FINANCING THE FUTURE

Millennial and Gen Z Consumer Borrowing Habits and Credit Outlook

Today's millennial and Gen Z thin-file consumers have a long runway of potential value for lenders as they continue building their credit files and increasing their credit scores. To realize this long-term value, financial institutions need to adjust how they evaluate thin-file loans and ensure their products and services align with the diverse needs of these consumers.

Slimmer Credit Mixes

Millennials and Gen Zers were twice as likely to be thin-file consumers than Gen Xers and older consumers.

631
Average VantageScore® 4.0 for thin-file consumers

739
Average VantageScore® 4.0 for established consumers

Poised and Quick to Advance

Millennial and Gen Z thin-file consumers are more likely to move up credit tiers at a higher rate than older, thin-file consumers.

30%
of millennial and Gen Z thin-file consumers moved up credit tiers within two years.

22%
of Gen X or older thin-file consumers moved up credit tiers within two years.

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From Thin-File to Established Consumers

In addition to moving up credit tiers, a higher percentage of millennial and Gen Z thin-file consumers transitioned to established consumers.

22%

of millennial and Gen Z thin-file consumers became established in two years, compared to **14%** of Gen X and older thin-file consumers.

CREDIT TRADE LINES PRESENT ON ESTABLISHED FILES

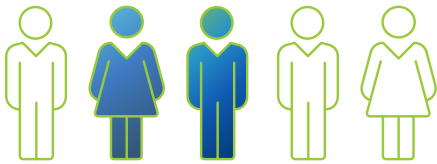| 90% Automotive	90% Bank / Credit Card	13% Student Loan	12% Unsecured	7% Mortgage

Loyal Consumers

Return millennials and Gen Zers may have higher credit scores and be open to other credit products.

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millennial and Gen Z thin-file consumers who received an auto loan from a bank or credit union returned to the same lender type for their next credit product.
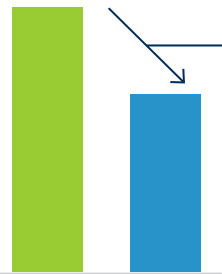
Automotive Loans Are a Priority

Data shows that millennial and Gen Z thin-file consumers prioritize getting automotive loans and making payments on time.

49%

of second products opened by thin-file consumers are automotive loans.

33%

less likely to be more than 60 days past due on automotive loans than Gen X and older thin-file consumers.

GEN X AND OLDER   **MILLENNIAL AND GEN Z**

Lending Enablement Solutions, like Open Lending's Lenders Protection™, provide a profitable pathway for lenders to serve more consumers who fall outside of the prime credit tier. To find out more, visit us at **openlending.com.** To learn more about TransUnion's auto credit solutions, email **tu_info@transunion.com.**
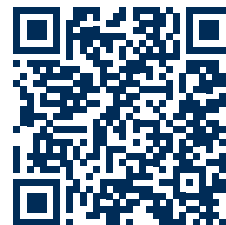
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