



Study Finds Gen Z Consumers Want Credit Perks but Leery of Debt

October 20, 2021

86% want cash back on everyday purchases, 78% afraid of debt, new research report from Bread by Alliance Data shows

COLUMBUS, Ohio, Oct. 20, 2021 /PRNewswire/ -- [Alliance Data Systems Corporation](#) (NYSE: ADS), a leading global provider of data-driven marketing, loyalty and payment solutions, today released findings from a national study that assesses payment wants, habits and attitudes of Gen Z consumers. The results show that while the majority want traditional credit card rewards and perks – 86% want cash back on everyday purchases; 84% want rewards that never expire; and 83% want to earn bonus rewards on certain spend categories – 78% admit they are also afraid of assuming debt.



shoppers want:

Additional findings from the study include that many Gen Z

Credit – but are shut out: Nearly three in 10 (27%) Gen Zers claim they were turned down when applying for their first credit card – a rate that is two-times higher than any other generation.

A blend of traditional and digital choices: While cash and debit cards are the top payment types across all consumers, Gen Z also welcomes non-traditional digital payment options. The majority (53%) use person-to-person payment apps (more than any other generation), half (50%) use PayPal, and one in four (25%) would consider using cryptocurrency.

Purchase-based payment flexibility: Payment use among Gen Z is influenced by the purchase at hand. Looking at purchases valued between \$30 and \$150, credit cards are preferred by more than one in three (36%) Gen Z shoppers, while one in 10 say they would use **buy now, pay later** for a \$500 purchase.

End-to-end control: When asked about features they would like to see in their payment solutions, nearly eight in 10 (79%) want to manage all of their accounts in one place, and digitally pay from whichever account they choose. More than half (59%) want the ability to schedule all of their split payments on a single day of their choosing.

Secure experiences: The study found that security is more important to Gen Z than any other generation. Nearly nine in 10 (86%) want protection from fraudulent websites, over eight in 10 (83%) want the ability to lock their account if they expect fraud, and more than three in four (76%) want two-step authentication for the payment methods they use.

"Our study depicts a cautious, responsible and choice-driven Gen Z consumer – but one whose needs are not fully being met by traditional credit and other payment options," said Val Greer, EVP and chief commercial officer, Alliance Data. "With **\$143 billion in buying power**, retailers can open the door to this group which in 10 years is projected to have more buying power than millennials and baby boomers combined, by diversifying payment choice that includes tech-driven, clear-termed financing like buy now, pay later, that eases debt fears and gives control over cash flow."

To download the full "Next Gen Impact" study, visit: www.alliancedatacardservices.com/insights-news/next-gen-impact

Study Methodology

A sample of 2,515 U.S. consumers participated in the Next-Gen Impact study through an online quantitative survey that took place from August 6-12, 2021. Additionally, qualitative feedback was gathered from a total of 22 U.S. consumers, ages 16-24 in an online discussion board conducted on July 15 and 16, 2021.

About Alliance Data

[Alliance Data](#) © (NYSE: ADS) is a leading provider of data-driven marketing, loyalty and payment solutions serving large, consumer-based industries. The Company creates and deploys customized solutions that measurably change consumer behavior while driving business growth and profitability for some of today's most recognizable brands. Alliance Data helps its partners create and increase customer loyalty across multiple touch points using traditional, digital, mobile and emerging technologies. Headquartered in Columbus, Ohio, Alliance Data is an S&P MidCap 400 company that consists of businesses that together employ approximately 8,000 associates at more than 45 locations worldwide.

[Alliance Data's Card Services](#) business is a comprehensive provider of market-leading private label, co-brand, general purpose and business credit card programs, digital payments, including [Bread](#)®, and Comenity-branded financial services. [LoyaltyOne](#) owns and operates the [AIR MILES](#)® Reward Program, Canada's most recognized loyalty program, and Netherlands-based [BrandLoyalty](#), a global provider of tailor-made loyalty programs for grocers. More information about Alliance Data can be found at www.AllianceData.com.

Follow Alliance Data on [Twitter](#), [Facebook](#), [LinkedIn](#), [Instagram](#) and [YouTube](#).

Contact:

Media

Rachel Stultz
Alliance Data
614-729-4890
rachel.stultz@alliancedata.com

Gabi Zepeda
Highwire PR
858-997-5667
gabi@highwirepr.com

 View original content to download multimedia: <https://www.prnewswire.com/news-releases/study-finds-gen-z-consumers-want-credit-perks-but-leery-of-debt-301404373.html>

SOURCE Alliance Data Systems Corporation