Decoding **Millennial** financial health

GENERATION REVEALED

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Executive summary

Millennials are a large and important segment of the consumer population. As they move beyond early adulthood, they're using credit and other financial services. But Millennials are different from previous generations in significant ways that may impact companies' ability to engage and serve them.

Every generation is defined by unique characteristics of their time and experience, and Millennials are no different. A set of specific circumstances has resulted in a generation that has postponed the typical milestones of adulthood—job, home, marriage, children—and all the purchases that go along with them.

This is partly due to the fact that a much larger portion of Millennials pursued post-secondary education than previous generations. But mainly, it's the result of the economic realities Millennials faced following the 2008 financial market collapse and historic recession that followed. Consequently, Millennials' relationship with consumer debt to manage their daily lives and achieve their life goals is different than previous generations.

This report compares Millennials' financial behaviors to their Gen X predecessors to provide a better understanding of this consumer segment. Readers will learn how powerful data and insights can help companies acquire, engage, serve, retain and manage Millennial consumers.

KEY FINDINGS:

1. Millennials lag in credit participation and differ greatly from Gen X in their use of credit cards
2. Millennials open fewer credit card and mortgage accounts, but open more auto and personal loans than Gen X
3. Subprime Millennials' credit performance is worse than Gen X subprime consumers
4. Millennial drivers have a higher insurance risk-profile, beyond just their young age
5. Millennials are less likely to fully pay out-of-pocket medical expenses

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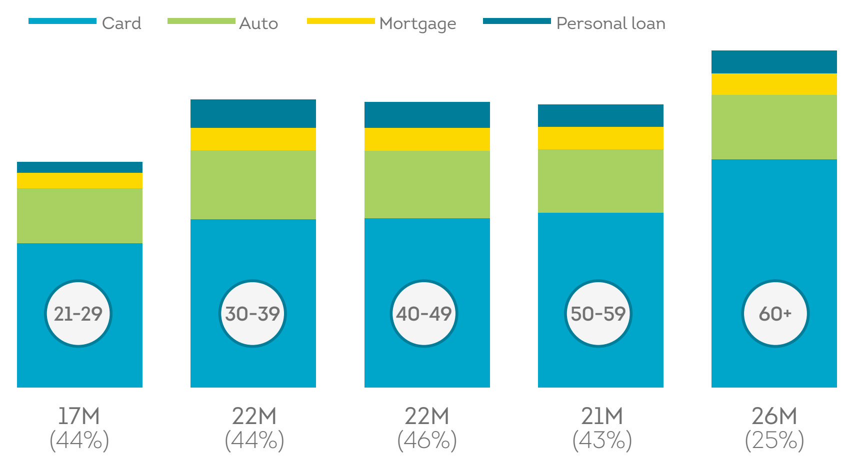
Defining Millennials

Millennials are the first generation to come of age with the Internet and mobile technology, making them true digital natives. Societal changes, historical events and economic experiences have shaped their behavior. The highs and lows have been dramatic, creating a generation of consumers with distinct attitudes and lifestyles that shape their financial services preferences, needs and behaviors.

There is no official nor any consensus definition of which ages make up specific generations. For this report, Millennials are considered the generation of people born between 1980 and 1994, and Gen X between 1965 and 1979.

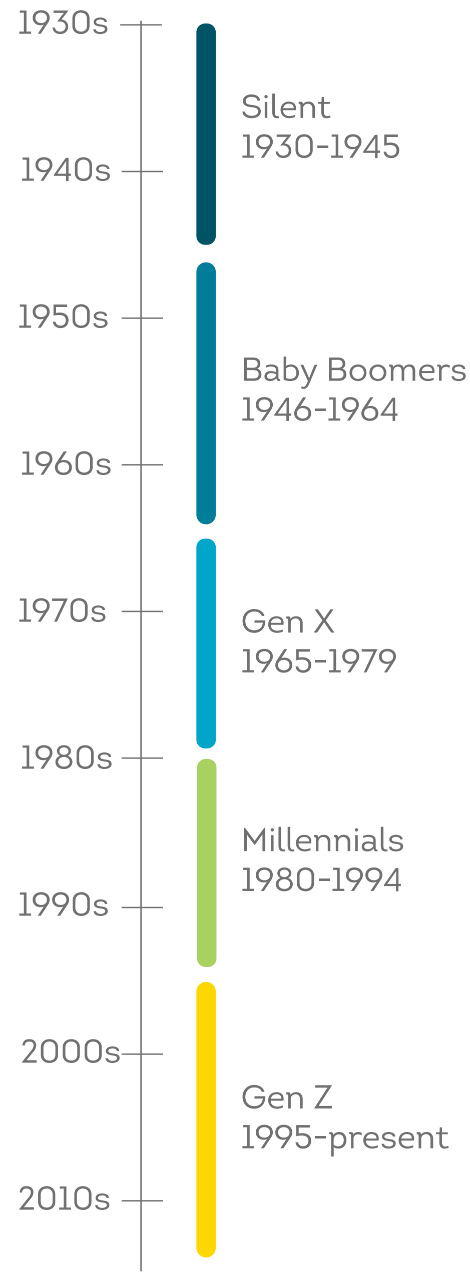
There are 67 million Millennials, representing 25% of the buying power in the U.S.[1] As Millennial consumers mature, they've exhibited similar demand for credit to support their changing lifestyles as previous generations. In fact, about 44% of consumers in their 20s and 30s opened a credit product in 2016.

VOLUME OF CONSUMERS WHO OPENED A CREDIT PRODUCT IN 2016



Source: TransUnion consumer credit database

GENERATIONAL DEFINITIONS AT TRANSUNION



[1] U.S. Census Bureau, 2016

Economics and regulations

As many Millennials were entering the workforce, they faced economic uncertainty during the Great Recession when the overall unemployment rate soared to nearly 10%. Consequently, **Millennials aged 25 to 34 have a 5% lower median income than Gen X consumers at the same period of their lives**.[1]

Millennials also grew up with new financial regulations, such as the CARD Act, which negatively impacted their ability to get credit cards at a younger age. The Dodd-Frank banking reforms that followed the housing crisis also led to a tighter mortgage lending environment than Gen X experienced.

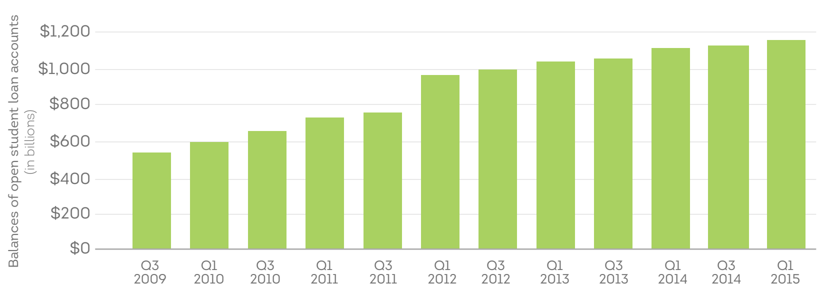
The myth of student loan debt

Despite an unprecedented rise in student loan balances over the past decade, student loan obligations have not inhibited younger consumers' ability to access and repay other consumer credit categories, such as auto loans and mortgages.[2]

When comparing two groups of Millennials—one with student loan debt entering repayment, and one with no student loan debt—in only 3 to 6 years, consumers in their 20s with a student loan passed similarly aged consumers without a student loan in overall loan participation rates for mortgages, auto loans and credit cards.

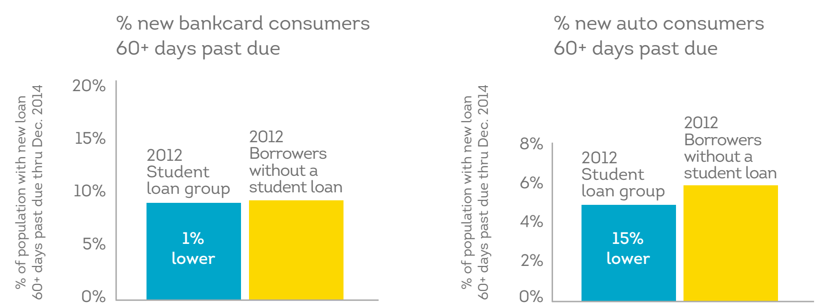
Millennials with student loans actually outperform their peers with no student loan debt. At nearly every risk tier, those with student loans have fewer delinquencies, demonstrating an ability to successfully pay their other obligations. While student loan debt has soared in recent decades, in and of itself, that doesn't appear to be a drag on Millennials' ability to manage other debts.

RAPID RISE IN STUDENT LOANS



Source: TransUnion consumer credit database

CONSUMERS WITH STUDENT LOANS



Source: TransUnion consumer credit database

[1] U.S. Census Bureau, 2016
[2] TransUnion Student Loan Study, 2015

Ownership: A truth and an aspiration

With the rise of the sharing economy, the popular belief is that Millennials prefer to rent than own a home, or use ridesharing or public transportation instead of buying a car. The myth of access versus ownership continues today.

However, while Millennials may delay home purchasing by a few years, **74% of Millennials who don't already have a mortgage plan to purchase homes at some point**.[3] Following the housing crisis, more stringent lending standards for mortgages caused a shift toward prime and above mortgage lending, putting a home purchase out of reach for many Millennials.

Even more than homeownership, the myth that Millennials don't want to own a car is simply false. More than 80% of Millennials report owning or leasing a car.[3] Unlike mortgage lending, Millennials have been able to access credit to purchase or lease vehicles. The risk distribution for auto loan and lease originations has not changed dramatically between 2000 and 2016, providing Millennials an opportunity to finance cars in the same way as Gen X.

Looking at the two major purchases most consumers make—homes and vehicles—Millennials have not abandoned ownership. In fact, the necessity of owning a car as a primary mode of transportation and the desire to own a home are alive and well for Millennials.

On their own path

Like every generation, Millennials have developed distinct consumer preferences and behaviors based on their life experiences. They're less loyal to brands, depend on the Internet to inform and simplify their purchases, and are less likely to take on debt without a specific goal for doing so.

All of this makes serving this generation more challenging for financial service providers. Millennials are pushing the financial services industry to change. To thrive with this generation, companies must adopt digital-first engagement strategies, provide more value beyond the primary service offering, and use data to acquire and serve these consumers profitably.

MYTH

Millennials don't want to own a car

TRUTH 80% of Millennials report owning or leasing a car

[3] TransUnion Millennial Survey, 2017

Executive summary
Defining Millenials
USING CREDIT
Obtaining credit
Managing debt
Driving habits
Healthcare payments
Moving forward
Methodology

Millennials: A different generation of credit consumers

Millennials exhibit different credit behavior when compared to Gen X across three critical dimensions:

PARTICIPATION
What types of credit products/ loans are in their wallet?

GROWTH
Are they opening new loans or products?

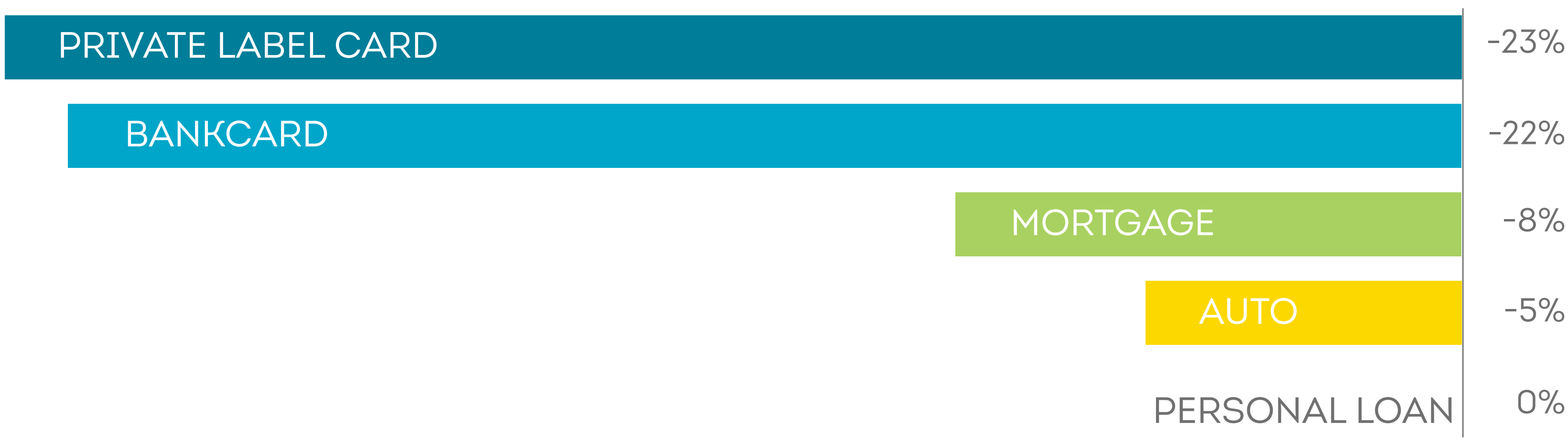
PERFORMANCE
How well do they manage their debt?

Looking at these metrics will allow us to understand how Millennials use and obtain credit, as well as manage their debt.

Mastering the art of practical credit usage

Millennials don't use credit as much as Gen X across various products, but this is particularly evident in the card sector where Millennial usage is 20% lower than that of Gen X. While gaps are smaller for mortgage and auto loans, we see nearly identical participation rates for personal loans.

DIFFERENCE IN CREDIT PARTICIPATION RATES BY PRODUCT



Source: TransUnion consumer credit database

Credit cards fall out of favor

While examining the more than 20% gap in participation rates for both private label cards and bankcards, the generational difference in behaviors and preferences is clear. **While credit card access is available to Millennials, usage is lower** and they carry fewer cards than their Gen X counterparts. We discovered:

- Gen X consumers carry nearly twice as many credit cards in their wallet as Millennials.
- Millennials carry lower average balances, putting $11,000 less on their cards compared to the Gen X population at the same age.
- Millennials prefer to use debit cards and cash over credit cards for every day expenses. In fact, they were almost twice as likely to rank debit cards as their first choice of payment.[3]
- While Millennials carry fewer cards, they appear to be as loyal to their favorite card as Gen X. Millennials with two cards in their wallet put 80% of their balance on their favorite card. Similarly, Gen X consumers put 81% of their balance on one card.

Confronting mortgage market realities

The gap in mortgage participation is relatively small at 8%, yet the gap widens to 10% for older Millennials compared to Gen X at the same age. But, Millennials express a desire to purchase homes, indicating the gap may be driven by limited access to credit or lower incomes compared to Gen X. Risk distribution of mortgages for 21- to 34-year-old borrowers has shifted from 61% prime and below in 2000 to 44% prime and below in 2016.

Transportation needs narrow the gap in auto

Millennials have 5% fewer auto loans or leases overall compared to their Gen X predecessors. However, the gap narrows as Millennials get older, possibly a result of growing families and their increasing need for convenient, personal transportation.

- By age 34, the auto financing participation gap narrows to 3% between Millennials and Gen X.
- Millennials report "getting to and from work" as their primary reason for owning a car; 10% more than the overall population.[3]

Millennials prefer to use **debit cards and cash** for every day purchases

[3] TransUnion Millennial Survey, 2017

Millennial perspective: Managing finances

Hi, I'm Max.

I'm 30, own a home and live with an amazing partner. I've got a great job as a regional sales manager for a big software company. I travel a lot for work to meet with clients and manage my team.

My company doesn't issue credit cards to regional managers, so I got my own card to manage travel and other expenses.

I love spending the holidays with my large, extended family which means plenty of gifts for my nieces and nephews. Truthfully, the holidays are challenging financially. Every year, I build a balance at the holidays which kind of stresses me out until I get my annual bonus in March. I'd be open to a home equity loan, but just don't know much about them.

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Millennial credit participation demands marketing innovation

Knowing how Millennials' credit participation differs from prior generations, it's important to use new strategies to acquire and engage them as customers and build loyalty for the long term. Some things to consider include:

Matching products and offers to unique needs and preferences

- Create relevant products that support their lifestyle
- Offer credit education and financial management tools to build loyalty
- Make product comparisons easy

Planning for delayed life stage events

- Adjust life-event trigger models to recognize delayed purchasing behavior
- Refine risk models and use alternative data to capture more non-prime market share while mitigating risk
- Use customer data combined with third-party data to predict life stage changes

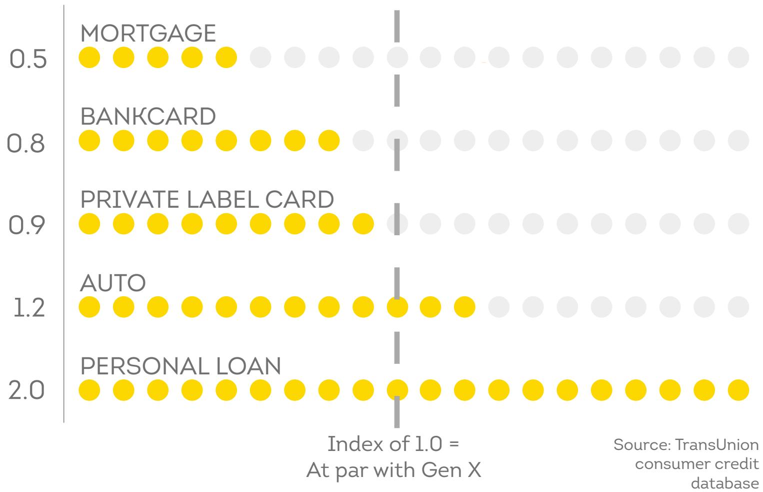
Conducting regular portfolio reviews

- Assess consumers' changing and growing credit needs
- Analyze each consumer's entire wallet and product preferences
- Identify consumers likely to buy a home or a new vehicle by leveraging propensity scores

Obtaining credit: Motivated by need, limited by access

Millennials aren't as active in new account openings as Gen X, with the exception of auto and personal loans. In fact, Millennials open auto loans at a 2–3% higher rate than Gen X. Millennials also originate twice as many personal loans compared to Gen X. While Millennials lag Gen X in mortgage originations, there are some clear economic and regulatory realities influencing that market.

PERCENT OF CONSUMERS WHO OPENED A NEW PRODUCT

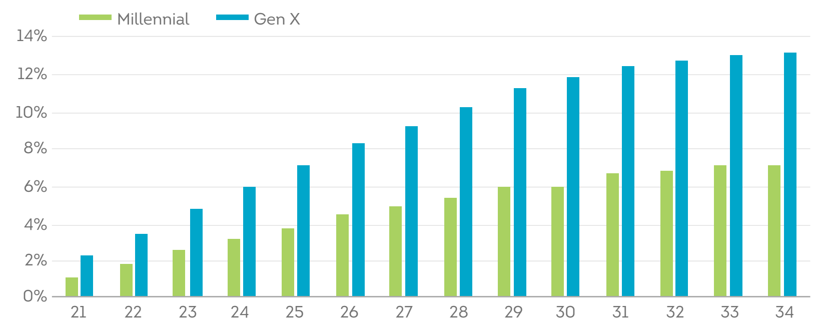


Source: TransUnion consumer credit database

Credit access subdues mortgage lending growth

Since 2006, every generation has experienced a decline in homeownership, but Millennials have been hit the hardest with a drop of 2.1%. Compared to Gen X, Millennials open half the number of mortgages. Even super prime Millennials–the least risky credit tier–lag their Gen X peers.

PERCENT OF CONSUMERS WHO OPENED A MORTGAGE



Source: TransUnion consumer credit database

We know Millennials aspire to own a home, but the economic and credit market realities could be restraining them from homeownership.

- There are more non-prime Millennials (59%) than Gen X (54%), representing a larger risk for lenders.
- Increased regulatory controls restricted mortgage access for many non-prime consumers just as Millennials entered the typical home-buying age.
- Median household income for 25- to 34-year-old Millennials is about $3,000 lower than Gen X of the same age.[1] This may make saving for a down payment more challenging.
- 34% of Millennials live with their parents.[4] This may be a factor of their age or lower income.

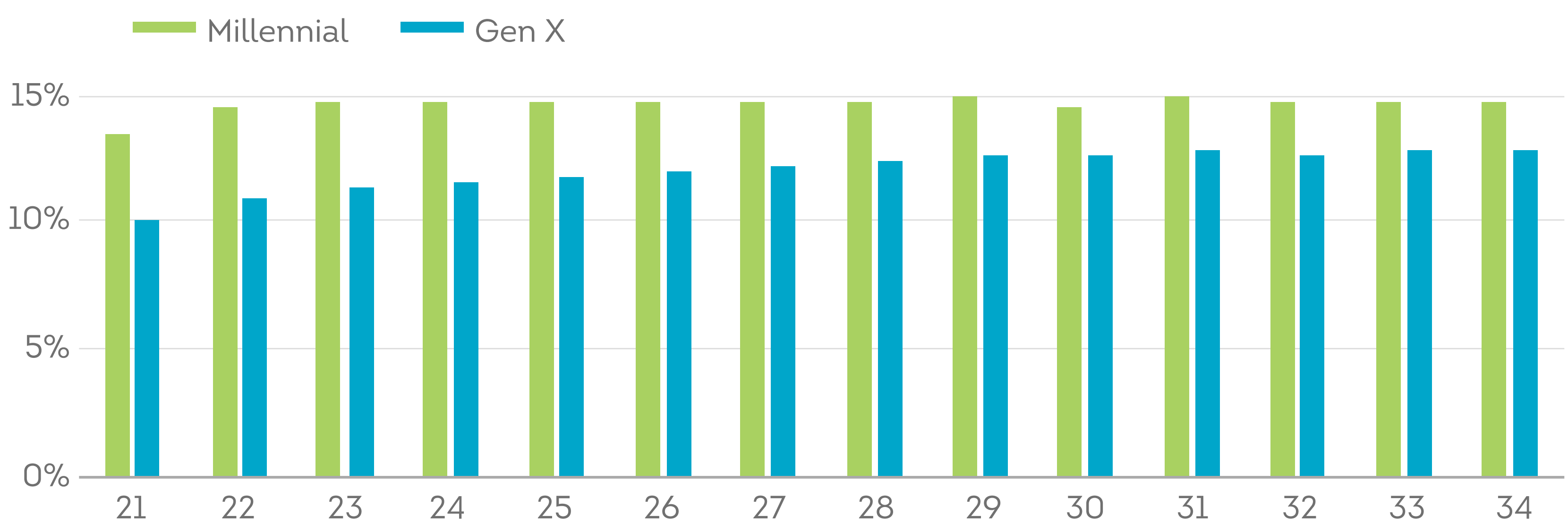
Millennials drive auto loan growth

As stated previously, **Millennials open auto loans and leases at a rate 2–3% higher than Gen X**, consistently originating more loans at every age. Millennials participated equally in the post-recession new car and truck buying spree that led to record vehicle sales for the past seven years.[5]

Auto lending growth is the result of need and access to financing.

- Millennials reported that getting to work (55%) and convenience (32%) are their top reasons for owning a car.[3]
- During Millennials' prime buying years, the auto lending industry benefited from a low-rate environment, which led more consumers to finance their vehicles.

PERCENT OF CONSUMERS WHO OPENED AN AUTO LOAN OR LEASE



Source: TransUnion consumer credit database

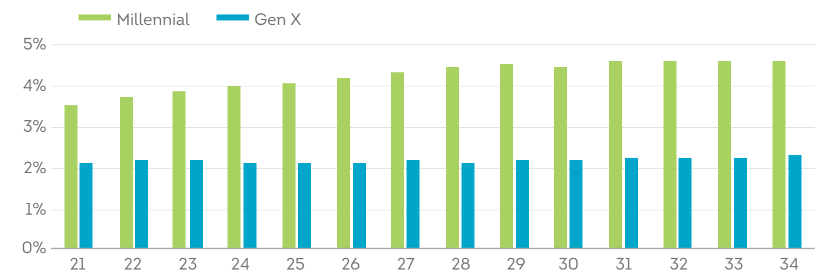
[1] U.S. Census Bureau, 2016
[3] TransUnion Millennial Survey, 2017
[4] U.S. Census Bureau, 2017
[5] CNN Money, 2017

Supply and digital engagement push personal loans

Millennials open more than twice as many personal loans as Gen X. This trend is likely driven by the emergence of online lenders creating digital experiences that provide more rapid access to personal loans.

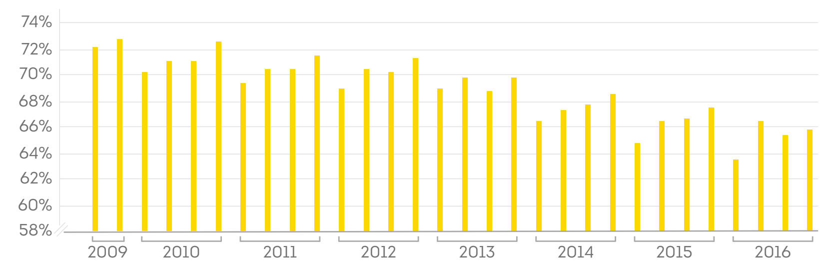
- Since 2009, more than 60% of personal loan originations have been to non-prime consumers, making personal loans more available to Millennials with little to no credit history.[6]
- More than 60% of Millennials with a personal loan report getting it from a bank or credit union.[3] This demonstrates an opportunity for all lender types to meet Millennials' growing demand for personal loans.
- The FinTech sector, which principally acquires customers online, grew from just 2% of the personal loan market in 2009 to 24% by Q3 2016.[6] Engaging through digital channels like social media has been an effective way to reach Millennial consumers.

PERCENT OF CONSUMERS WHO OPENED A PERSONAL LOAN



Source: TransUnion consumer credit database

NON-PRIME PERSONAL LOAN ORIGINATIONS



Source: TransUnion consumer credit database

[3] TransUnion Millennial Survey, 2017
[6] TransUnion Industry Insights Report, Q4 2016

Millennial perspective: Just starting out

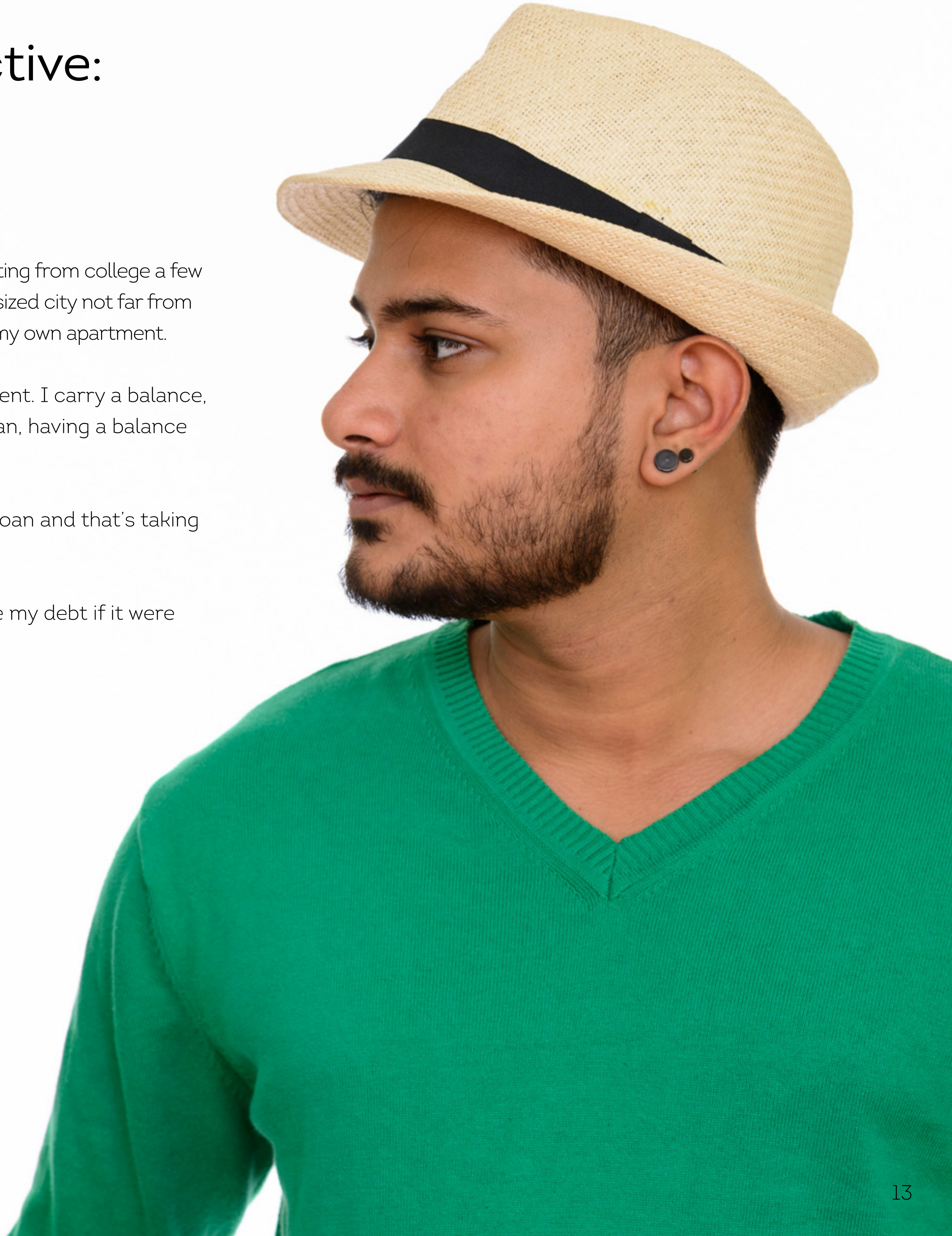
Hey, I'm Asim.

I'm just starting out in my first job after graduating from college a few years ago. I'm 25, and live and work in the mid-sized city not far from my hometown. It's great because I can afford my own apartment.

I just got a credit card to furnish my apartment. I carry a balance, but I'm not worried about paying it off. I mean, having a balance helps me build my credit, right?

Besides, I just started repaying my student loan and that's taking up a big chunk of my paycheck.

I'd be open to a personal loan to consolidate my debt if it were easy to apply.



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Consumer insight is key to growing Millennial originations

While all Millennials have entered adulthood, many are at different points in their lives. Some have just started working, while others are getting married and starting families. **Their credit needs are evolving quickly as they experience changes in their lifestyles**. Lenders should use data and advanced analytics to understand ways to build and enhance relationships with Millennial consumers. Consider the following when developing Millennial acquisition programs:

Leverage sophisticated analytics

- Execute top-of-wallet marketing strategies to incentivize loyalty
- Incorporate reporting of a mortgage inquiry as a trigger for growing credit needs
- Identify a consumer's likelihood for product substitution

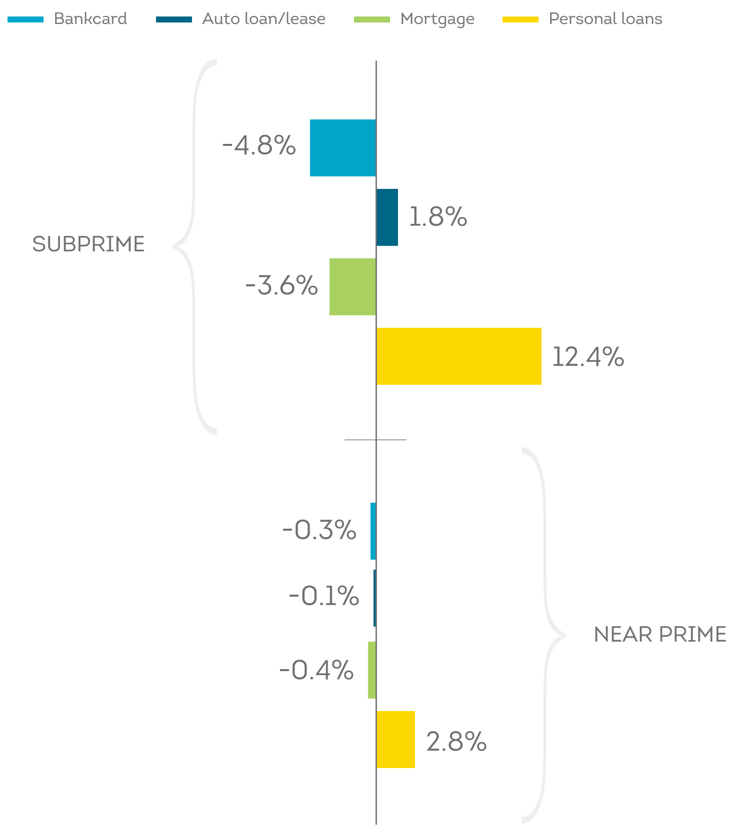
Build a compelling digital customer experience to reach them early and often

- Communicate offers via digital channels to gain visibility
- Use alternative data for targeting and underwriting thin-file, younger consumers
- Create mobile and online services that offer convenience

Successfully managing debt…mostly

Millennials generally manage to cover their debit obligations, with the exception of some non-prime consumers. Looking at credit performance, **Millennials and Gen X differ in serious delinquency rates** for the subprime and near prime risk tiers.

DELINQUENCY SPREAD: MILLENNIAL - GEN X



Source: TransUnion consumer credit database
VantageScore® 3.0 risk ranges Subprime = 300-600; Near prime = 601-660

Credit cards are a bright spot

While they use credit cards less than Gen X, subprime Millennials actually outperform Gen X by 4.8%, with a 23% and 28% serious delinquency rate, respectively.

Millennials behave most like Gen X with auto loans

We also observed some difference in auto loans, as subprime Millennials perform worse than Gen X. Millennials had a 13% delinquency rate after 12 months, compared to nearly 11% for Gen X. This difference could potentially be a result of longer loan terms.

Limited exposure to subprime supports mortgage lending

Millennials' mortgage loans perform better, with a 3.6% lower delinquency rate than Gen X. The limited access to subprime mortgages for Millennials, with more stringent underwriting standards than Gen X experienced, may have resulted in improved performance on those loans.

Personal loans show signs of weakness

Both subprime and near prime personal loans for Millennials have higher delinquency rates than their Gen X peers. It's possible the combination of easy access to subprime personal loans coupled with online fraud could lead to adverse selection in personal loans for Millennials.

Millennial perspective: Paying down debt

Hi, I'm Claire.

I'm finally in my dream job as an accountant. I'm 33 and after living at home for a few years and working as a receptionist at a local doctor's office, I figured out I liked bookkeeping. At age 27, I went back to school to get an accounting degree.

It was tough financially. Tuition was high and I needed a car to get to school and my part-time job. I ended up using my credit card to make ends meet.

It was hard to study and work at the same time, but I got my accounting degree three years ago and I'm making double what I made before. I'm now doing accounting and billing for a regional hospital.

The problem is, school left me in more debt with a car loan and the large balance I'm carrying on my credit card. I'm focused on paying down my debts quickly, and I'd be open to refinancing my car loan to reduce my monthly payments.

Better measurement is the key to Millennial portfolio management

Potential concerns about Millennial credit performance are limited to the riskier credit tiers. A performance issue could be triggered from any number of events beyond the control of Millennial customers. Consider the following when looking at performance:

Conduct regular portfolio reviews

- Tackle adverse selection by incorporating trended payment data in your portfolio reviews
- Identify consumers at elevated risk due to payment shocks

Use predictive analytics to identify portfolio risk

- Track key credit activity and delinquency trends
- Validate the historical performance of your risk models
- Implement account triggers to alert you of potential risk

Insuring high risk driving habits

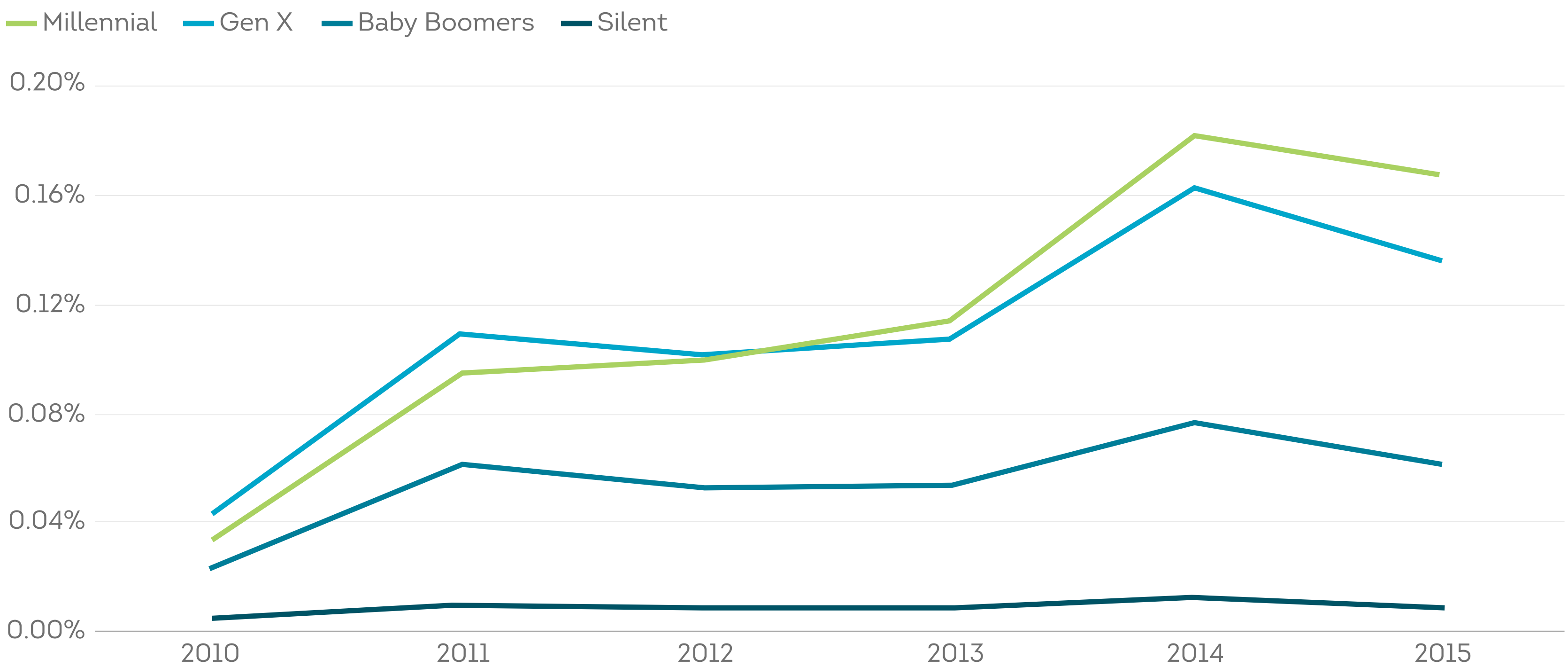
The youngest drivers have always been the highest risk to insure, and this trend hasn't changed with Millennials. They drive the most miles of any generation, with an average of 13,725 miles annually, compared to 13,355 miles for Gen X.[7] The challenge today is **Millennials have a different risk profile than Gen X** at the same age, which indicates that carriers may need to adjust how they target and price Millennial drivers.

Distracted driver on-board

Virtually everyone is guilty of glancing at their mobile phone while driving. However, Millennials are more likely to receive a traffic violation for distracted driving, including texting, speeding or running a red light. In total, 27.6% of Millennials received a traffic violation in 2016 compared to 16.2% of Gen X.[8]

While their percentage of violations for distracted driving is low (0.17%), the frequency of these violations is highest for Millennials and these violations have increased over time.[8]

GENERATION BEHAVIOR FOR DISTRACTED VIOLATIONS



Source: TransUnion DriverRisk population study

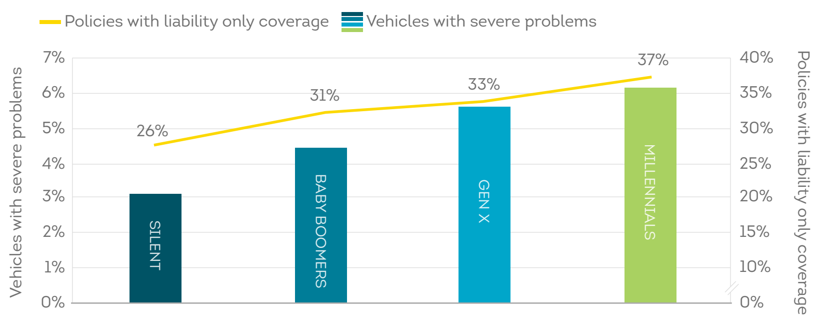
[7] TransUnion Performance Analytics Database
[8] TransUnion DriverRisk population study

Take the risk on used cars

While probably not unique to their age compared to previous generations, Millennials drive vehicles that are older, have more owners and have been involved in more accidents. In fact, 6.2% of Millennials' vehicles have severe issues, such as branded titles or prior accidents, compared with Gen X (5.6%).[9]

It's not surprising then that Millennials carry the minimum level of vehicle insurance. They have the highest percentage of policies (37%) with liability only coverage.[7]

VEHICLES WITH SEVERE PROBLEMS AND POLICIES WITH LIABILITY ONLY

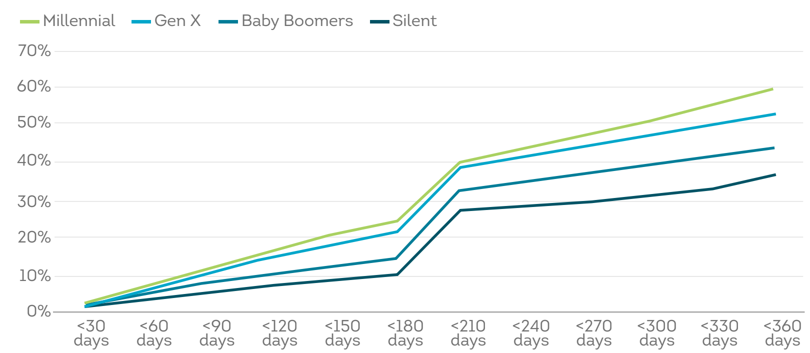


Source: TransUnion performance analytics database

Always looking for a better deal

The good news is that Millennials purchase auto insurance, but unfortunately they do it a lot. Millennials shop for auto insurance more frequently and are less loyal to their existing carrier than previous generations. Over the past five years, they've obtained 2.25 quotes for auto insurance per year, outpacing every other generation. They also tend to be less loyal, with their 12-month retention rate 7 points lower than Gen X and 16 points lower than Baby Boomers.[7]

ATTRITION RATE OF AUTO INSURANCE CUSTOMERS



Source: TransUnion performance analytics database

[7] TransUnion Performance Analytics Database
[9] TransUnion Vehicle History Score analysis

New methods for acquiring Millennial drivers

Millennials provide an opportunity for insurers to acquire and profitably write policies for the most active drivers on the road. To successfully pursue Millennial drivers for auto insurance, providers have to take a different approach.

Engage online with education

- Provide a compelling website on both desktop and mobile, and offer online product, pricing and comparison tools
- Educate consumers about the hazards of distracted driving and impacts on insurance rates
- Provide a simple application and quote request process

Underwrite the full risk

- Account for higher risk based on age and miles driven
- Consider consumers' use of higher-risk vehicles
- Plan for a higher propensity of violations

Price intelligently

- Consider alternative pricing and product bundling
- Look for ways to incentivize the right behavior

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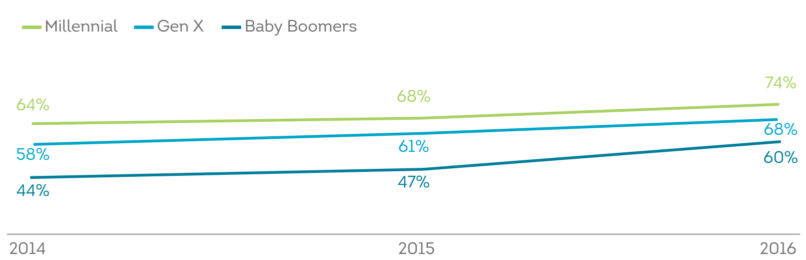
Healthcare payments viewed differently

Despite the vast majority of Millennials having health insurance, they tend to pay their medical bills at a much slower rate than other generations. In fact, in 2016, 74% of Millennials did not pay their medical bills in full, compared to 68% for Gen X and 60% for Baby Boomers.[10]

The percentage of underpaid medical bills has been accelerating over the past three years. In 2015, 68% of Millennials did not pay their bill in full, up from 65% in 2014.[10] This is a disturbing trend for healthcare providers as the amount of payments patients are responsible for is increasing.

PERCENT OF UNPAID MEDICAL BILLS BY GENERATION



Source: TransUnion Healthcare payments data

The patient is the new payer

In the healthcare industry, the term "payer" usually refers to an insurance carrier or another third party—not the patient. But there's paradigm shift to a new healthcare reality, and patient is the new payer. However, patients do not pay like insurance providers nor do they treat medical bill payments like loans or credit cards. Patients take longer to pay and often prioritize other payments like their mortgage or auto loan over their medical bills.

Over the past decade, the **percentage of healthcare provider revenue collected directly from patients has increased from less than 10% to more than 30%**. This trend is being driven by both insurers and employers cost-shifting payment responsibility to patients in the form of higher premiums, co-pays, co-insurance and deductibles.

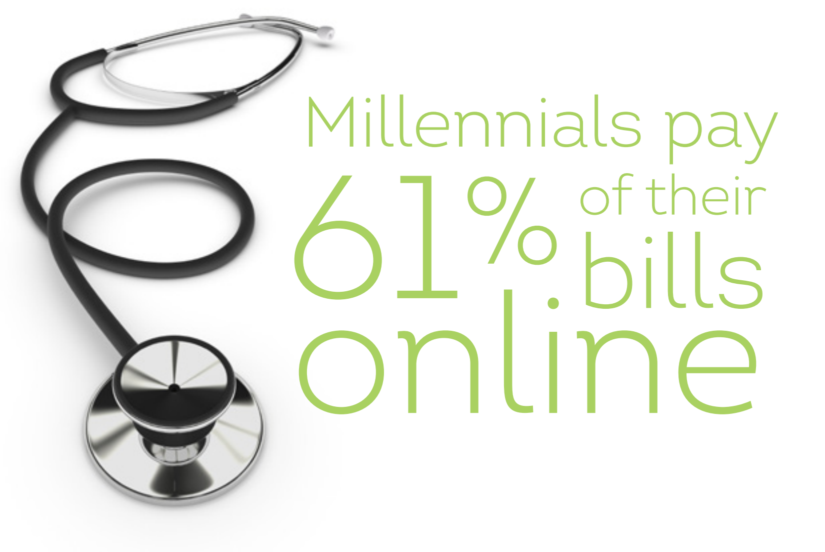
Cumulatively, single coverage medical insurance premiums have increased 19% and deductibles have increased 63% since 2011.[11]

[10] TransUnion Healthcare payments data
[11] Kaiser Family Foundation and Health Research & Educational Trust Annual Survey, 2016

Millennials are the first generation to come of age during the implementation of the 2010 Patient Protections and Affordable Care Act (ACA). In addition to requiring most Americans have health insurance or face a tax penalty, the ACA allowed Millennials to avoid this penalty by staying on their parents' health insurance plan until age 26.

While the uninsured rate of 17.3% for 18- to 34-year-olds is still higher than the national average of 11.3%, more Millennials purchased insurance after the ACA was enacted.[12]

As Millennials face rising medical costs, a larger portion of their already stretched budget is dedicated to medical insurance and expenses, putting those payments in competition with other expenses.



The Millennial payment problem

There aren't any clear explanations for why Millennials trail other generations when it comes to medical expense payments. It may be that Millennials don't prioritize medical payments over other expenses like housing and transportation, as shown above.

Lack of access to financing options for medical bills may be another reason behind lower payments. As noted earlier in this report, Millennials are less likely to carry a credit card compared to other generations, making the lack of revolving credit a factor to consider.

Perhaps most importantly, the healthcare industry is one of the few that still bills primarily on paper—which doesn't connect with Millennials who pay 61% of their bills online, according to ACI Worldwide. That's a big disconnect between how hospitals bill patients and how patients pay bills.

The reality is, Millennials are the new patient payers. But most hospitals are not prepared to meet Millennials' expectations of patient-friendly, technology-enabled billing and payment processes. Healthcare billing and collections will have to innovate and automate on a grand scale.

Considering this new reality, a dramatic—even revolutionary—overhaul in healthcare industry billing and payment practices is long overdue. If nothing else, this report has shown that Millennials want to access, pay for and experience the world on their terms.

[12] Gallup-Healthways Well-Being Index, Q1 2017

Embracing the new payer paradigm

Healthcare providers looking to improve revenue cycle management for Millennial patients should look for ways to encourage payments. They should consider the following:

Get payments upfront

- Millennials are used to paying for products and services when they receive them. While not well adopted today, healthcare providers should provide pre-service estimates, and take payment in advance or at time of service, especially mobile payments which are preferred by Millennials.

Offer easy financing

- Millennials open unsecured personal loans at a much higher rate than other generations. Healthcare providers could partner with patient loan companies to offer a personal loan to cover medical expenses.

Provide a digital healthcare experience

- Millennials prefer online experiences that help them manage their finances. Healthcare providers should establish a personal relationship with these patients and give them an online service experience that includes an explanation of services and online payment options.

Moving forward with Millennials

Having reached adulthood confronted with nearly unprecedented economic adversity, Millennials' financial health could be described as pragmatically optimistic. They've exhibited financial behavior that appears aligned with their goals and practical financial realities.

At the same time, they're still young and having delayed some life stage events, Millennials are still early in their financial services lifecycle. Companies that engage and serve this generation will have to adapt to their demand for high-value digital experiences and their lack of brand loyalty. Serving Millennials will require smarter use of data to develop products that meet their specific needs, while mitigating risk. Smarter data will also be critical to create marketing programs that resonate clearly with this consumer segment.

Methodolgy

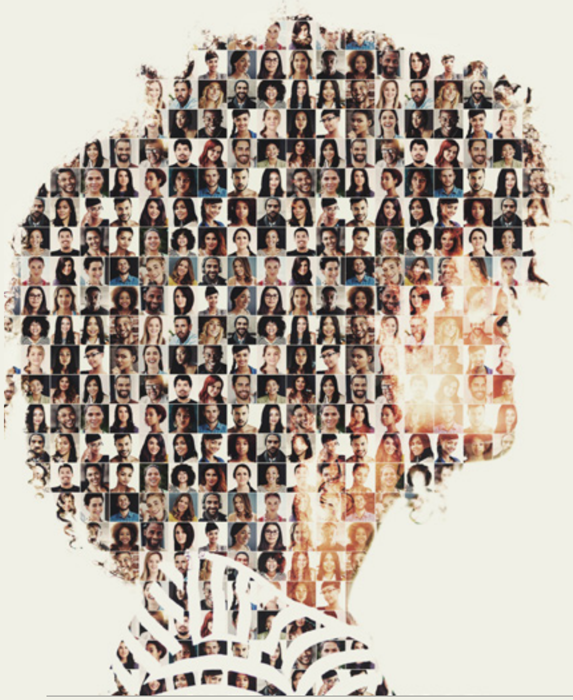
The core of this report was based on depersonalized credit data from TransUnion. The segments of Millennial and Gen X were created by looking at consumers aged 21 to 34 for each generation. At the end of 2000, we found 36 million Generation X consumers in this age range. Comparatively, there were 60 million Millennials in this age group at the end of 2014. To measure the difference in credit participation, origination and performance, consumers were studied by age, VantageScore® 3.0 credit score risk tier and wallet profile for each generation.

For this report, we use VantageScore® 3.0 risk ranges:

- Subprime: 300-600
- Near prime: 601-660
- Prime: 661-720
- Prime plus: 721-780
- Super prime: 781-850

Since there are more Millennials than Gen X, and more Millennials were in the riskier credit tiers than Gen X, we controlled for both using a statistical methodology known as stratified random sampling.

- For each age group and credit tier, we sampled the Millennial population so the number of consumers would be roughly equal to the Gen X population
- Each age group and credit tier represents the same proportions for both generations



For more information or to further discuss this study,
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