



Pathward & Mastercard

Gen Z

▶ **FROM SAFETY NET TO SOLO: A DATA DRIVEN LOOK AT GEN Z'S FINANCIAL JOURNEY**



We conducted a survey with Gen Z consumers to understand their needs, behaviors, and perceptions regarding payments and banking

Survey Objectives

1 Gen Z Consumer Preferences
Pathward is looking to better understand the needs, habits, preferences, and perceptions regarding payments and banking

2 Analysis by Educational Segments
Further understand how consumer payments and banking preferences may differ based on key demographics such as education level and age

Survey Methodology

Format: 15-20 minute online exploratory survey

Sample Size: N=750 respondents

- Late High School: N=185
- In College, N=190
- College Alternative, N=185
- Post College, N=190

Late High School: Have yet to attend college, or have not reached the age of attending college

In College: Currently attending a 2+ year program at an accredited college

College Alternative: Respondents who are similar in age to the In College and Post College segments, but have not attended an accredited college

Post College: Respondents who have graduated from an accredited college

Key Survey Topics

Payment Preferences

Understand Gen Z's views on traditional and modern payment methods

Financial Dependency

Understanding where various Gen Z segments fall in relation to financial independence or dependence on others

Attitudes & Self-Perceptions

Understanding how respondents perceive their financial priorities and autonomy, which in turn shapes their actions and financial objectives

Financial Institution Trust

Assessing respondents' confidence in different financial institution types, and how their perceptions have been influenced

Survey Demographics

Respondent Profile

Survey Participant Demographics

\$24.2K
Average Survey Participant Annual Income

Education Level	Average Annual Income
Late High School	\$10,900
In College	\$24,600 ^A
Post College	\$47,500 ^{ABD}
College Alternative	\$22,000 ^A

20
Average Survey Participant Age

- Late High School: 17 years old
- In College: 20^A years old
- Post College: 23^{ABD} years old
- College Alternative: 20^A years old

Distribution by Gender & Education

Late High School: 51% Male, 49% Female

In College: 47% Male, 51% Female, 2% Non-Binary

College Alternative: 54% Male, 44% Female, 1% Non-Binary

Post College: 43% Male, 55% Female, 2% Non-Binary

Late High School: 185 total respondents

In College: 190 total respondents

College Alternative: 185 total respondents

Post College: 191 total respondents

Late High School: 100% still in high school

In College: 89% attending college/university, 10% attending vocational/trade school, 1% attending post-graduate school

College Alternative: 98% graduated high school/GED, 2% in high school or less

Post College: 80% graduated from college/university, 12% graduated from post-graduate school, 8% graduated vocational/trade school

Note: For all total calculations throughout the analysis, responses were weighted in the following to be representative of census populations: Pre-College – 23%, In College – 26%, Post College – 15%, College Alternative– 36%

3 Letters indicate difference vs. other group at the 90% confidence level (A,B,C,D)

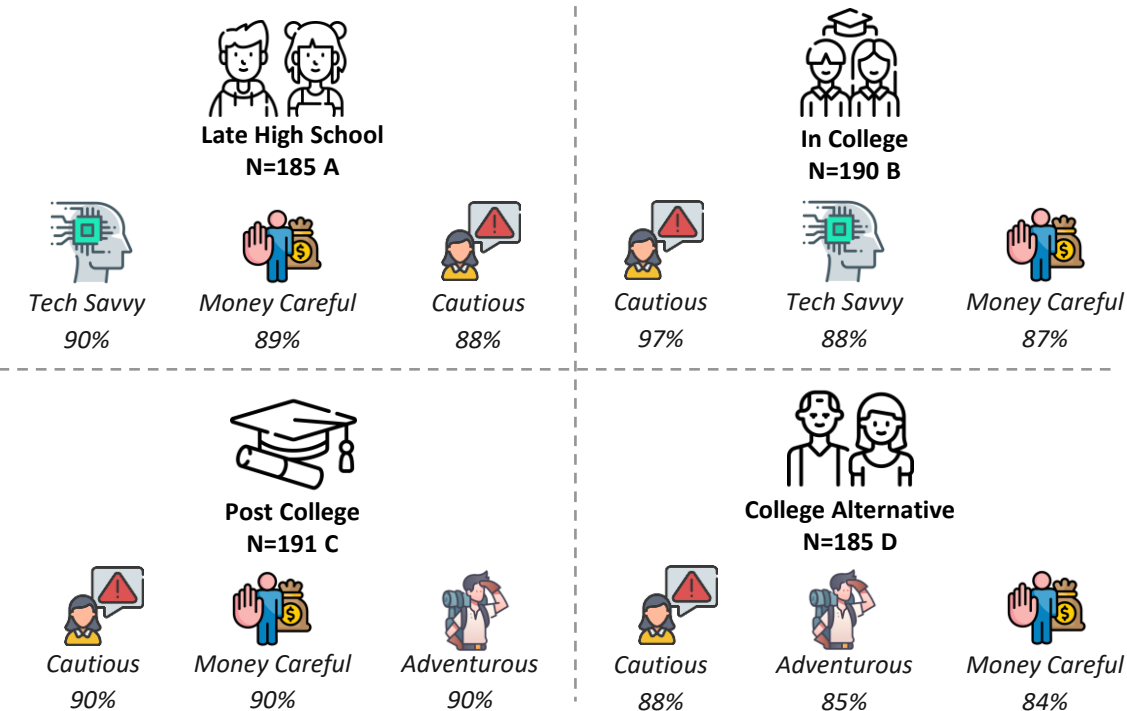
Gen Z's caution, and careful approach to money, highlights the importance of financial education to help them navigate and overcome financial challenges

Self-Perceptions and Financial Attitudes

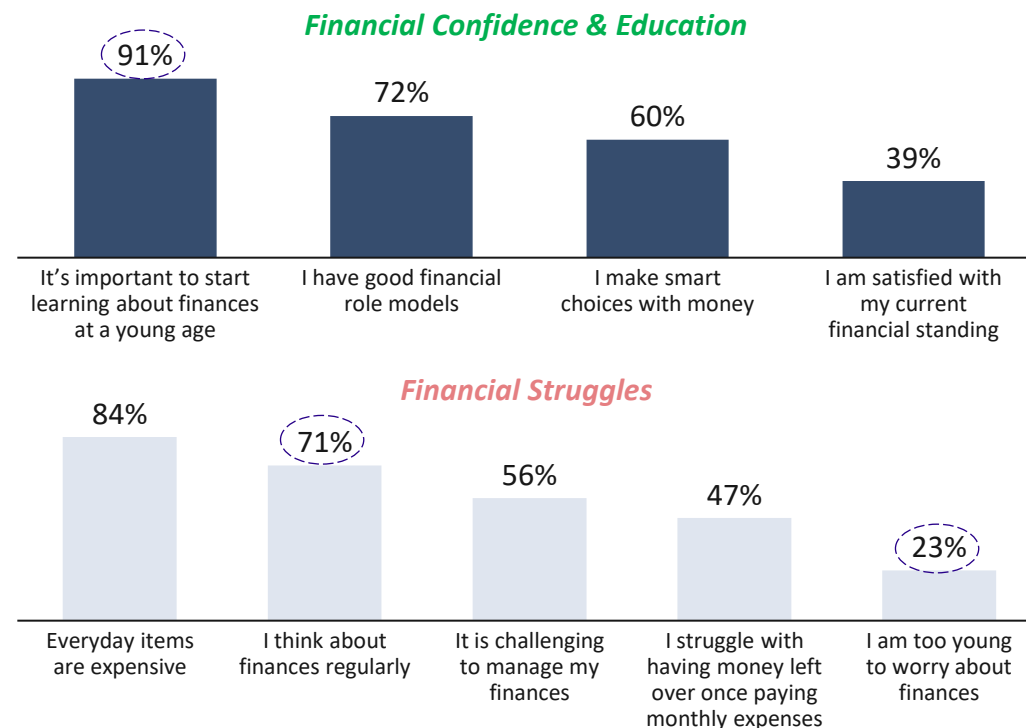


- Caution and carefulness with money are common self-perceptions across all segments, suggesting that **Gen Z is less inclined to take risks and wants to be protective of their finances**
- The Late High School and In College segments describe themselves as tech savvy, which may reflect a **stronger ability for younger demographics to understand and utilize digital payment methods**
- Given Gen Z's emphasis on the importance of learning about finances early, combined with their struggles in managing finances and the constant worry about money, **providing financial education throughout their stages of growing financial responsibility becomes increasingly crucial**

Top Self-Perceptions by Segment (N=751)



Strong or Moderate Agreement with Financial Attitudes (N=751)



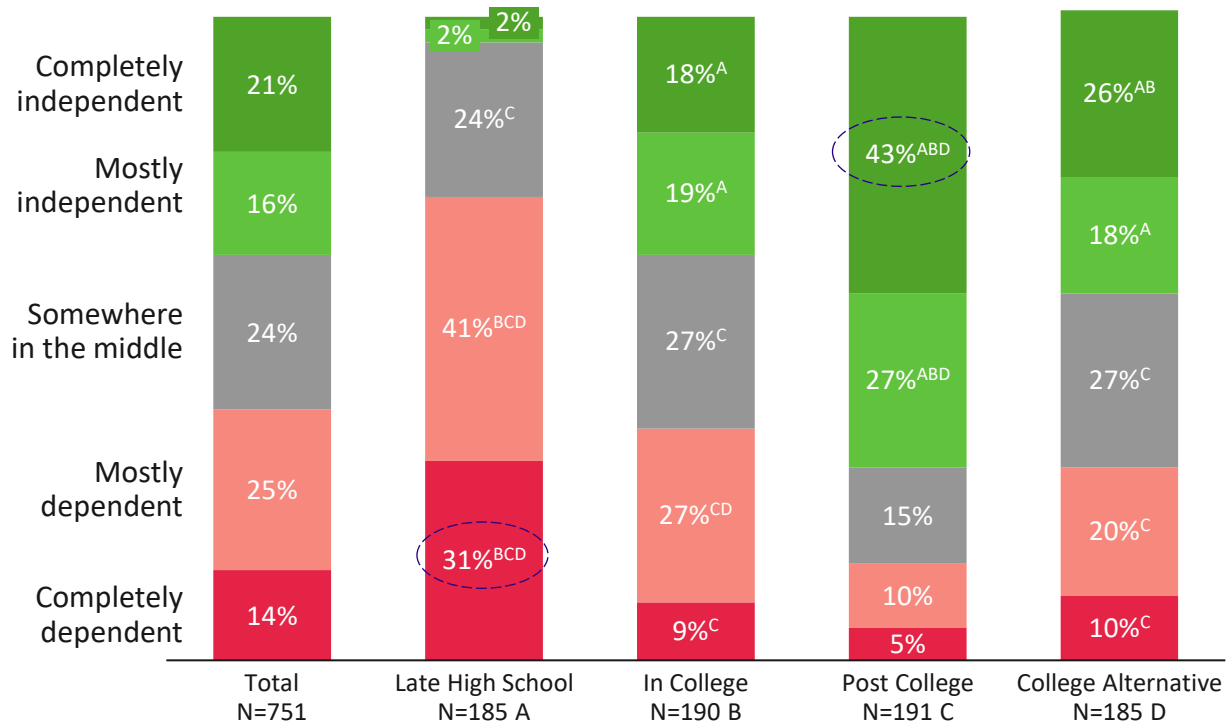
As Gen Z progresses through life stages, and income from part- or full-time work grows, their reliance on parents and guardians for purchases decreases

Financial Dependence

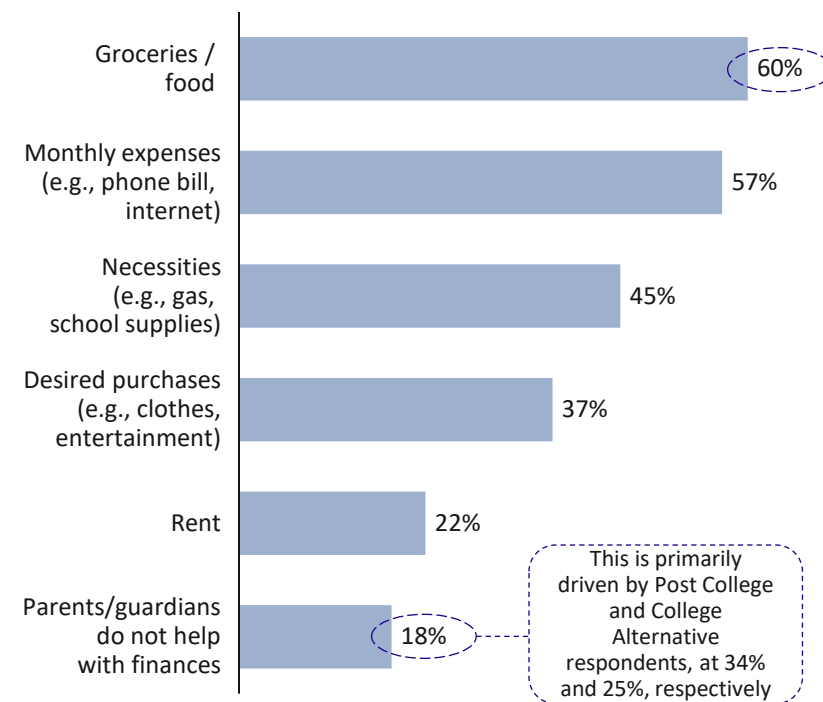


- As Gen Z progresses through life stages, financial dependency on parents decreases. Late High School individuals rely heavily on parental support, In College respondents begin earning income through part-time jobs or internships, and Post College respondents show greater financial independence
- The College Alternative and In College segments show similar financial dependence, with College Alternative leaning more toward dependence. 18% College Alternative respondents have no income, compared to 8% for In College, which may explain the higher dependence level
- Parent/guardian support covers necessary expenses like groceries & internet, with non-essential purchases (e.g., hobbies) less frequent, but understandably supported Pre-College

Levels of Financial Dependence (N=751)



Parent/Guardian Financial Support Categories (N=751)



Question(s): Which statement below best describes your current financial status? | Do your parents/guardians help you financially with any of the following?
 Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)

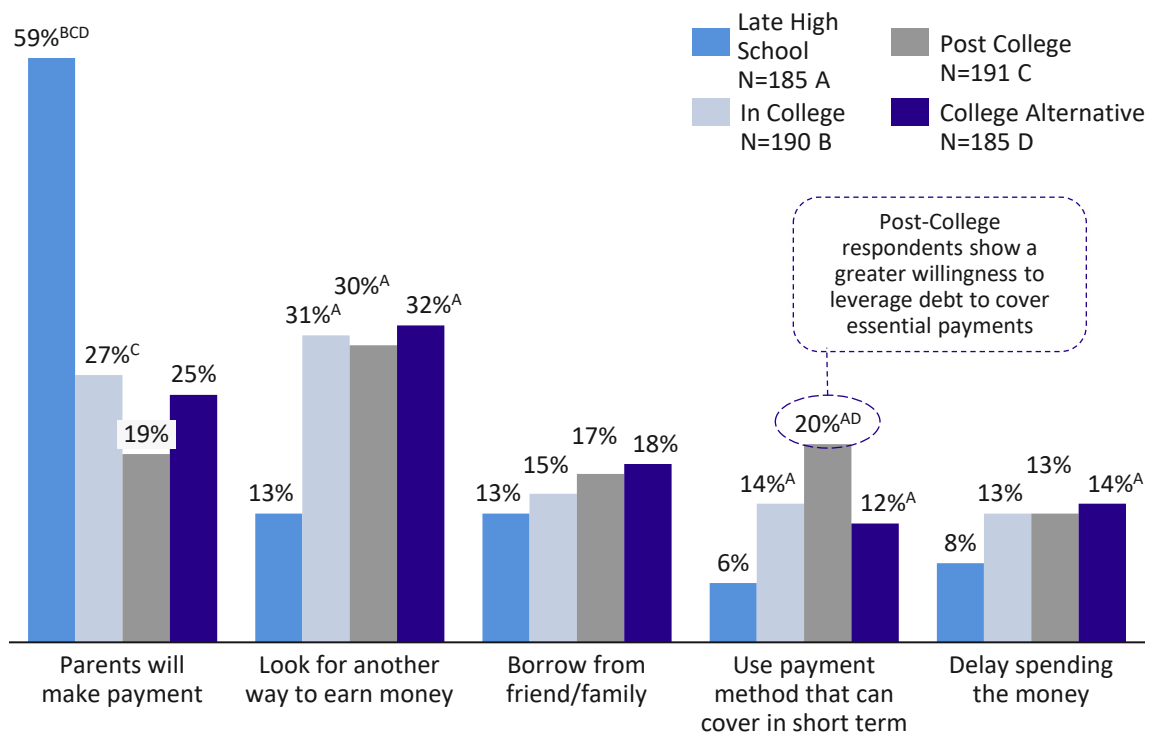
Beyond reliance on parents, earning income and social circles play a key role in Gen Z financial support for both essential and non-essential payments

Financial Support Payment Types

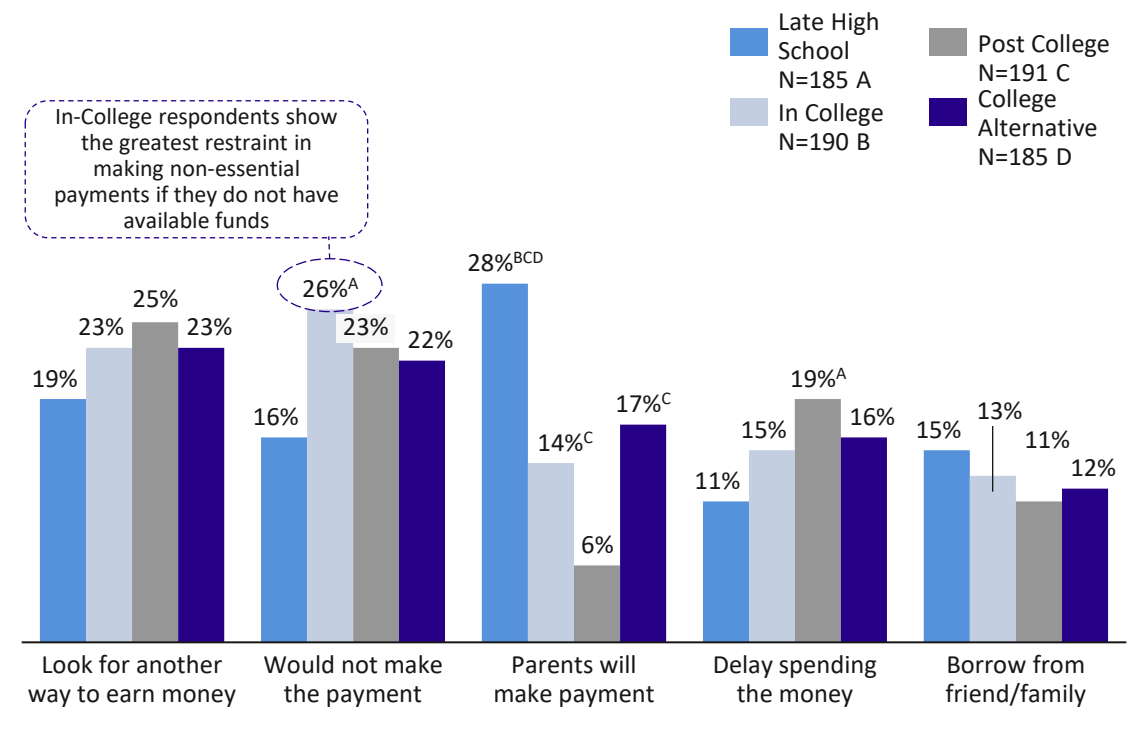


- **Beyond reliance on parents, looking to earn money is a common way to cover financial shortfalls.** As respondents move into College and Post-College stages, they increasingly earn income through full- or part-time jobs to cover both essential and non-essential expenses. College Alternative respondents have similar reliance to parents as In College respondents
- **Social circles are also a common form of financial support relied upon by all Gen Z segments.** This is true for both essential and non-essential payments, highlighting the importance of social influence in Gen Z's financial behavior and decision-making. This also creates opportunity for lending products like credit cards

Financial Support for Payments - Essential (N=751)



Financial Support for Payments – Non-Essential (N=751)



Question(s): What do you do if you don't have enough money to pay for an essential payment (i.e., gas, rent, other monthly bill)? (Ranked 1st when selecting 3) | What do you do if you don't have enough money to pay for a non-essential payment (i.e., concert tickets, going out at night, gaming)? (Ranked 1st when selecting 3)

Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)



Gen Z prioritizes spending over saving their income, with their savings goals evolving from a focus on short-term instant gratification to long-term financial stability

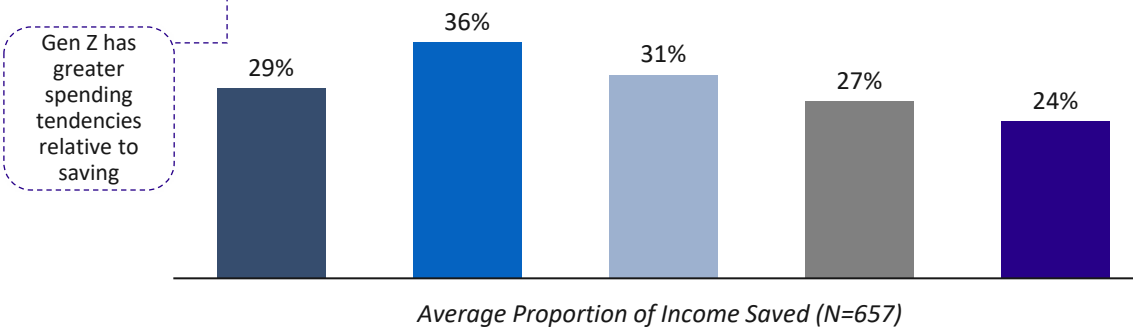
Savings Tendencies and Goals



- Gen Z generally leans towards spending tendencies (40%), while saving 29% of their income on average. This indicates that financial resources may be directed towards immediate expenses. **Late High School respondents show the greatest savings tendencies relative to the set, possibly driven by lower living expenses and greater dependency on parents/guardians**
- **Late High School respondents typically save for material and independence-related goals** like purchasing a vehicle or entertainment & hobbies, whereas **Post-College respondents prioritize long-term goals for financial stability** including homeownership and building an emergency fund

Savings Tendencies (N=751 & N=657)

	Total N=751	Late High School N=185 A	In College N=190 B	Post College N=191 C	College Alternative N=185 D
Savings Tendencies	34%	47%	37%	37%	22%
Spending Tendencies	40%	32%	38%	39%	48%



Most Common Savings Goals (N=751)

	Top 5 Saving Goals				
Total N=751	Buy a vehicle (44%)	Move out on my own (42%)	Pay for college education / tuition (33%)	Entertainment & hobbies (28%)	Buy a house (27%)
Late High School N=185 A	Buy a vehicle (55 ^{BC})	Pay for college education / tuition (45 ^{CD})	Move out on my own (39 ^C)	Entertainment & hobbies (31 ^D)	Emergency fund (20%)
In College N=190 B	Pay for college education / tuition (42 ^{CD})	Move out on my own (42 ^C)	Emergency fund (37 ^{AD})	Entertainment & hobbies (33 ^D)	Buy a house (28 ^A)
Post College N=191 C	Buy a house (41 ^{ABD})	Vacation / travel (35 ^{ABD})	Emergency fund (35 ^A)	Buy a vehicle (34%)	Move out on my own (30%)
College Alternative N=185 D	Move out on my own (50 ^{AC})	Buy a vehicle (49 ^{AB})	Buy a house (30 ^A)	Emergency fund (29 ^A)	Pay for college education / tuition (24%)

Question(s): Which statement best describes you in regard to saving vs. spending? | Approximately, what percentage of your income do you put into savings? | Which of the following are your future goals and/or things you are saving for? (Rank 3)

Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)

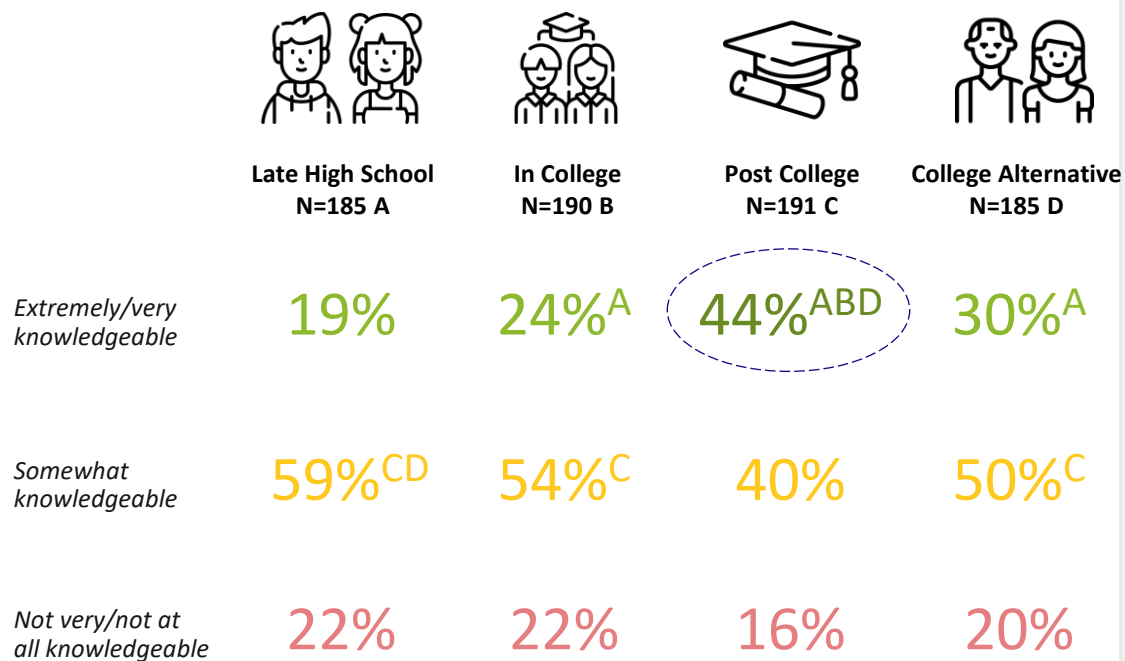
Financial knowledge increases as Gen Z individuals graduate college; however, individuals continue to encounter challenges related to effective budgeting and saving

Financial Knowledge and Challenges

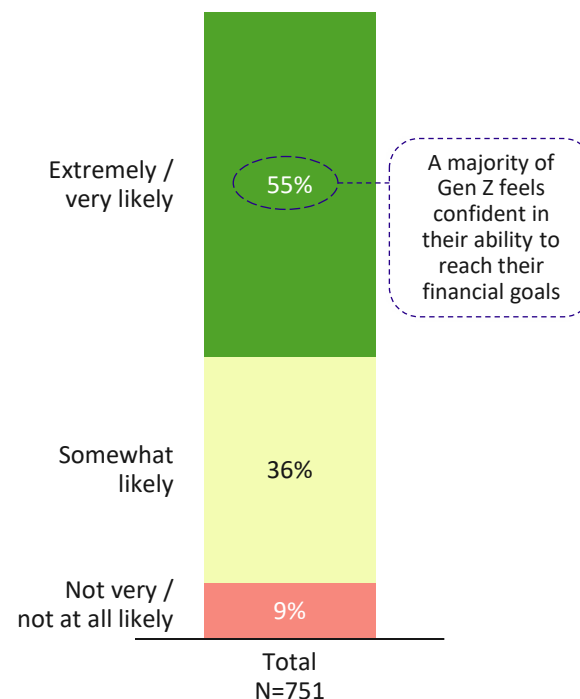


- As individuals grow through life stages, their financial knowledge increases. Post College individuals are more than twice as likely to consider themselves extremely or very knowledgeable about finances compared to those who are Late High School, possibly due to increased financial education and access to financial institutions through college
- While Gen Z expresses confidence in achieving financial goals, they still encounter significant challenges with financial management. **The primary challenges faced are knowing how to save while also enjoying life and budgeting effectively**, which reflects the broader trend of Gen Z spending more than it saves, and the need for further financial literacy education

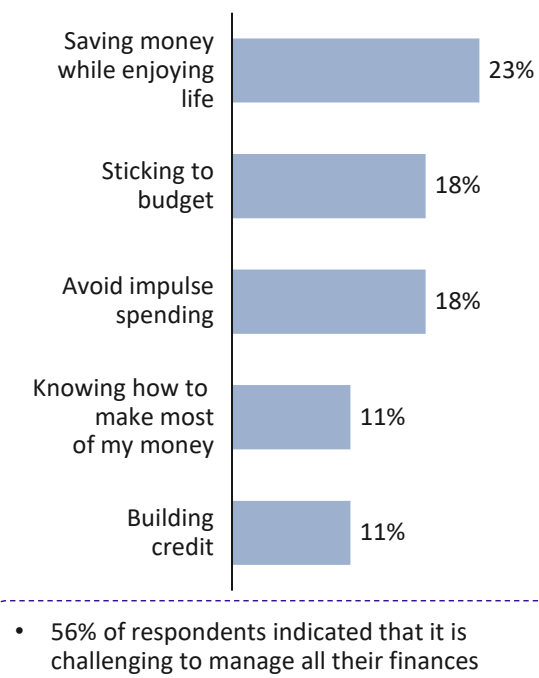
Financial and Banking Knowledge (N=751)



Sureness in Reaching Financial Goals (N=751)



Financial Management Challenges (N=424)



Question(s): How knowledgeable are you when it comes to finances and banking? | How likely do you think it is that you will be able to achieve all your financial goals? | What are the challenges you face with managing your finances? (Ranked 1st when selecting 3)

8 Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)

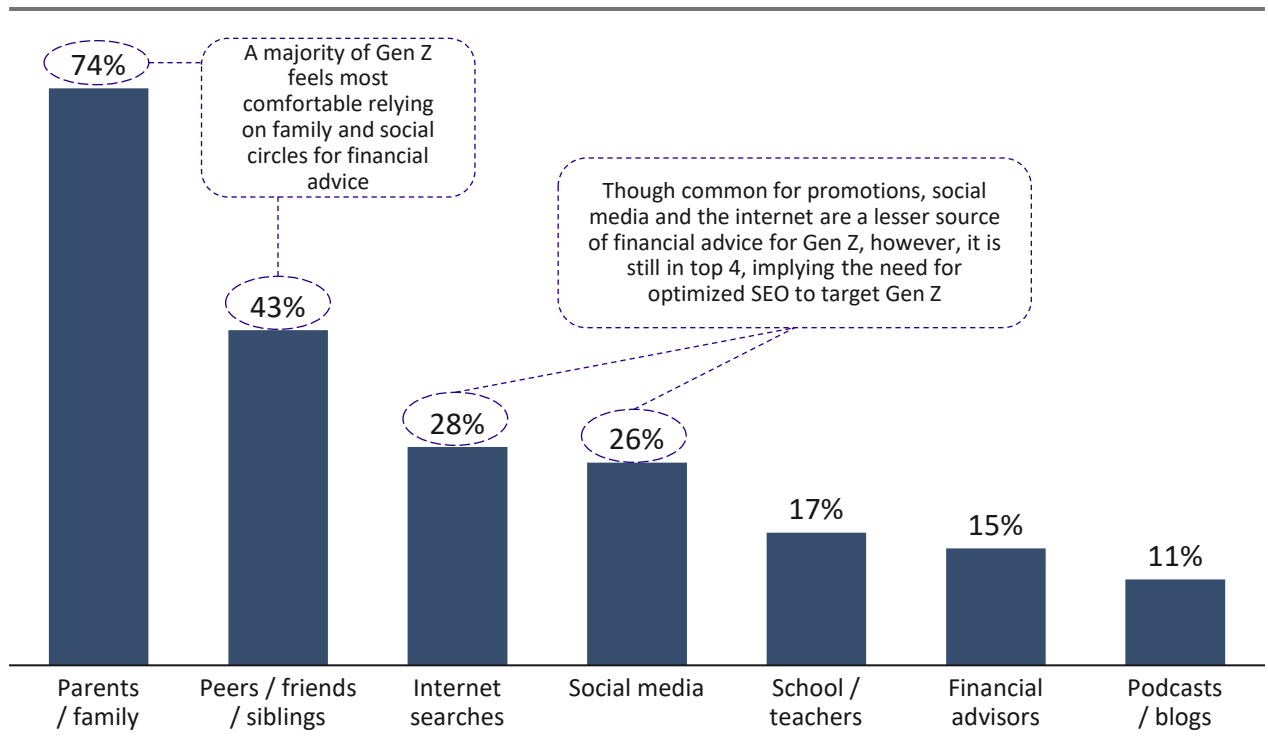
When actively seeking financial advice or information, Gen Z turns to family and social circles before social media or the internet

Financial Advice Sources



- **When Gen Z individuals seeks financial advice, their immediate family and social circles are their primary sources.** This underscores the importance of offering financial education to parents and guardians, as they play a significant role in shaping their children's financial habits
- Though online channels like the **internet and social media are present across Gen Z, their influence is much weaker compared to family.** When seeking financial advice through social media, Gen Z prefers visual platforms like TikTok and Instagram, while also leveraging professional and lifestyle sites like LinkedIn

Sources of Financial Advice and Information (N=751)



Most Common Social Media Platforms for Financial Advice



Most Common Podcasts/Blogs Platforms for Financial Advice



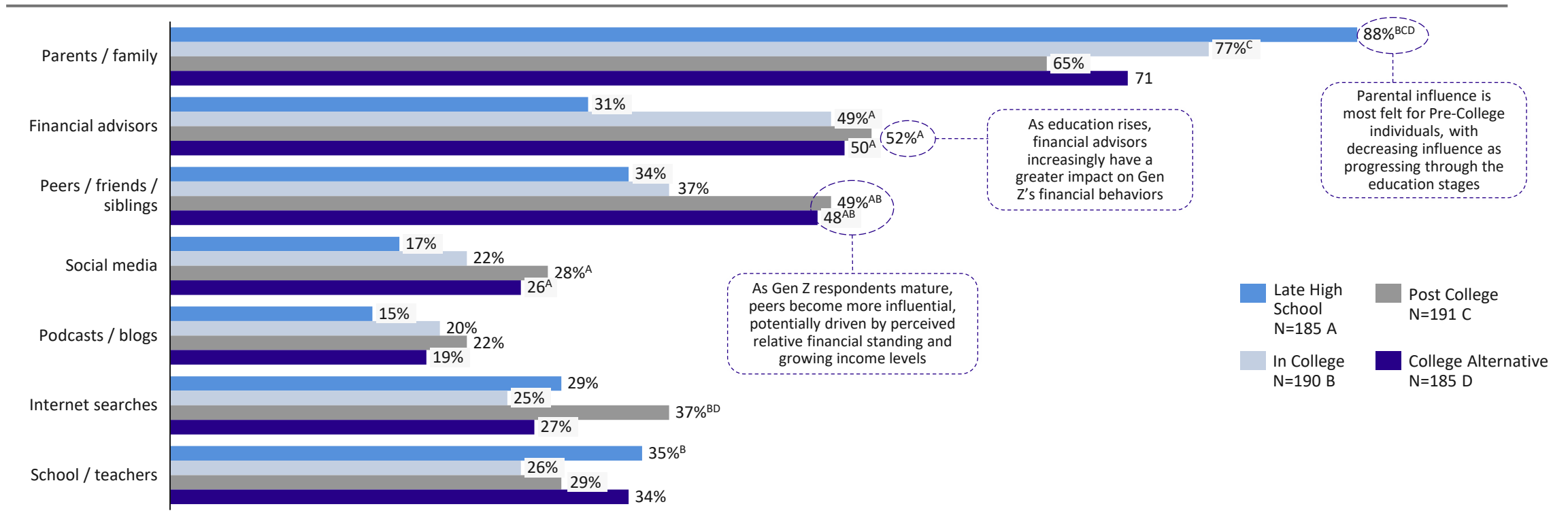
Family and social circles have a much greater influence on Gen Z's financial behaviors compared to social media and other digital promotion tactics

Financial Influences



- While parental influence on financial behavior decreases with greater financial independence, it remains the most prevalent influencer. This highlights the strong role parents play in shaping Gen Z's financial habits and payment preferences, presenting an opportunity to target both groups to influence short- and long-term payment choices
- Though financial institutions often promote via social media and internet channels, social circles (peers, friends, siblings) have a greater overall impact on payment preferences. This creates an opportunity for banks to design campaigns that tap into social dynamics and offer sharing incentives

Financial Behavior Influences (N=751)



Question(s): How influential are each of the following when it comes to your financial behaviors? (Extremely/very influential)

10 Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)





Gen Z prefers debit card over other payment methods, using it the most for purchases, followed by cash

Payment Method Preferences

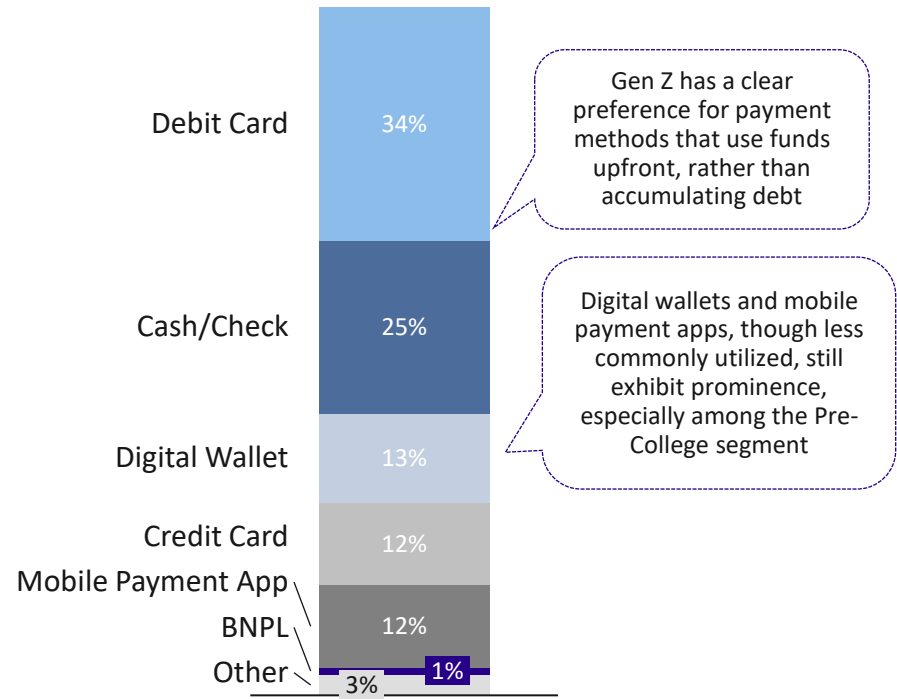


- Across all segments, **debit cards are the most preferred primary payment method** (40%), as well as the most common source of funding for both digital wallets and mobile payment apps. Cash and checks also show notable preference across groups, reflecting an **affinity for traditional payment methods that involve immediate fund withdrawal**
- Credit cards hold greater prominence among In College and Post-College respondents, suggesting that **education may play a role in financial literacy and building comfort with debt**
- **Significant parental influence plays a role in establishing these preferences**, projecting their possible apprehensiveness about using alternate payment methods onto their children

Top Payment Method Preference by Segment (N=751)

	 Late High School N=185 A	 In College N=190 B	 Post College N=191 C	 College Alternative N=185 D
Total N=751				
Debit Card 40%	Debit Card 31%	Debit Card 46%	Debit Card 40% ^A	Debit Card 42% ^A
Cash / Check 20%	Cash / Check 28% ^{BC}	Credit Card 16% ^{AD}	Credit Card 24% ^{AD}	Cash / Check 28% ^{BC}
Credit Card 12%	Mobile Payment App 19% ^{BC}	Cash / Check 14%	Cash / Check 14%	Mobile Payment App 14%

Proportion of Total Purchases by Payment Method (N=751)



Question(s): If you had to give up all the payment methods you use except for one, which would be the payment method you would keep? | What proportion of your total purchases (e.g., gas, groceries, retail shopping, holiday spending, etc.) are made using each of the following payment methods?

11 Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)

Convenience and ease of use are critical factors in Gen Z's decisions about which payment methods to use and for what types of purchases

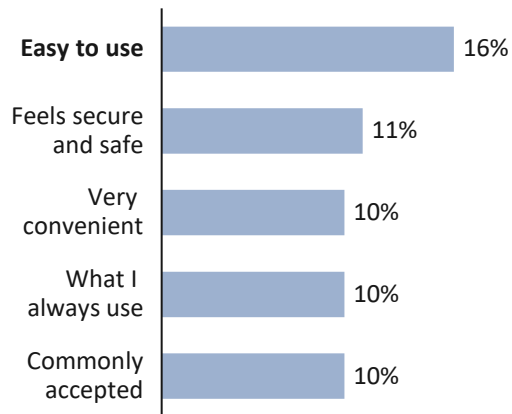
Payment Preference and Usage



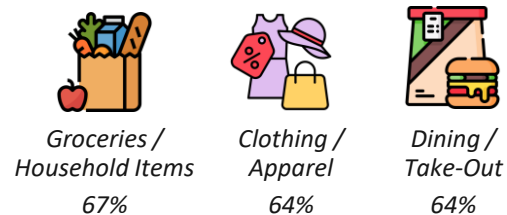
- Overall, **convenience and ease of use significantly influence the choice of payment method**, except with credit card users favoring their cards to earn rewards and build credit history
- While traditional payment methods like credit and debit cards are more commonly used for everyday purchases (e.g., groceries and dining), **digital payment methods are primarily favored for smaller, faster transactions**, such as those at coffee shops or fast-food restaurants

Debit Card

Top Reasons for Usage (N=439)

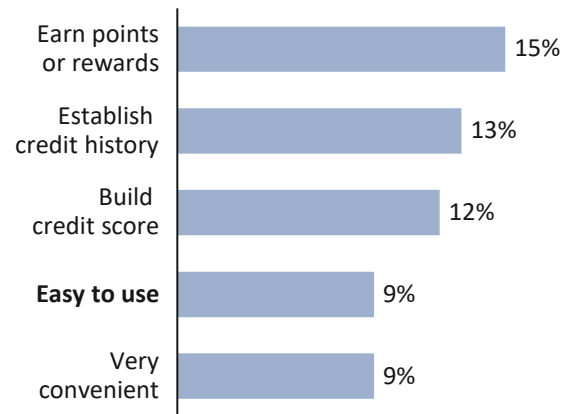


Top Industries of Use (N=517)

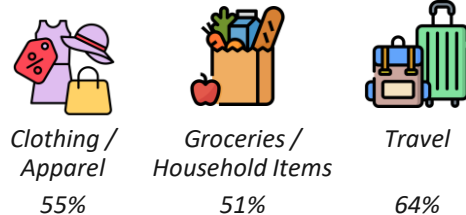


Credit Card

Top Reasons for Usage (N=180)

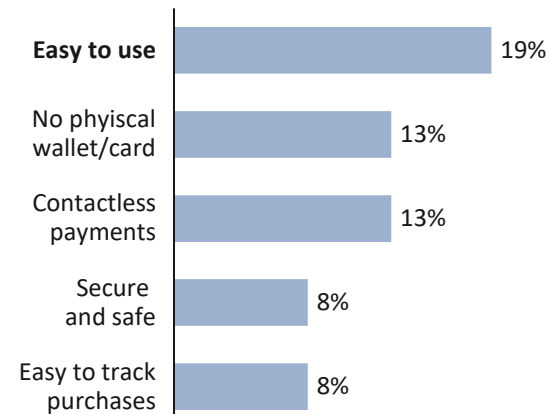


Top Industries of Use (N=308)



Digital Wallet

Top Reasons for Usage (N=224)

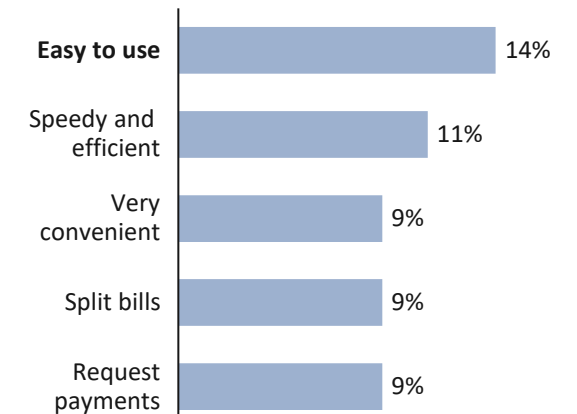


Top Industries of Use (N=376)



Mobile Payment App

Top Reasons for Usage (N=211)

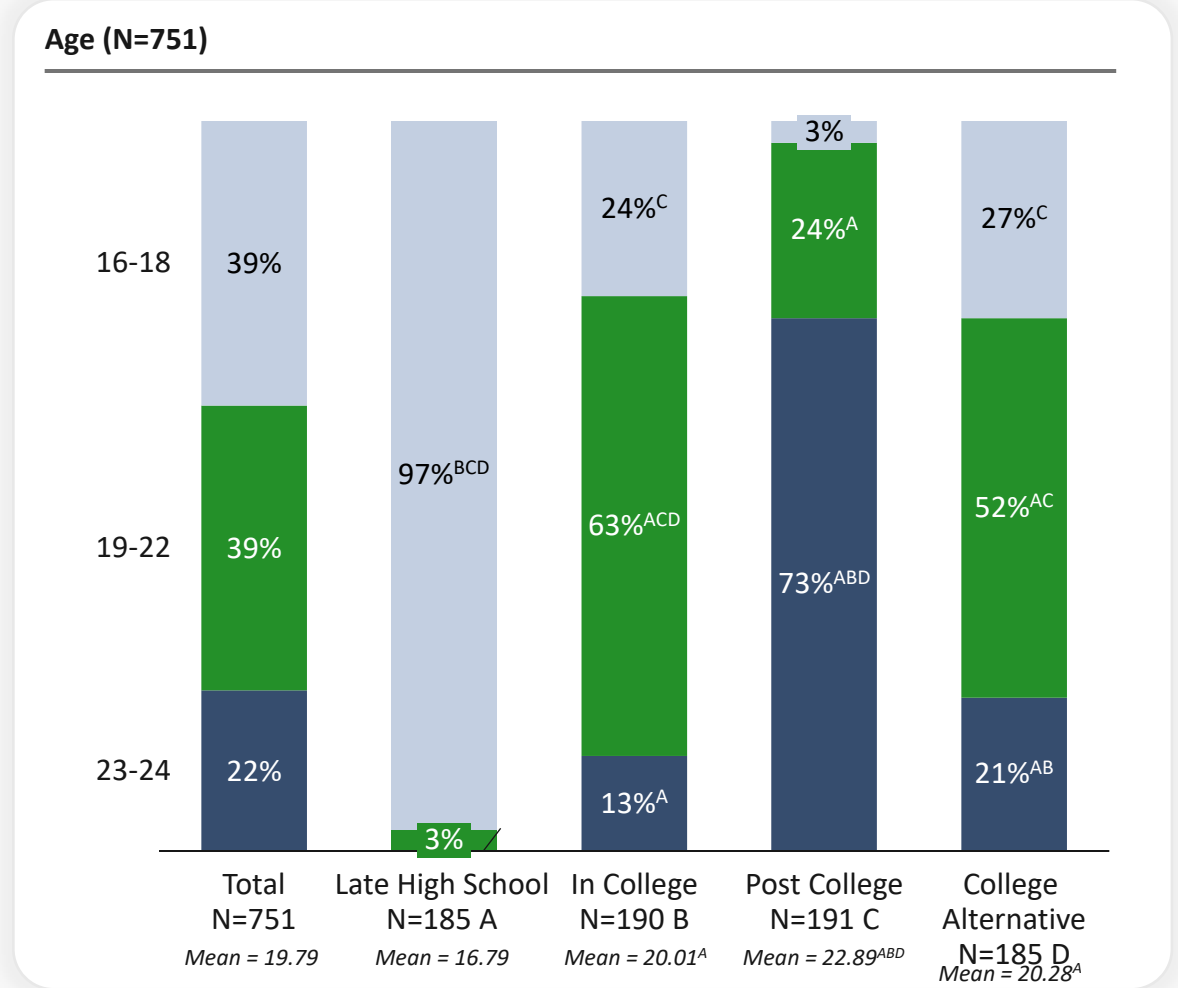
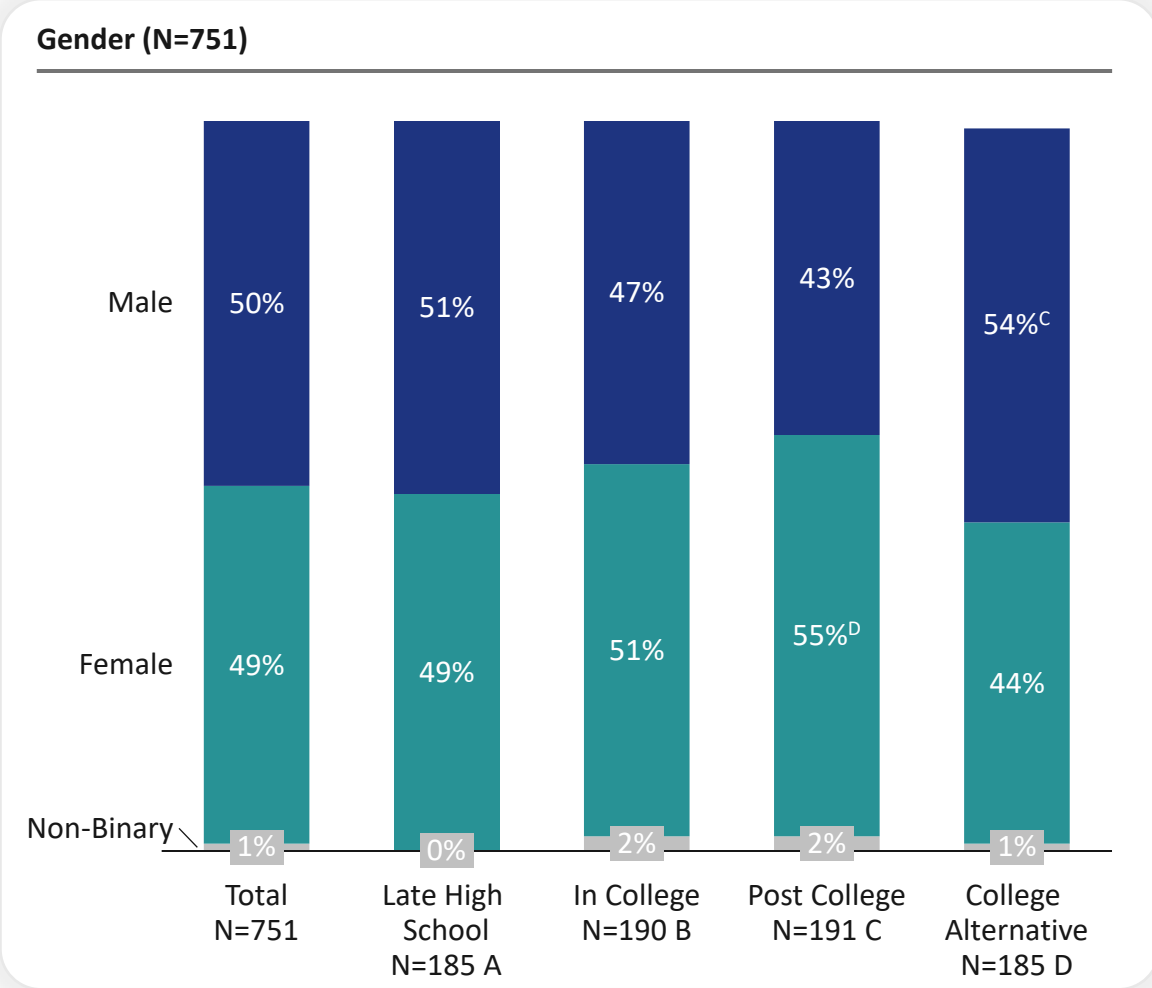


Top Industries of Use (N=451)



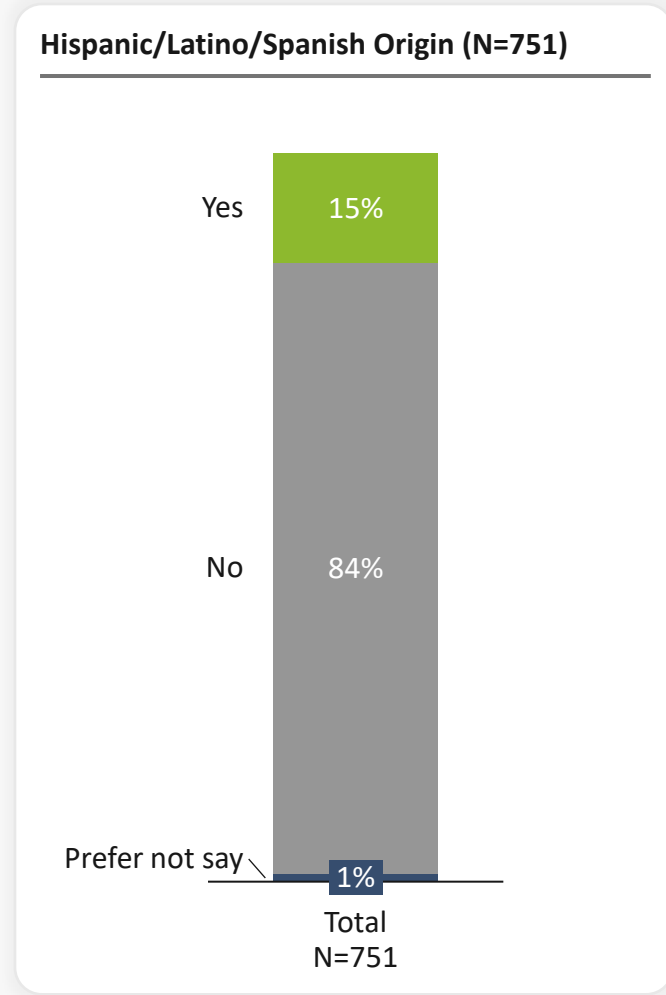
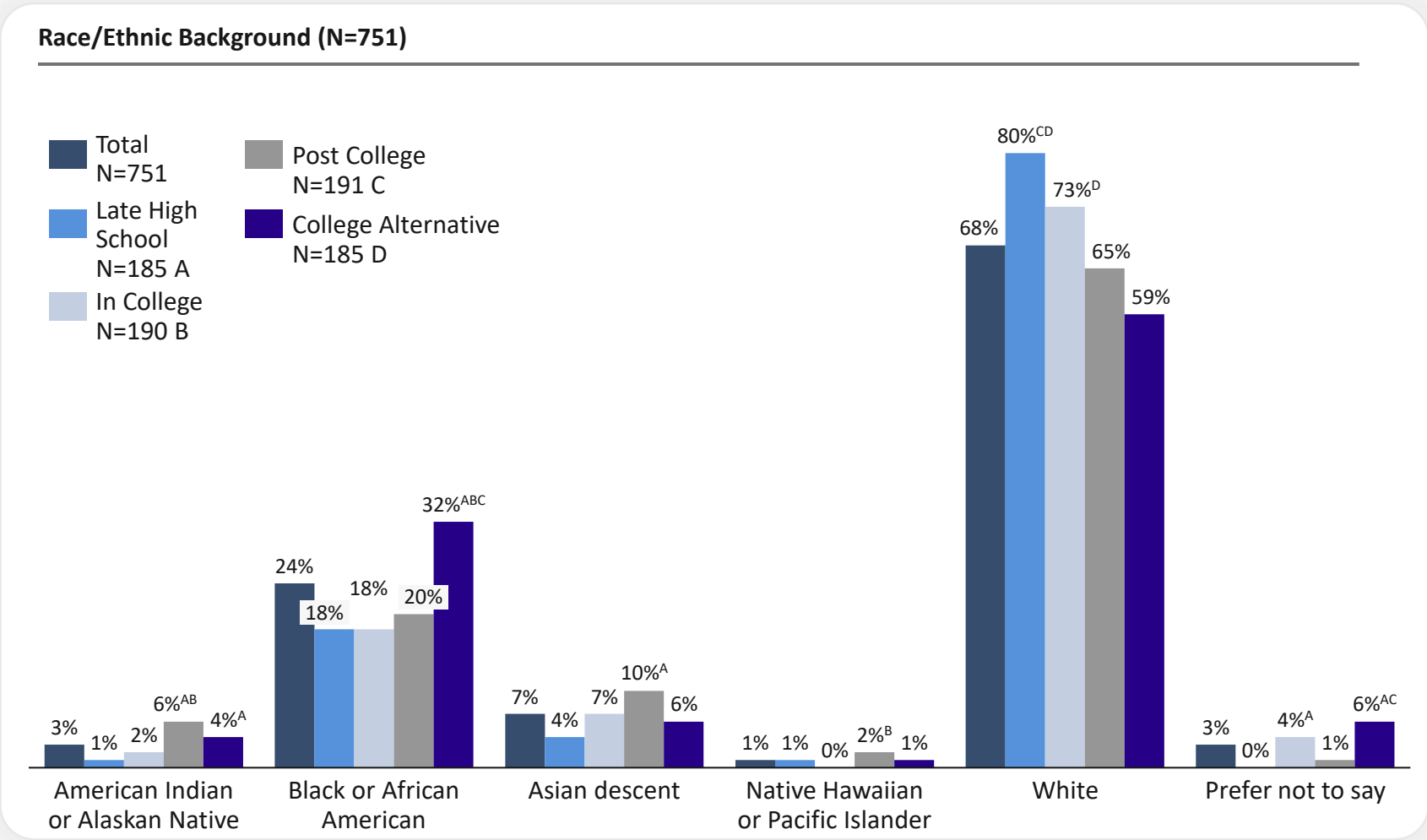
Respondents show a fairly balanced split between male and female, though the College Alternative segment skews more towards male respondents

Respondent Profile



The respondent ethnicity is predominantly white, with black/African American respondents making up a much smaller portion as the second largest ethnic group

Respondent Profile



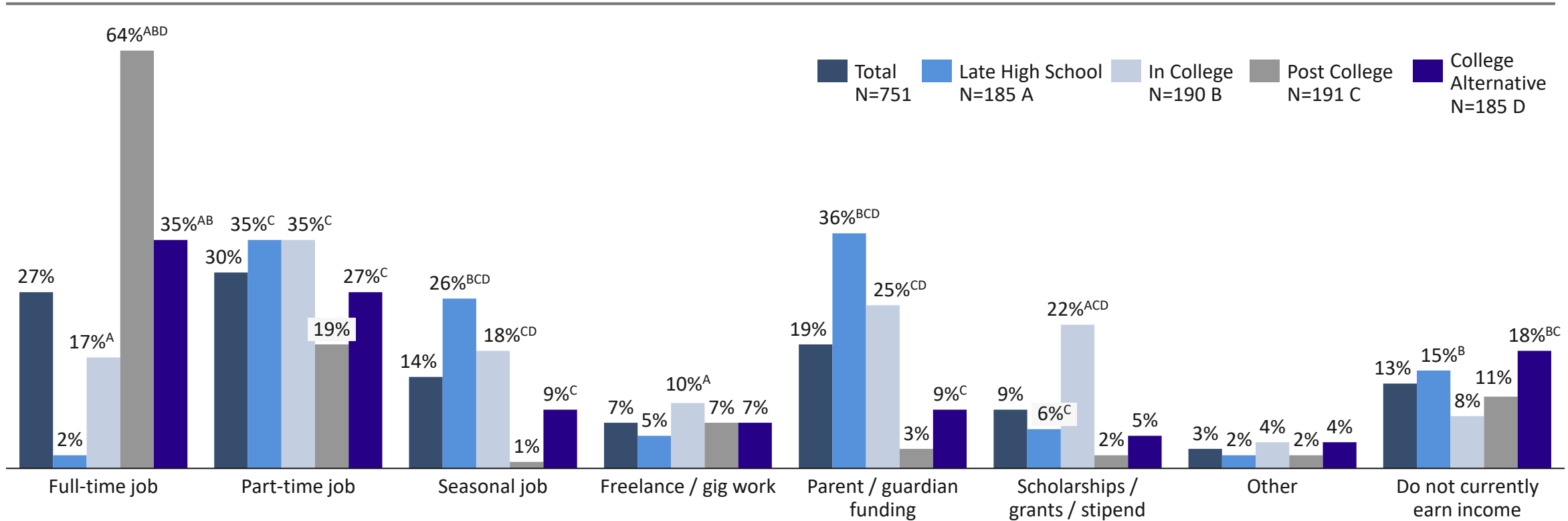
Income sources vary by education level; Post-College respondents predominantly rely on full-time employment, while Late High School respondents lean on parental support

Primary Income Sources



- 55% of Gen Z earn through full-time or part-time jobs, with Post College respondents primarily in full-time roles (64%) and Pre-College/In College respondents relying more on part-time work (35%)
- Pre-College (36%) and In College (25%) groups significantly depend on funding from parents, reflecting changing income dynamics as education progresses

Methods of Income (N=751)



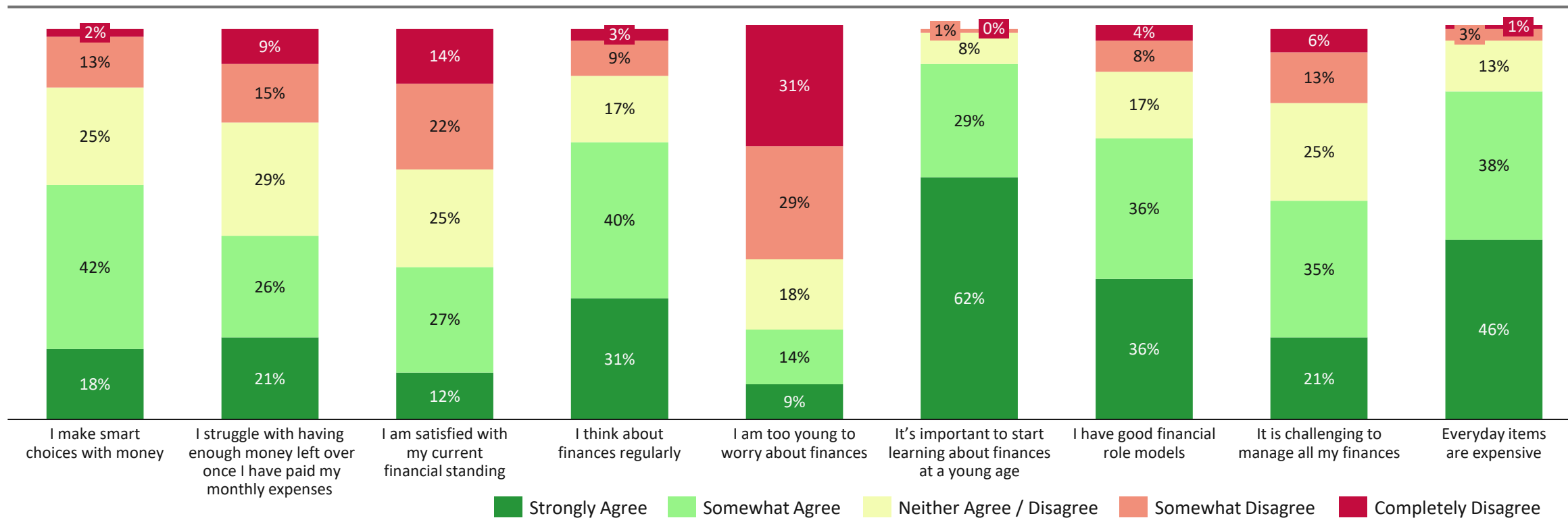
Financial education is widely acknowledged as essential, while concern with financial stability is also commonly exhibited among respondents

Financial Attitudes



- Financial education from an early age is important to a vast majority of respondents (91%). This highlights a general acknowledgment of the need for financial education throughout the financial responsibility growth stages
- Financial concern and dissatisfaction is common for respondents, with only 39% satisfied with their financial standing, and 71% thinking about finances regularly

Attitudes Regarding Finances by Total Respondent Group (N=751)



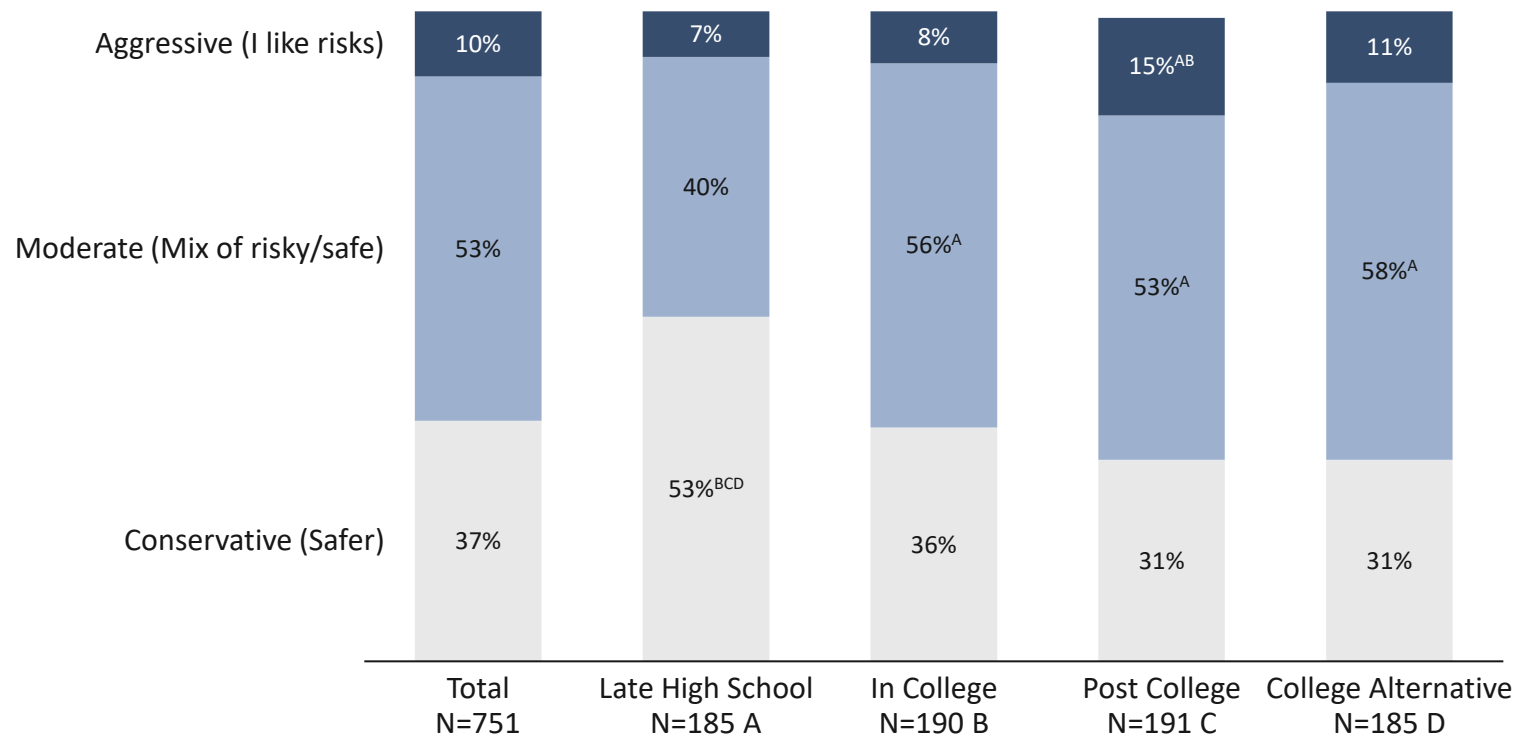
A moderate approach to risk-taking for financial decisions is most common among Gen Z, with a significant lean towards a conservative approach

Financial Decision-Making



- A significant proportion of respondents identify as moderately aggressive with their financial decisions, indicating a balanced approach to risk aggression and aversion
- Conservative decision makers (37%), greatly outweigh the population of risk-takers (10%). This is especially notable among the Late High School segment (53%), which suggests a lesser willingness to take risks for younger individuals

Aggressiveness in Making Financial Decisions (N=751)



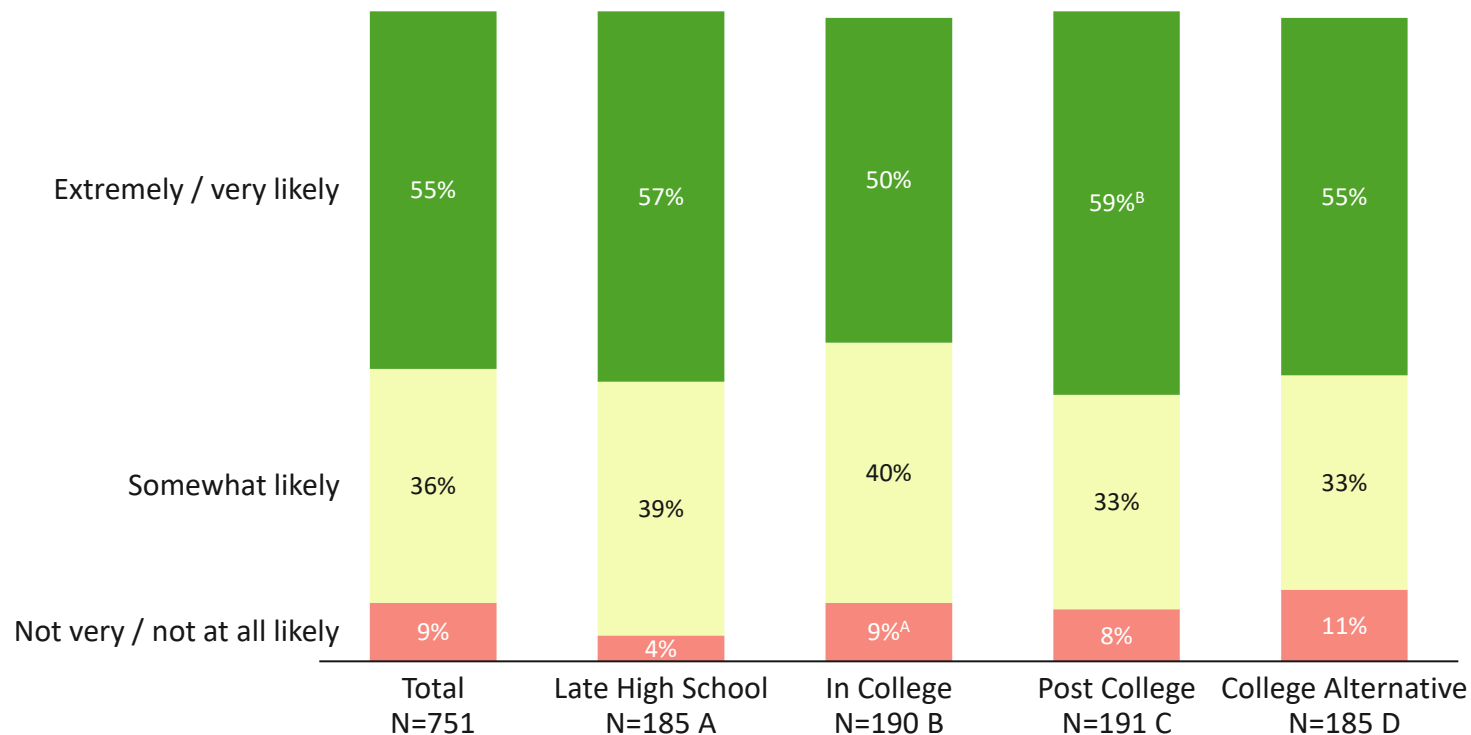
Respondents are quite self-assured in their ability to meet their financial goals, with signs indicating that education stages impact overall confidence

Financial Goals



- Though facing several challenges with financial management and spending habits, respondents are generally confident that they will meet their financial goals (55%). Post college respondents are the most self-assured, indicating that financial education and greater financial stability can impact overall self-belief in financial goal achievement
- While only 4% of Late High School respondents are unconfident in reaching their goals, College Alternative respondents are the most unconfident (11%)

Confidence in Achieving Financial Goals (N=751)



Question(s): How likely do you think it is that you will be able to achieve all your financial goals?
 Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)

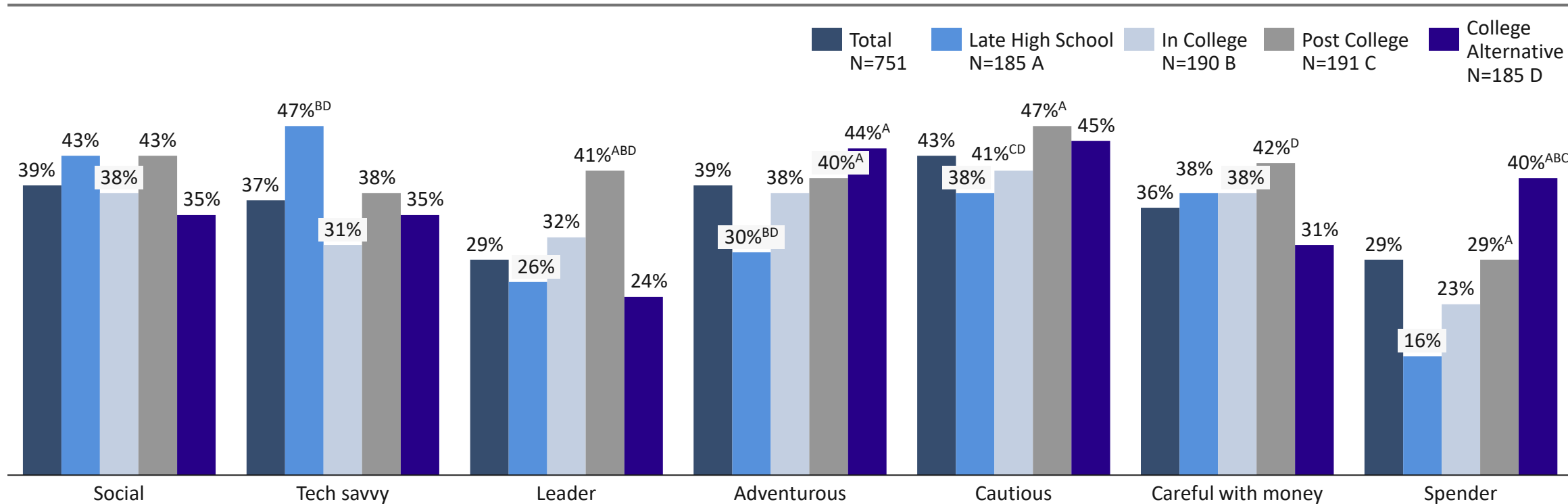
Great diversity of self-perceptions exists within the respondent pool, with caution slightly outweighing adventurous nature, and socialness being a common theme

Self-Perceptions



- Late High School respondents tend to view themselves as social (39%) and tech savvy (37%), while Post College respondents emphasize caution (47%) and leadership (41%). This may indicate that different stages of education and financial independence influence self-identify and confidence in financial standing
- College Alternative respondents have a greater disparity in self—perceptions, with 44% indicating adventurous tendencies, while 45% indicated cautious tendencies

Self-Describes Completely (N=751)



Question(s): To what extent do each of these descriptions describe you? (Describes completely)
 Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)

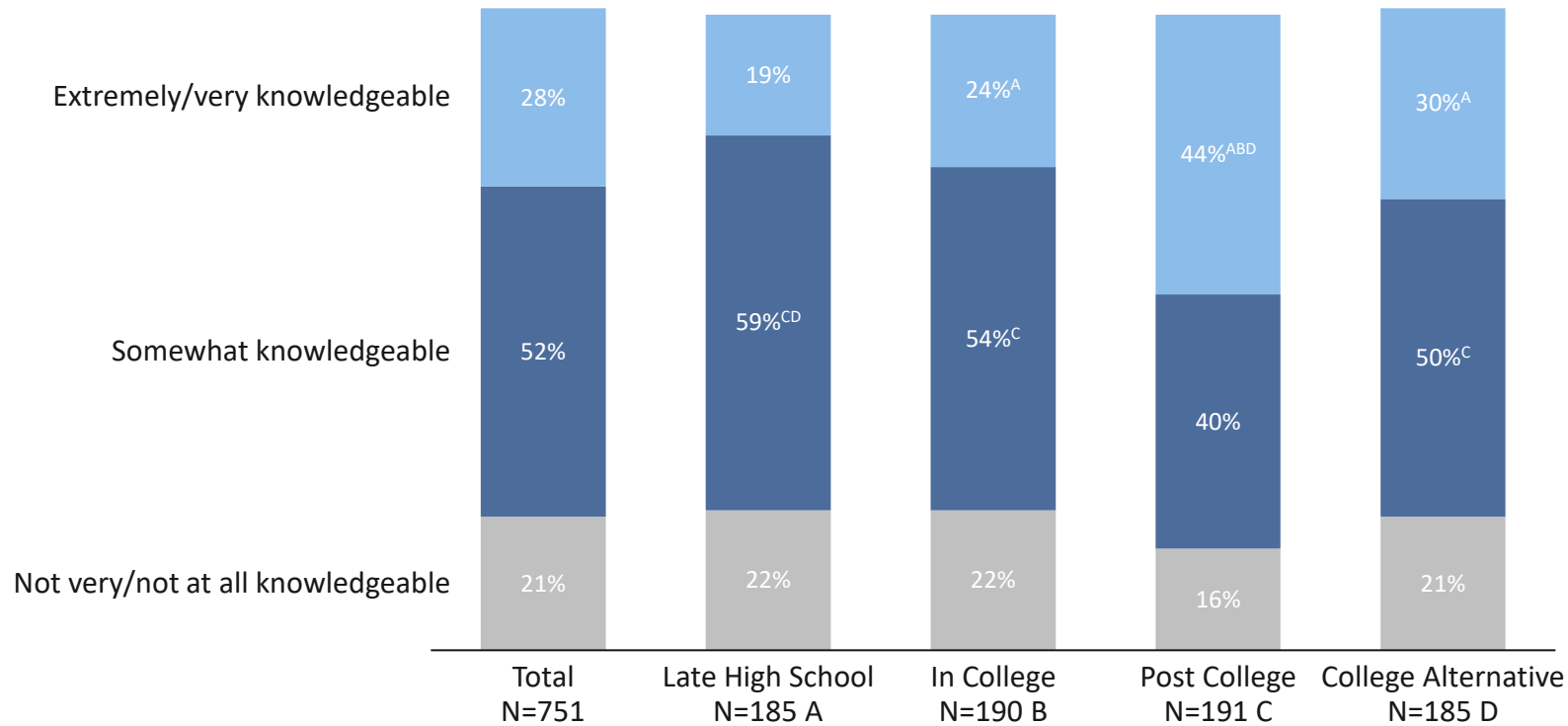
The respondent pool exhibits mixed financial and banking knowledge, though there is clear knowledge growth observed through the education stages

Finance and Banking Knowledge



- Confidence in financial and banking knowledge tends to grow through the education stages. 19% of Late High School respondents describe themselves as extremely or very knowledgeable, compared to 44% for Post College respondents
- College Alternative respondents' distribution of financial knowledge levels is most like that of the In College group, though the latter expresses greater confidence in its knowledge (30% vs 24%)

Levels of Finance and Banking Knowledge (N=751)



As monthly expenses rise with education levels, individuals contribute more towards covering their own expenses

Self-Dependence vs. Parents/Guardians

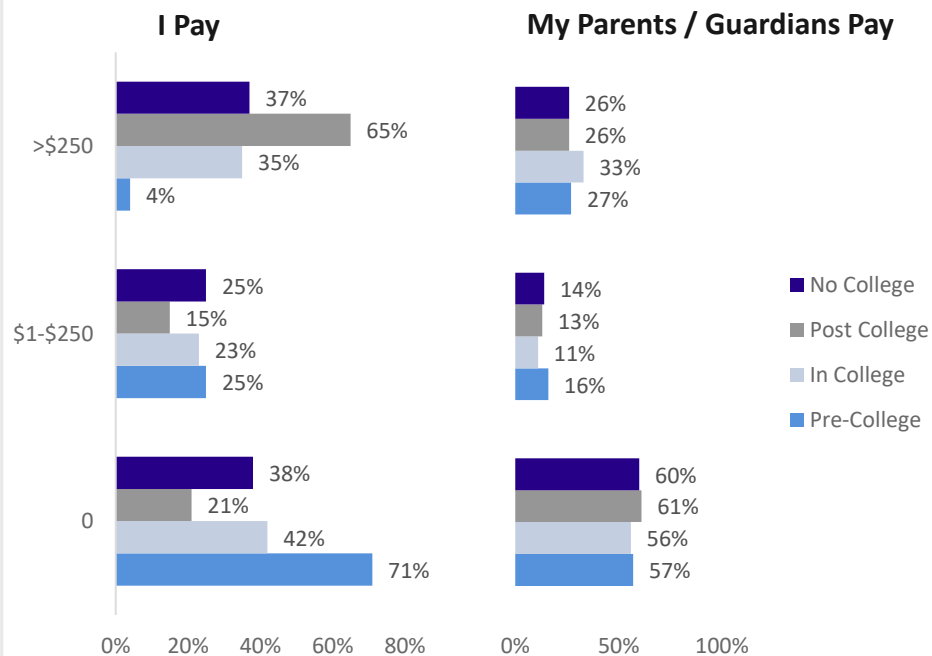


- As expected, the Post College segment contributes the most to the monthly expenses themselves while Late High School (Pre-College) depends on parents / guardians the most. This is driven by higher income of the Post College segment as they start working full-time jobs
- ~60% across all segments indicated that their parents pay for monthly expenses to a certain degree, which means less than 40% of Gen Z have full financial independence

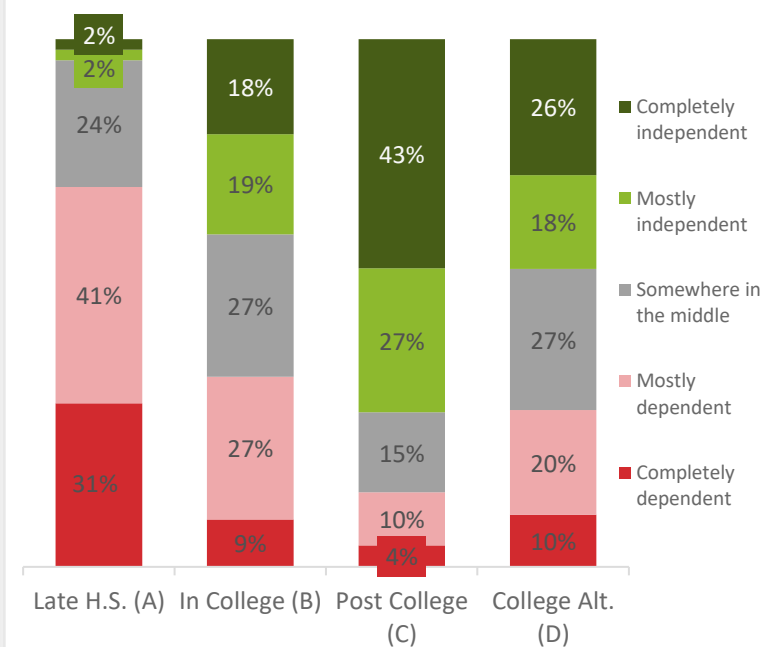
Average Monthly Expenses Contributions (N= 751)

Average Monthly Expenses	Late H.S. (A)	In College (B)	Post College (C)	College Alt (D)
Paid by self	\$46	\$465 ^A	\$1,247 ^A _{BD}	\$497 ^A
Paid by parents /guardians	\$387	\$478	\$365	\$336

Breakdown of financial help by Parents/ Guardians vs Self (N= 751)



Self-perception of financial independence (N= 751)



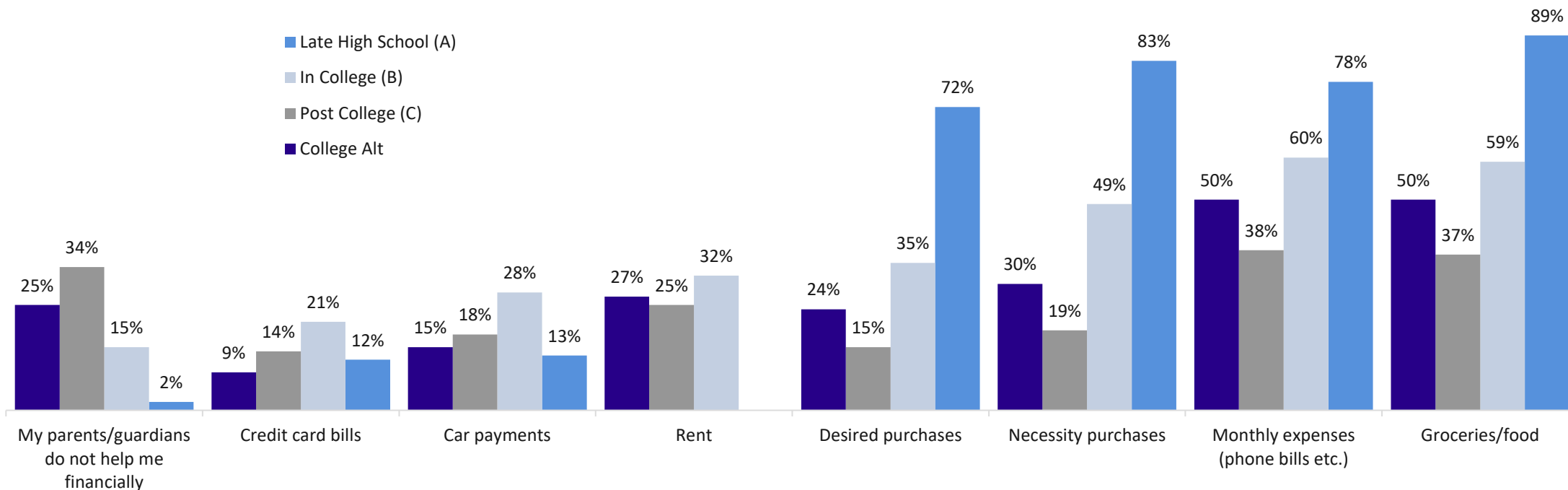
Parents and guardians typically cover groceries, food, monthly bills, and other essential purchases for Gen Z

What Parents/Guardians Pay For



- Even for the Post College segment, ~37% of respondents mentioned that parents contribute towards groceries / food. This percentage increases with financial dependence on parents/guardians
- Late High School segment had no rent, because most of them still live with their parents

Financial Contribution by Parents/Guardians (N= 751)



Parents, followed by peers & friends, are the main source of financial advice for Gen Z

Financial Advice Source



- Parents, family members, friends, siblings and co-workers are the main sources when Gen Z actively seeks financial advice. This is followed by general internet searches, which should ensure financial firms are actively spending in improving their search engine optimization (SEO) efforts
- There is opportunity to target parents of Gen Z for newer products, as that in turn drives adoption amongst Gen Z

Source of Financial Advice (N= 751)

Source of Financial Advice	Late High School N=185 A	In College N=190 B	Post College N=191 C	College Alternative N=185 D
Parents or other family members	87 ^{BCD}	74	68	67
Peers/friends/siblings/co-workers	36	45 ^A	48 ^A	43
General Internet searches	27 ^D	35 ^{AD}	38 ^{AD}	19
School/Teachers	27 ^{BCD}	17 ^C	9	14
Social media	21	29 ^A	24	28
Financial advisors	6	18 ^A	27 ^{ABD}	15 ^A
Podcasts/blogs	6	18 ^{AD}	13 ^{AD}	7
I do not seek financial advice	2	5	9 ^A	12 ^{AB}

Top Social Media Channels & Podcasts for Financial Information (N= 751)

Social Media Platforms



Top Podcasts / Blogs

- Dave Ramsey (The Ramsey Show)
- Planet Money
- Your Rich BFF
- Becca Dunkin

Question(s): From whom or where do you seek financial advice or learn about financial information in general? | Which specific social media channels do you use to learn about financial information? | What specific podcast / blogs do you listen to / read to learn about financial information?

Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)

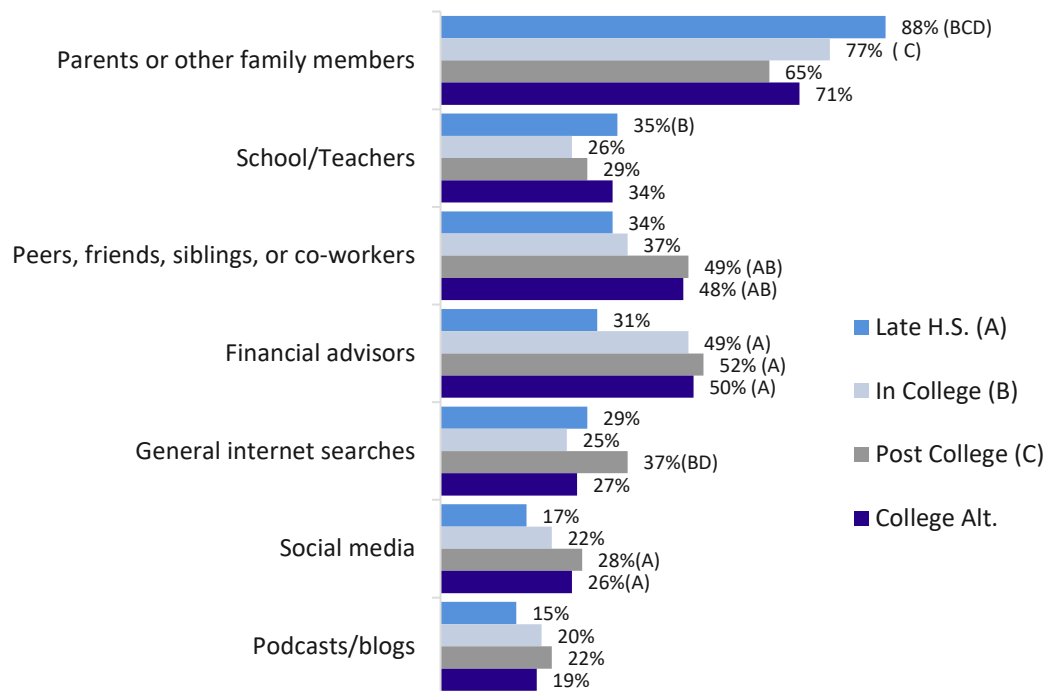
Parents and peers remain the most influential on finances of Gen Z, while social media and podcasts have the least influence

Influence on Finances

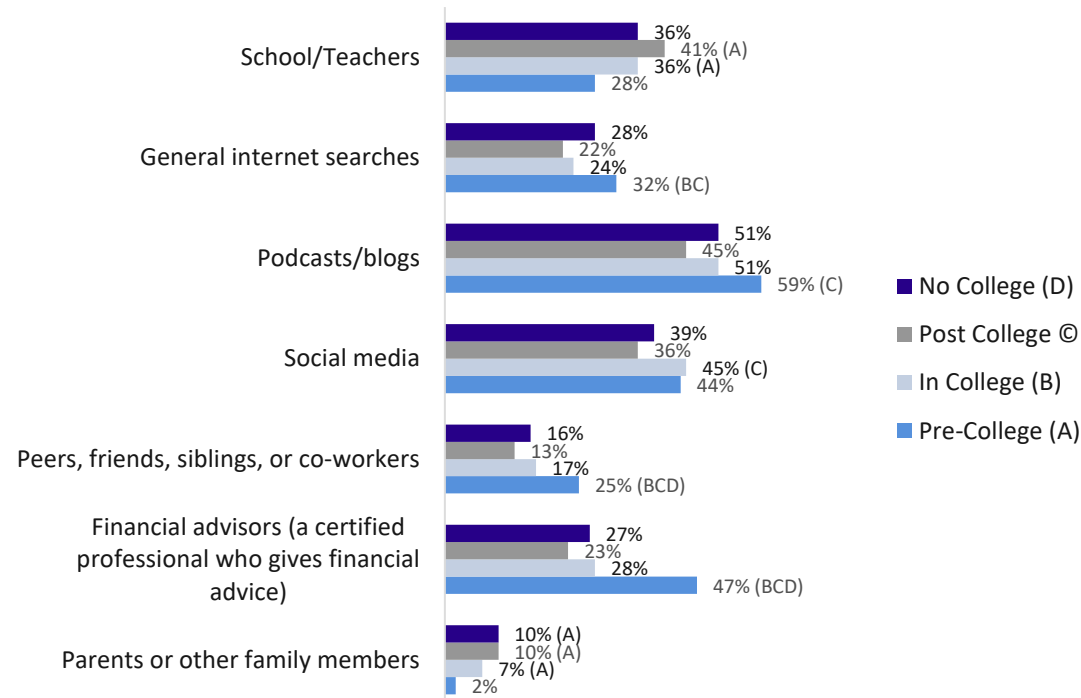


- Influence of parents decreases as one progress through college life, with increasing influence of friends & peers
- Social media influence also increases with life stage; however, it still isn't that influential of a channel for financial decisions.

Extremely Influential / Very Influential (N= 751)



Not Very Influential / Not At All Influential (N= 751)



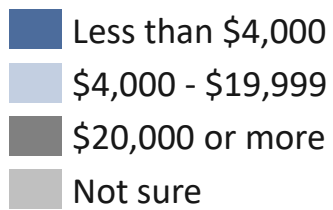
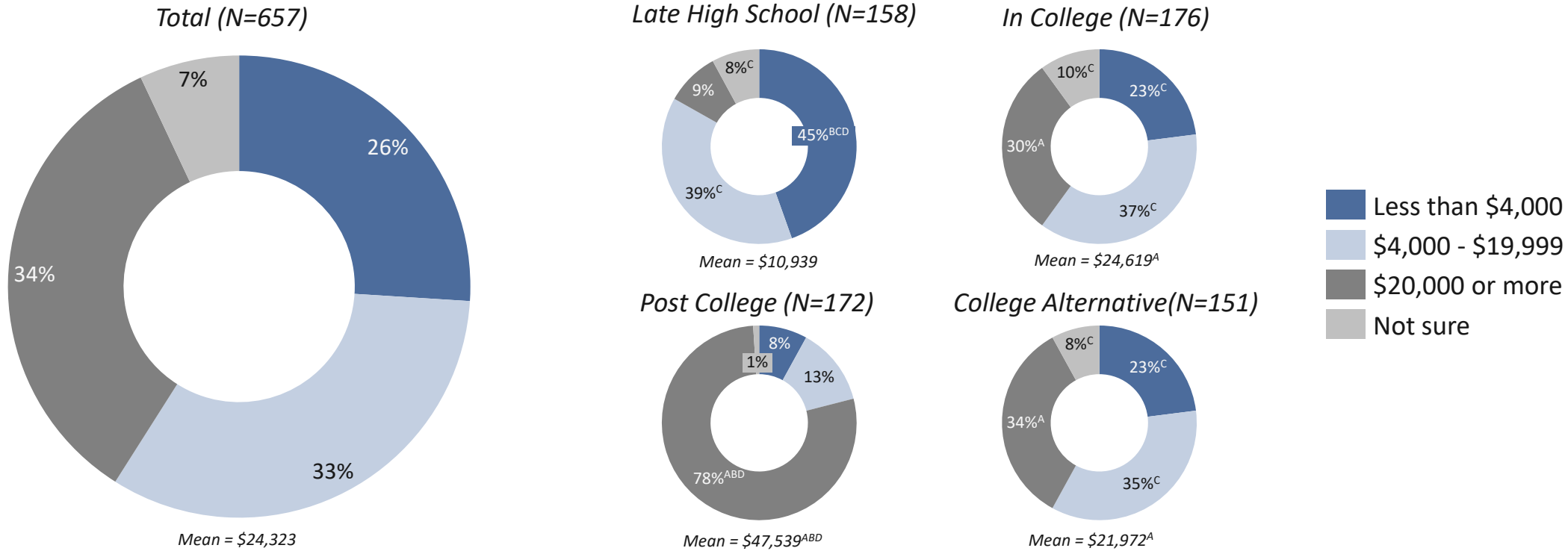
Income earned shows significant variance, with Post-College respondents anticipating higher earning; this indicates the role that education plays in determining income

Expected Income



- Post College respondents exhibit the highest expected annual income, with 78% projecting over \$20,000, compared to just 9% of Late High School respondents, understandably, and 30% of In College respondents
- A substantial portion of Late High School respondents (45%) expect to earn less than \$4,000 annually.

Expected Total Annual Income (N=657)



25 Question(s): Which of the following ranges best describe your expected annual income this year?
 Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)

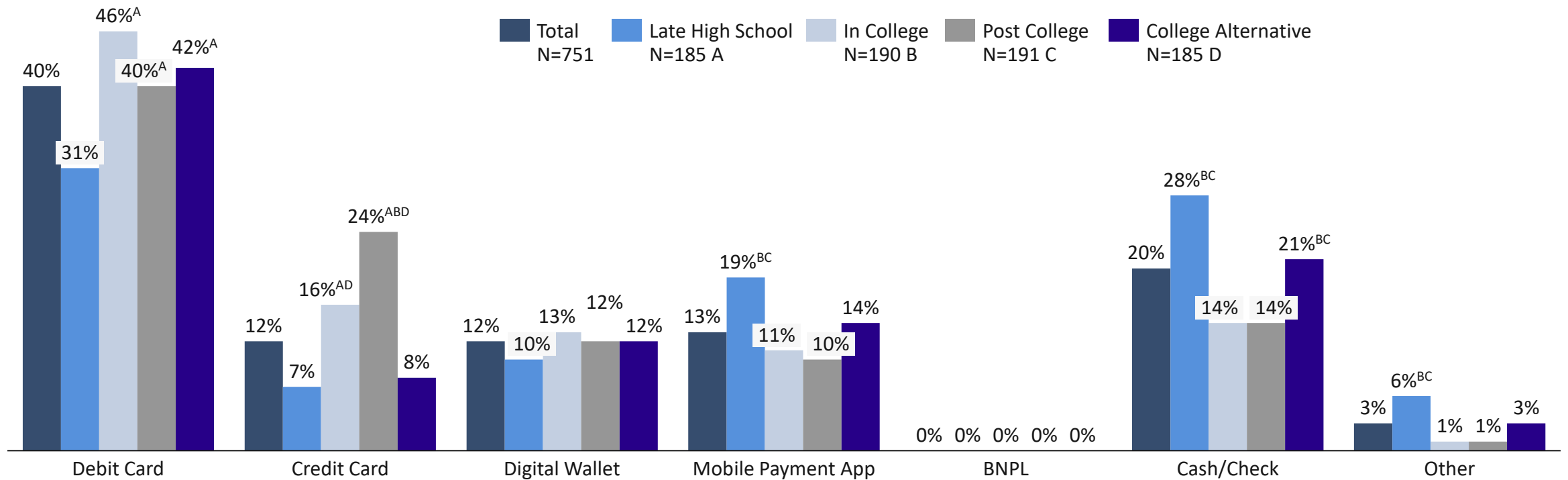
Debit cards stand out as the most preferred primary payment method by all respondent groups

Primary Payment Method Preferences



- Across all segments, debit cards act as the preferred primary payment method if having to choose one to keep
- Credit cards have more prominence among Post College respondents, while cash/check is greatly preferred by Pre-College respondents. This indicates a shift in payment preferences from upfront payments to credit as respondents move through the Gen Z life stages

Preferred Payment Method to Keep (N=751)



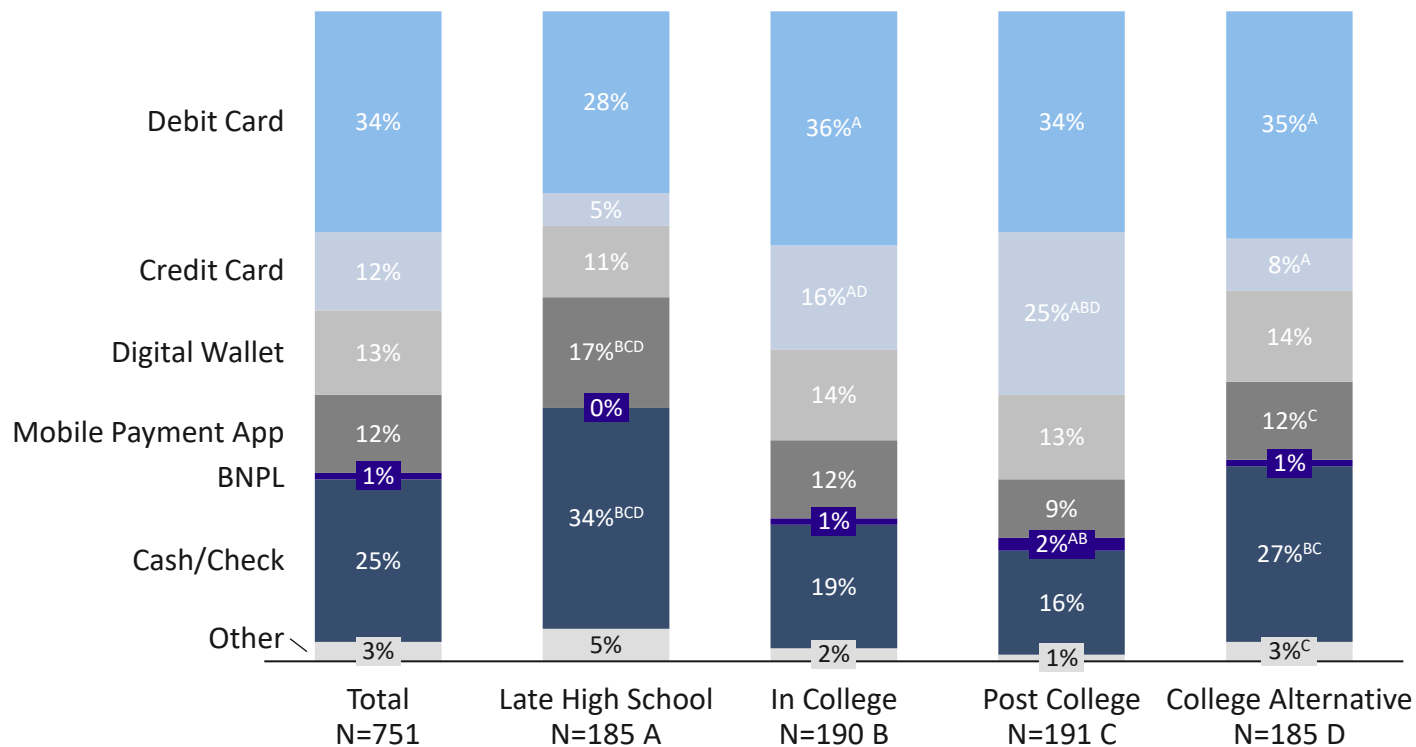
~1/3 of purchases made by the total respondent group are conducted through debit cards, indicating a clear preference for traditional payment methods

Total Purchase Volume Payment Method Preferences



- ~1/3 of purchases by the total respondent group are made through debit cards, followed by cash/check at ~1/4 of total purchases
- Payment methods with upfront funds withdrawal (debit card, cash/check) have greater incidence across all segments, while credit (credit card) is more utilized by the In College, and specifically the Post College segment

Proportion of Total Purchases by Payment Method (N=751)



As education increases, financial product adoption sees growth in digital payments and credit usage among Gen Z

Payment Method (Have/Use)



- A significant majority of respondents have debit cards (72%), checking accounts (72%) and savings accounts (62%), indicating that these foundational financial products are essential across all education levels
- The prevalence of digital wallets (55%) and mobile payment apps (69%) is notably higher among In College and Post College respondents, reflecting a trend toward tech-savvy offerings as respondents gain financial independence

Have/Use by Payment Method (N=751)

	Checking Account	Savings Account	Debit Card	Credit Card	Digital Wallet	Mobile Payment App	Unsecured Personal Loan	Auto Loan	Student Loan	Prepaid Card	Secured Credit Card	Mortgage or Home Loan	BNPL Account	Youth / Teen Bank Account	Investment Account	Cash	None of These
Total N=751	72%	62%	72%	40%	55%	69%	2%	6%	12%	9%	3%	2%	8%	3%	11%	48%	0%
Late H.S. N=185 A	49%	54%	54%	16%	41%	63%	1%	3%	1%	12% ^C	1%	3% ^{BD}	2%	8% ^{BCD}	4%	50%	0%
In College N=190 B	84% ^{AD}	74% ^{AD}	82% ^{AD}	50% ^{AD}	64% ^{AD}	75% ^{AD}	1%	8% ^A	24% ^{AD}	8%	4% ^A	0%	9% ^A	4% ^C	18% ^{AD}	51% ^D	0%
Post College N=191 C	84% ^{AD}	73% ^{AD}	88% ^{AD}	76% ^{ABD}	70% ^{AD}	78% ^{AD}	2%	14% ^{ABD}	27% ^{AD}	6%	5% ^A	9% ^{ABD}	14% ^{AD}	0%	26% ^{ABD}	54% ^D	0%
College Alternative N=185 D	72% ^A	53%	71% ^A	34% ^A	52% ^A	64%	2%	4%	5% ^A	10%	2%	0%	8% ^A	1%	4%	41%	0%

28 Question(s): Which of the following financial products, if any, do you currently have/use?
 Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)

Descriptors for payment methods often emphasize respondents' affinity for their preferred choices, with a strong focus on convenience, safety, and ease of use

Payment Method Attitudes



- Across all payment methods, "easy" is the most frequently used descriptor, highlighting the importance of convenience and ease of use when selecting preferred payment methods
- For cash/check and debit cards, terms like "good" and "safe" are commonly mentioned, reflecting respondents' trust in these options. However, when it comes to credit cards, "debt" is a recurring concern, suggesting that respondents may be reluctant to use this method due to fears of accumulating debt

Word that Describes Feeling when Using Payment Method

Debit Card



Credit Card



Cash/Check



Digital Wallet



Mobile Payment App



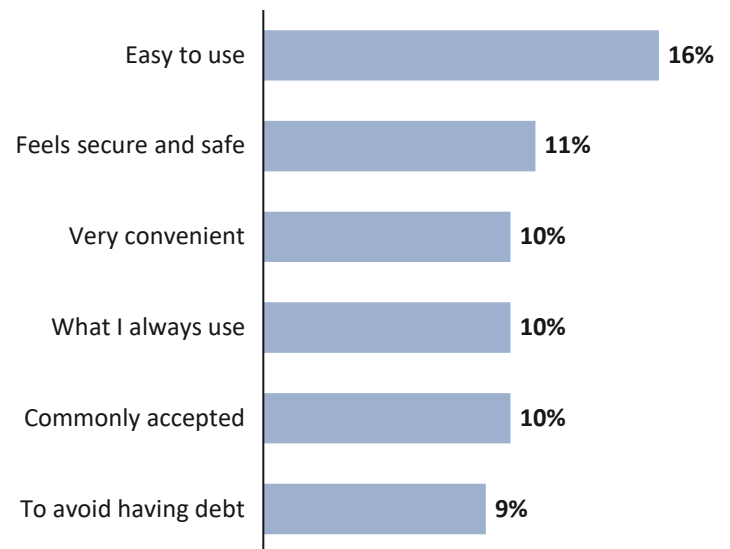
Security and ease of use are key drivers for debit card preference, particularly among Late High School respondents who value simplicity and financial familiarity

Debit Card Usage Preferences



- Security and ease of use are key reasons for using debit cards. This suggests that familiarity and simplicity play a role in their payment choices
- Many respondents (38%) use debit cards to avoid debt, especially among Post College individuals (54%). This supports Gen Z's desire for tools that support financial discipline and effective expense management

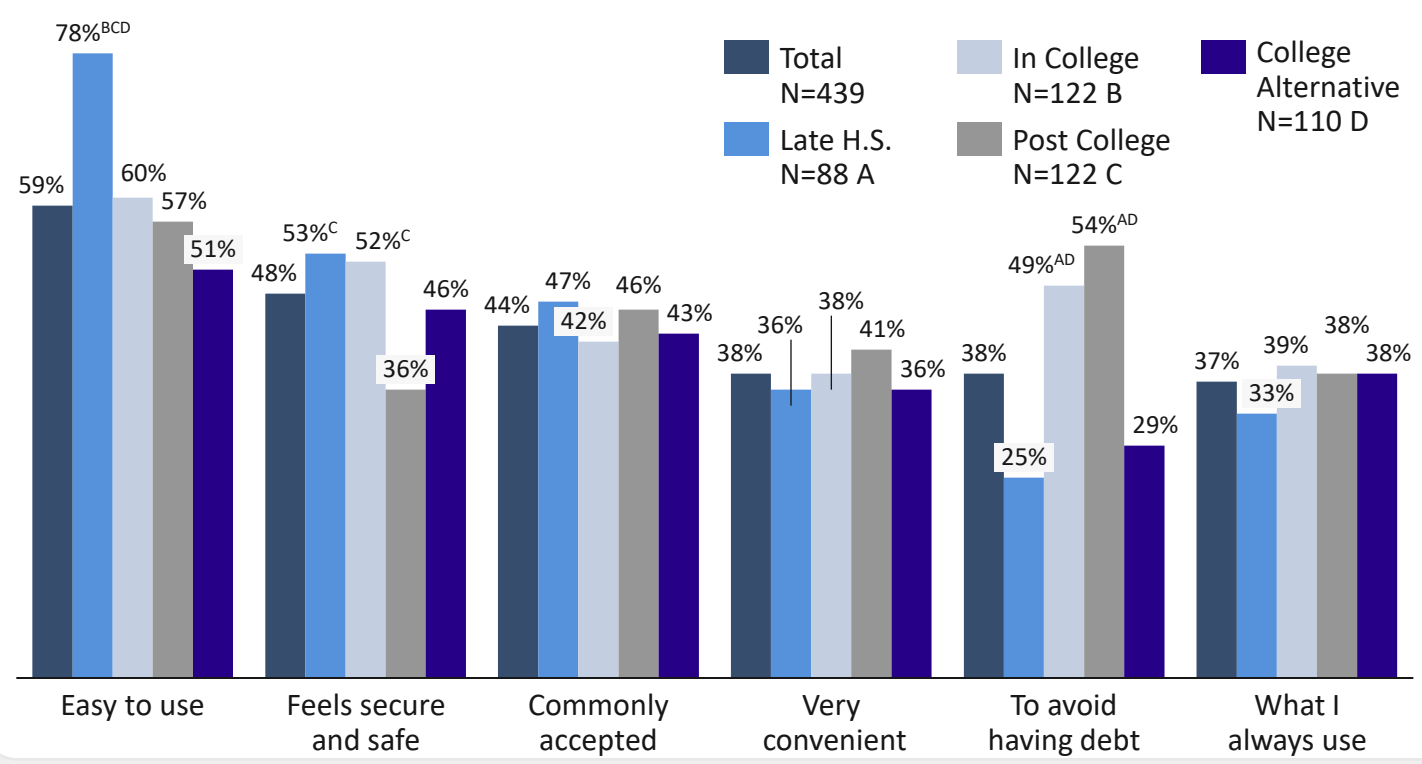
Top Reason for Using Debit Cards (N=439)



"Easy to use and keeps track of my spending"

"It is tempting to use a credit card, but I can get into debt. Cash can't be used online"

Inclusion in Top 5 Reasons for Using Debit Cards (N=439)



30 Question(s): Why do you use a debit card? (Select top 5)
 Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)

Debit cards are favored for everyday essentials, with spending patterns varying across education levels

Debit Card Usage



- Debit cards are commonly used for essential purchases, with notable usage for groceries/household items (67%) and restaurants (64%). This highlights the reliance on debit cards for managing daily expenses across all segments
- While all segments utilize debit cards for essential purchases, In College respondents show a stronger preference for using them for discretionary spending categories like hobbies (59%) and entertainment (61%)

Debit Card Usage by Purchase Type (N=517)

	Transportation	Groceries / Household Items	Monthly Living Expenses	Streaming Services	Entertainment	Phone / Wireless	Dining / Take-Out	Coffee Shop / Fast Food	Car Payments	Travel	Hobbies	Clothing / Apparel	Other
Total N=517	50%	67%	53%	46%	52%	51%	64%	57%	39%	40%	54%	64%	9%
Late H.S. N=98 A	42%	54%	37%	36%	54%	45%	69%	63%	23%	25%	62% ^{CD}	68% ^C	11%
In College N=150 B	54% ^A	68% ^A	54% ^A	46%	61% ^{CD}	56% ^{AC}	64%	58%	47% ^{AD}	47% ^A	59% ^D	65% ^C	6%
Post College N=159 C	52%	63%	59% ^A	54% ^A	46%	44%	61%	54%	46% ^{AD}	44% ^A	51%	53%	13% ^B
College Alternative N=123 D	48%	74% ^{AC}	57% ^A	48% ^A	45%	54%	63%	54%	35% ^A	39% ^A	47%	68% ^C	9%

31 Question(s): For which types of purchases/payment do you use each of these payment methods? (Debit card)
Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)

Payment Preferences

- Credit Card

Motivations for credit card usage primarily center on rewards, credit-building, security, and convenience

Credit Card Usage Preferences



- The ability to earn points, rewards, or cash back is the primary reason for credit card use, with 53% of respondents citing it as a key motivator. This trend is consistent across groups, but Post College users show the strongest inclination toward rewards
- Establishing a positive credit history (53%) and building a credit score (53%) are significant motivators for credit card usage. Security also remains a priority, especially among Late High School (45%) and Post College (43%) segments. Together, these factors indicate that a strong emphasis on both credit-building features and security can possibly enhance credit card adoption

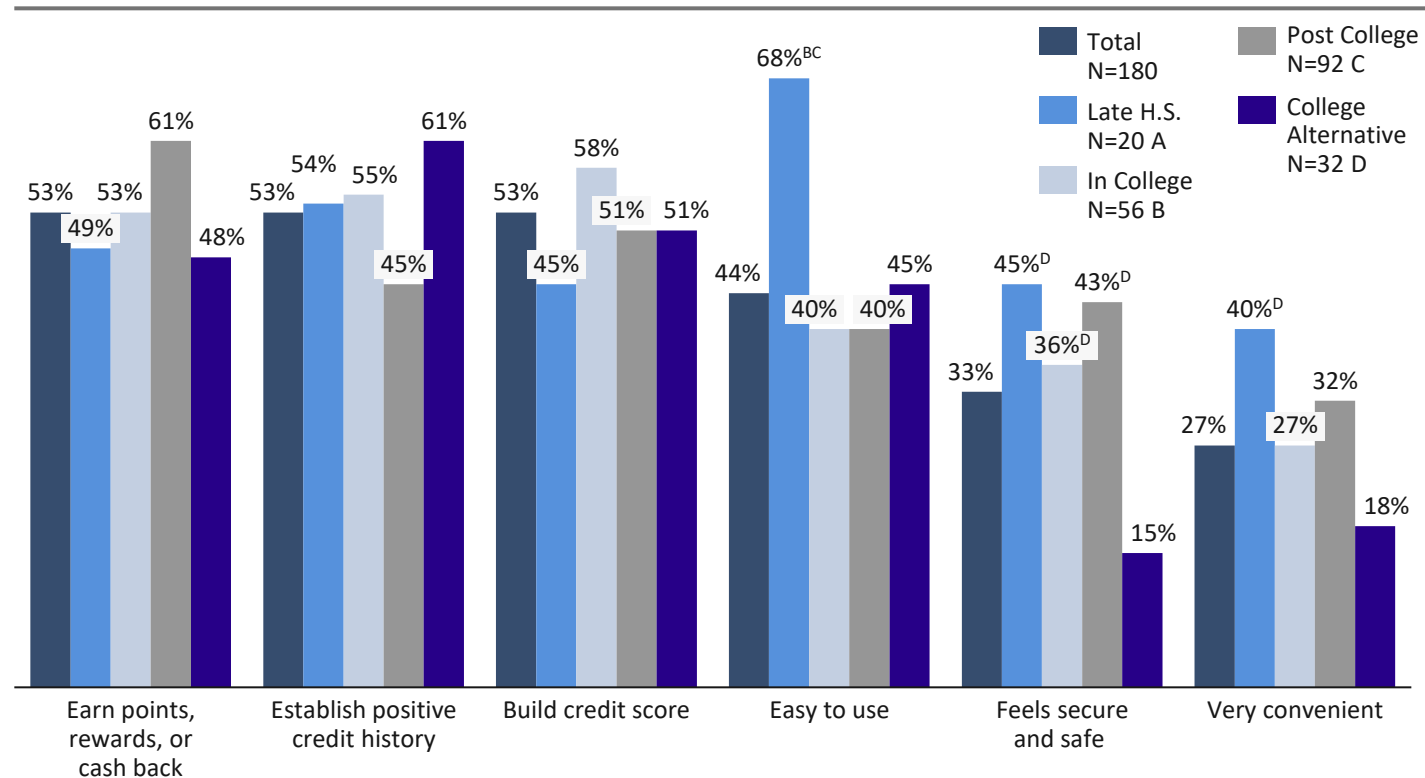
Top Reason for Using Credit Cards (N=180)



"I would always have it with me and could use it to purchase things that don't have a digital payment option"

"I can build credit and use it for the majority of my expenses"

Inclusion in Top 5 Reasons for Using Credit Cards (N=180)



Credit card usage reflects varied spending habits and a strong preference for lifestyle purchases among Gen Z consumers

Credit Card Usage



- Credit cards are widely used across various categories, including groceries (51%), entertainment (49%), and transportation (46%). This versatility highlights their role in managing both essential and discretionary expenses, particularly among consumers who prioritize rewards and convenience
- Credit cards are commonly used for travel (50%) and dining (48%), indicating their importance in supporting social and experiential spending

Credit Card Usage by Purchase Type (N=308)

	Transportation	Groceries / Household Items	Monthly Living Expenses	Streaming Services	Entertainment	Phone / Wireless	Dining / Take-Out	Coffee Shop / Fast Food	Car Payments	Travel	Hobbies	Clothing / Apparel	Other
Total N=308	46%	51%	34%	38%	49%	32%	48%	41%	31%	50%	40%	55%	9%
Late High School N=28 A	32%	35%	28%	23%	31%	31%	28%	32%	28%	31%	35%	61% ^D	3%
In College N=89 B	54% ^A	53%	29%	40%	51% ^A	32%	51% ^A	51% ^{AD}	30%	63% ^{AD}	41%	58% ^D	9%
Post College N=134 C	46%	62% ^{AD}	40%	44% ^A	50% ^A	38%	54% ^A	45% ^D	39% ^D	61% ^{AD}	42%	66% ^D	11%
College Alternative N=57 D	42%	44%	35%	36%	50%	28%	47%	29%	26%	34%	39%	39%	8%

Payment Preferences

- Digital Payments

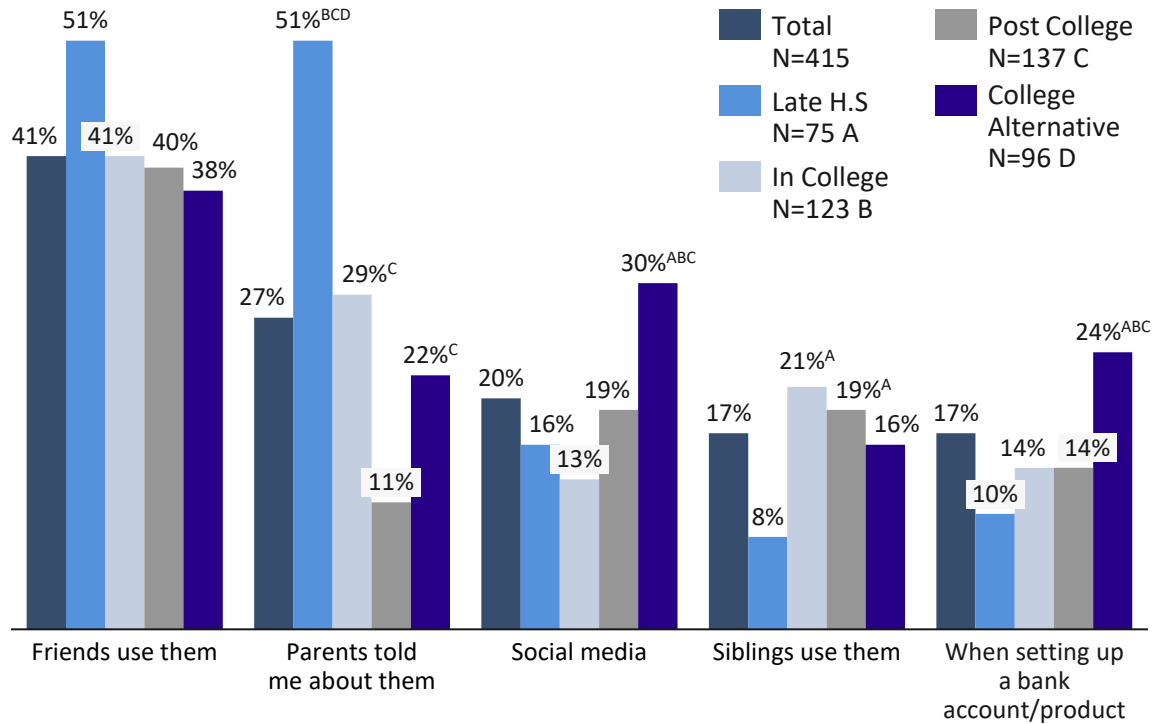
Awareness of digital wallets and mobile payment apps stems from strong family and social influences

Identifying Digital Payment Methods

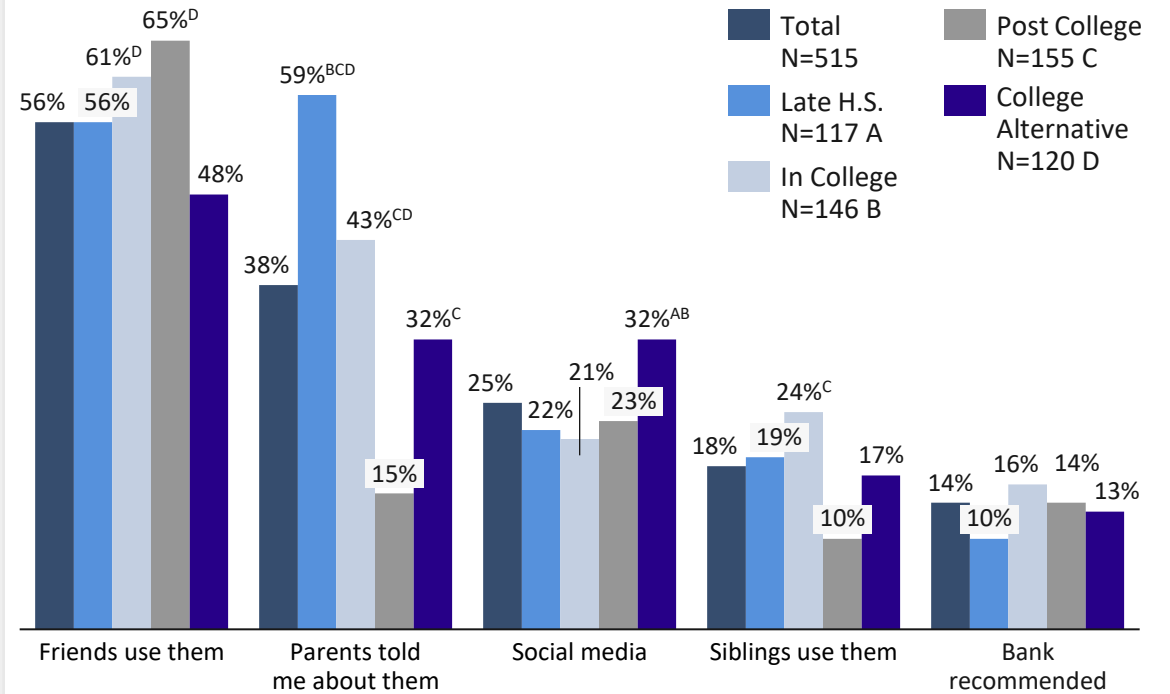


- Most commonly, respondents learned about digital wallets from friends (41%), especially in the Late High School group (51%). Parental recommendations also played a significant role, particularly for Late High School respondents (51%)
- A strong 56% of respondents indicated learning about mobile payment apps through friends, with social media also being impactful (25%). This highlights the importance of social circles in driving product awareness

Top 5 Ways of Learning of Digital Wallets (N=415)



Top 5 Ways of Learning of Mobile Payment Apps (N=515)



Venmo and PayPal are recognized mainly as mobile payment apps, with some incidence of digital wallets, primarily for PayPal

Digital Payment Method Providers

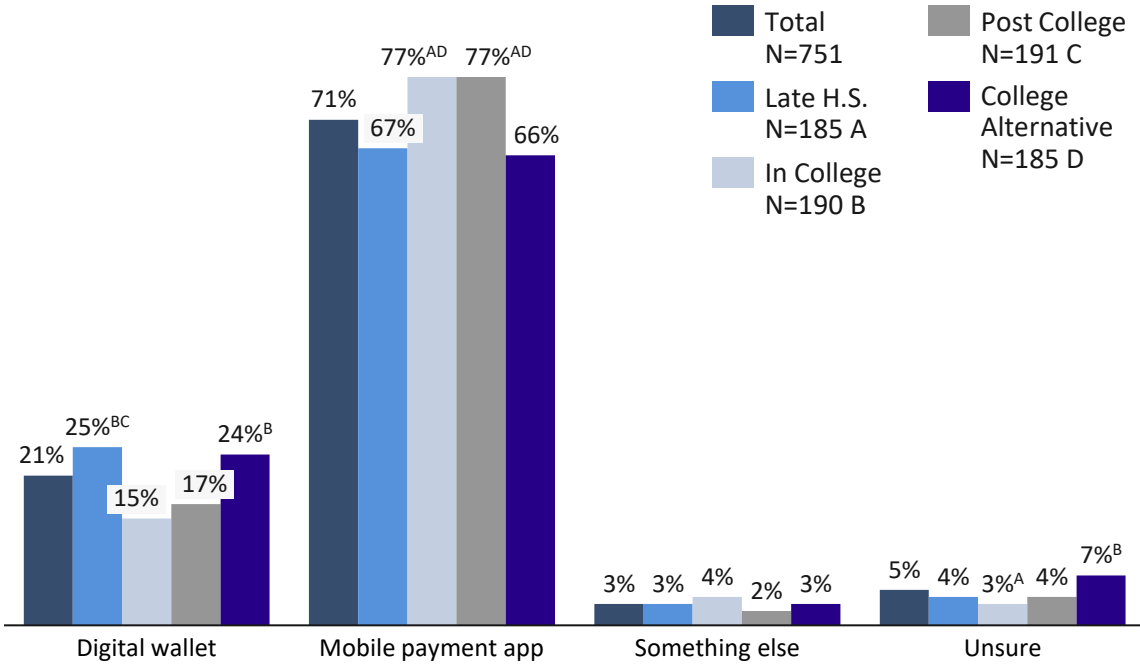


- The majority (71%) view Venmo primarily as a mobile payment app, with notable recognition among In College and Post College respondents (77%)
- PayPal is predominantly seen as a mobile payment app (69%), with a consistent perception across all education segments

Venmo Categorization (N=751)



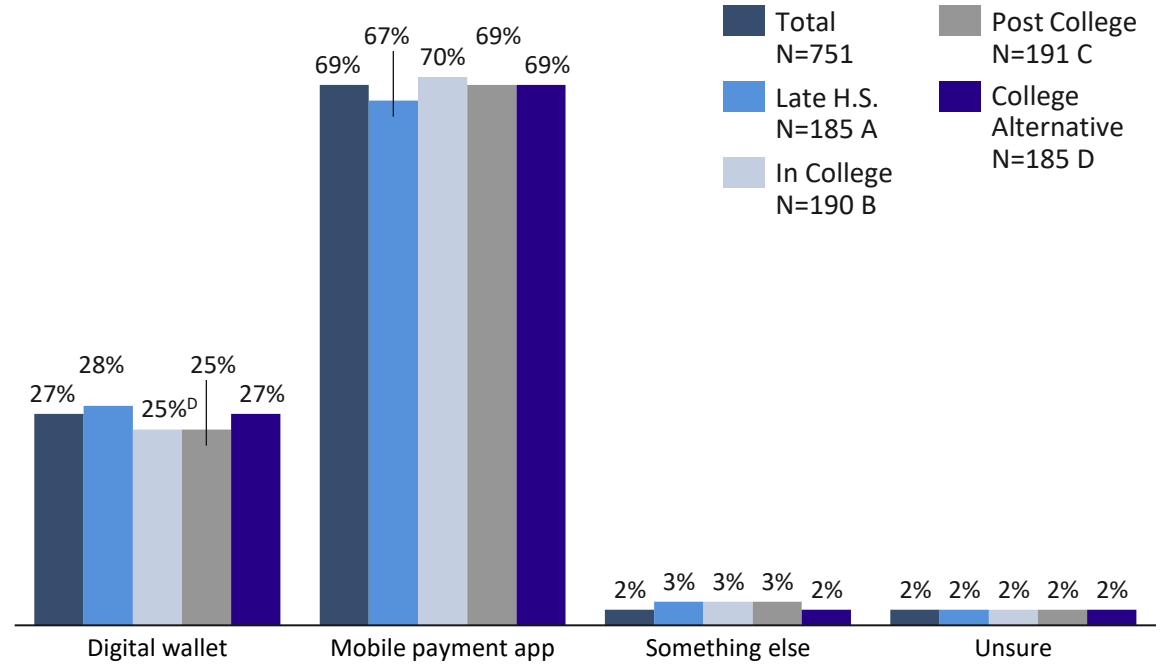
■ Total N=751
■ Late H.S. N=185 A
■ In College N=190 B
■ Post College N=191 C
■ College Alternative N=185 D



PayPal Categorization (N=751)



■ Total N=751
■ Late H.S. N=185 A
■ In College N=190 B
■ Post College N=191 C
■ College Alternative N=185 D



Zelle and Cash App are both primarily regarded as mobile payments apps, indicating that social payments and lending may influence respondents' perceptions

Digital Payment Method Providers

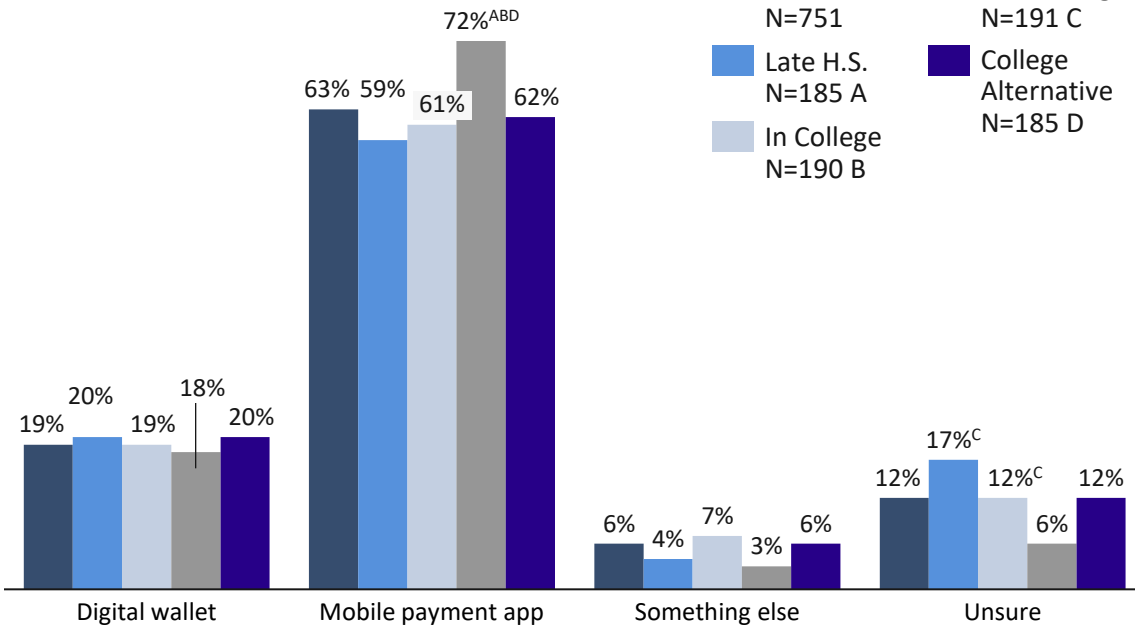


- Zelle is primarily recognized as a mobile payment app, with 63% of respondents selecting this option
- Cash App is viewed as a mobile payment app by 69% of respondents, with 23% considering it a digital wallet

Zelle Categorization (N=751)



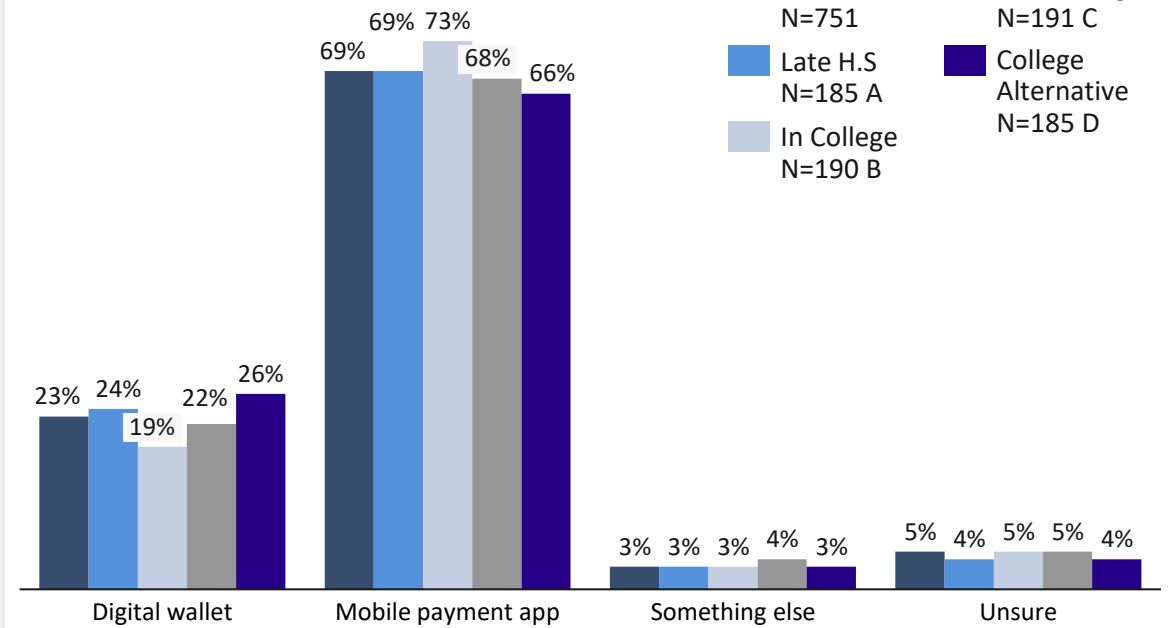
■ Total N=751
■ Post College N=191 C
■ Late H.S. N=185 A
■ College Alternative N=185 D
■ In College N=190 B
■



Cash App Categorization (N=751)



■ Total N=751
■ Post College N=191 C
■ Late H.S. N=185 A
■ College Alternative N=185 D
■ In College N=190 B
■



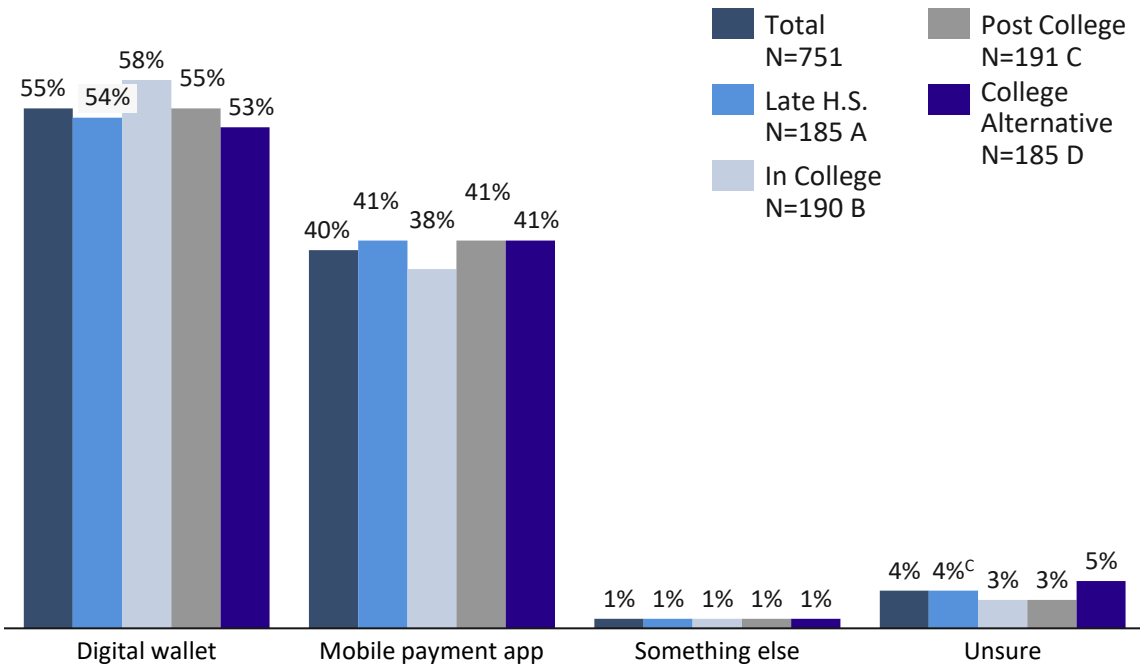
Apple Pay is mainly recognized as a digital wallet, while Samsung Pay is seen as a mobile payment app with varied recognition across demographics

Digital Payment Method Providers

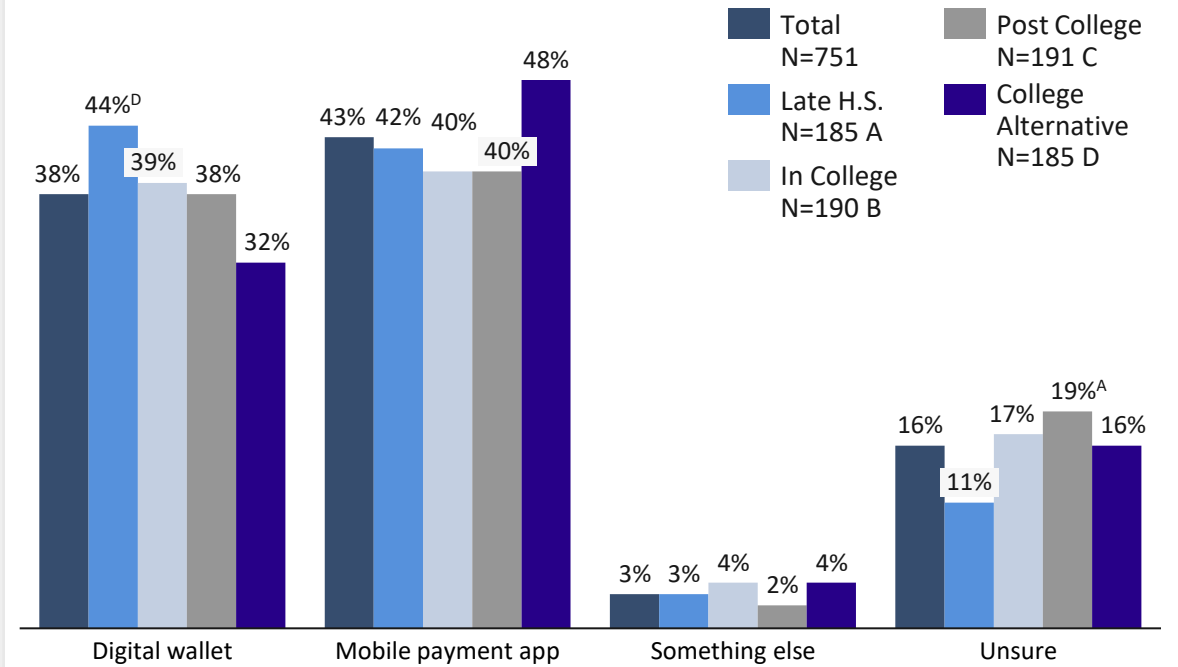


- Apple Pay is mainly identified as a digital wallet, with consistent acknowledgment across segments. Additionally, 40% consider it a mobile payment app, indicating its dual identity by respondents
- Samsung Pay is viewed as a mobile payment app by 43% of respondents, while 38% categorize it as a digital wallet. Notably, the perception varies among groups, with 44% of Late High School respondents identifying it as a digital wallet, the highest among all segments

Apple Pay Categorization (N=751)



Samsung Pay Categorization (N=751)



39 Question(s): What do you consider each of the following to be? (Apple Pay, Samsung Pay)
 Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)

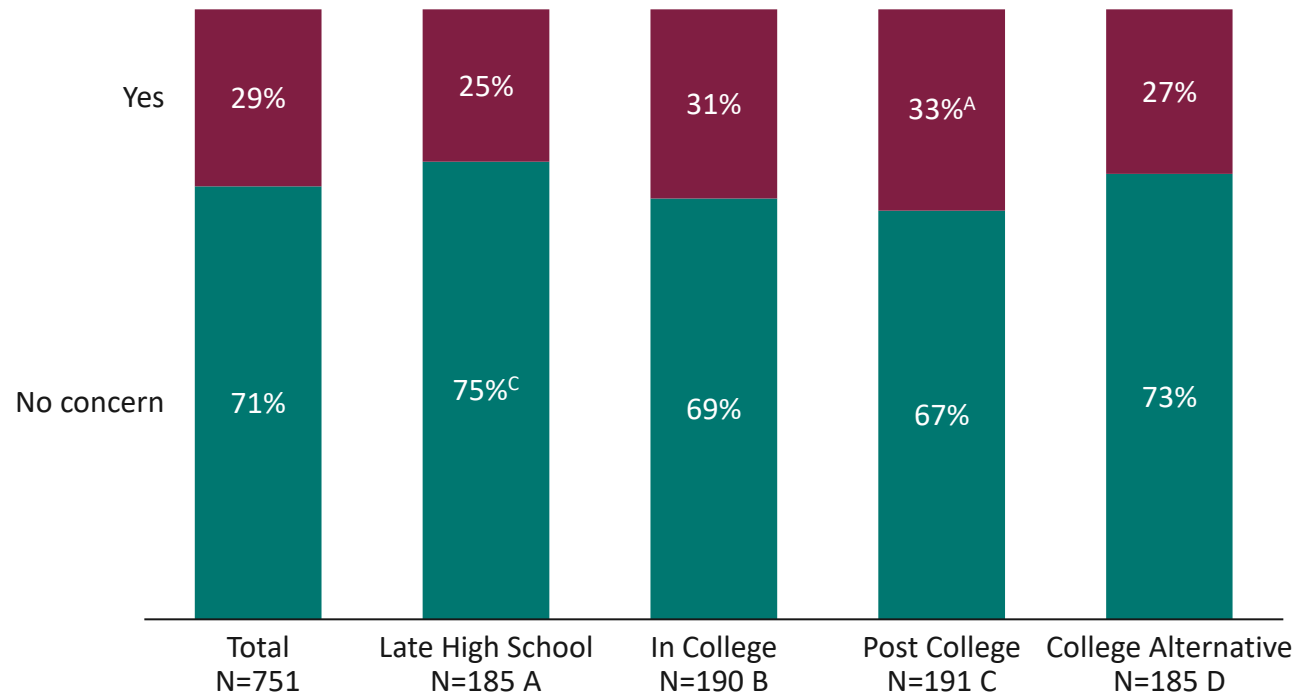
Concerns about digital wallets and mobile payment apps are prevalent, particularly regarding security of personal and financial information

Digital Payment Method Concerns

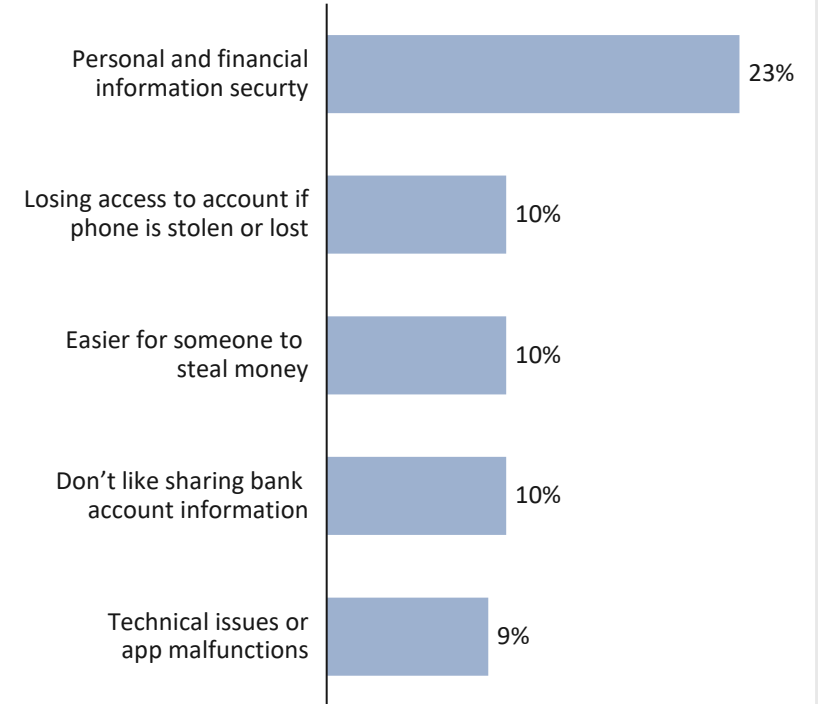


- ~29% of respondents express concerns about using digital wallets or mobile payment apps, indicating a significant level of apprehension regarding these technologies
- Among respondents with concerns, 23% cite the security of personal and financial information as their primary worry. This highlights the importance of addressing security perceptions to build user confidence

Concern with Digital Payment Methods (N=751)



Top Reason for Concerns (N=217)



Payment Preferences

- Digital Wallets

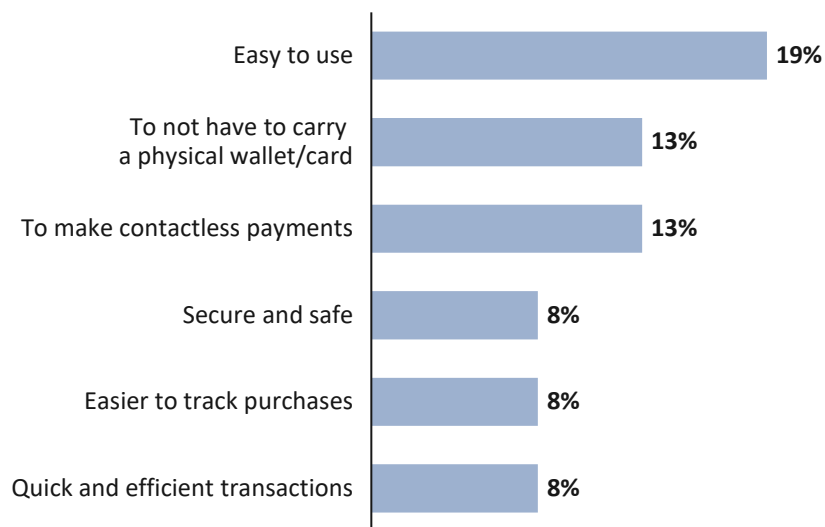
Apple Pay dominates digital wallet usage, with convenience and efficiency driving payment method adoption

Digital Wallet Usage Preferences



- The primary reason respondents use digital wallets is for convenience, with 19% highlighting ease of use. Additionally, 13% like the contactless payment feature, indicating a trend towards quick and efficient transactions
- Apple Pay is the most widely used digital wallet, with 79% of respondents indicating they have it. Its popularity is particularly strong among In College respondents, where 86% report using it

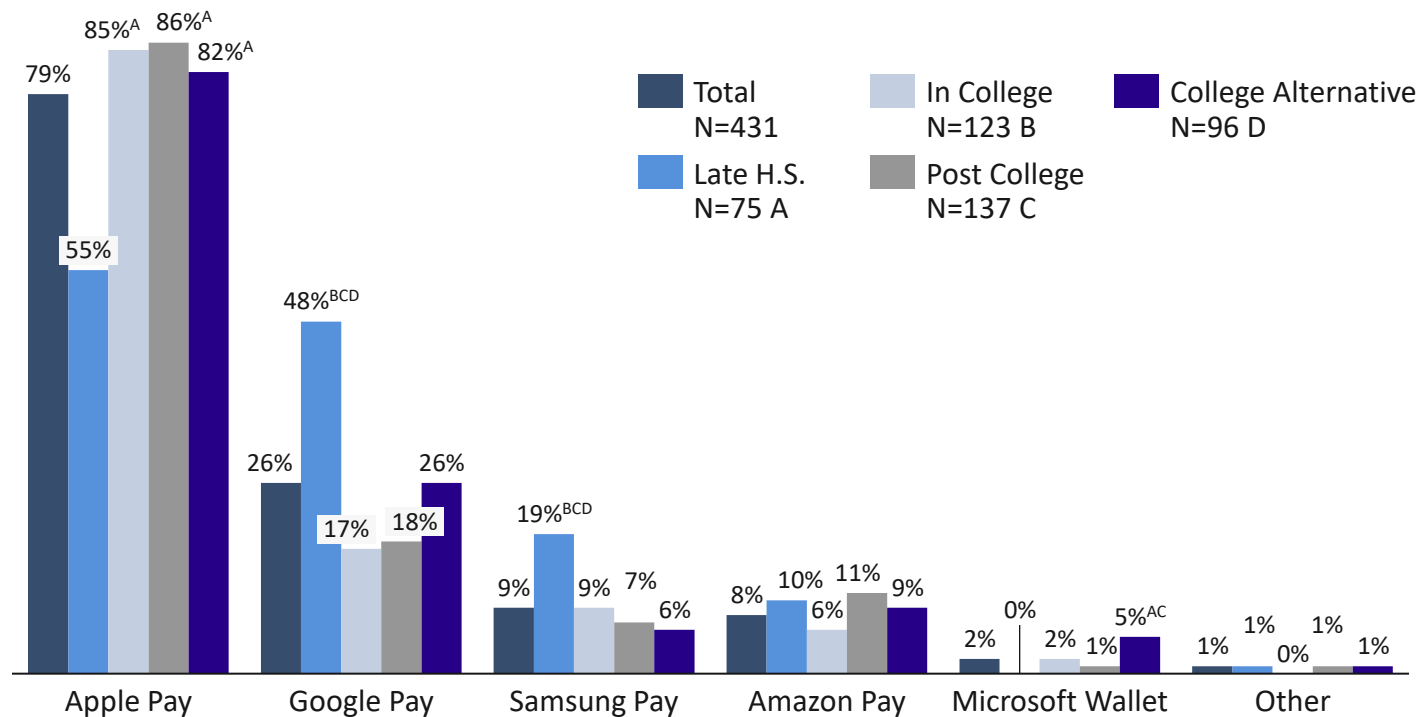
Top Reason for Using Digital Wallets (N=224)



"I think it is easy to use, and now places mostly accept it"

"I always have my phone on me, but I do not always have my wallet on me"

Digital Wallet Type Usage (N=415)



42 Question(s): What digital wallet(s) do you have/use? | Why do you use digital wallets? (Ranked 1st when selecting 5)
 Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)

Digital wallets enhance convenience and efficiency for daily spending, with significant variations in usage patterns across educational segments

Digital Wallet Usage



- Digital wallets are primarily utilized for everyday transactions, particularly in coffee shops and fast food, where 50% of respondents report using them. This highlights the convenience and speed of digital payment methods for small, frequent purchases
- In College respondent exhibit a notable preference for using digital wallets for groceries (41%) and clothing (46%), indicating a blend of convenience and lifestyle expenses. In contrast, College Alternative respondents show a higher inclination to use digital wallets for monthly living expenses (24%) and phone/wireless (33%), reflecting a focus on managing essential costs

Digital Wallet Usage by Purchase Type (N=376)

	Transportation	Groceries / Household Items	Monthly Living Expenses	Streaming Services	Entertainment	Phone / Wireless	Dining / Take-Out	Coffee Shop / Fast Food	Car Payments	Travel	Hobbies	Clothing / Apparel	Other
Total N=376	35%	33%	18%	26%	30%	25%	37%	50%	18%	21%	39%	40%	9%
Late H.S. N=70 A	30%	25%	15%	18%	29%	15%	30%	43%	13%	15%	30%	32%	9%
In College N=104 B	31%	41% ^A	14%	22%	32%	20%	38%	55%	14%	16%	41%	46% ^A	9%
Post College N=119 C	38%	34%	16%	20%	36%	25%	34%	51%	17%	19%	34%	43%	8%
College Alternative N=83 D	39%	31%	24%	37% ^{ABC}	27%	33% ^{AB}	41%	49%	25% ^{AB}	30% ^{ABC}	44% ^A	37%	10%

43 Question(s): For which types of purchases/payment do you use each of these payment methods? (Digital wallet)
 Letters indicate difference vs. other groups at the 90% confidence level (A,B,C,D)

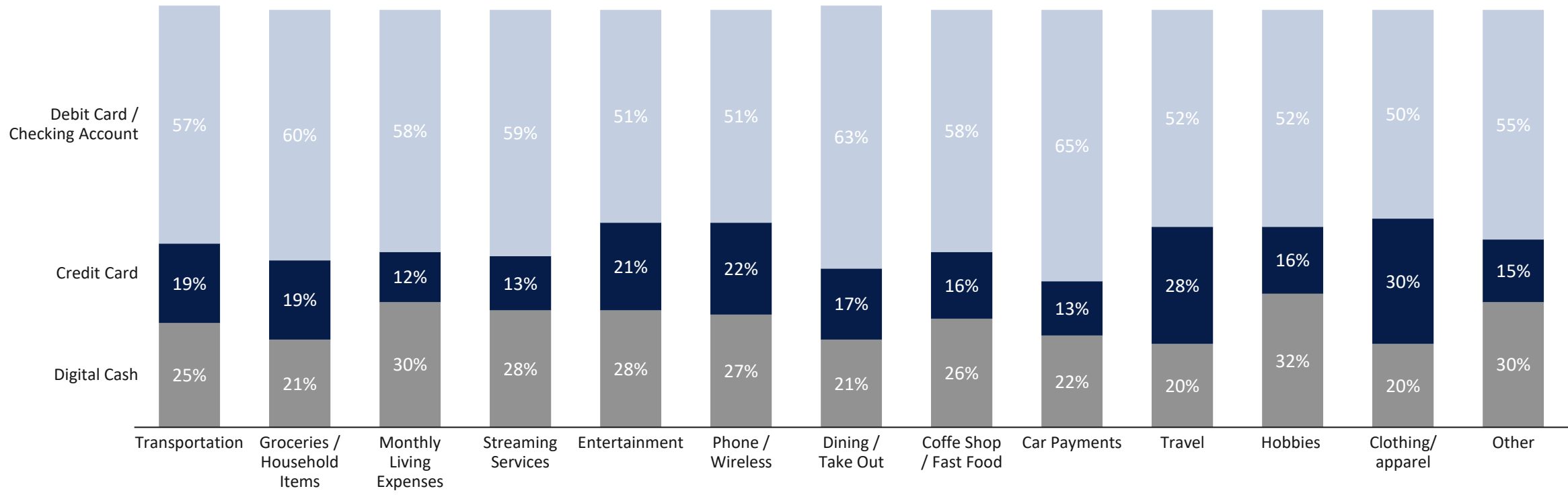
The funding methods for digital wallet purchases reveal distinct preferences across spending categories, emphasizing the role of debit in everyday spending

Digital Wallet Funding



- A significant proportion of digital wallet purchases are funded by debit cards or checking accounts, especially for essential expenses like groceries (60%) and monthly living expenses (58%). This trend suggests that users are relying on their existing bank accounts for everyday spending
- While debit accounts lead in funding essential purchases, credit cards also play a crucial role in discretionary spending categories. For example, a substantial percentage of respondents fund entertainment purchases (21%) and travel expenses (28%) through credit cards

Digital Wallet Funding by Purchase Type (N=194)



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Payment Preferences

- Mobile Payment Apps

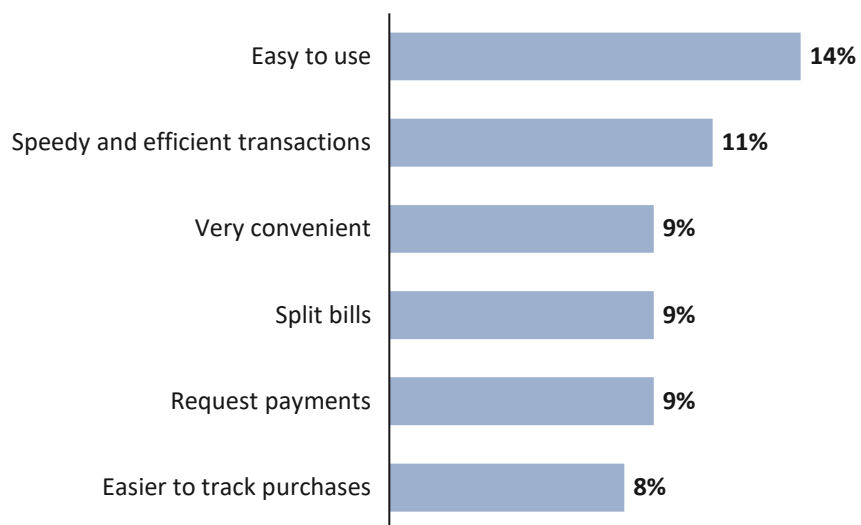
Mobile payment app preferences reveal convenience and efficiency as key overall motivating factors

Mobile Payment App Usage Preferences



- PayPal (60%) and Cash App (58%) are the most popular mobile payment app choices overall. post-college respondents lean towards Zelle (51%) and Venmo (60%), suggesting a tendency towards apps that facilitate quick peer-to-peer transaction
- Convenience is a primary reason for adopting mobile payment apps, with 14% of respondents citing ease of use and 11% citing speed and efficiency

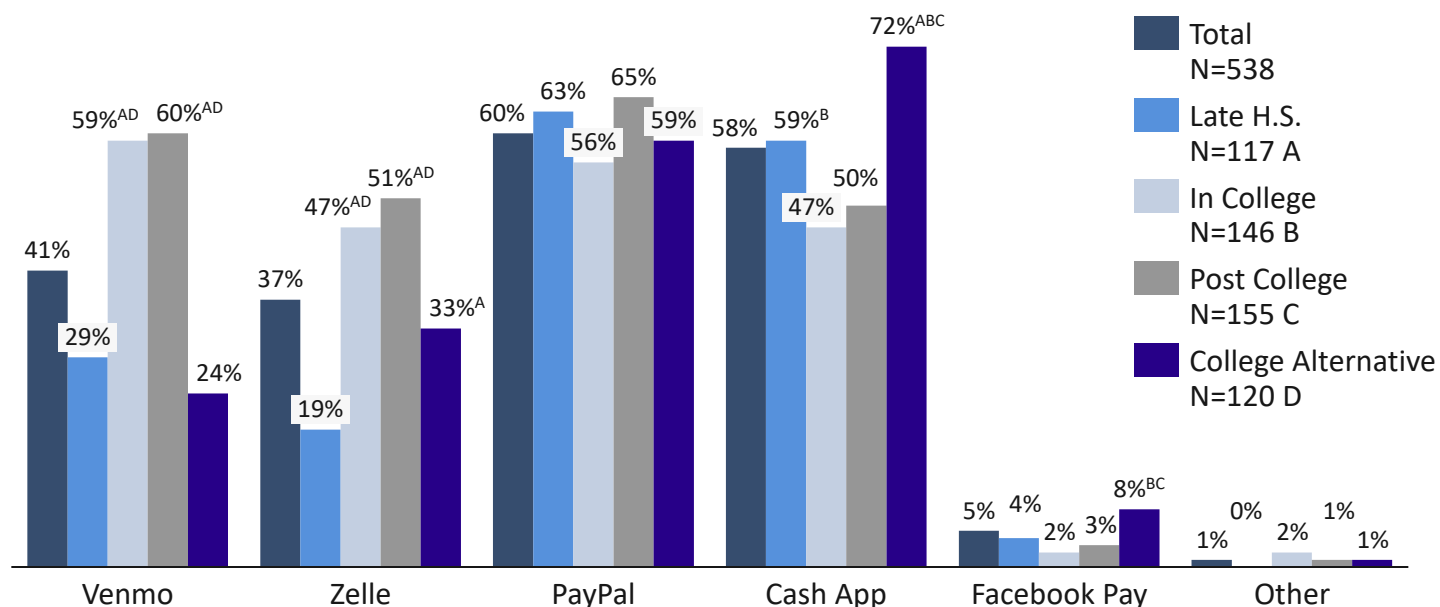
Top Reason for Using Mobile Payment Apps (N=211)



“The most flexible one of all the payment methods...you can have debit cards, credit cards, checking accounts, and savings accounts”

“I can easily put a balance on the app which makes budgeting easy”

Mobile Payment App Type Usage (N=538)



“I use different ones because they all have a different spending amount on them. If I was to pay rent, I would use one for that, or if I’m getting food, I would use another app just for that”

“I use Zelle specifically for large transactions like paying for rent. I use Venmo for most other transactions between friends and only use Cash App or PayPal if someone does not have Venmo”

Mobile payment apps support diverse purchasing habits across education levels, emphasizing convenience in both essential and discretionary spending

Mobile Payment App Usage



- Respondents utilize mobile payment apps for varying purchases, with notable difference across segments. 30% of College Alternative respondents use mobile payment apps for hobbies, reflecting a preference for convenience in recreational spending. In College respondents lean towards using these apps for monthly living expenses (30%) and streaming services (23%), indicating their focus on essential and entertainment-related expenses
- Mobile payment apps are particularly popular for dining out, with 28% of respondents using them for restaurants and take-out

Mobile Payment App Usage by Purchase Type (N=451)

	Transportation	Groceries / Household Items	Monthly Living Expenses	Streaming Services	Entertainment	Phone / Wireless	Dining / Take-Out	Coffee Shop / Fast Food	Car Payments	Travel	Hobbies	Clothing / Apparel	Other
Total N=451	20%	21%	24%	26%	26%	21%	28%	30%	15%	14%	32%	27%	14%
Late H.S. N=105 A	20%	26% ^{BC}	17%	25%	36% ^{BC}	23% ^C	35% ^B	30%	13%	18%	31% ^C	33% ^B	15%
In College N=122 B	21%	17%	30% ^A	23%	18%	17%	23%	30%	12%	11%	28%	22%	17% ^D
Post College N=123 C	20%	15%	26%	20%	24%	14%	29%	26%	8%	12%	21%	24%	13%
College Alternative N=101 D	18%	25% ^C	22%	32% ^C	27%	26% ^C	27%	31%	23% ^{ABC}	16%	41% ^{BC}	29%	9%

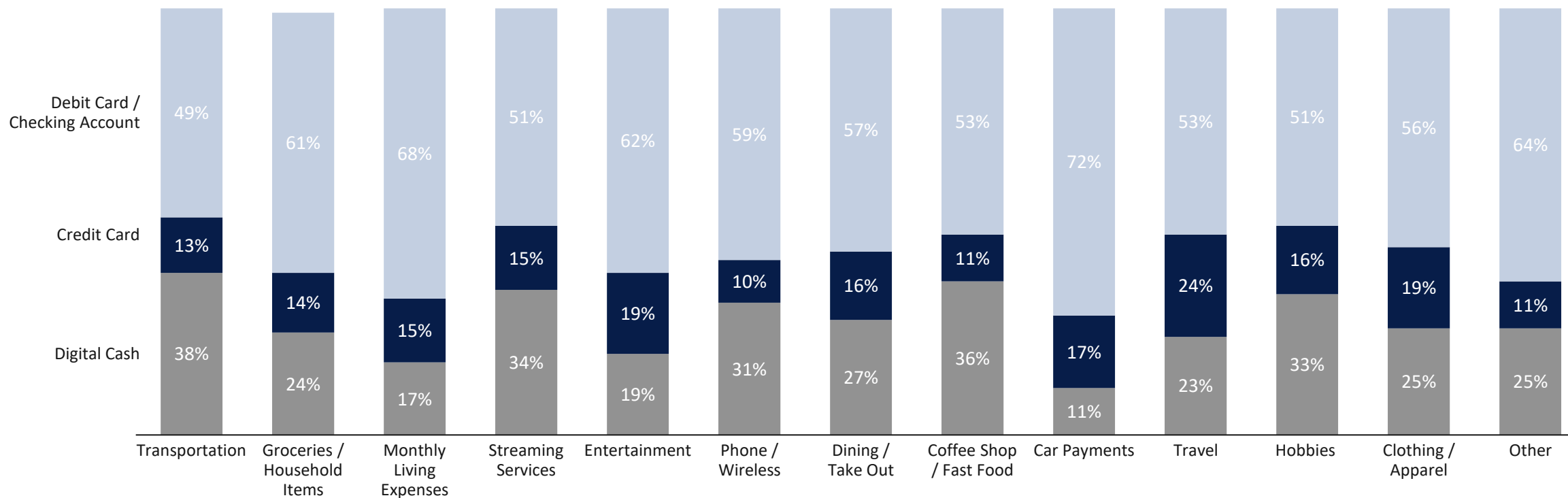
Mobile payment app funding methods reveal a strong preference for debit cards among essential expenses and increasing adoption of digital cash for everyday transactions

Mobile Payment App Funding



- Debit cards are the primary funding source for essential expenses like groceries (61%) and monthly living costs (68%),
- Digital cash funding shows strong engagement for transportation (38%), coffee and fast food (36%), and streaming services (34%). This indicates a growing acceptance and trust in digital cash as a viable funding method, particularly for convenience-focused purchases

Mobile Payment App Funding by Purchase Type (N=134)



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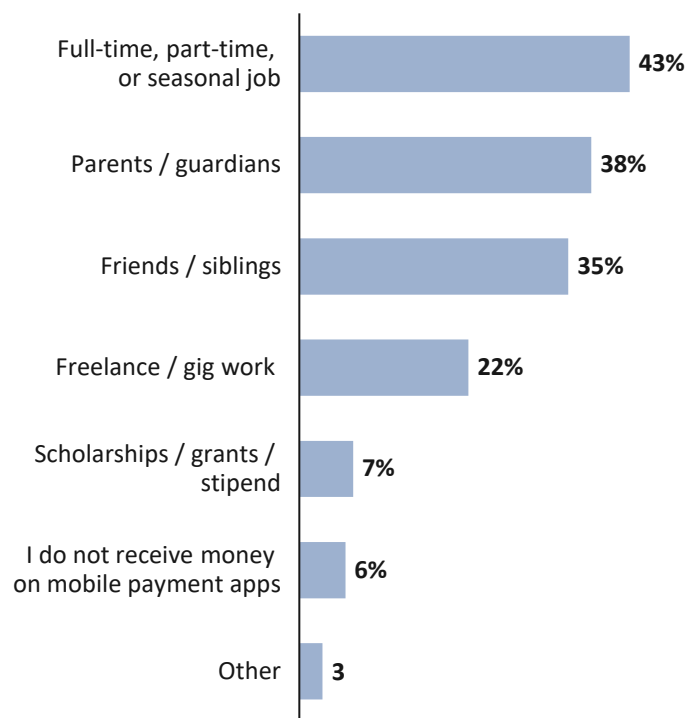
Mobile payment apps are used primarily to receive income from jobs, with family and friends/sibling support also acting as a significant factor

Mobile Payment App Funds Sources

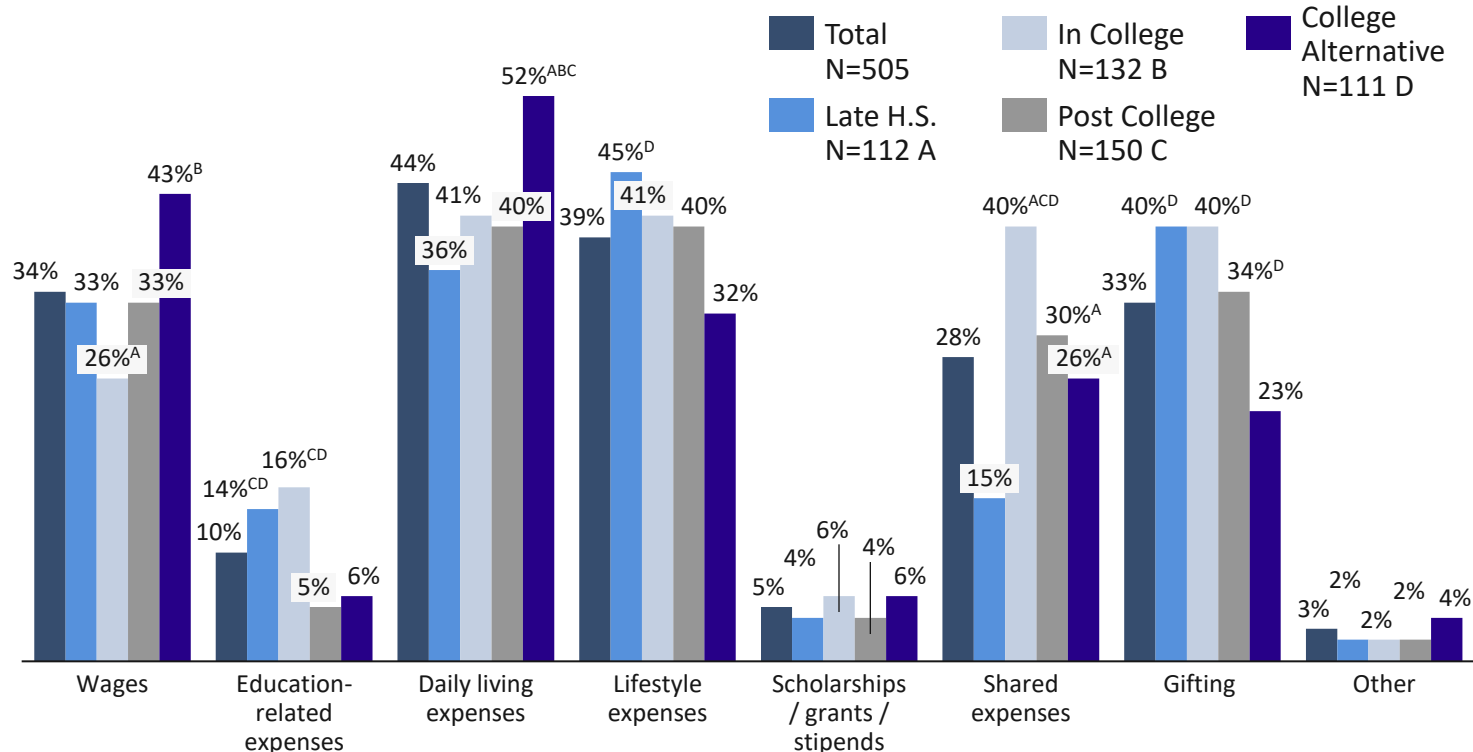


- A significant 43% of respondents receive payments from full-time, part-time, or seasonal jobs, indicating the importance of mobile payment apps as a tool for managing income. 38% report parents/guardians as a key funding source, demonstrating the financial dependence of younger segments
- A significant 44% of respondents receive payments on mobile payment apps to cover daily living expenses, while 34% use them for receiving wages, This highlights their importance of mobile payment apps in managing both essential and income-related financial needs

Sources for Receiving Funds in Mobile Payments App (N=538)



Reasons for Receiving Funds in Mobile Payments App (N=505)



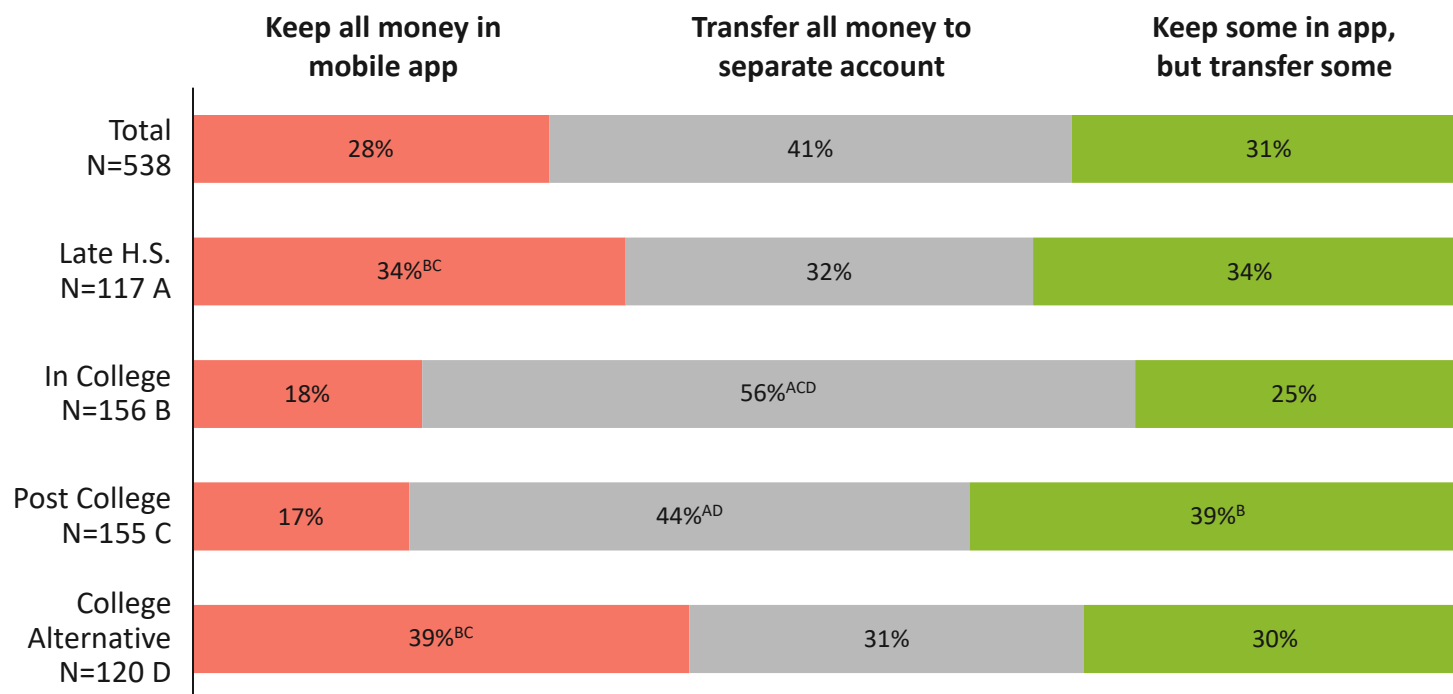
Mobile payment app users balance funds while generally prioritizing financial management and security through transferring money to separate accounts

Mobile Payment App Funds Movement



- Users exhibit varied strategies in handling received payments, with 41% typically transferring all funds to separate accounts, while 28% keep all money in the app
- A significant 56% of In College respondents prefer transferring all their mobile payment app funds to separate accounts, indicating a cautious approach to financial management during educational years

Mobile Payment App Fund Movement (N=538)



Reasons for Mobile Payment App Fund Movement (N=538)

Why Consumers Keep All Money in App

"It's easier and also helps me out in case I don't have any cash in hand"

"Because I feel that's it's safe to keep it there. I give no one access to my money information"

Why Consumers Transfer All Money

"I worry about the app crashing when I need it or getting locked out"

"Because I feel like it's safer in my other account rather than sitting in the mobile payment app"

Why Consumers Keep Some Money in App, Transfer Rest

"I like to save and have some available to use to make purchases"

"It separates the money, so I don't spend it all at one place"