

Time's running out to meet Gen Zers' holiday banking needs

Article



The trend: Gen Z will significantly increase holiday spending this season and rely heavily on buy now, pay later (BNPL). This has fueled concerns about the generation's growing debt, leaving room for banks to strengthen relationships by offering the right products, [per](#) an October 2024 survey by Dynata on behalf of customer solutions provider Glassbox.

How we got here: Gen Zers are more likely than any other generation to use BNPL, but this debt isn't usually reflected in their credit scores or overall balances.

- **Among Gen Z respondents, 50% frequently use BNPL, and we forecast 26.4 million US Gen Zers will use it** by the end of 2024.

What could help: Twenty-nine percent of millennials and 30% of Gen Zers said banks aren't meeting their expectations with regard to offering digital banking tools to keep them on track, per the Glassbox study.

They're asking for:

- Enhanced transaction monitoring for better transparency
- Virtual credit cards for safer online shopping
- Holiday-specific budgeting tools to manage seasonal expenses

What this means for banks: Gen Zers want better ways to gauge their financial standing, including better transaction visibility and more personalized budgeting tools. But banks must act quickly to avoid missing out on this season's spending.

Ideally, holiday budgeting tools would be advanced enough to, for example, note a client's behavior this year and recommend changes to holiday budgets next year. This lets younger consumers plan more responsibly in the future—potentially strengthening their relationships with banks.

Buy Now, Pay Later Service Users, by Generation US, 2024

Millions



Note: internet users who have accessed a buy now, pay later account digitally and have made a payment toward a purchase at least once during the calendar year; includes purchases of goods and services; Gen Z are individuals born between 1997 and 2012; millennials are individuals born between 1981 and 1996; Gen X are individuals born between 1965 and 1980; baby boomers are individuals born between 1946 and 1964

Source: EMARKETER Forecast, August 2024

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