



Lending to Gen Z

14 November 2019 By: Austin Kilgore

Generation Z, composed of individuals born since 1995, is quickly emerging as a distinct and growing consumer segment. With many of its oldest members currently in college and entering the workforce, this group already demonstrates unique characteristics in its use of technology and financial services.

This report explores the economic, societal and cultural circumstances that differentiate Gen Z from Millennials and older generations and details the steps lenders must begin taking now to adjust their approach to acquiring, selling to, and servicing Gen Z. This report will examine the needs and expectations of this segment to help lenders and their vendors update their strategies and tactics to succeed as these younger consumers come of age.

Key questions discussed in this report:

- What makes Gen Z unique?
- How do its members use technology and consume media?
- What are their priorities and preferences when shopping for consumer loans?
- What gaps currently exist in lenders' relationships with Gen Z?
- What strategies must lenders employ to modernize their technology and product offerings to meet the needs of Gen Z consumers?

The consumer data in this report was primarily collected from the following:

- A random-sample survey of 2,000 respondents conducted online in August 2018, including 189 Gen Z respondents.
- Supplementary data was provided by secondary sources such as the U.S. Census Bureau and Pew Research Center.

As generations are not defined strictly and some people on the cusp may identify with either generation, Javelin's definitions leave some overlap in the years that determine a consumer's generation. In addition, the cutoff for Millennial and Gen Z and even the term "Gen Z" are still being debated and solidified by market researchers. For this report, Javelin delineates generations as follows:



Finally, textual references to "Gen Z" in this report refer to the generation as a whole. But because Javelin surveys adults only, data points are for consumers born between 1995 and 2000 (age 19-24 at the time of writing).

The name "Silent Generation" is perhaps a lesser-known moniker and refers to those who were born before and up to the end of World War II. The term was coined by Time magazine in 1951.⁴ In studying young people's reaction to events such as the Korean War and the rise of a nuclear Soviet Union, Time characterizes them as "grave and fatalistic" and refers to the generation's ability to "[take] its upsetting uncertainties with extraordinary calm." It also refers to the generation's perceived adherence to social norms.

Copyright ©2019 GA Javelin LLC, (dba as Javelin Strategy & Research). Javelin Strategy & Research is a division of Greenwich Associates. All rights reserved. No portion of these materials may be copied, reproduced, distributed or transmitted, electronically or otherwise, to external parties or publicly without the permission of GA Javelin LLC.