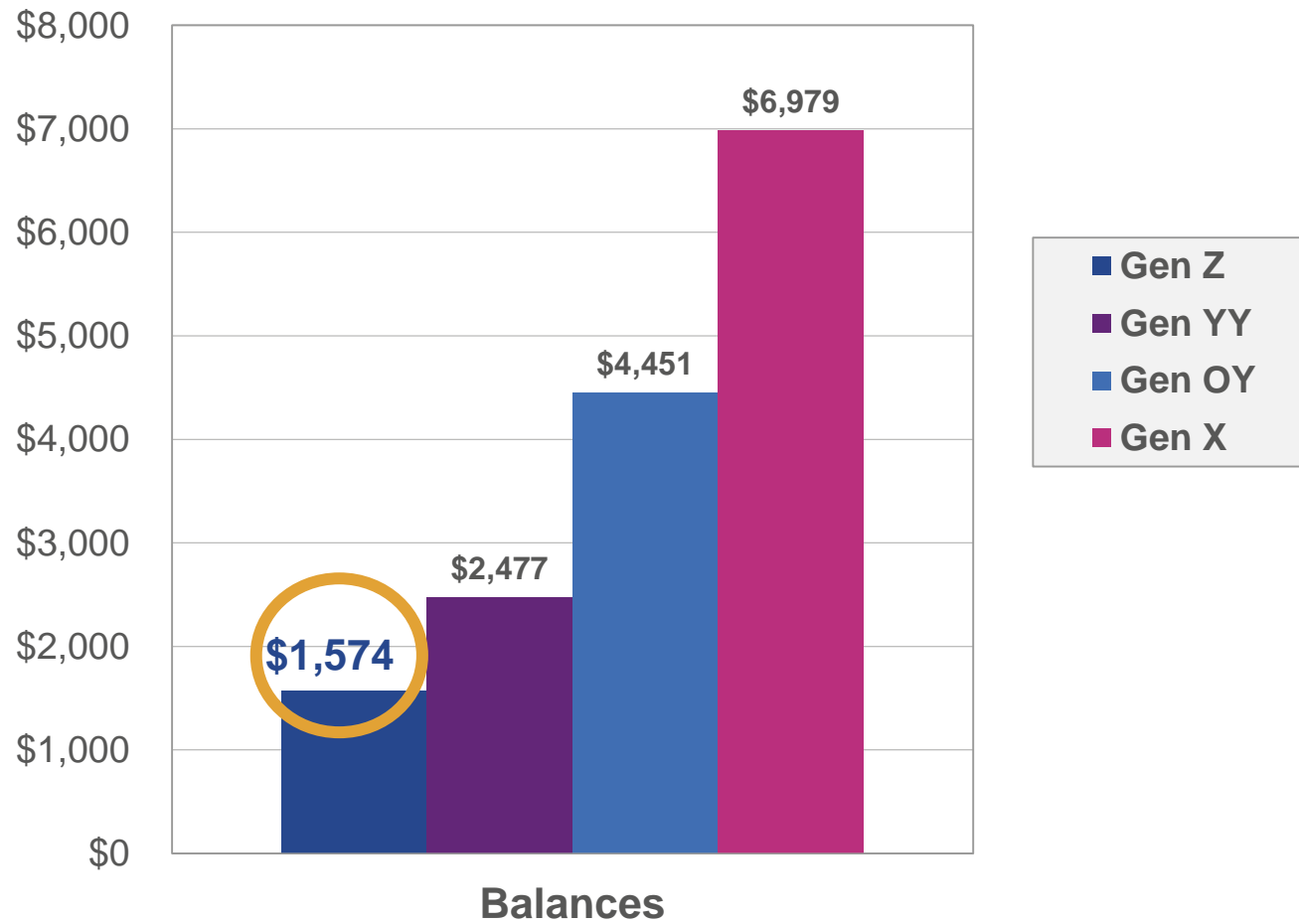


# Total Annual Plastics Spend (Experian TAPS<sup>SM</sup>)

Type of spend

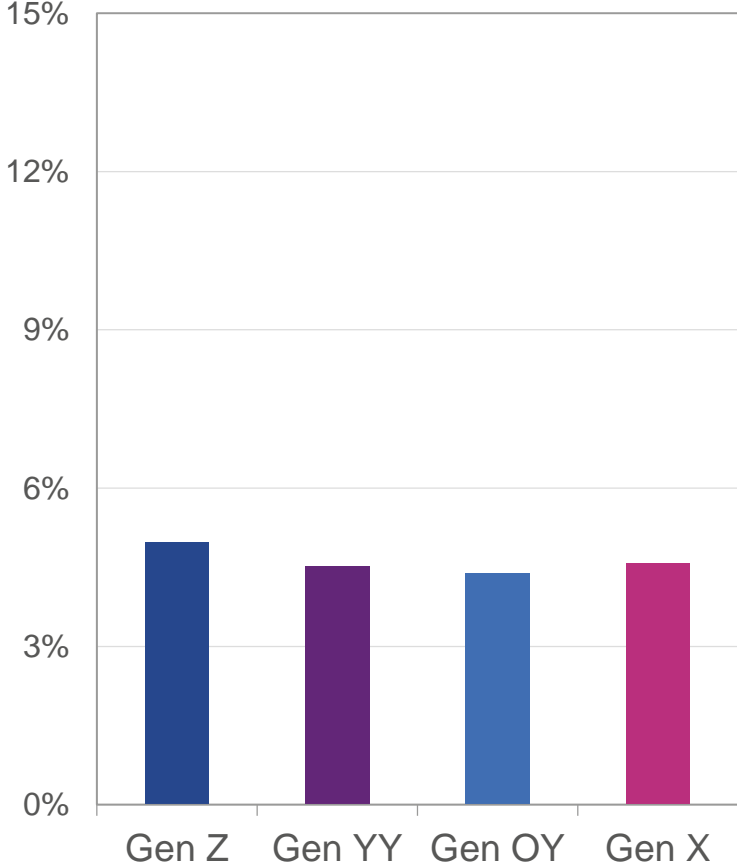


# Bankcard balances and utilization

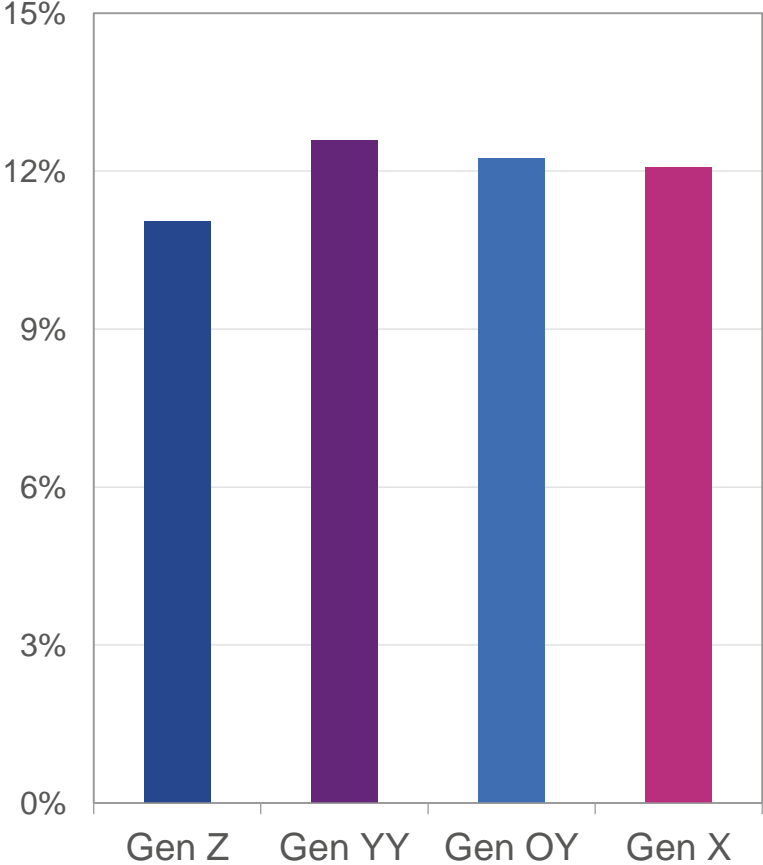


# Does interest rates matter to Gen Z / Millennials?

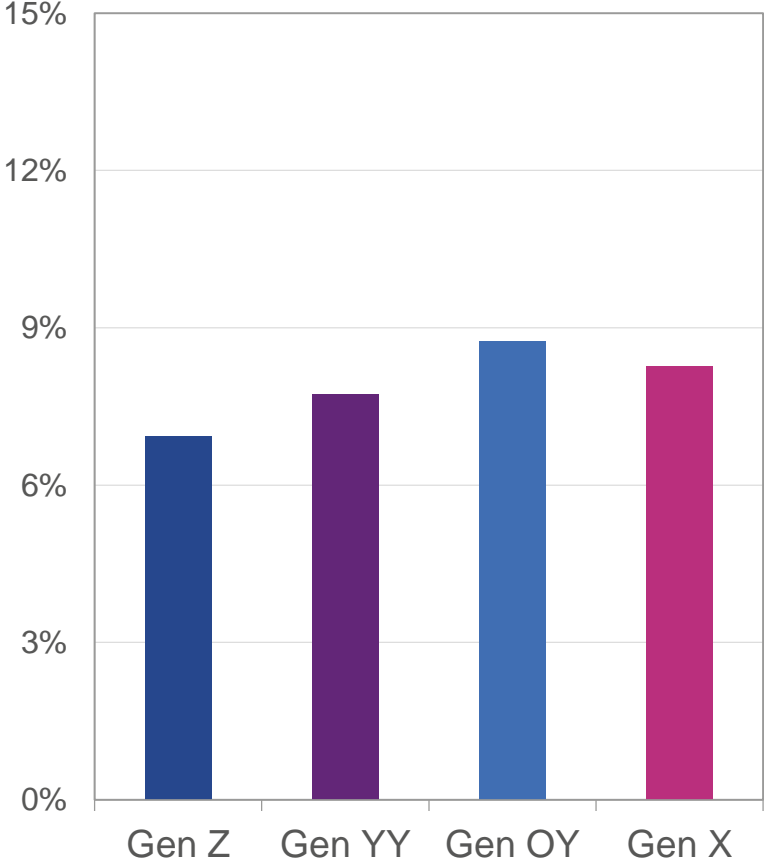
Mortgage interest rate



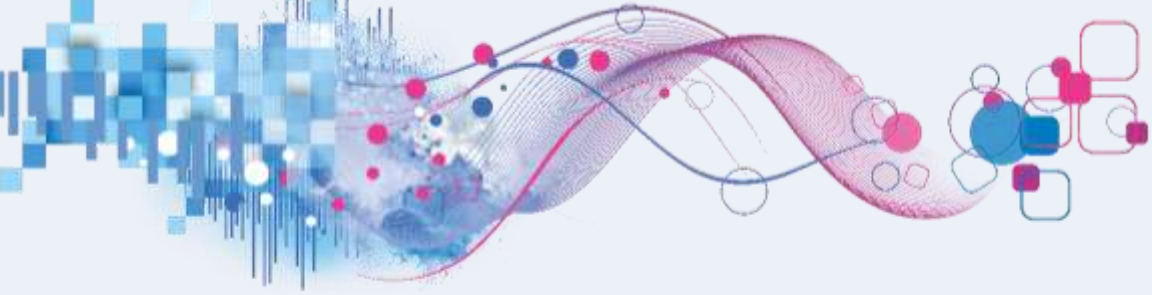
Revolving interest rate



Student loan interest rate

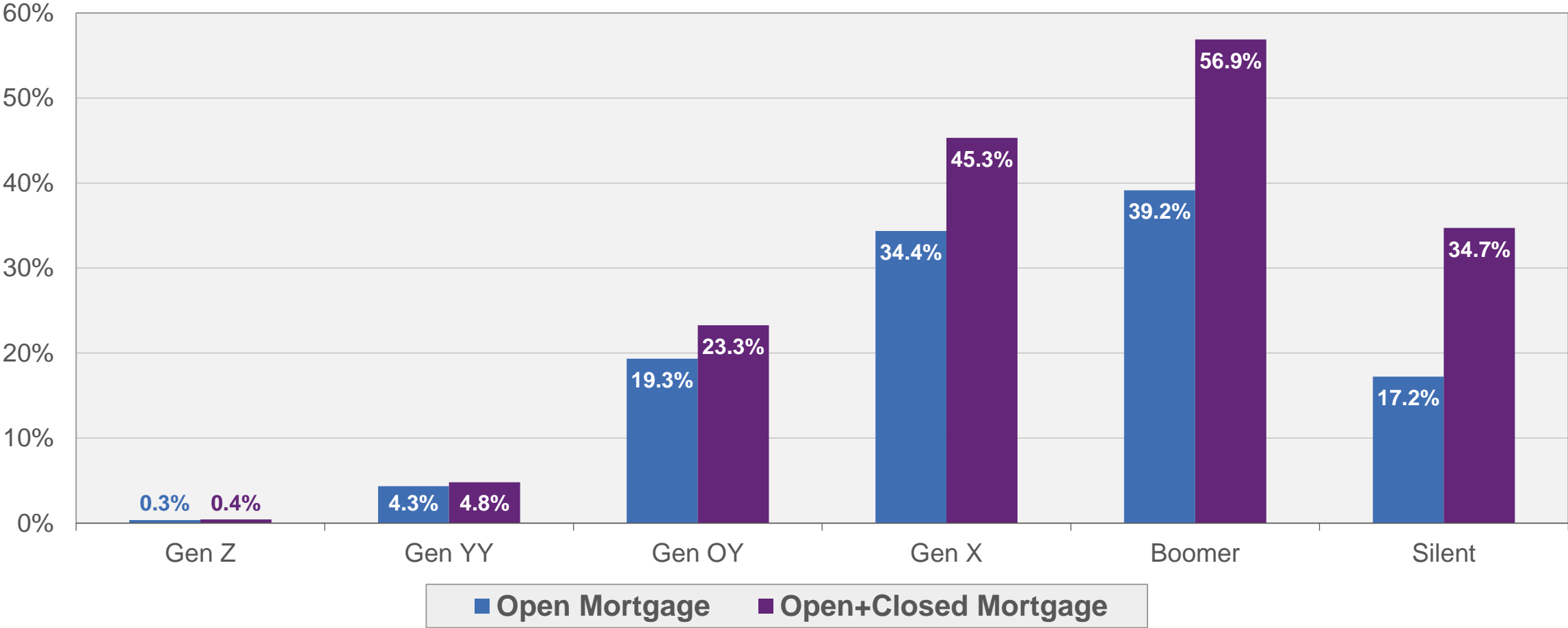






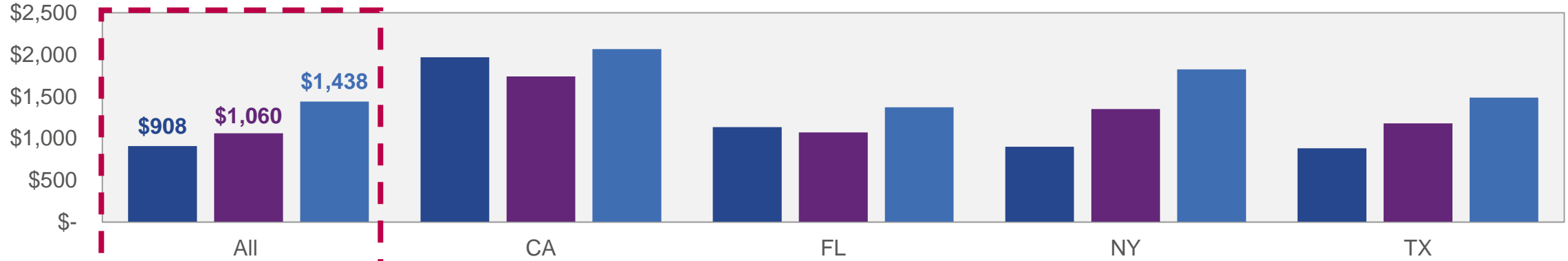
# Home lending trends

# Percentage of mortgage holders

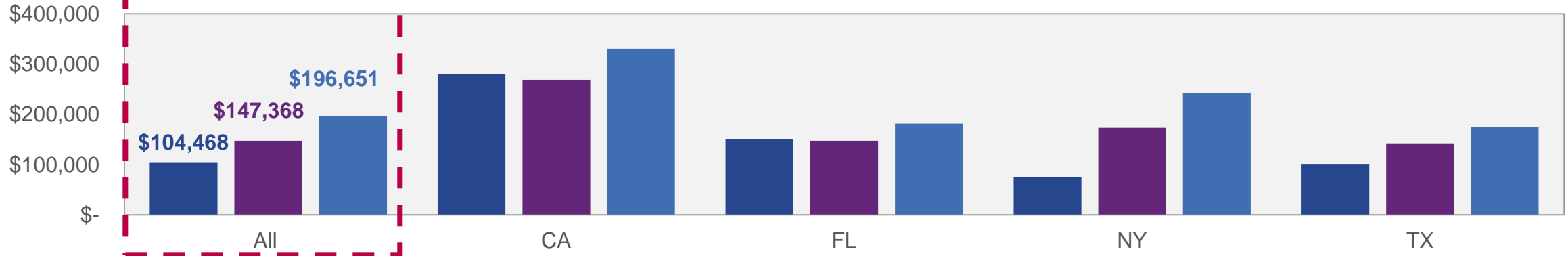


# Average mortgage payment nationwide

## Average payments

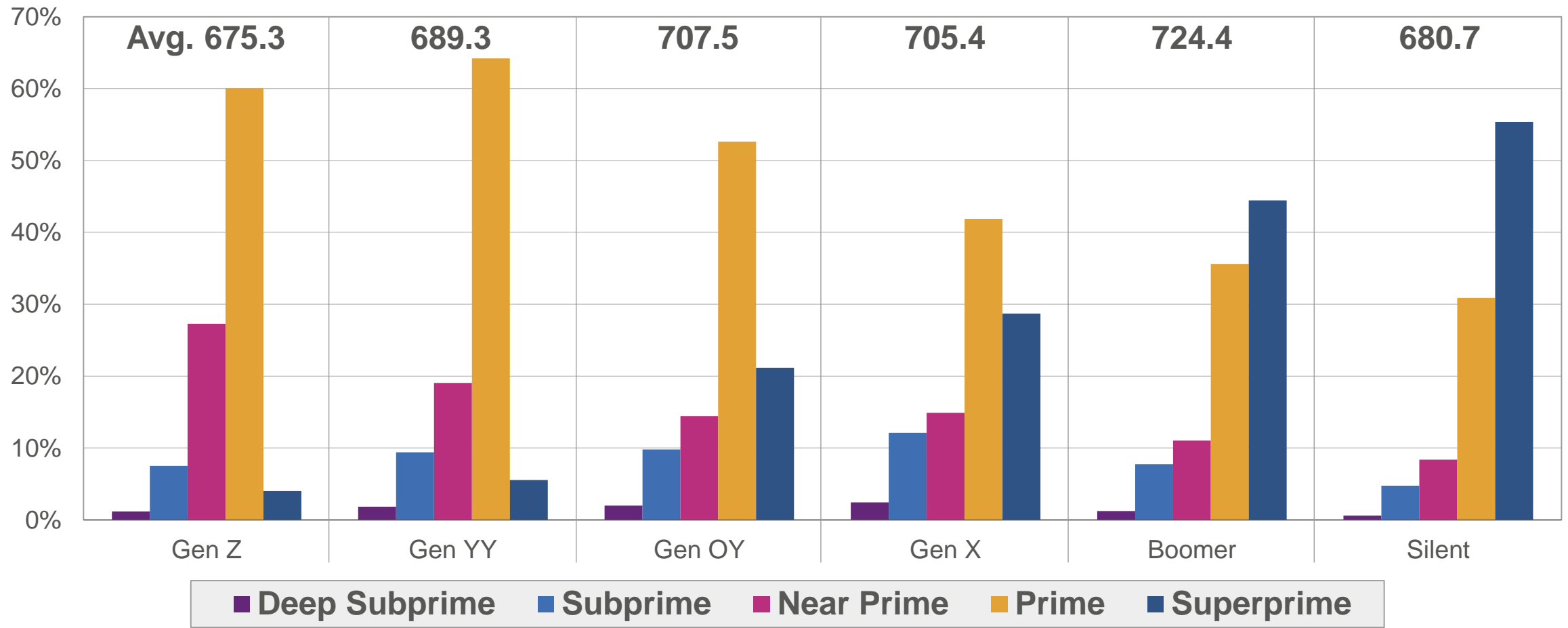


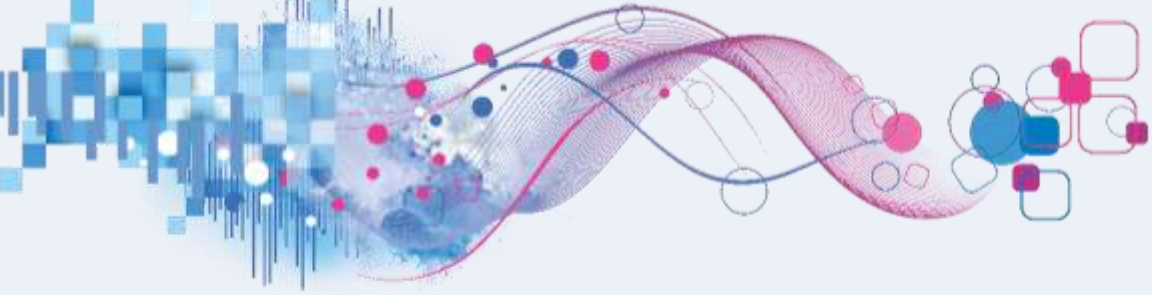
## Average balances



■ Gen Z ■ Gen YY ■ Gen OY

# Average VantageScore® 3.0 for mortgage holders

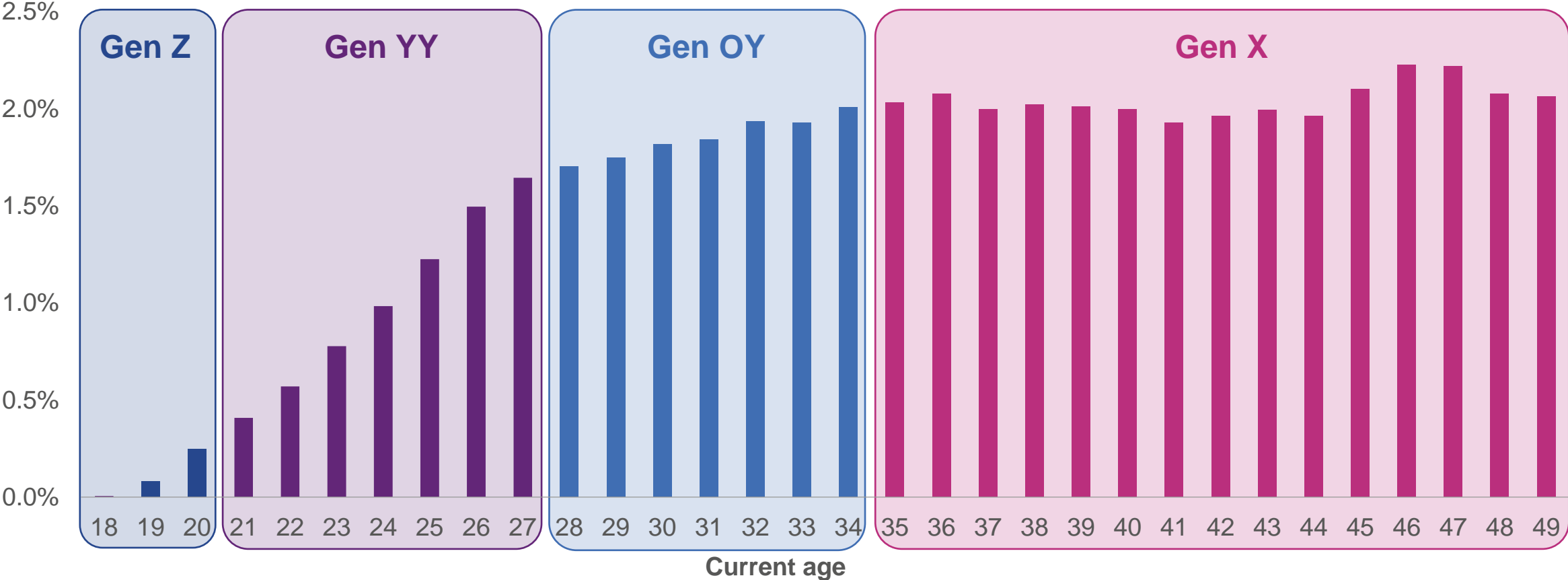




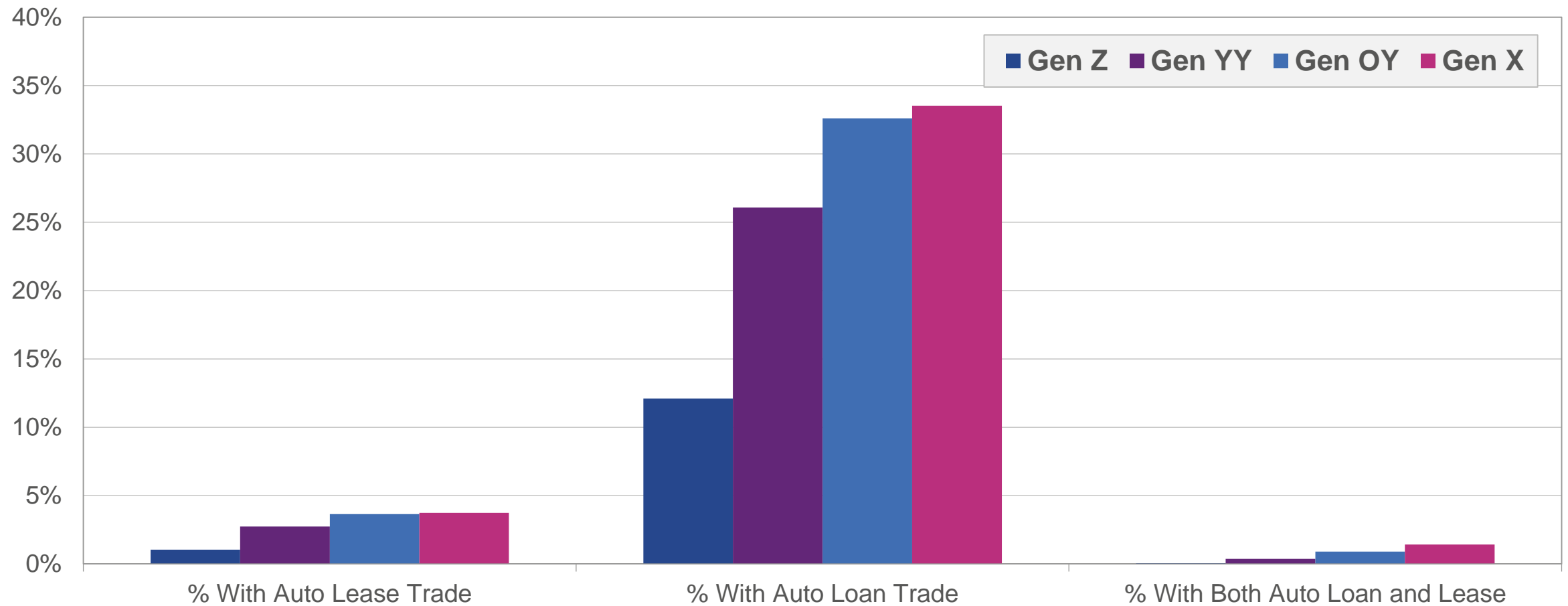
# Auto trends

# Who contributes the largest to this growth?

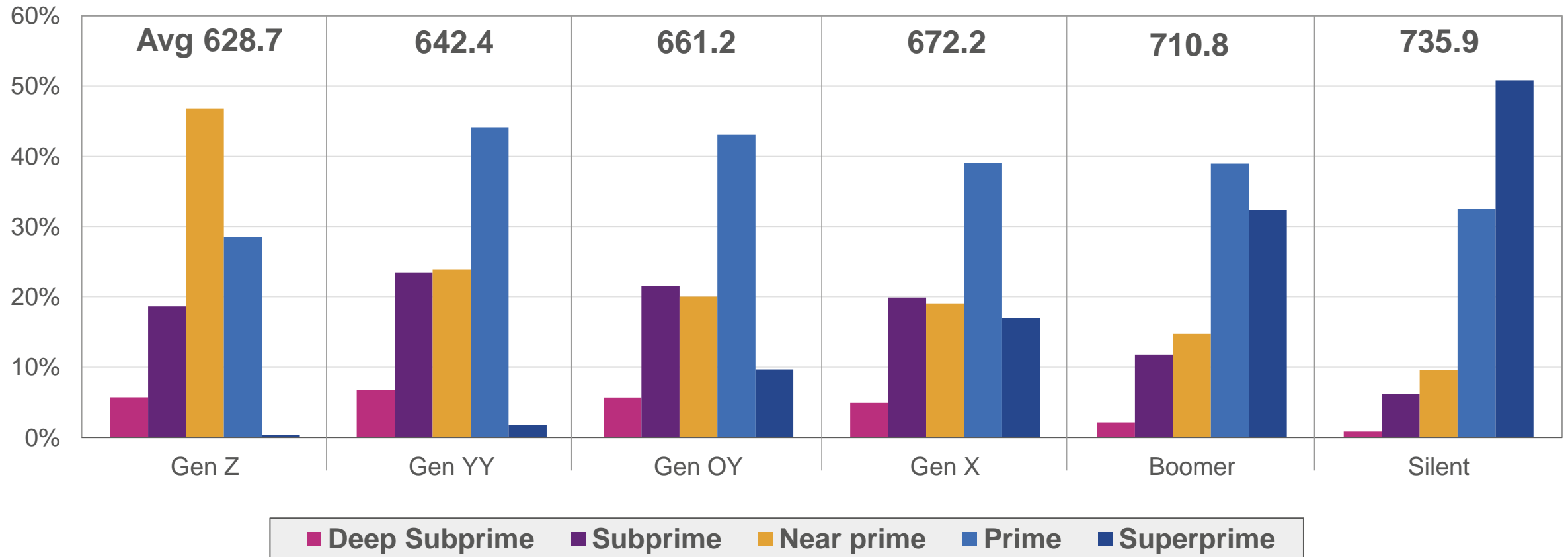
Percentage of auto loan and lease growth by age



# Auto loans vs. leases

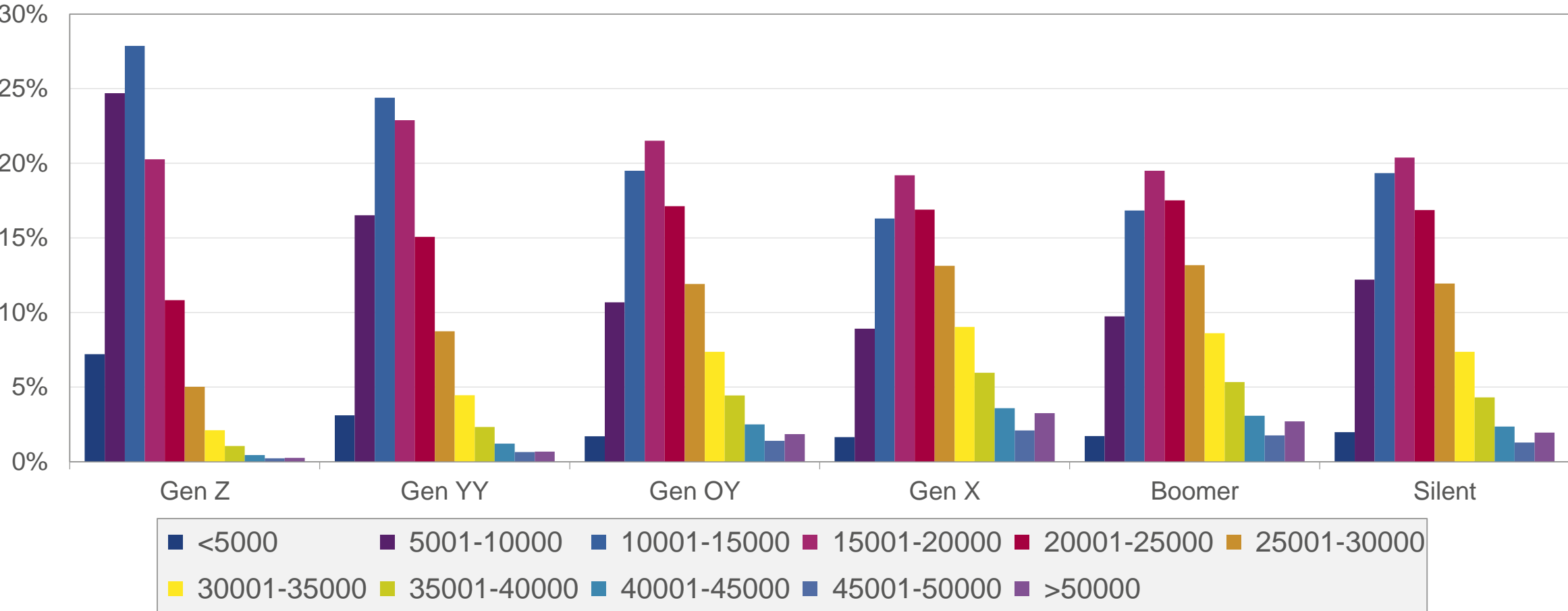


# Average VantageScore® 3.0 for auto holders

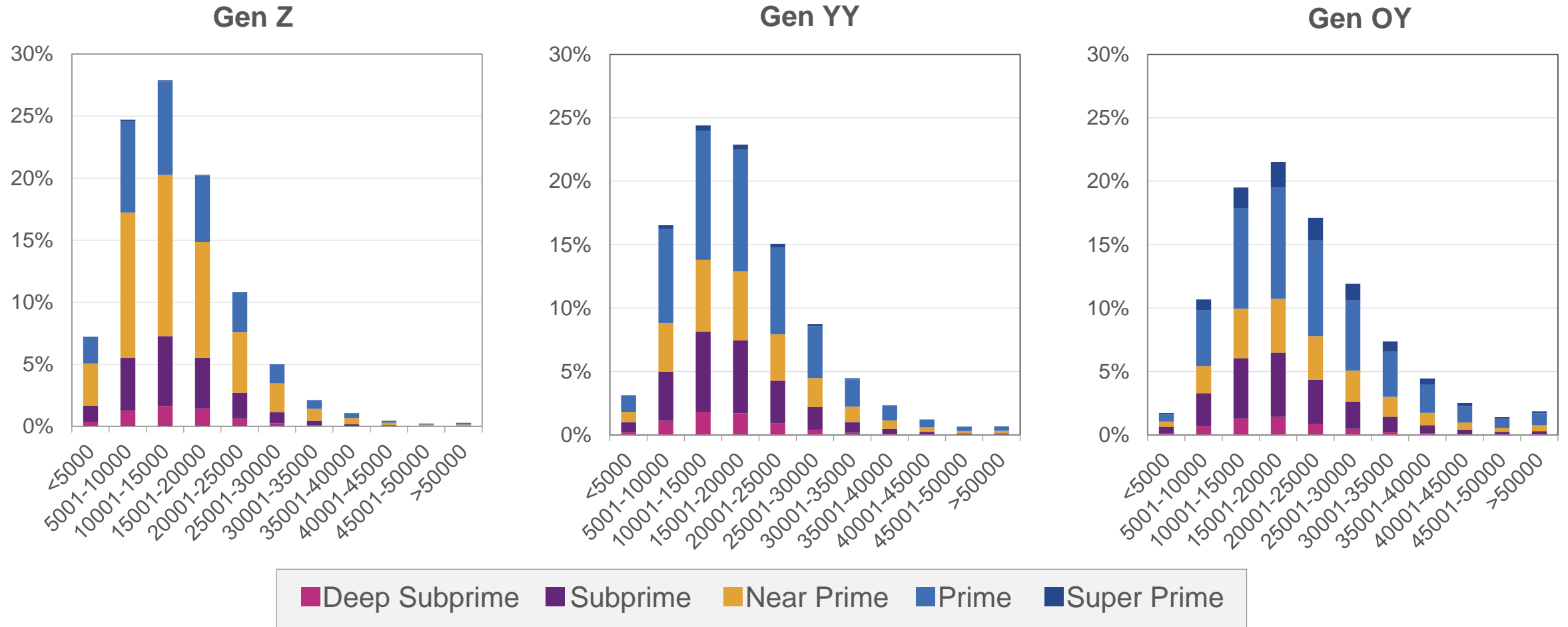


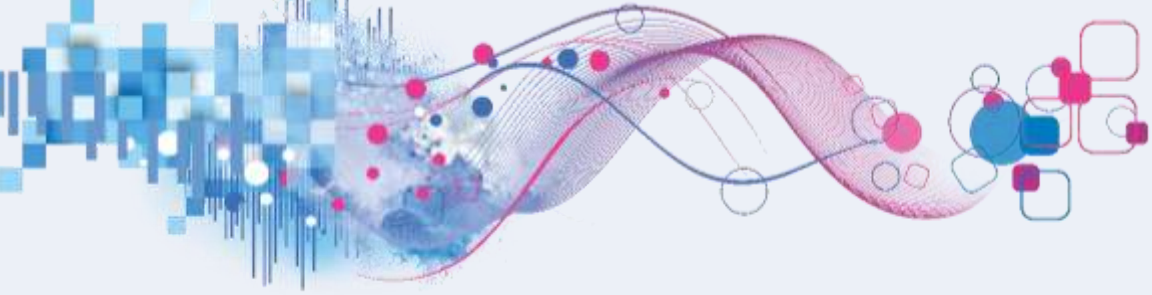


# Loan amounts for auto holders by generation



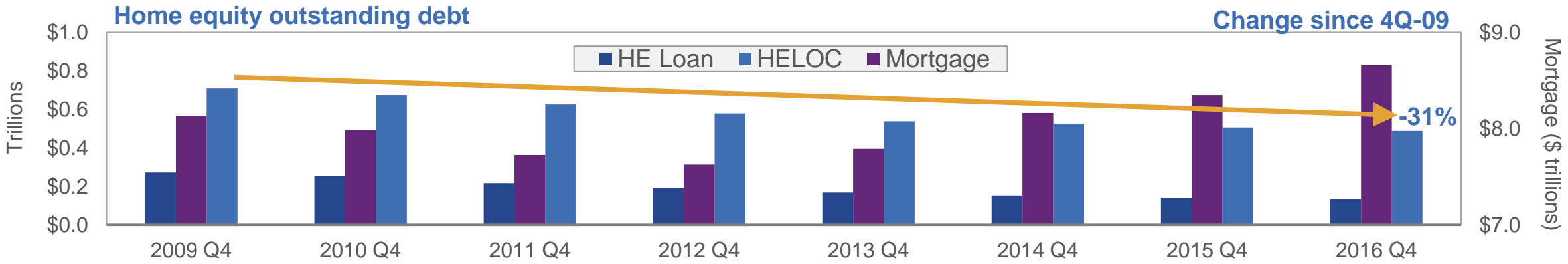
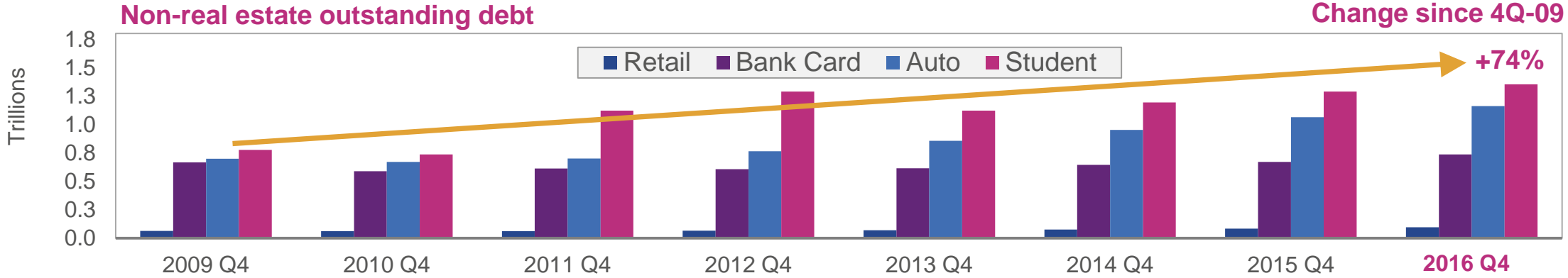
# Loan amounts by VantageScore® 3.0 bands





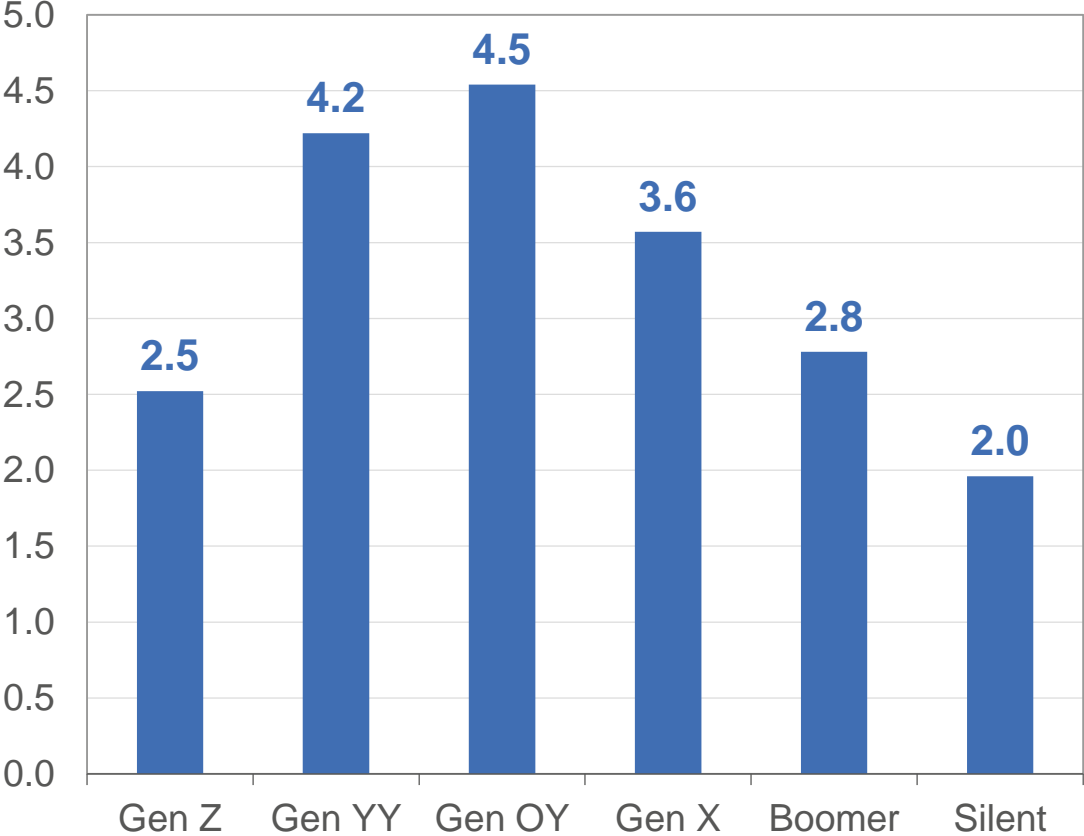
# Student lending trends

# Student loan growth relative to other credit types

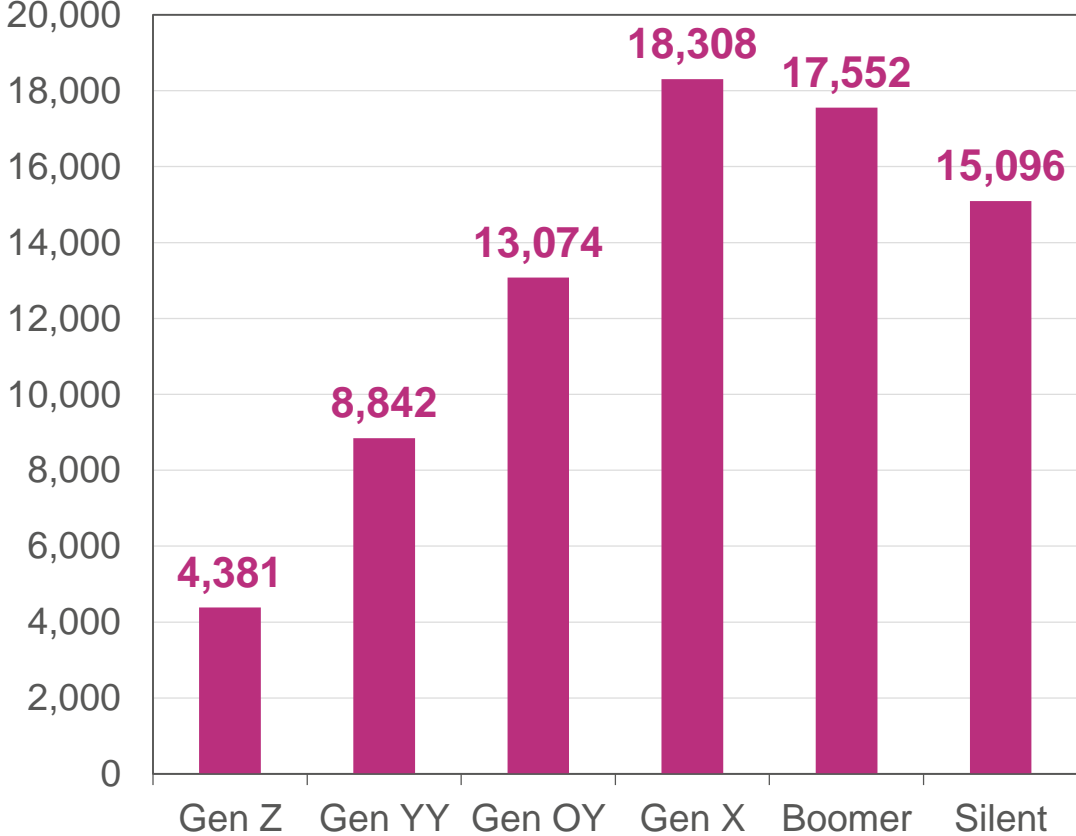


# Average student loans and balances

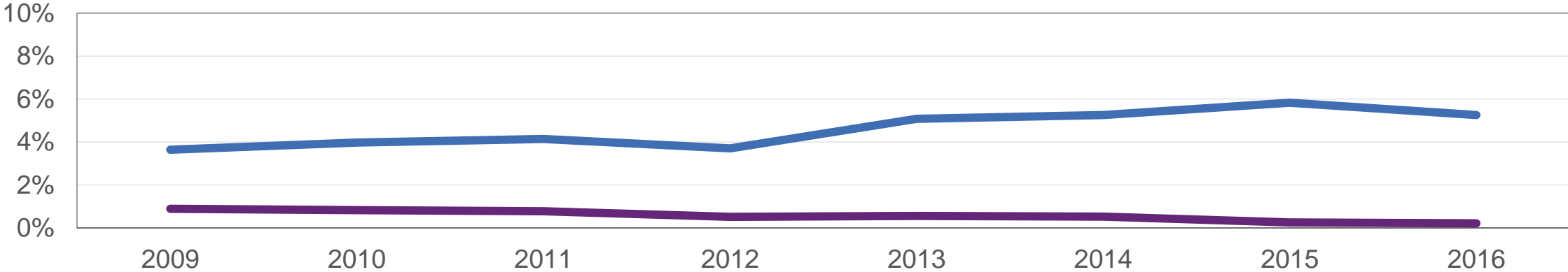
### Average student loans



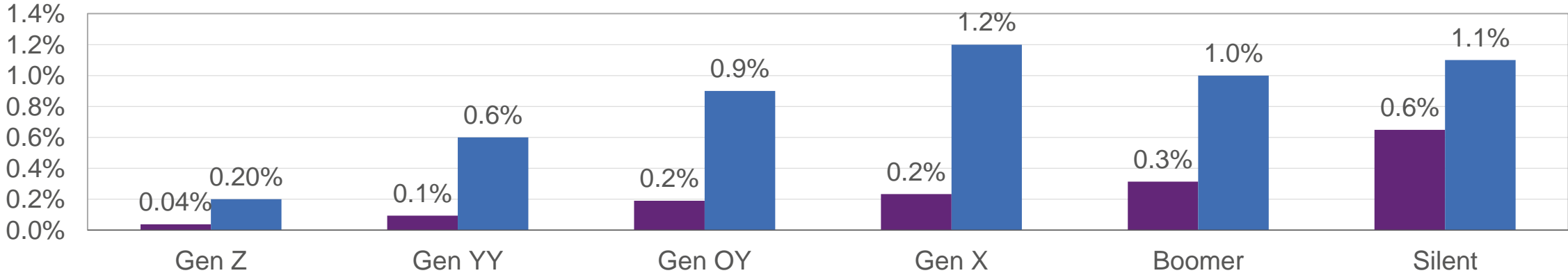
### Average balances



# Student loan delinquency rates percent balances



■ 60 DPD ■ 90 DPD



# How can we reach **Gen Z?**





# My how the times have changed!

Where did you get your first credit? How did you get the credit exactly?



*Marshall Field & Company*

sears



# What Gen Z / Millennials want

Make it relevant

Appropriate credit offers

Think long-term

Honest feedback

Consistency

Trust



# How to bring them into YOUR strategy

**Message with authenticity**

**Maintain a long-term vision**

**Connect them to something bigger**

**Provide education for financial literacy**

**Keep up with technological expectations**



# Questions and answers

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Natasha.Madan@experian.com



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