

# WHO'S BORROWING for what?

**Recent research suggests that every generation approaches their finances differently.** Possible reasons for this include the Great Recession, the proliferation of digital technologies, or simply the passage of time. One thing is clear: financial institutions that want to grow their loan portfolios need to understand these generational differences.

## Baby Boomers



- Largest growing demographic for **student loan debt**
  - Student loan debt has more than **doubled in 10 years**<sup>1</sup>
- **20% did not recover from Great Recession** and had to borrow to meet their everyday living expenses<sup>2</sup>

## Generation X



- Carry the highest debt load – average **\$142K per person**<sup>3</sup>
- But they also **contribute the most** to their retirement savings<sup>4</sup>

## Millennials



- **Largest and most diverse** generation in American history<sup>5</sup>
- Borrowing for college education – average **\$25.5K** in student loan debt<sup>6</sup>
- Borrowing for homes – account for **68%** of **first time** homebuyers<sup>7</sup>
- **NOT borrowing with credit cards** – account for just 27% of new credit card debt<sup>8</sup>

## Generation Z



- **Debt averse** (so far) – came of age during Great Recession<sup>9</sup>
- But also **worried about access to loans** – 55% report being worried they won't be able to borrow money if they need to; <sup>10</sup> 64% are worried they won't be able to find a job<sup>11</sup>
- Up to **70%** have aspirations of **owning their own company**<sup>12</sup>

<sup>1</sup> Politico, "The Latest Victims of Student Loan Debt? The Elderly," February 25, 2016

<sup>2</sup> Transamerica Center, "The Current State of Retirement: Pre-Retiree Expectations and Retiree Realities," December 2015

<sup>3</sup> LIMRA.com, "Generation X Represents Opportunity Right Now," January 28, 2015

<sup>4</sup> Fortune.com, "America's Most Indebted Generation? Gen X," August 27, 2014

<sup>5</sup> Pew Research Center, "This year, Millennials will overtake Baby Boomers," *Fact Tank*, January 16, 2015

<sup>6</sup> PewResearch.org, "Millennials Surpass Gen Xers as Largest Generation in the Workforce," May 11, 2015

<sup>7</sup> Harland Clarke, *Four Things to Know About Millennials and Lending*, 2015

<sup>8</sup> Bankrate.com, *More Millennials Say No to Credit Cards*, September 8, 2014

<sup>9</sup> Northeastern News, *Generation Z is entrepreneurial, wants to chart its own future*, November 18, 2014

<sup>10</sup> Research Live, *Money Matters for Generation Z*, November 7, 2014

<sup>11</sup> Northeastern News, *Generation Z is entrepreneurial, wants to chart its own future*, November 18, 2014

<sup>12</sup> Research Live, *Money Matters for Generation Z*, November 7, 2014