SYNCHRONY

Research Report

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MEET THE TEAM

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Research Objectives & Methodologies

RESEARCH OBJECTIVES

Objective 1

To understand how Gen Z uses and perceives credit cards

Objective 2

To explore social consumption trends amongst Gen Z

Objective 3

To understand the influence of different personal economic factors on Gen Z spending

RESEARCH METHODOLOGIES

Through a quantitative online survey, we gathered 1,049 responses from OU students ages 18-24

Our qualitative analysis included 10 in-depth interviews and 5 focus groups, exploring social media spending trends and credit card use among college students.

Credit Card Perceptions & Behaviors

HOW DO STUDENTS PERCEIVE CREDIT CARDS?

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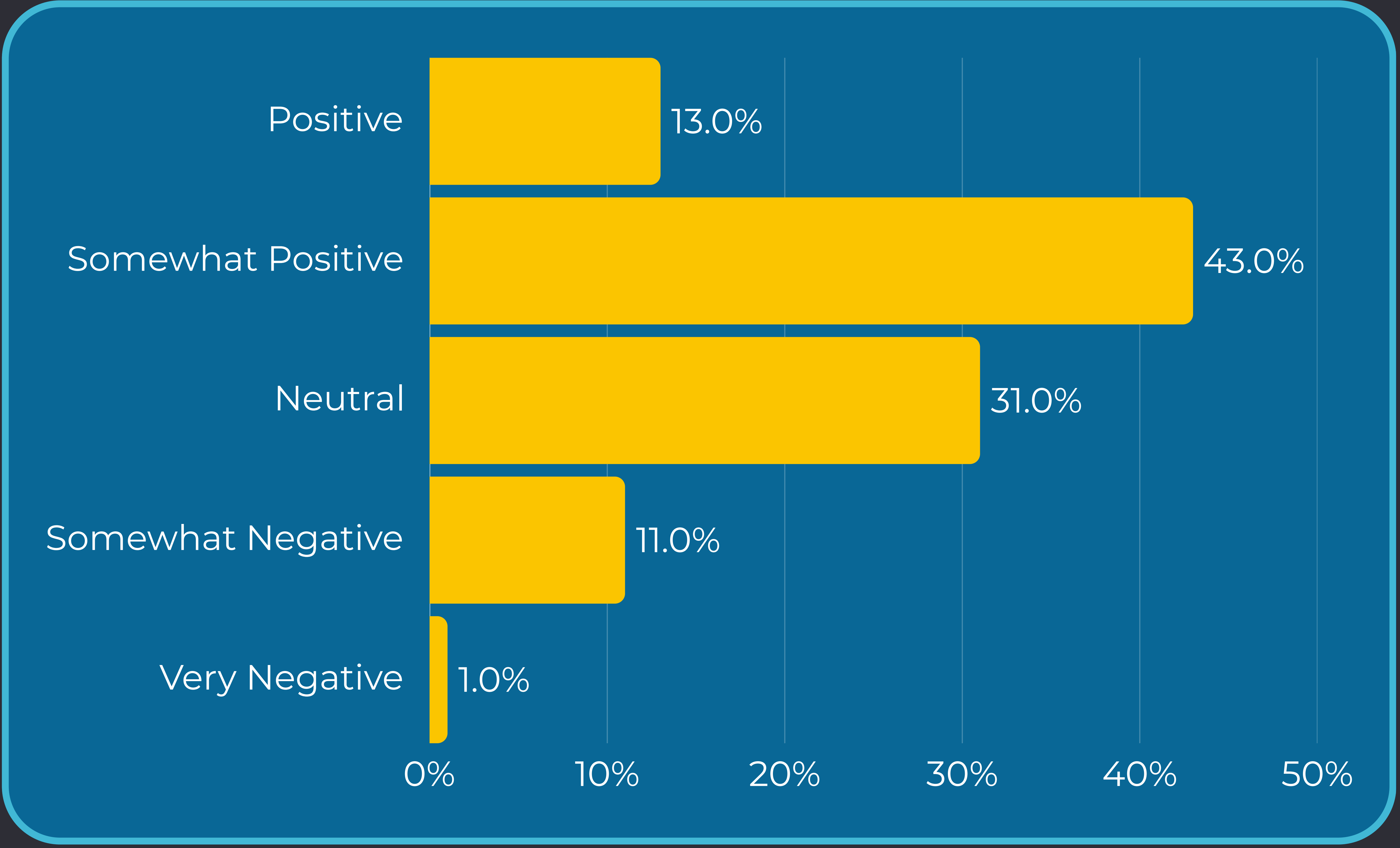


"Having a credit card feels safer, like if something happens, I'm covered"

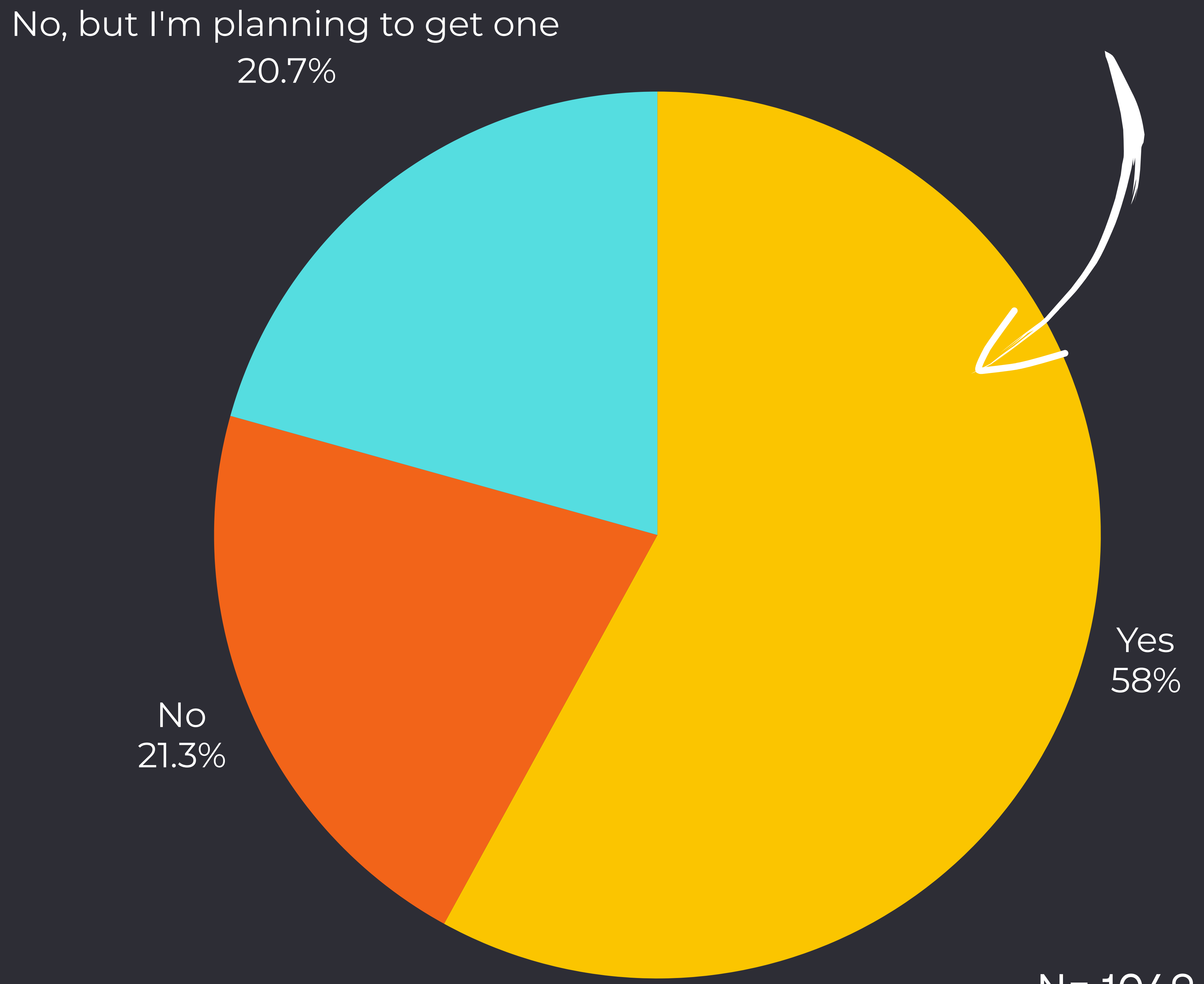
"It can help you build a credit score, but at the same time, it could send you into debt"

N= 1049

DO COLLEGE STUDENTS OWN CREDIT CARDS?

"I know I need a credit score for future things like renting or loans, so having a credit card is just a necessary step"

77% own one credit card



N= 1049

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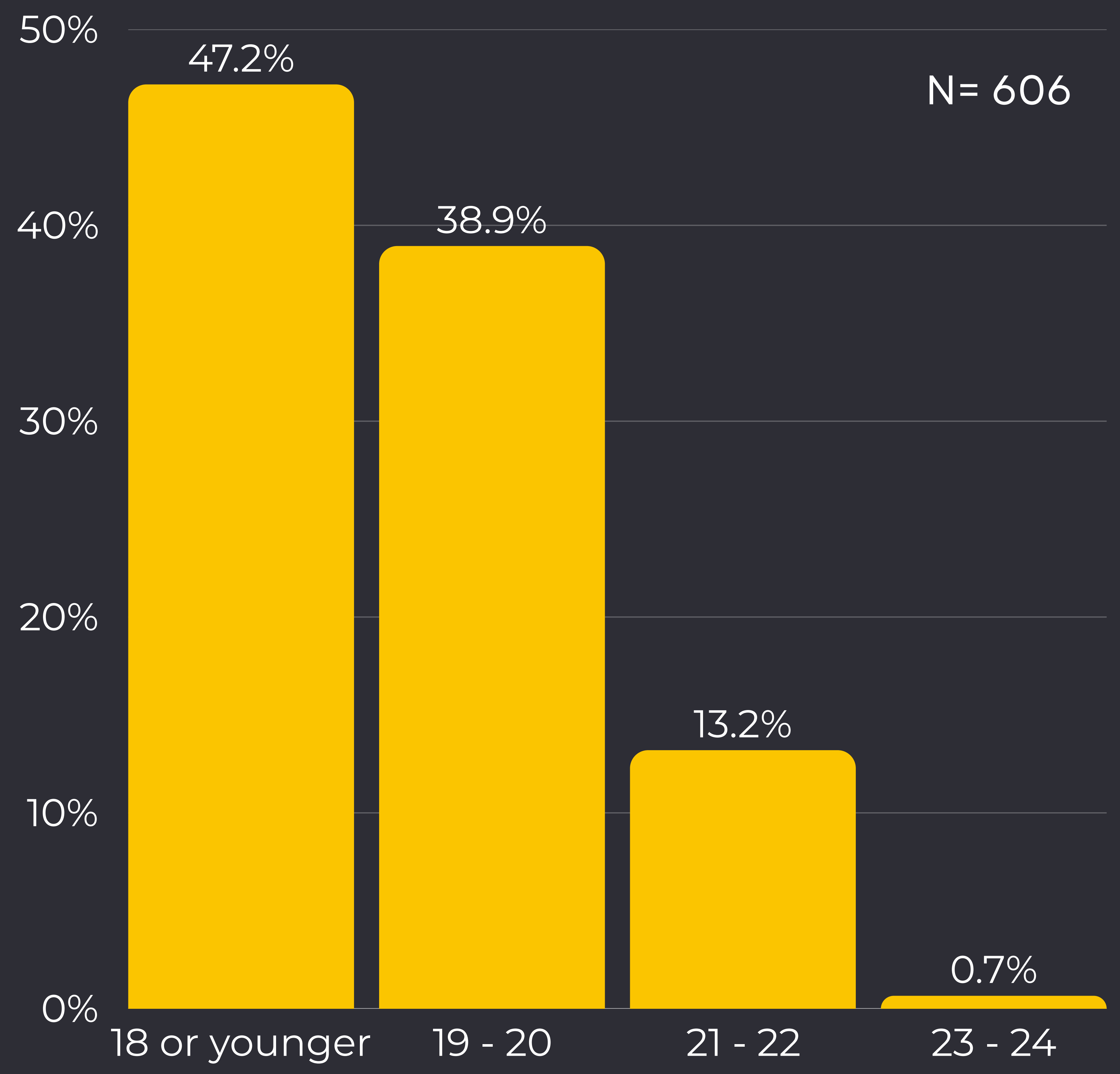
AT WHAT AGE DO STUDENTS GET CREDIT CARDS?

"My parents told me when I turned 18 to get a credit card... so I can start building credit."



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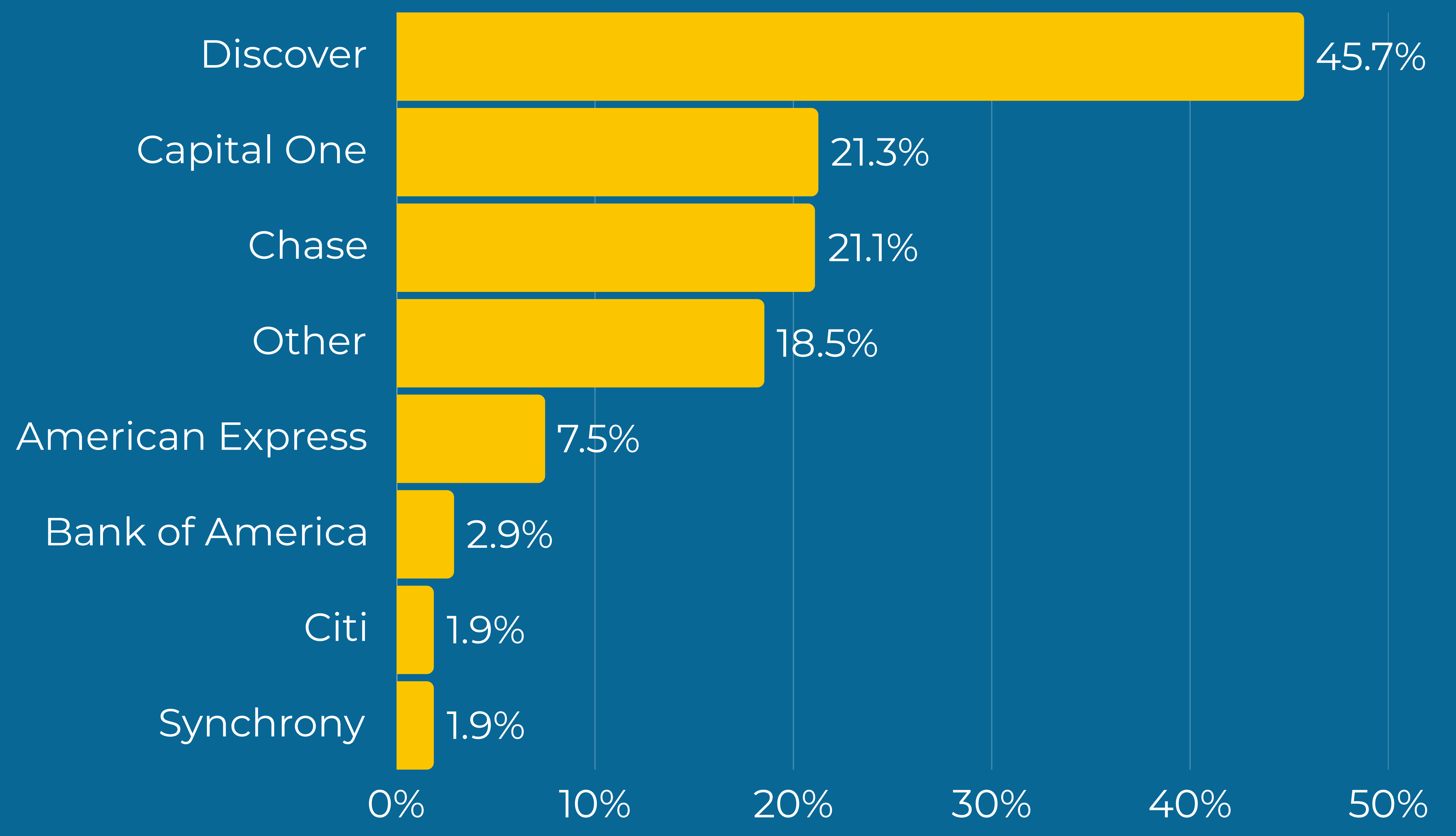
WHICH CREDIT CARDS DO STUDENTS USE?

Select all that apply

N= 588



Among the 606 respondents who own credit cards, 97% (N= 588) use general-purpose cards vs. co-branded, secured, & retail-only credit cards

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ARE STUDENTS THE SOLE OWNERS OF THE CREDIT CARDS THEY USE?

"I'm an authorized user on two credit cards- one from TJ Maxx and Maurices- but I'm the sole user for my Capital One"

"I was an authorized user first, before I got my own card. I used my parents' card to get familiar with how it all works"

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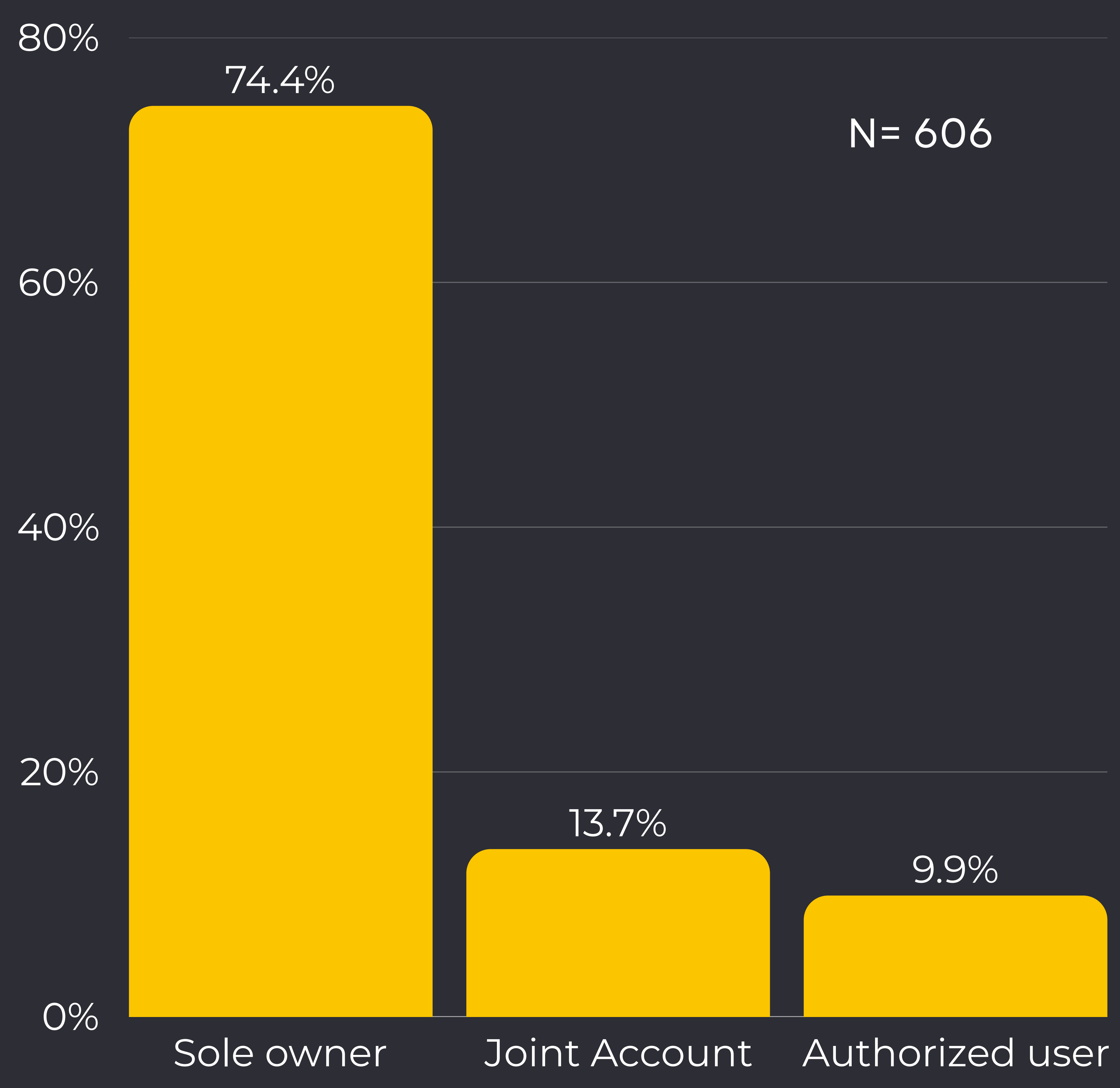
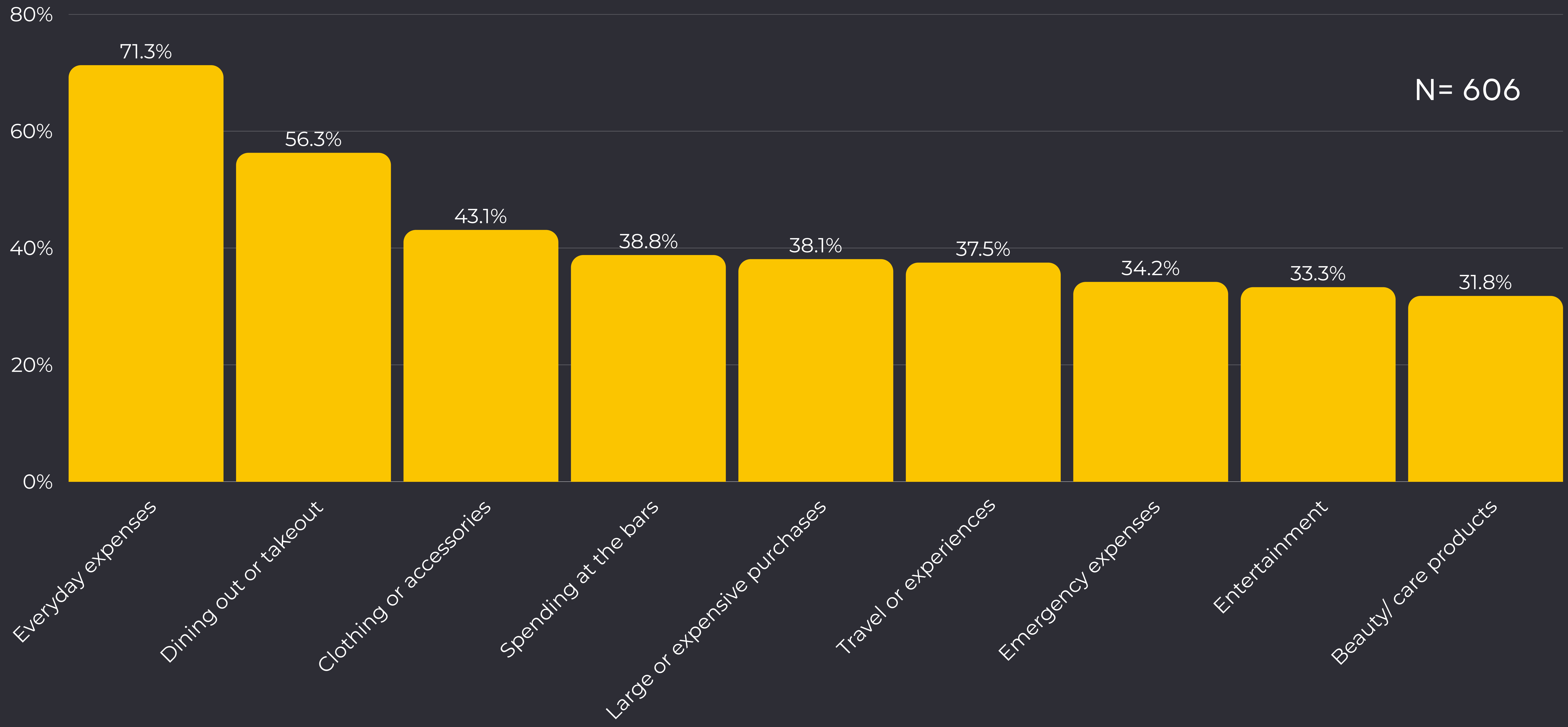


WHAT TYPES OF PURCHASES DO STUDENTS CREDIT CARDS FOR?

Select all that apply



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HOW OFTEN DO STUDENTS USE CREDIT CARDS?

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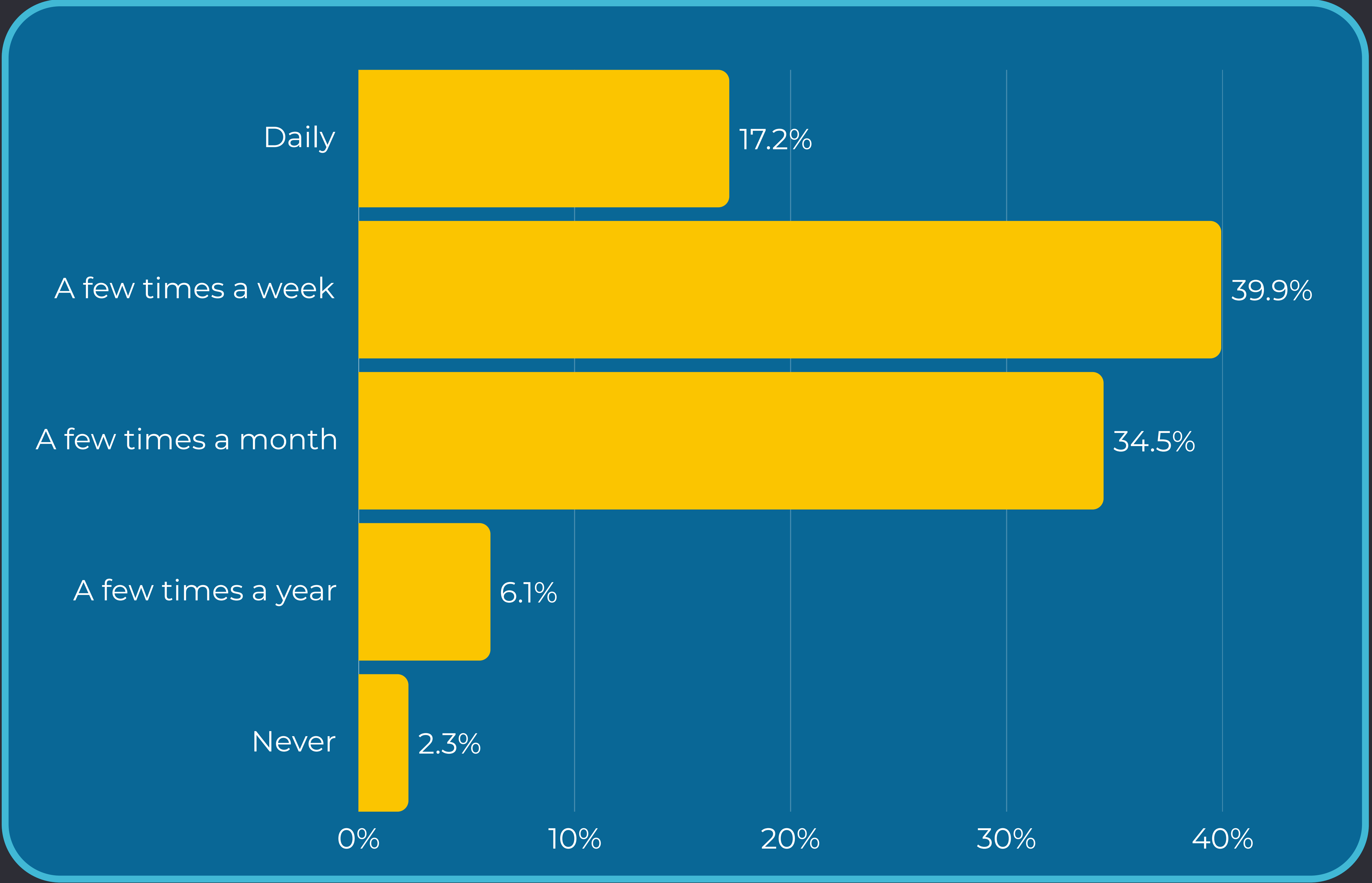
“I’m spending the money anyways, might as well use it on my credit card”

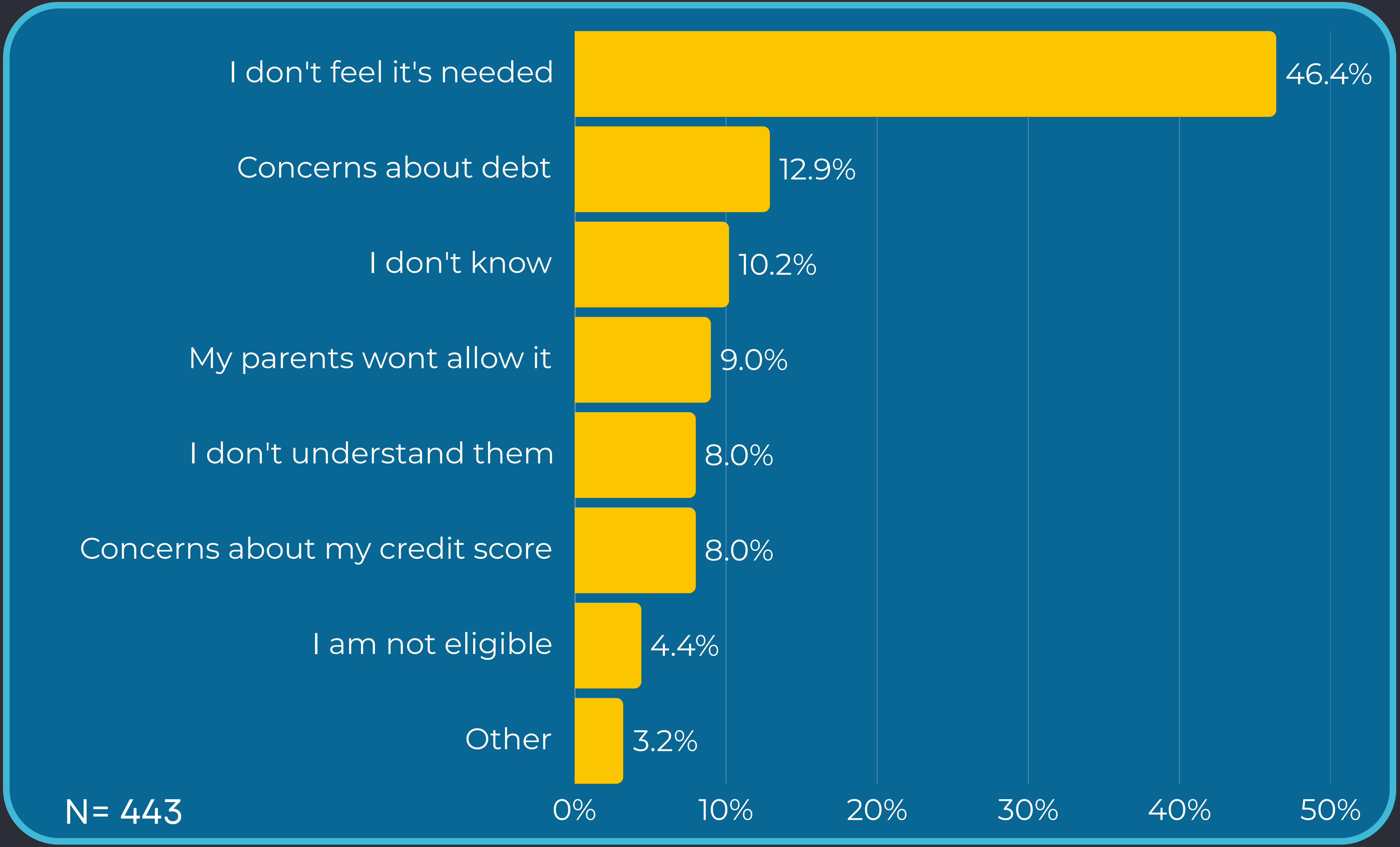
“I use it for groceries because I get 4% cash back if I use it at that grocery store”

N= 606



WHAT IS THE MAIN REASON STUDENTS DON'T HAVE A CREDIT CARD?

“As a college student, I don’t feel it’s necessary for me”



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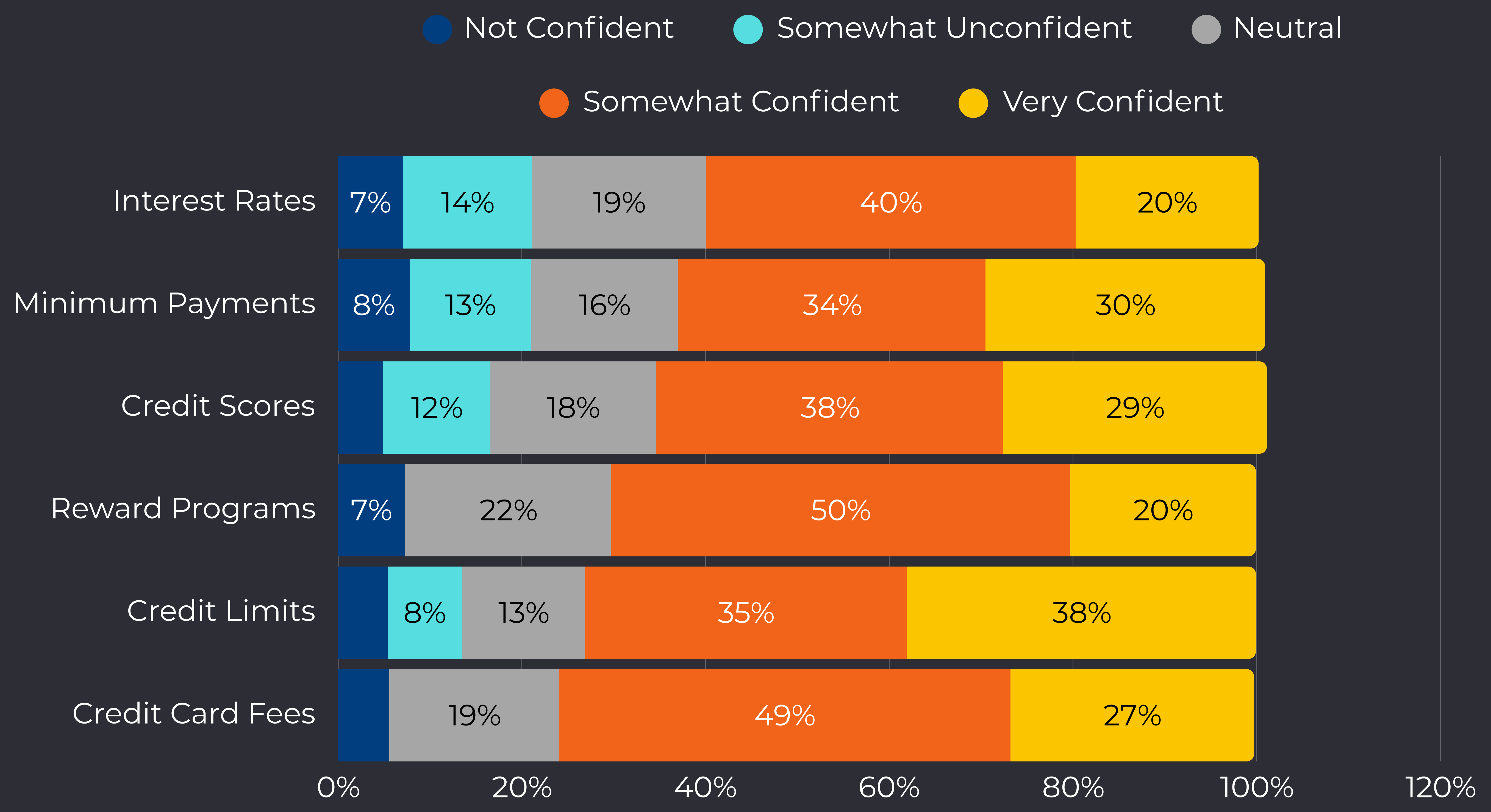
DOES EMPLOYMENT INFLUENCE PERCEPTION OF CREDIT CARDS?

"...if you don't have a constant flow of money to pay back a credit card, then you should probably stay away from it"

"...I would say if I worked full time during the school year or just had a job, I would definitely get a credit card."

STUDENTS BELIEVE UNLESS YOU HAVE A STEADY INCOME, SUCH AS A PART-TIME OR FULL-TIME JOB, IT'S PROBABLY BEST TO AVOID GETTING A CREDIT CARD.

ARE STUDENTS CONFIDENT IN UNDERSTANDING OF CREDIT CARD TERMS?



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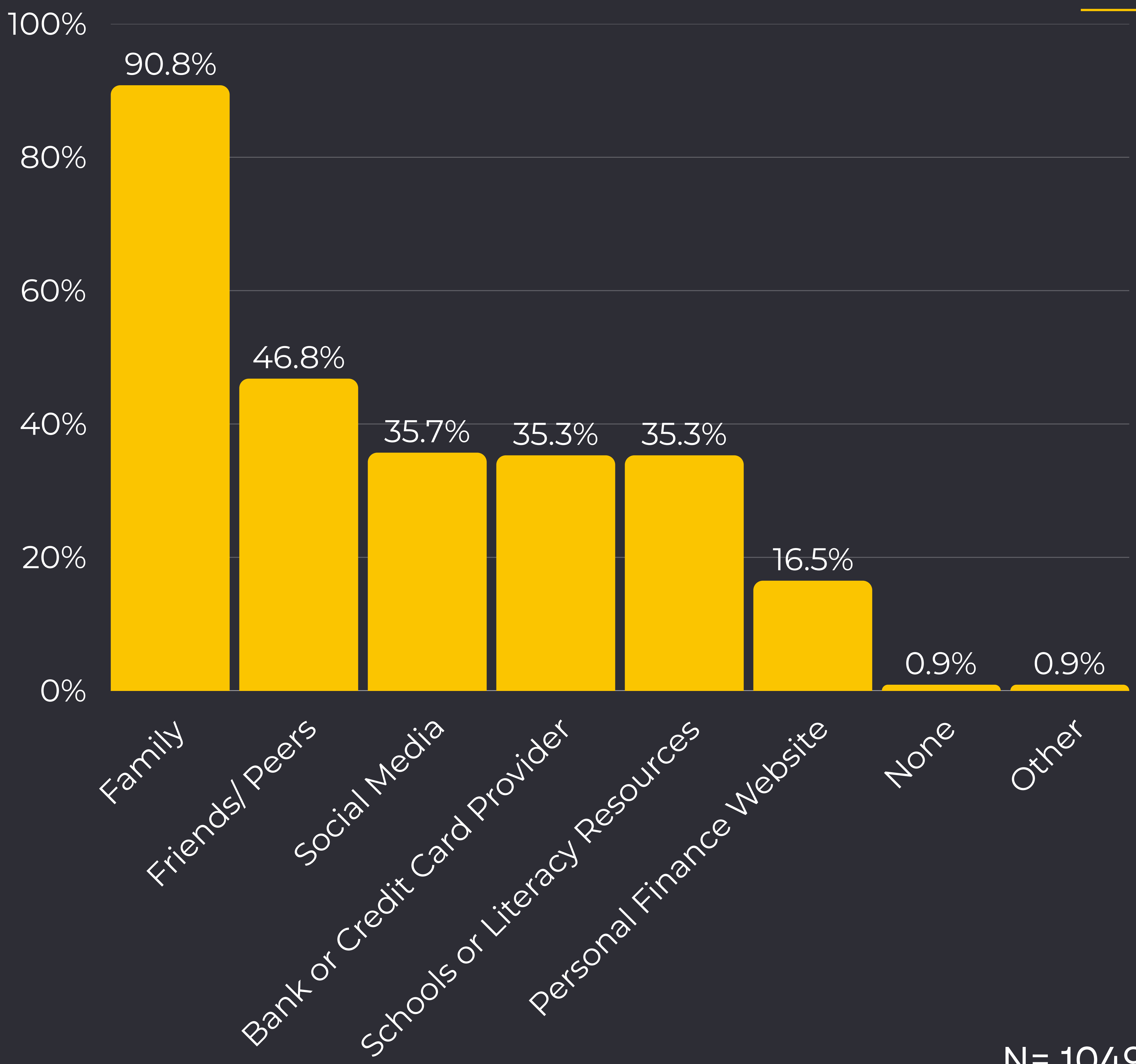
WHERE DO STUDENTS LEARN ABOUT PERSONAL FINANCE AND CREDIT CARDS?

“My parents taught me most of what I know about credit cards... the importance of maintaining a credit score...”

"I was never taught to invest or save for retirement until my first job. Now I try to educate myself."

Select all that apply



N= 1049

WHAT FACTORS ARE MOST IMPORTANT IN CREDIT CARD SELECTION?

1 being the most important,
6 being the least important.

N= 1049

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1.6	Interest Rate & Fees
2.7	Rewards Programs
3.1	Credit Limits
4.0	Mobile App/ Website
4.3	Easy Approval
5.3	Brand Partnerships

KEY FACTORS IN CREDIT CARD SELECTION

REWARDS

"I got a Capital One Card for travel rewards... I earned $119 cashback while I was abroad"

If I'm at a place that has a higher percent of cash back, I'm going to use my credit card rather than my debit card."

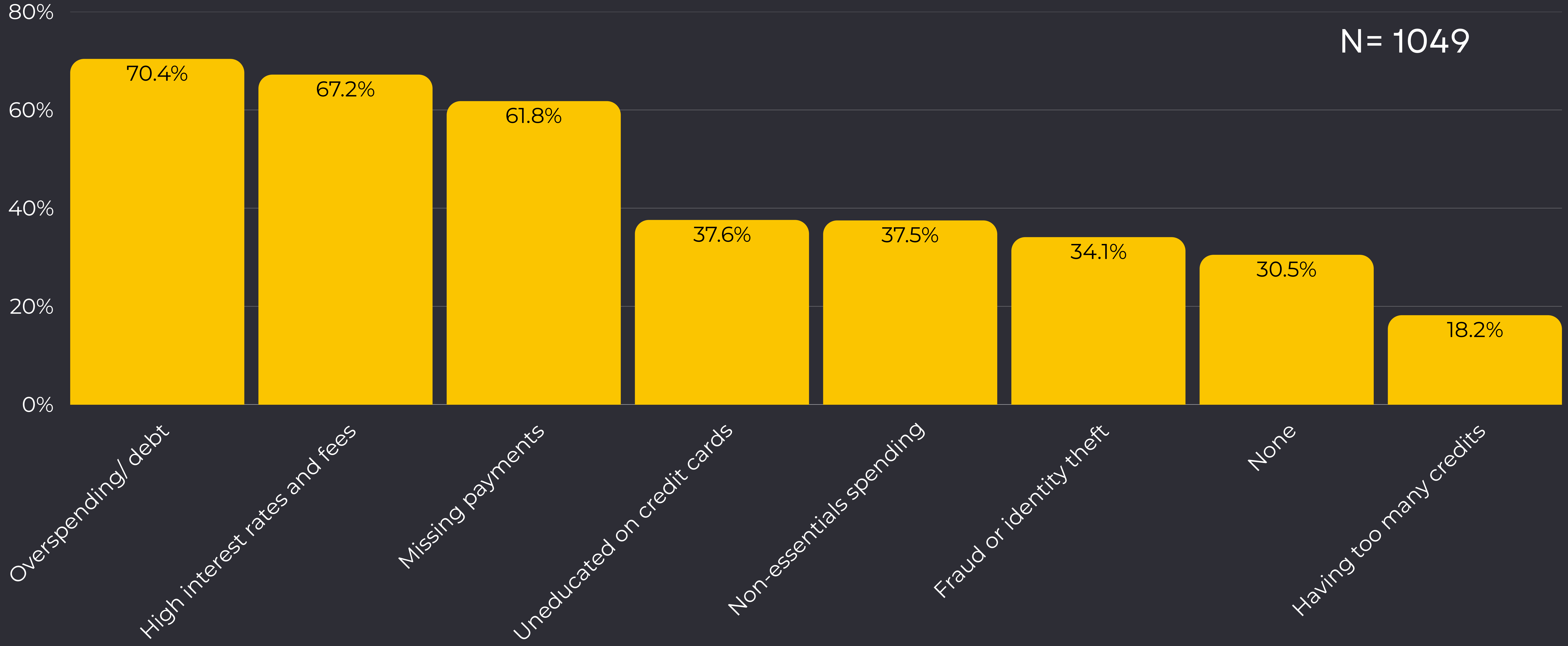
INTEREST RATES

"I feel like the first one is the interest rate and making sure the interest rate isn't fluctuating"

"...that's a big reason why I stay away is because of high interest rates"

WHAT ARE THE BIGGEST CONCERNS WITH USING CREDIT CARDS?

Select all that apply



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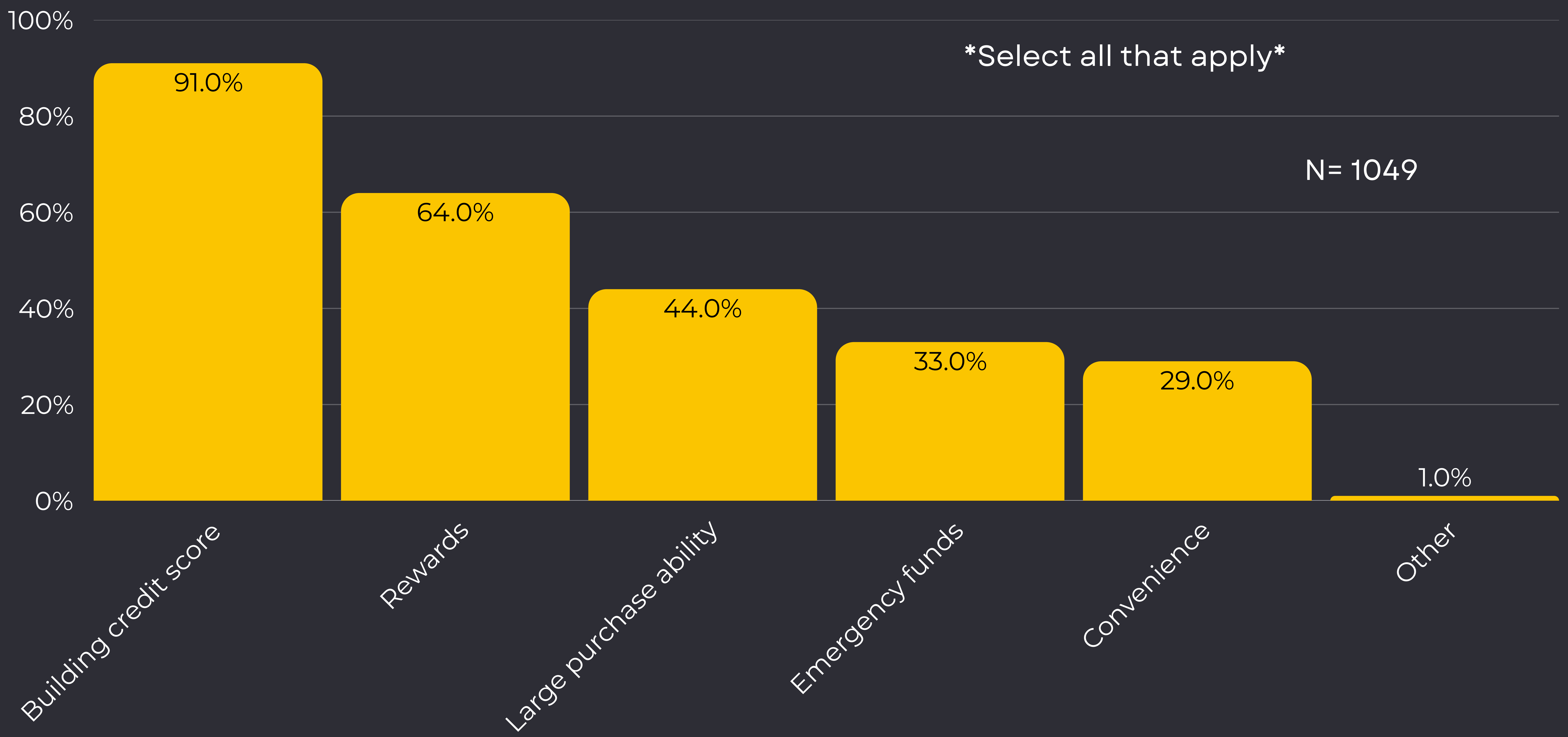
WHAT DO YOU THINK ARE THE BIGGEST BENEFITS TO HAVING A CREDIT CARD?



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CREDIT CARD PERCEPTIONS & BEHAVIORS SUMMARY

Credit cards are often perceived as a beneficial tool for building credit and earning rewards

The majority of respondents find credit cards to be useful in building a credit score and positively associate them with earning rewards. These perceived benefits are common motivators for students to get credit cards and can even influence speific credit card selection

Credit card knowledge and perception are influenced by social circles like family, peers, and social media

While students mainly rely on family as a resource for learning about credit cards, many also use their peers or social media. These social circles can have influence on when a student gets a credit card or their perceived benefits and concerns.

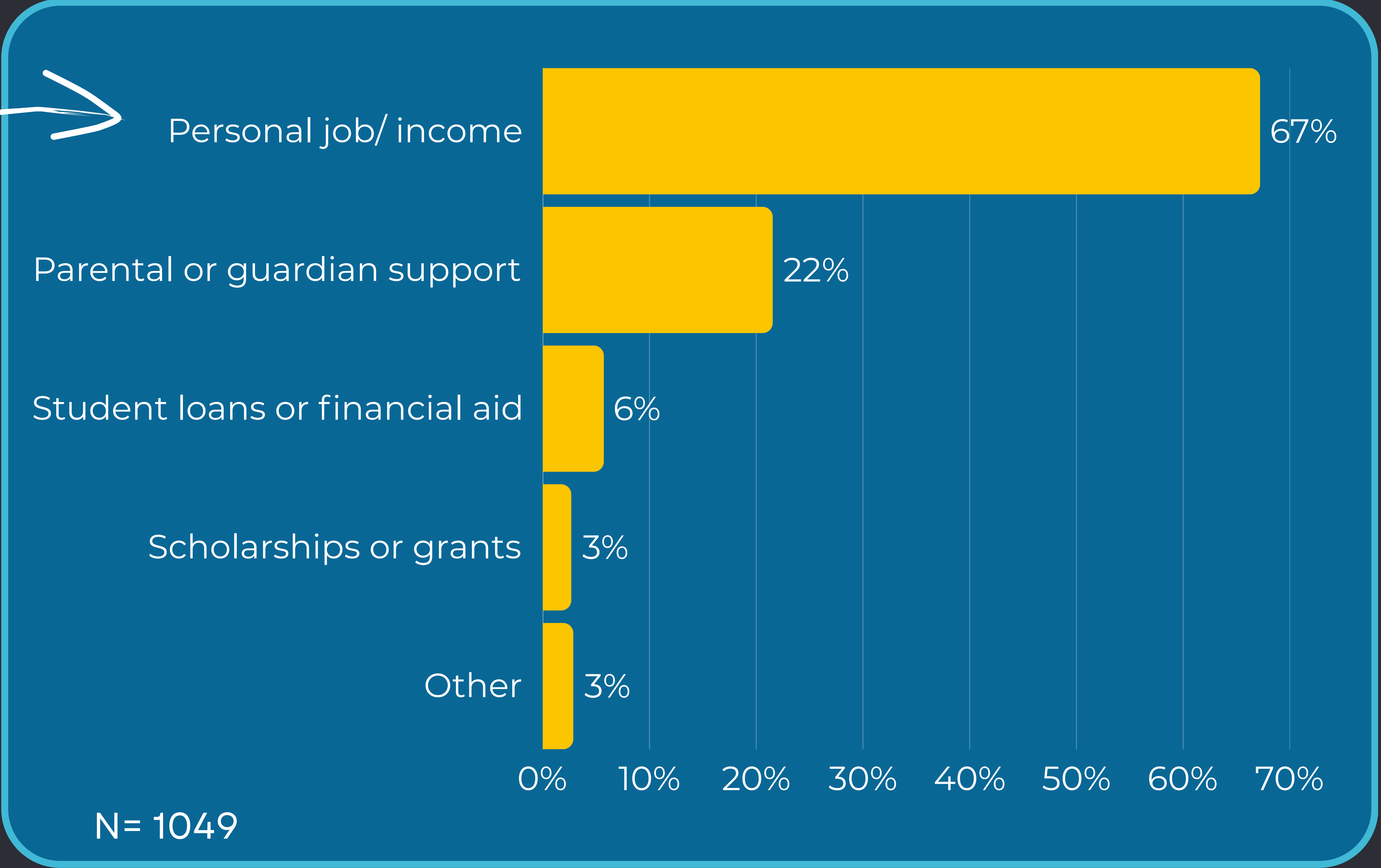
Interest rates and rewards are important factors of credit card selection

Gen Z gravitates to instantaneous and direct benefits such a low interest fees and rewards that directly correlate with their lifestyle or spending habits. Most respondents stated they are most appealed to cash back rewards, especially when those rewards align with everyday purchases like groceries or dining out

Student Spending

WHAT IS THE PRIMARY SOURCE OF SPENDING MONEY FOR STUDENTS?

Among credit card owners, 81% of student workers are sole owners, compared to 57% of those financially supported by parents or guardians



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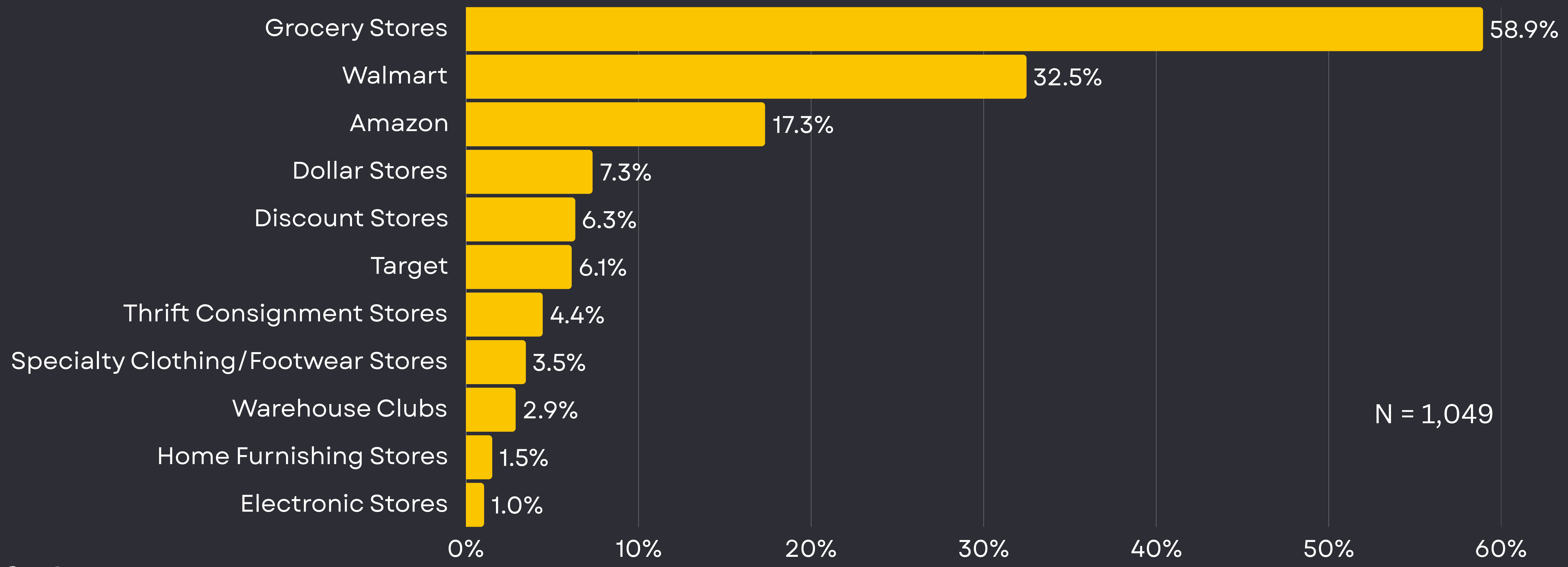
RETAILER SHOPPING (AT LEAST ONCE A WEEK)



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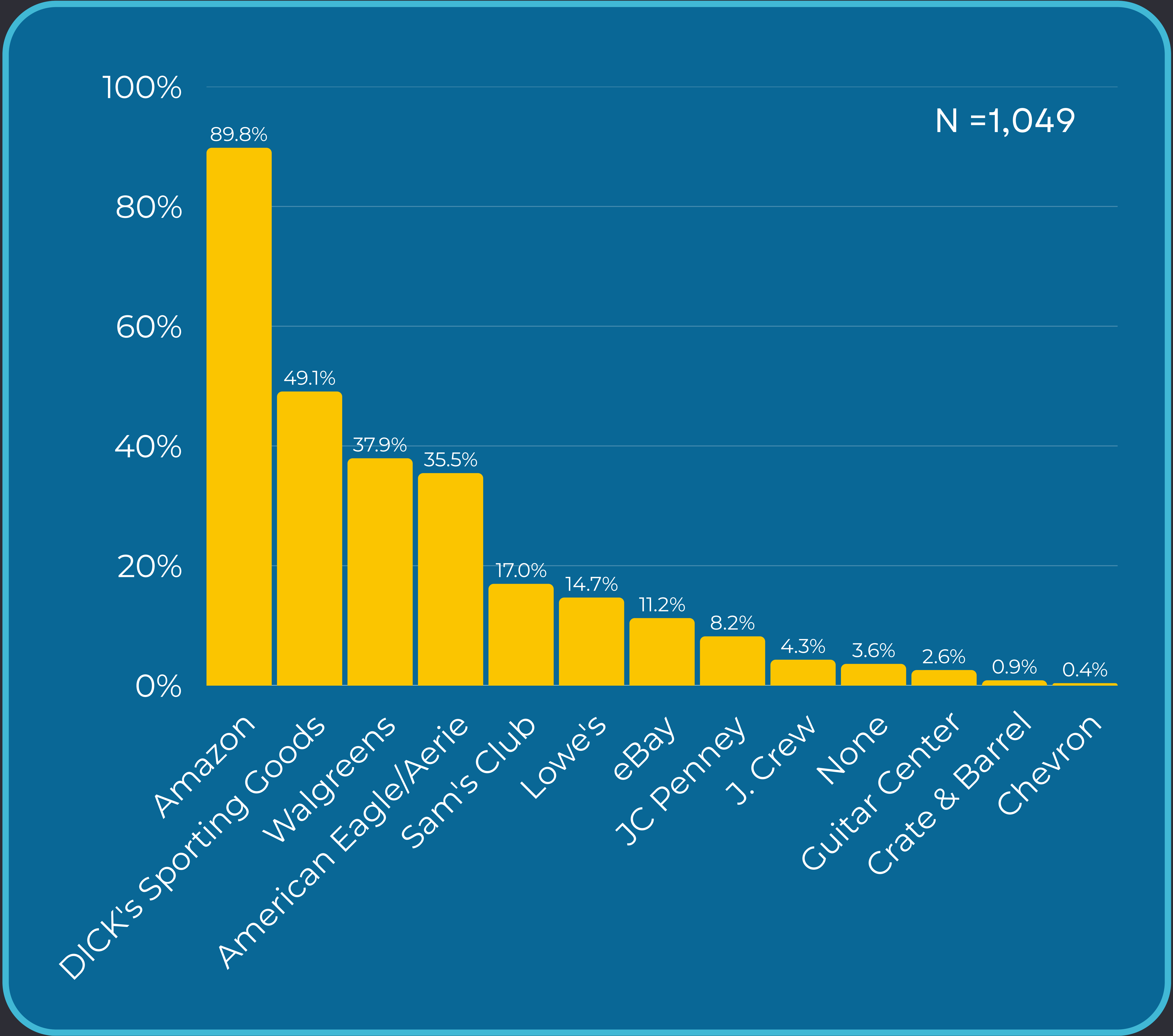
SYNCHRONY RETAILER PARTNERS SHOPPED BY STUDENTS (PAST 6 MONTHS)

Select all that apply



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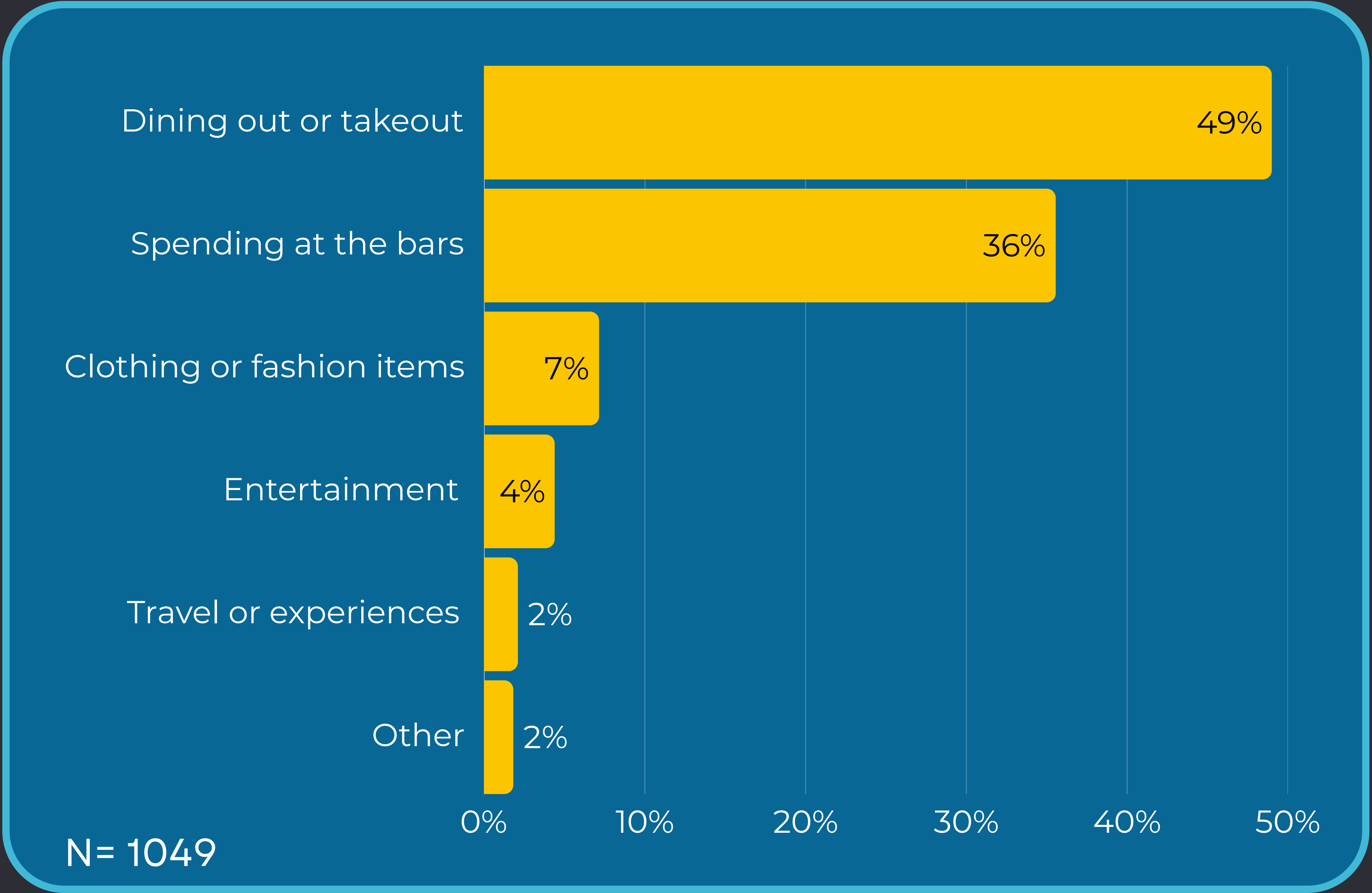
WHAT IS THE TOP NON-ESSENTIAL SPENDING CATEGORY FOR STUDENTS?

Average weekly spending on non-essentials is **$87.34**



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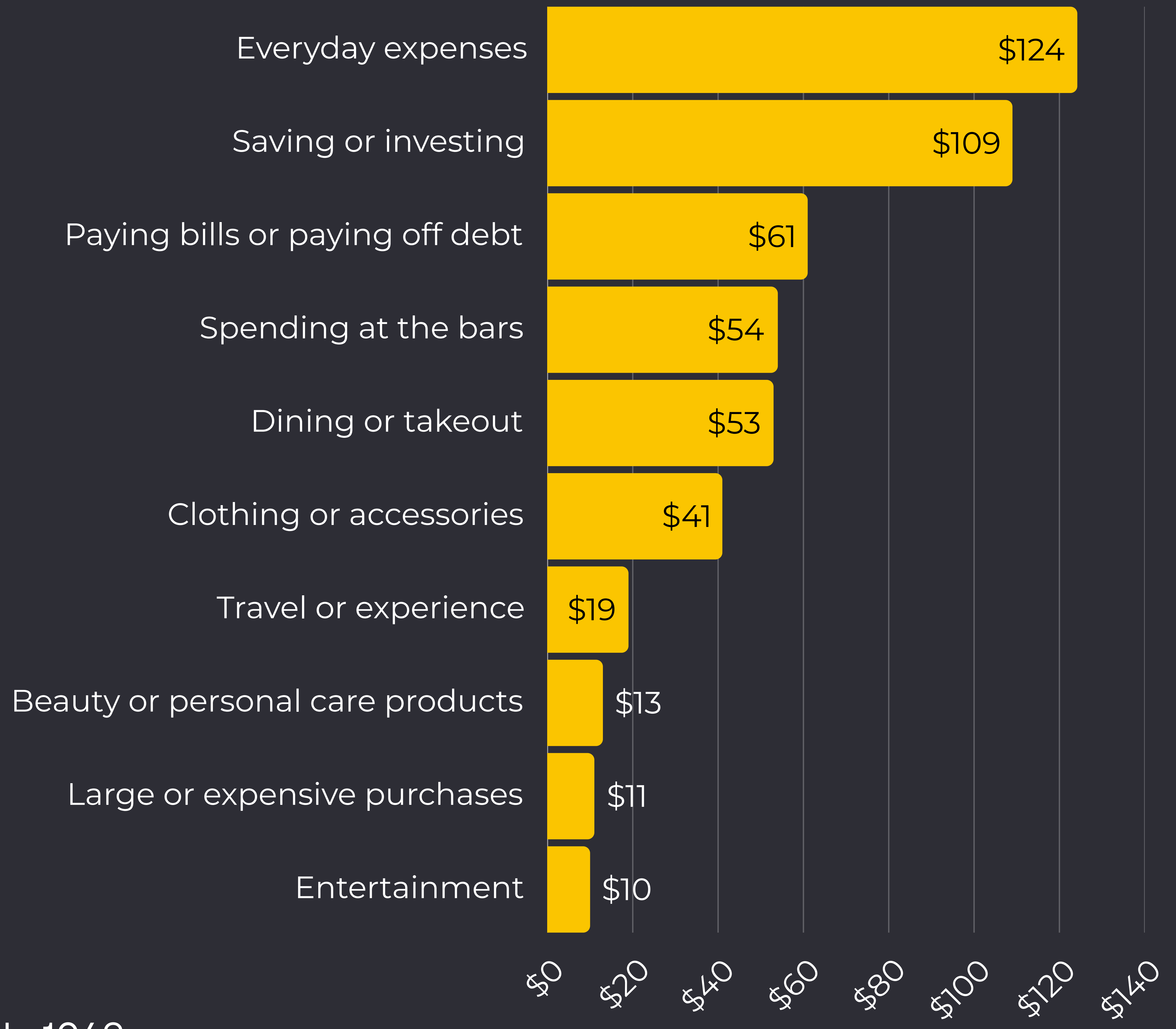
HOW WOULD STUDENTS SPEND AN EXTRA $500?



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STUDENT SPENDING SUMMARY

Students' source of income influences timing and type of credit card ownership

Over 60% of student respondents expressed concerns about high interest fees and the risk of missing credit card payments. Because of this, many students believe it's important to have a steady source of income before opening a credit card. As a result, students often begin as authorized users on a parent's account or delay getting their own card until they feel financially secure.

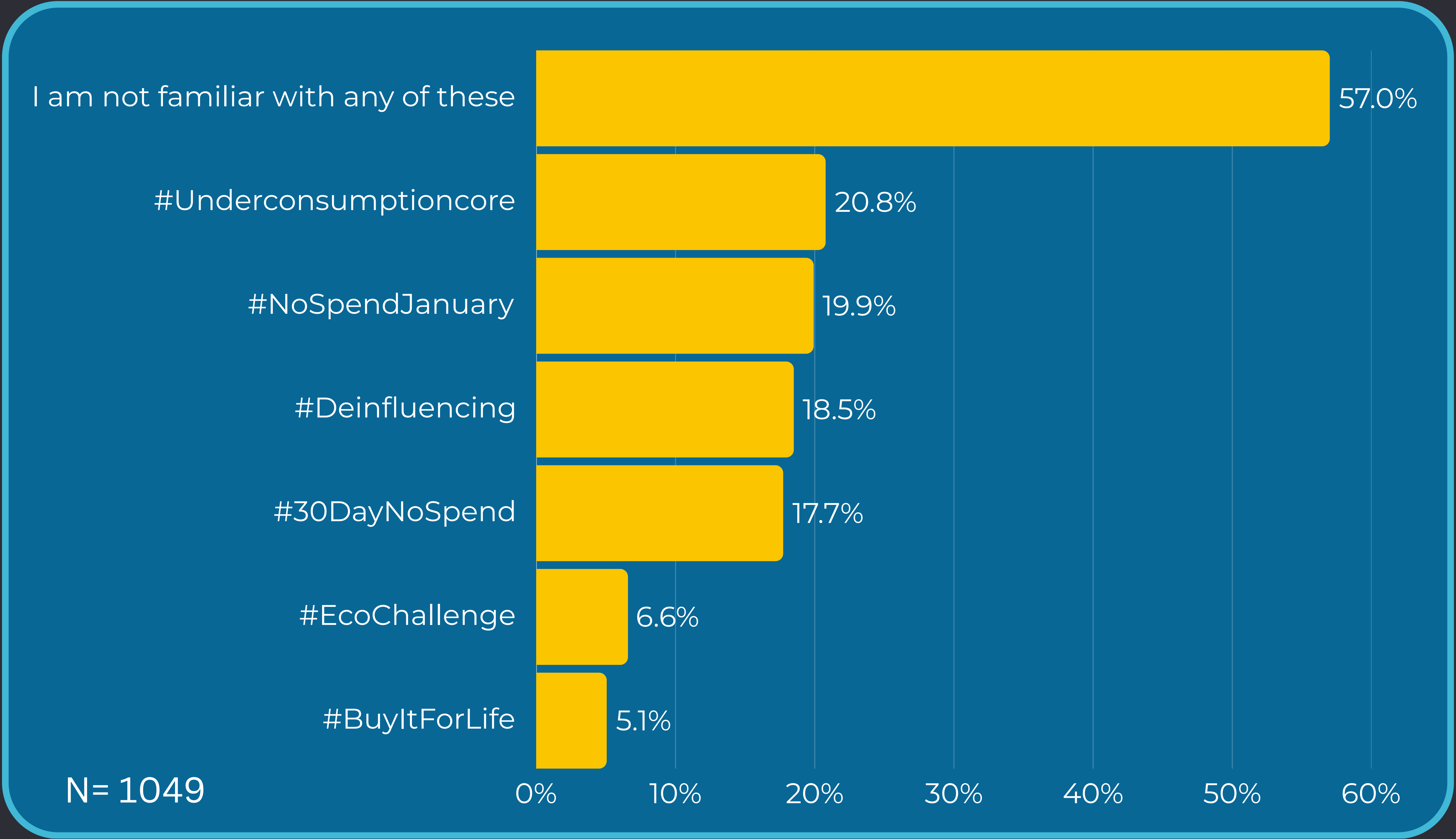
Student spending habits do not align with current Synchrony retailers

Students mainly use thier credit cards for food, groceries and gas as a way to build credit easily therefore a lot of their brand partnerships do not align with their spending habits.
While brands like Amazon do have appeal, many of the other partnerships cater more to older consumers or individuals with different financial priorities. Because of this, there may be a disconnect between Synchrony and Gen Z.

Social Media Spending Trends

ARE STUDENTS FAMILIAR WITH SOCIAL MEDIA SPENDING TRENDS?

Select all that apply



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DO SOCIAL MEDIA SPENDING TRENDS RESONATE WITH GEN Z?

"I THINK IN SOME WAYS IT HAS... BUT I DON'T KNOW IF I NECESSARILY TRUST ALL THE THINGS I SEE ON TIKTOK."

"I THINK IF I WAS YOUNGER, I WOULD HAVE TRUSTED IT, BUT NOW... I DON'T KNOW WHAT'S GOING ON HERE."

WHILE THE MESSAGE RESONATES, MANY GEN Z USERS PREFER TO OBSERVE RATHER THAN ENGAGE

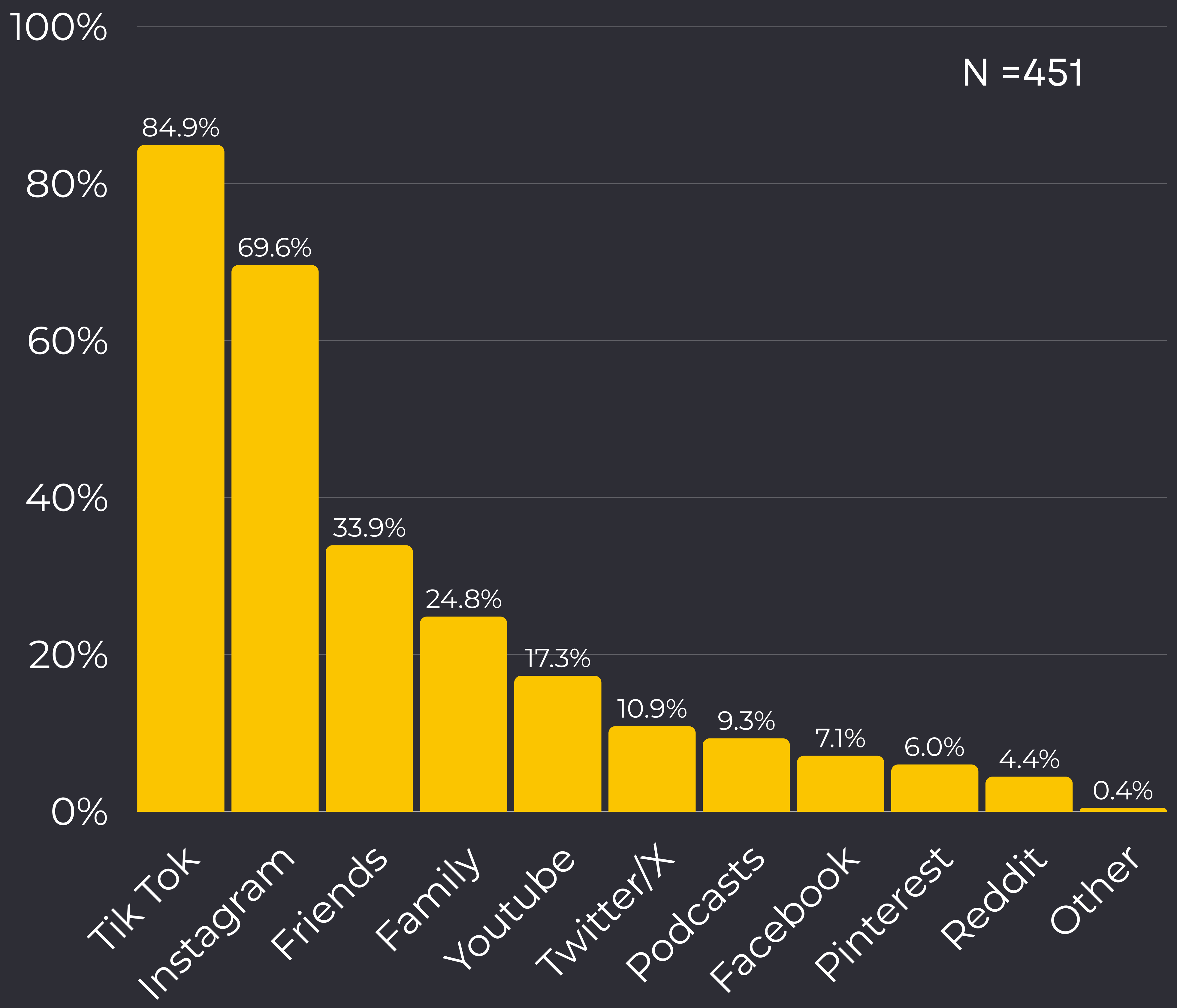
"I SEE STUFF ALL THE TIME, BUT IT KIND OF JUST BECOMES NOISE. LIKE I'M NUMB TO IT."

"IT'S ALWAYS NORMALIZED, SO NOTHING STANDS OUT. BUT THE MAJORITY OF PEOPLE DON'T HAVE WHAT YOU SEE ONLINE."

WHERE DO STUDENTS DISCOVER SOCIAL SPENDING TRENDS?

Select all that apply

Gen Z resonates most with short-form content.



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HOW DOES SOCIAL MEDIA AFFECT ENGAGEMENT WITH SPENDING TRENDS?

"My for-you page like shifted in the past two months. Before all of my videos were unboxing PR packages hauls, but now, like a lot of it is "Project Pan", and finishing all of your products before you buy new. And I think it's because I made that switch myself."

"My Instagram reels page is all unboxing and product reviews. Once I deleted Tik Tok, I noticed that I spent less. So I think that is a sign for our generation in that social media fuels consumption."

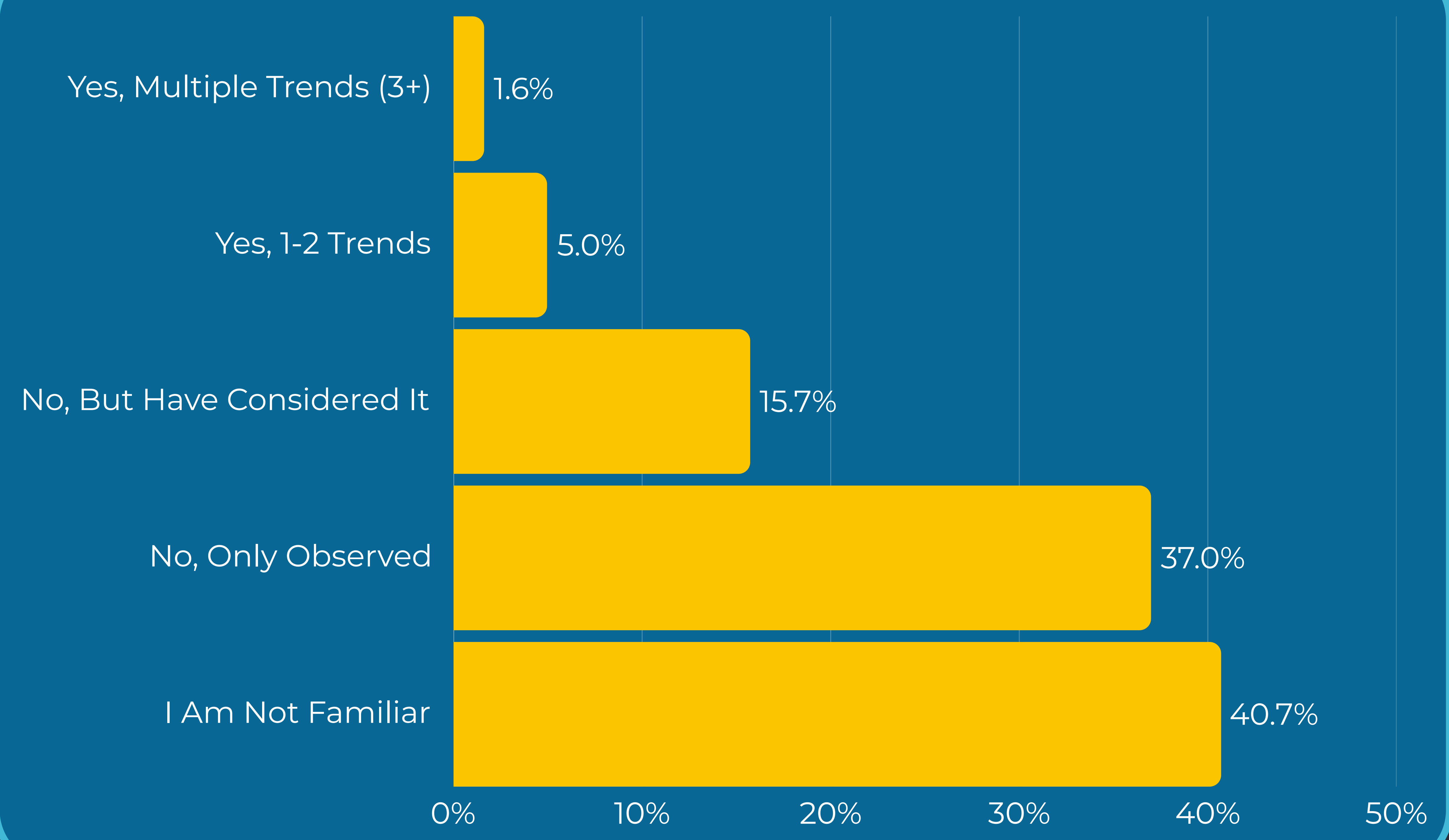
SOCIAL MEDIA CAN BE ENAGAGING AND INFLUENCE CONSUMPTION, BUT SOMETIMES HAS THE OPPOSITE EFFECT.

DO STUDENTS ENGAGE WITH SOCIAL MEDIA SPENDING TRENDS?

"After Christmas I was tired of spending money, so I guess participated in #NoSpend January."

"I have organized my for-you pages being heavy consumption-based because I love watching unboxing videos."

N =1,049



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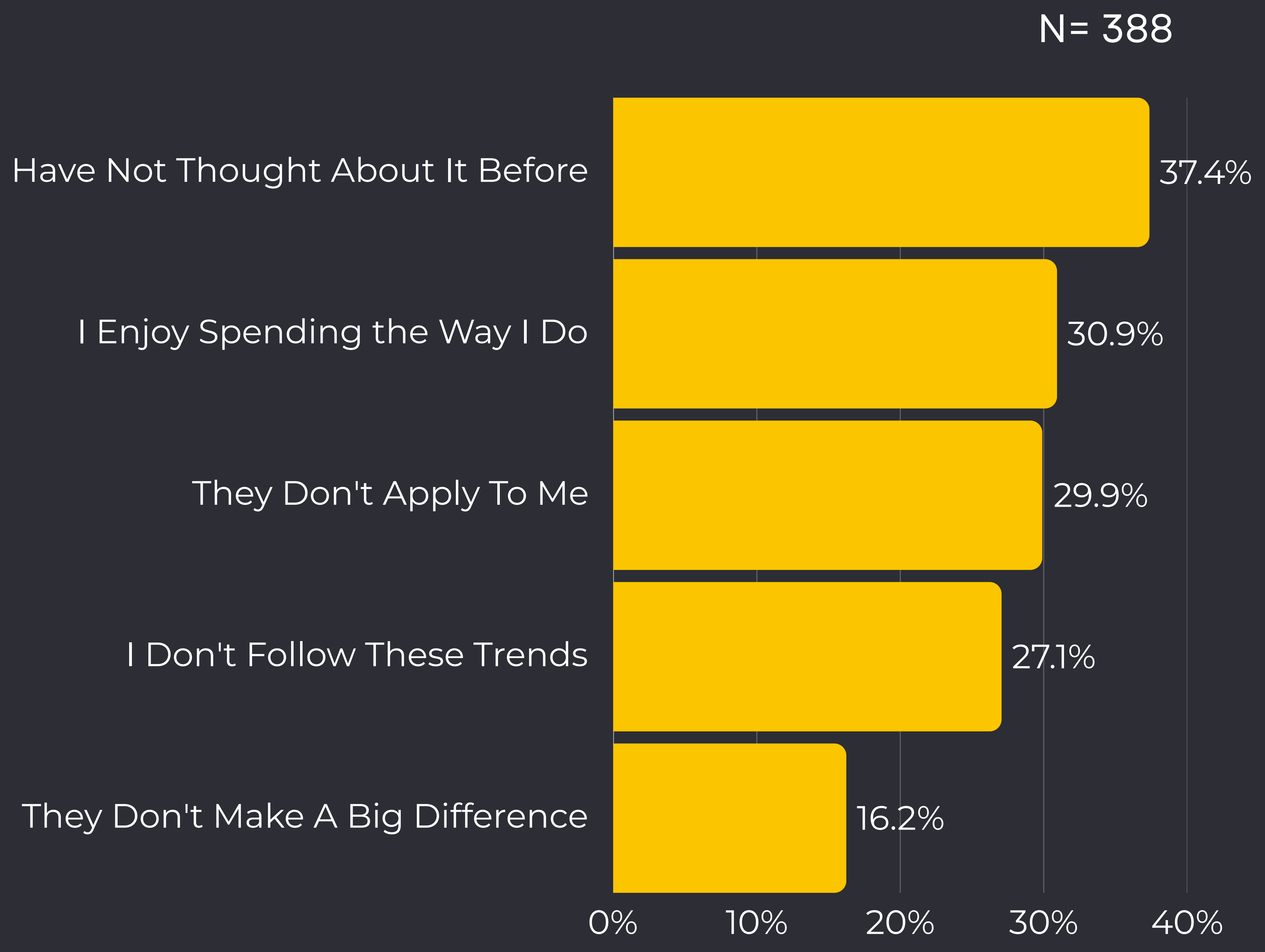
WHY WOULD A STUDENT NOT PARTICIPATE IN THESE TRENDS?

"It's a cool idea, but I feel like it's unrealistic for students. Like, you still need to buy stuff." I tried #nospendjanuary, but it just made me more aware of how often I swipe my card without thinking."

Select all that apply



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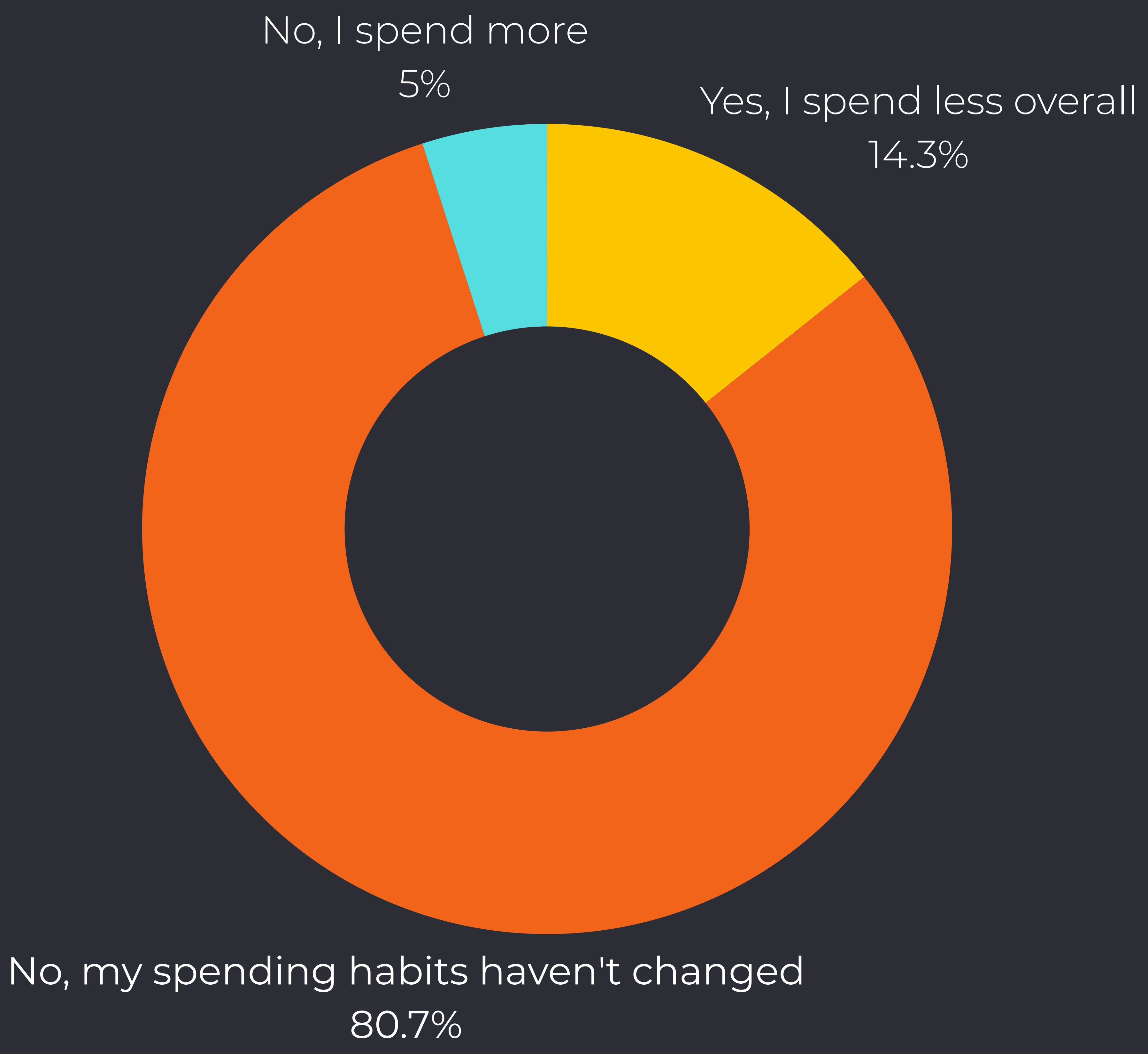
DO SOCIAL MEDIA SPENDING TRENDS INFLUENCE SPENDING BEHAVIORS?

"I might see it in a video, but I don't typically think about participating in it myself."



N= 622

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HOW DOES SOCIAL MEDIA AFFECT ENGAGEMENT WITH SPENDING TRENDS?

"Seeing the videos of the hauls or this or that, and you're, like, oh, I see myself in that, or I like that, it makes you want to buy it. Before social media and those trends, you personally had to do the research for it."

"You see what everybody else is wearing and you start to think oh, I need that. It just causes everybody to want to spend more money to outdo each other."

GEN Z OFTEN MIMICS THE CONSUMPTION BEHAVIORS THEY SEE ONLINE

SOCIAL MEDIA SPENDING TRENDS SUMMARY

Mixed exposure between overconsumption and underconsumption content

While some students are familiar with underconsumption spending trends, others mentioned seeing overconsumption content more frequently. This means that while some are aware of underconsumption trends, the content students are most frequently exposed to tend to promote excessive or aspirational spending. Most students reporting having feeds not related to underconsumption while few mentioned deliberately...

Students are generally not influenced by social media spending trends but resonate with the sentiment

Many students noted that overconsumption content was more influential and tempting while underconsumption trends were sometimes seen as “unrealistic” for college students. Although they are exposed to underconsumption messaging, it rarely impacts their actual spending behaviors. Unless a student deeply resonates with the value of underconsumption, they are less likely to experience influence from underconsumption trends.

Key Insights & Recommend-ations

ALIGN MESSAGING WITH FIRST-TIME CREDIT CARD OWNERS

Many college students are first-time credit card users, often influenced by their parents or seeking to build credit early.

- Emphasizes ease of use, education, and responsibility for first-time users.
- Highlight tools that help users track spending, automate payments, and understanding terms like interest rates and reward programs — areas where Gen-Z reported lower confidence.
- Showcases testimonials or influencer content around benefits of credit cards “I got my first card at 18 to start building credit” or “I use it mostly for groceries and to earn rewards.”

INTRODUCE A "COLLEGE CARD" INTEGRATED WITH TARGETED STORE PARTNERSHIPS

Synchrony can mirror the "Synchrony Home" card by creating a student-focused credit card tailored to Gen Z needs:

- Allow purchases at stores frequented by students: Amazon, Target, grocery stores, and select campus retail partners.
- Include incentives like cashback rewards and exclusive student discounts
- Position it as a starter card, ideal for daily essentials like food, gas, etc. which are the top spending categories for students.

AUTHENTICITY AND REALISM ARE KEY WHEN COMMUNICATING WITH GEN Z

Gen Z understands and relates to the sentiment behind social media spending trends—but often chooses not to engage with them.

- These trends feel unrealistic and disconnected from the financial reality of college students.
- The amount/noise of social trends doesn't always lead to action

"Never Spend" messaging - #NoSpendJanuary, #30DayNoSpend will mostly likely be not effective. Content showing real students managing everyday spending smartly may resonate more than idealized trends. Overall, highlighting the need for relatable and realistic financial messaging.

"It's a cool idea, but I feel it's **unrealistic** for students. You still need to buy stuff."

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Spring 2025

Appendices

DEMOGRAPHICS

Average Age: 20.5
Age Range: 18-24

Upperclassmen: 70.3%
Underclassmen: 28.6%
Graduate: 1.1%

Male: 51.1% | Female: 48.2%
Non Binary: 0.6%

N= 1049

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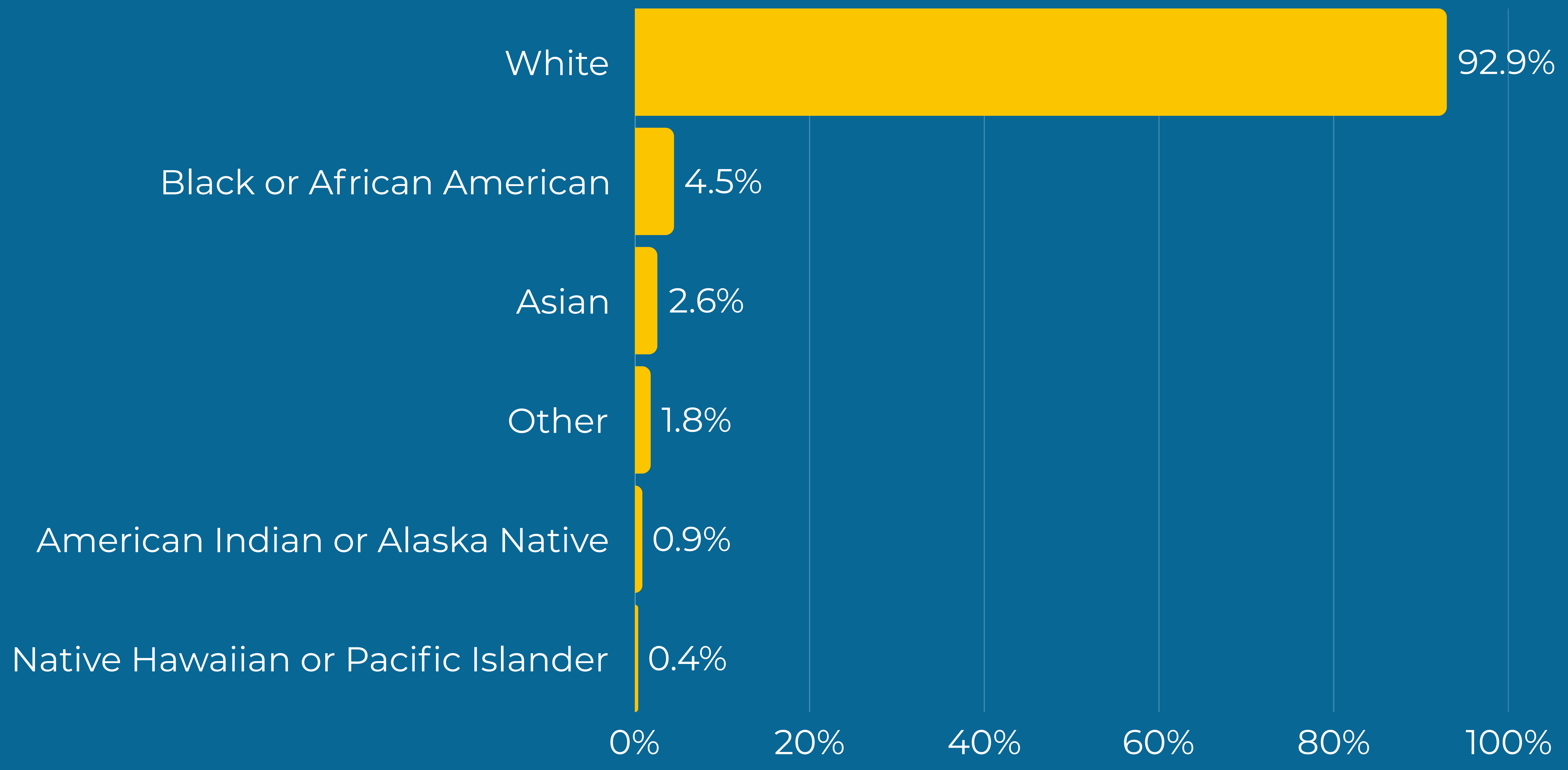
DEMOGRAPHICS



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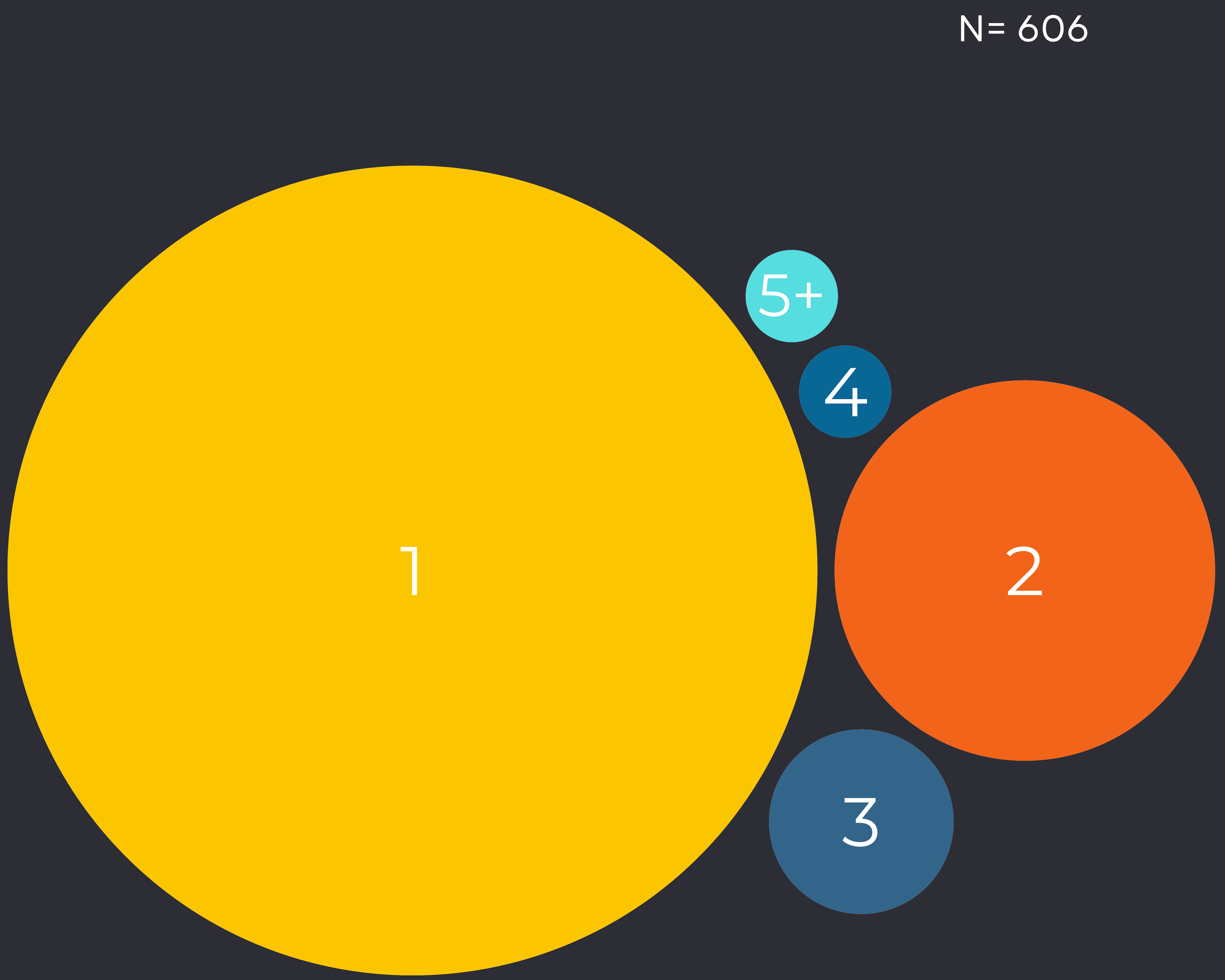
HOW MANY CREDIT CARDS DO STUDENTS HAVE?



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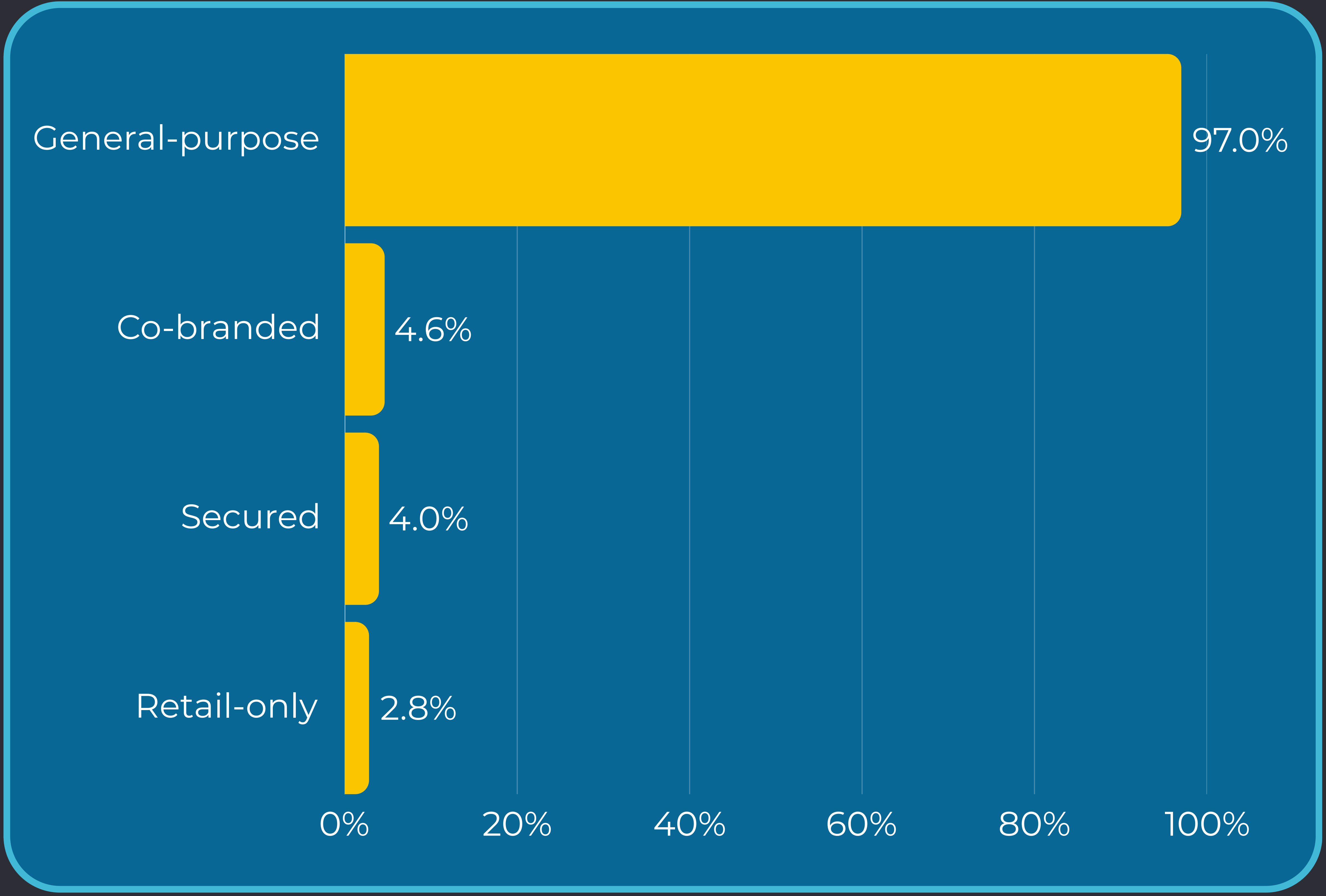
TYPES OF CREDIT CARDS OWNED



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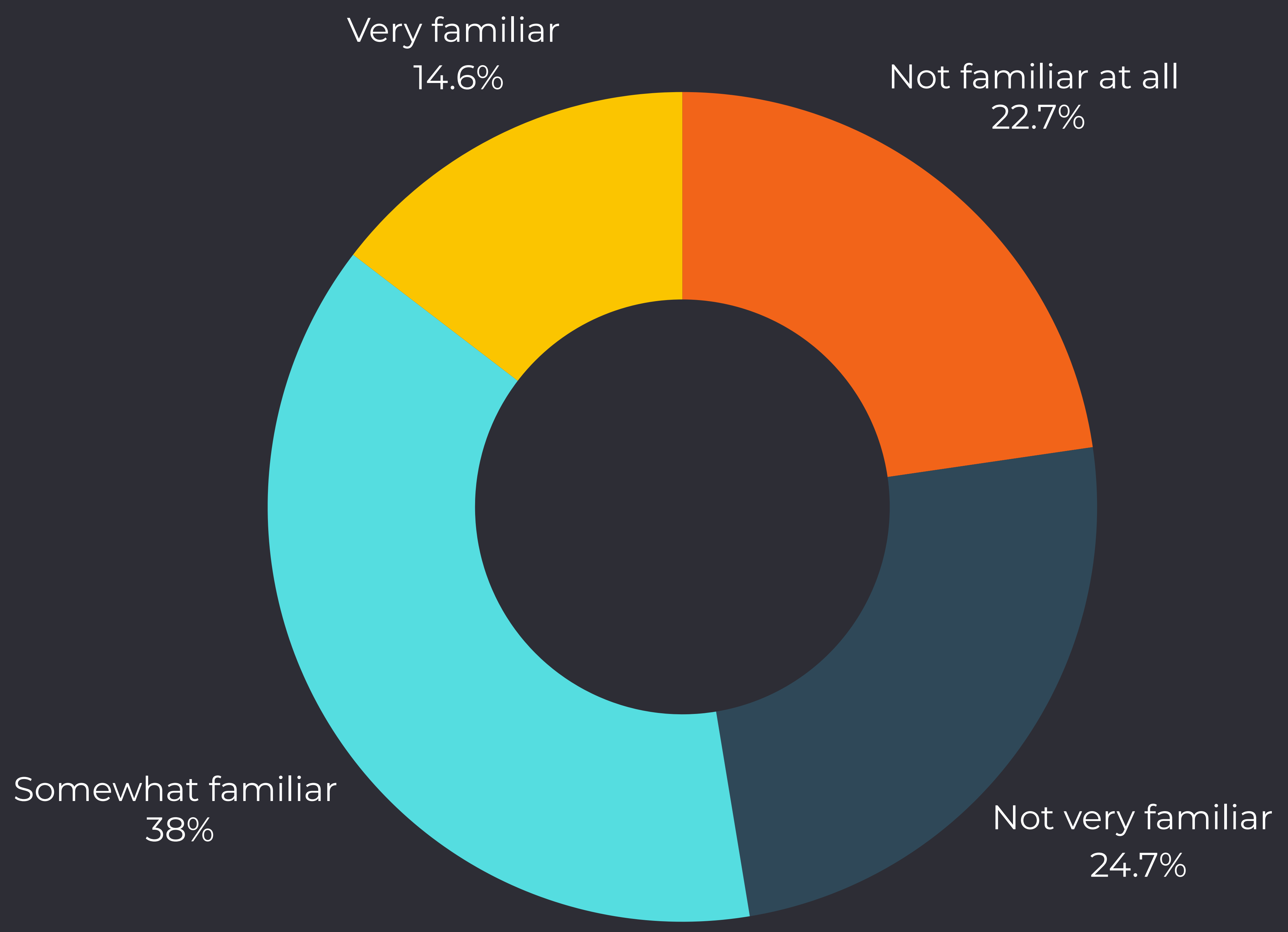
HOW FAMILIAR ARE STUDENTS WITH BUY NOW, PAY LATER SERVICES?



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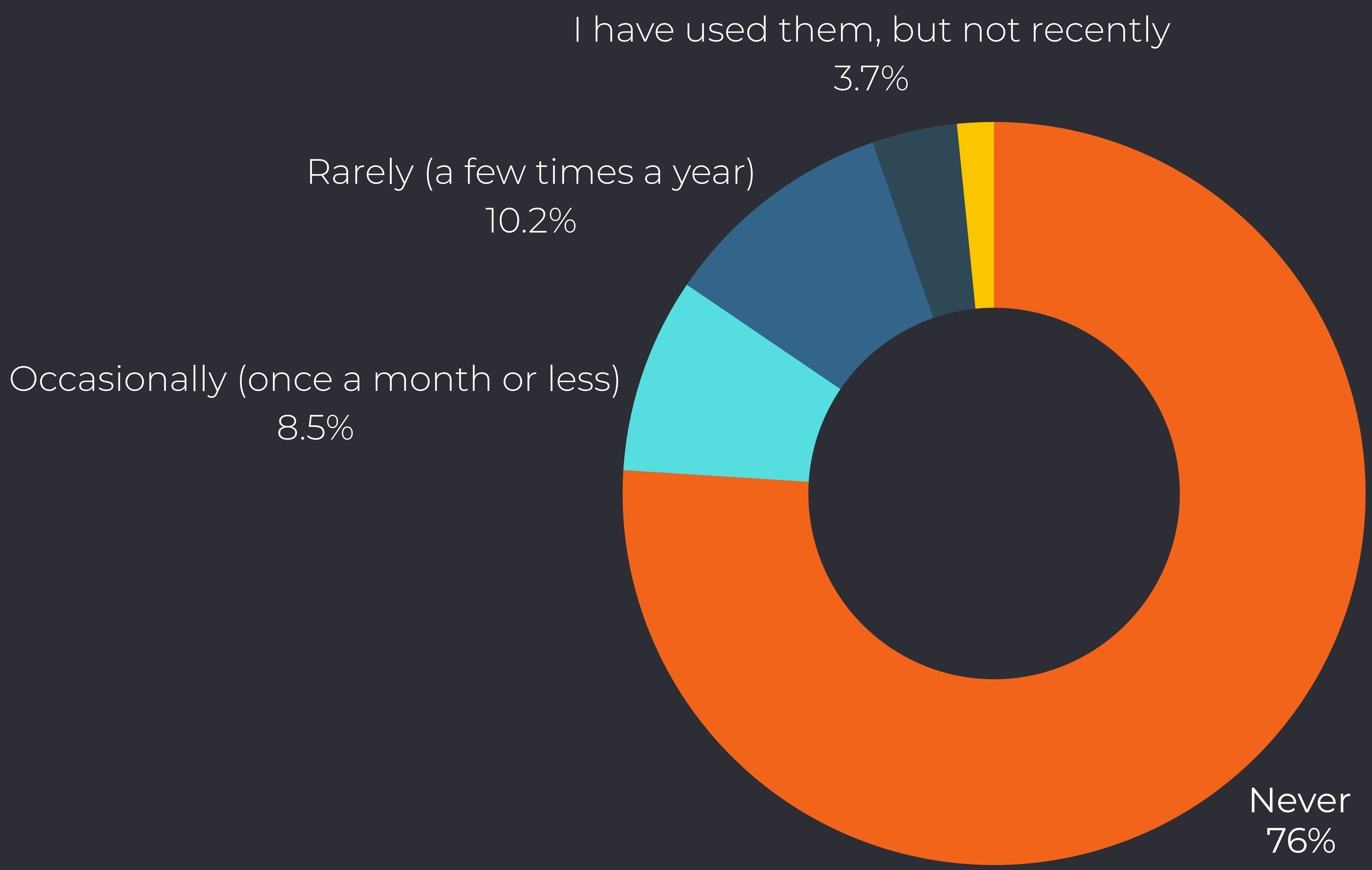
HOW OFTEN DO STUDENTS USE BUY NOW, PAY LATER SERVICES?

"I personally never use Afterpay. I think that would get me into a deep hole..."



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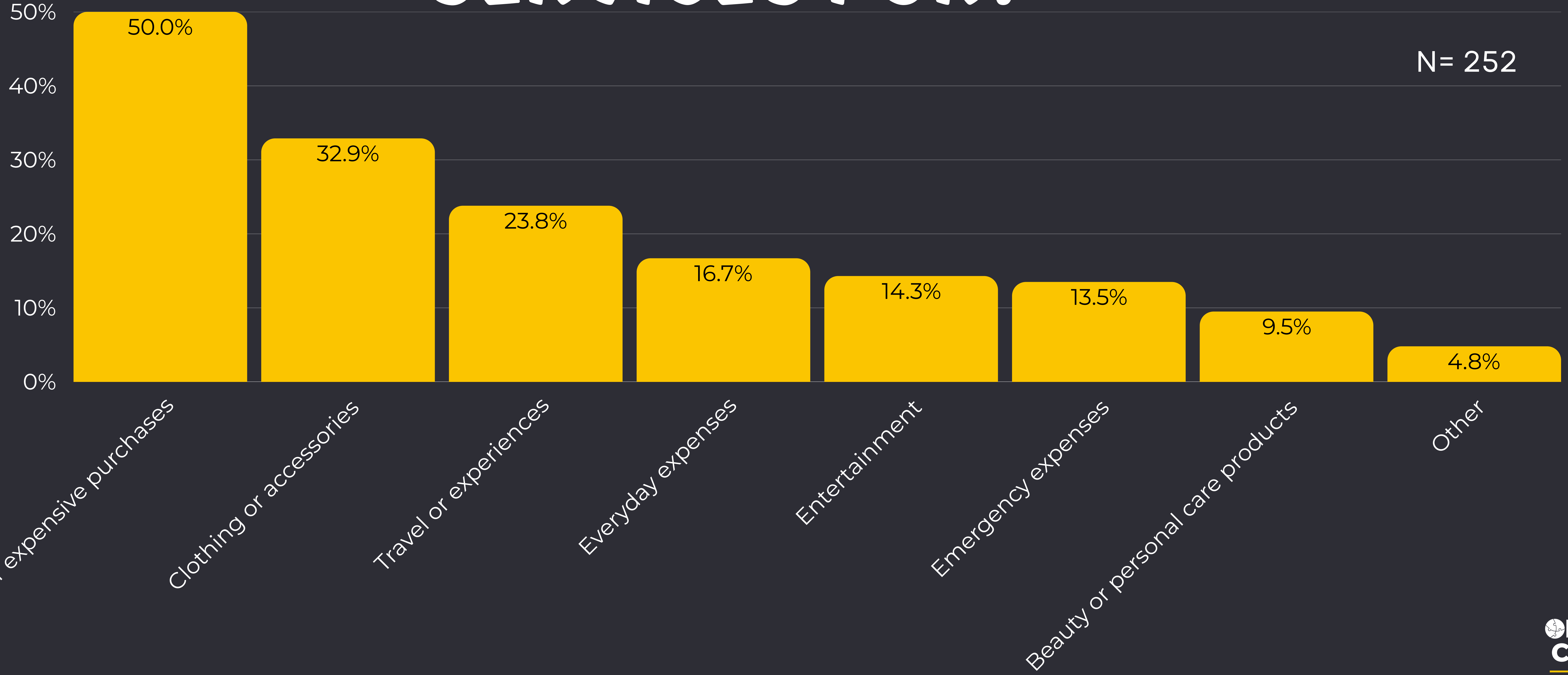
WHAT TYPE OF PURCHASES DO STUDENTS TYPICALLY USE BUY NOW, PAY LATER SERVICES FOR?



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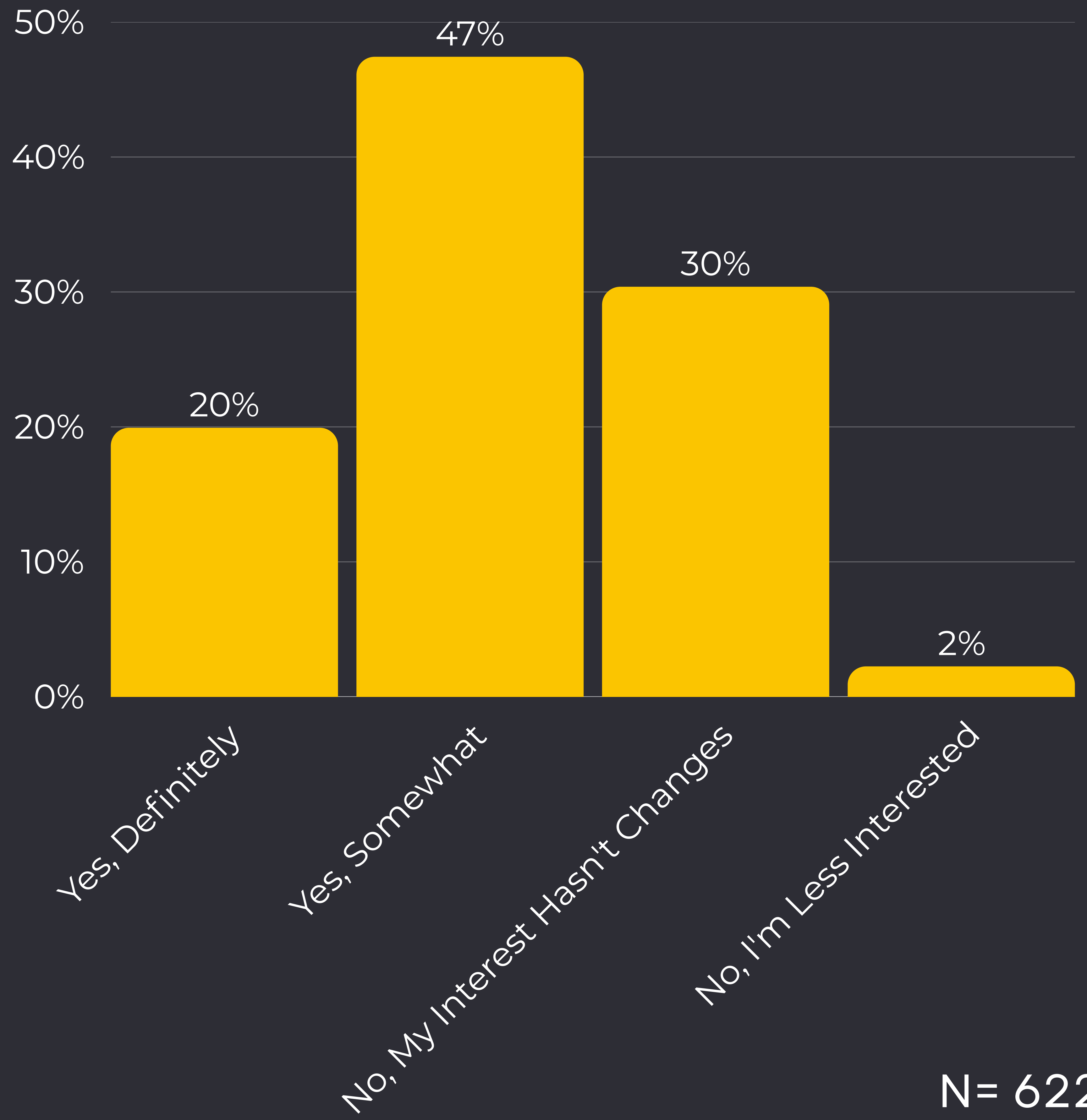
DOES SOCIAL MEDIA INFLUENCE INTEREST IN FINANCIAL EDUCATION?

"I was never taught to invest or save for retirement until my first job. Now I try to educate myself."



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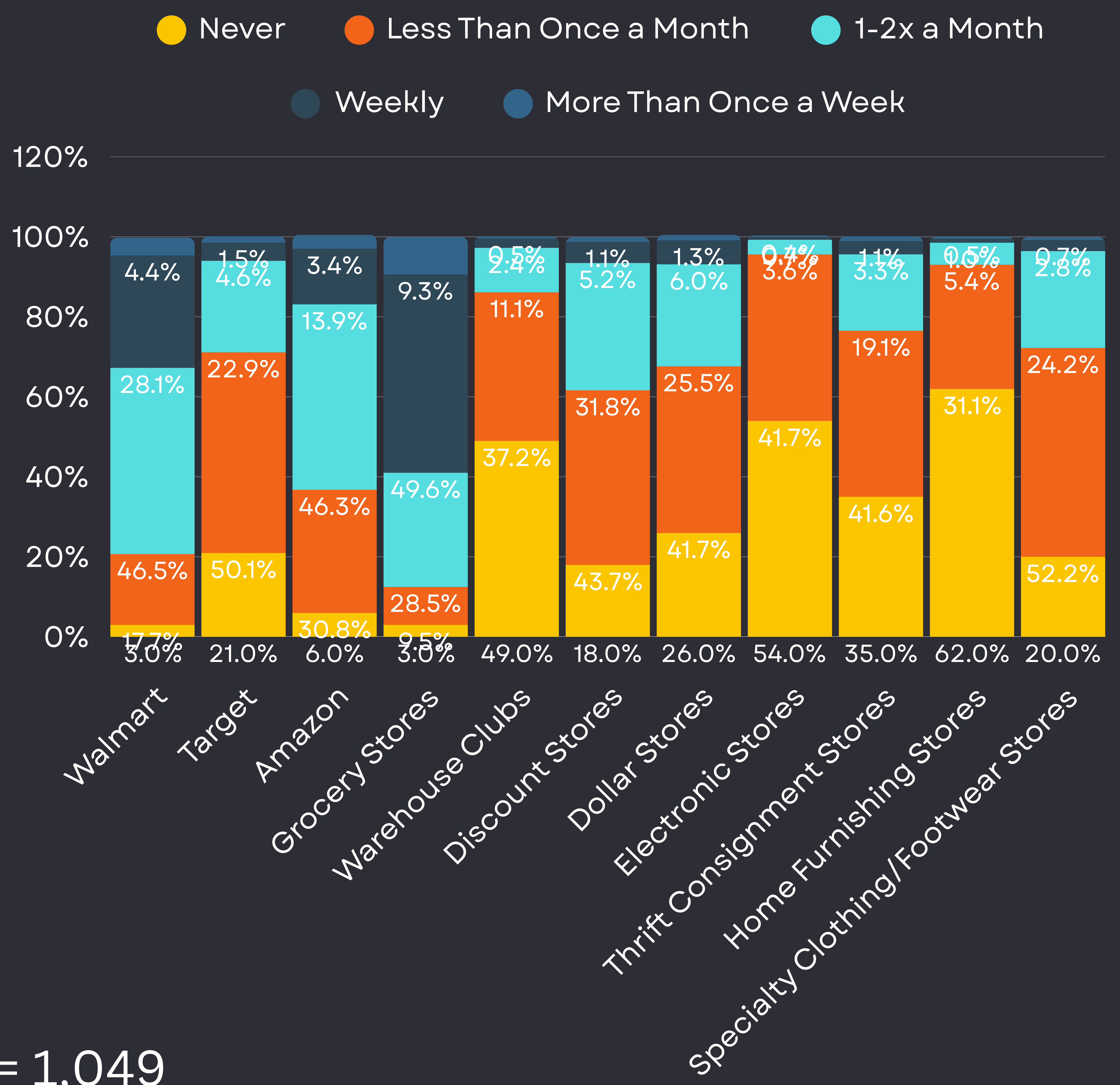
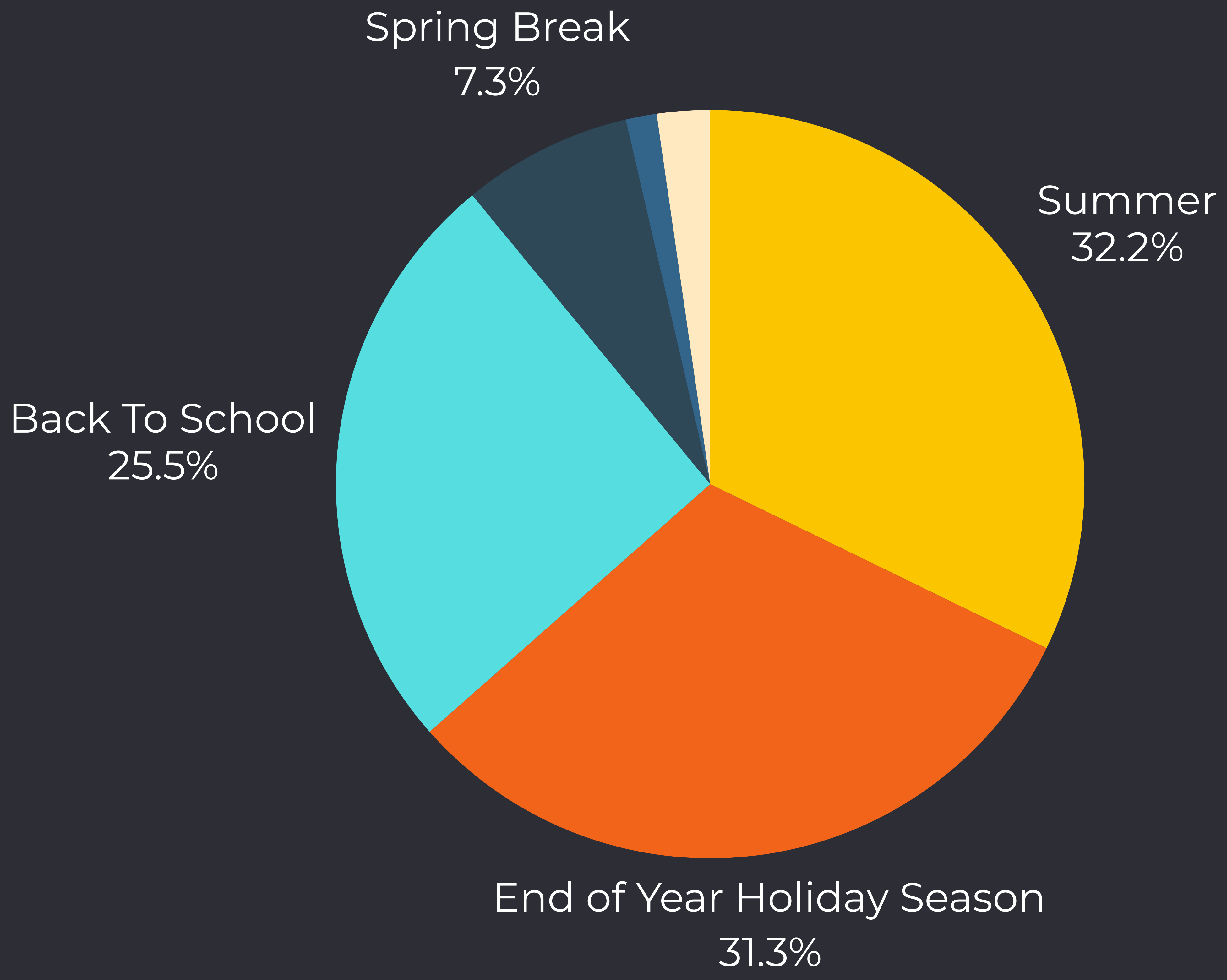
IN THE LAST 6 MONTHS, HOW FREQUENTLY HAVE YOU SHOPPED AT THESE RETAILERS?



N = 1,049

WHAT TIME OF YEAR DO STUDENTS SPEND THE MOST?



N= 1,049

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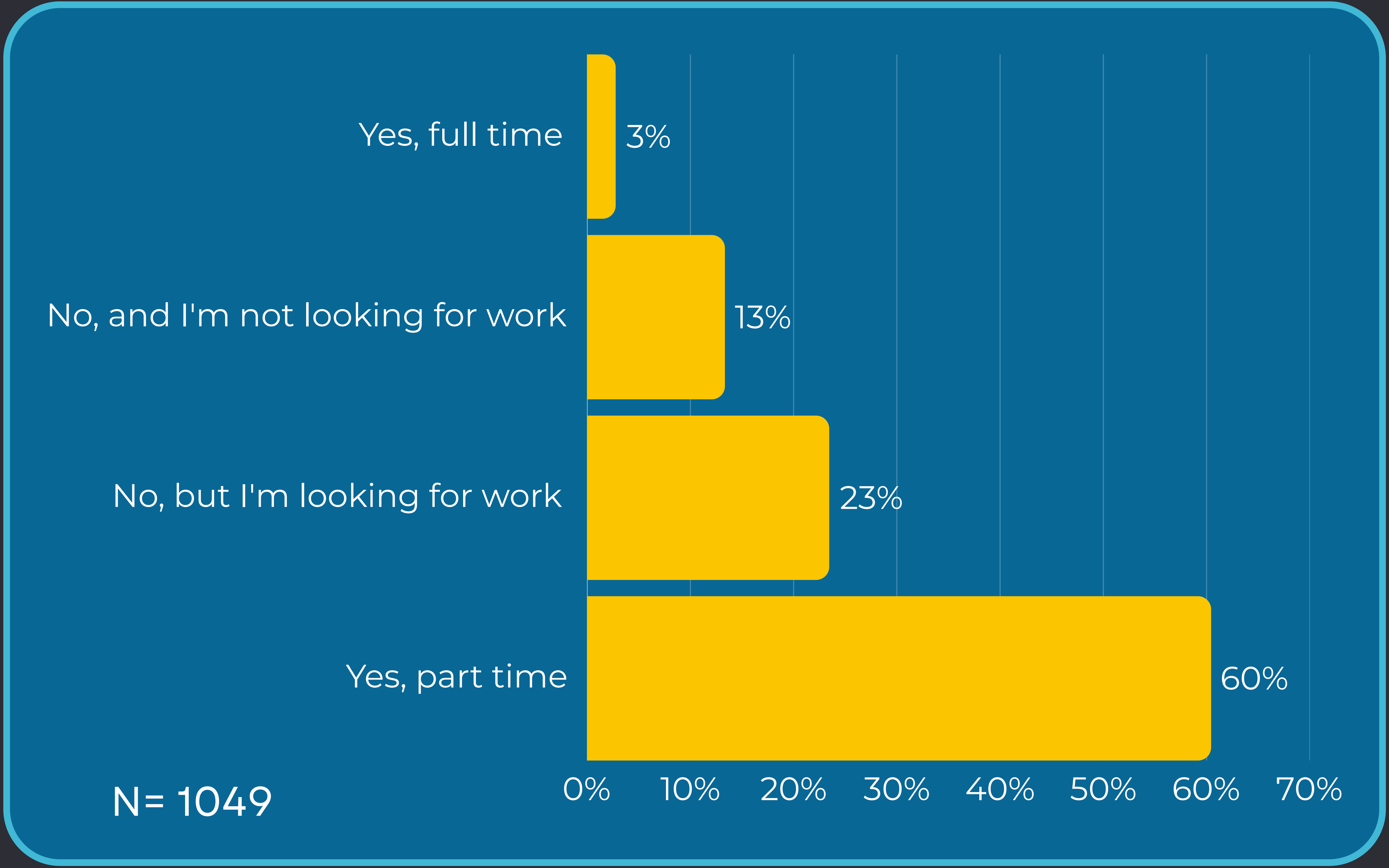
ARE STUDENTS CURRENTLY EMPLOYED?



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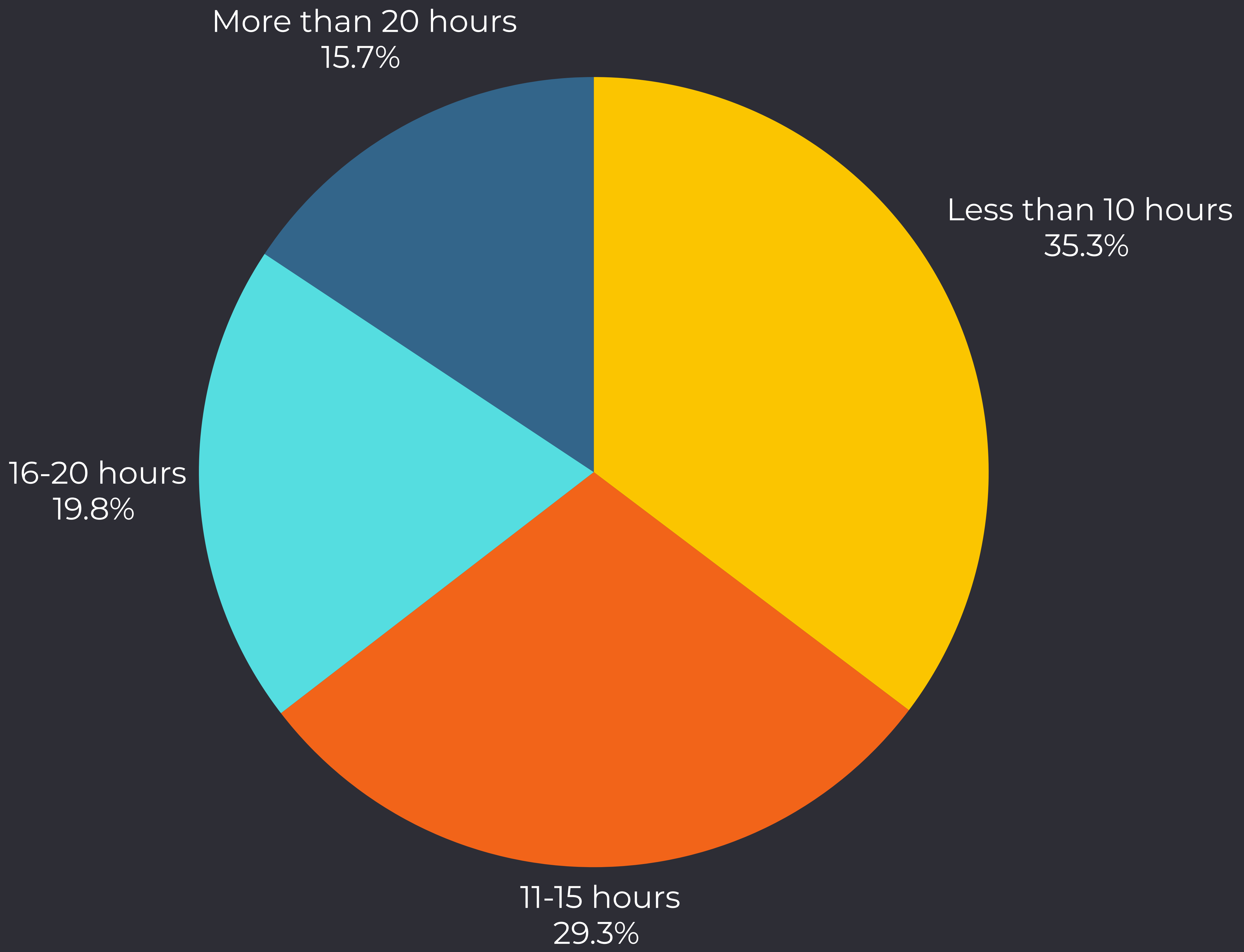
HOW MANY HOURS A WEEK DO STUDENTS WORK?



N= 663

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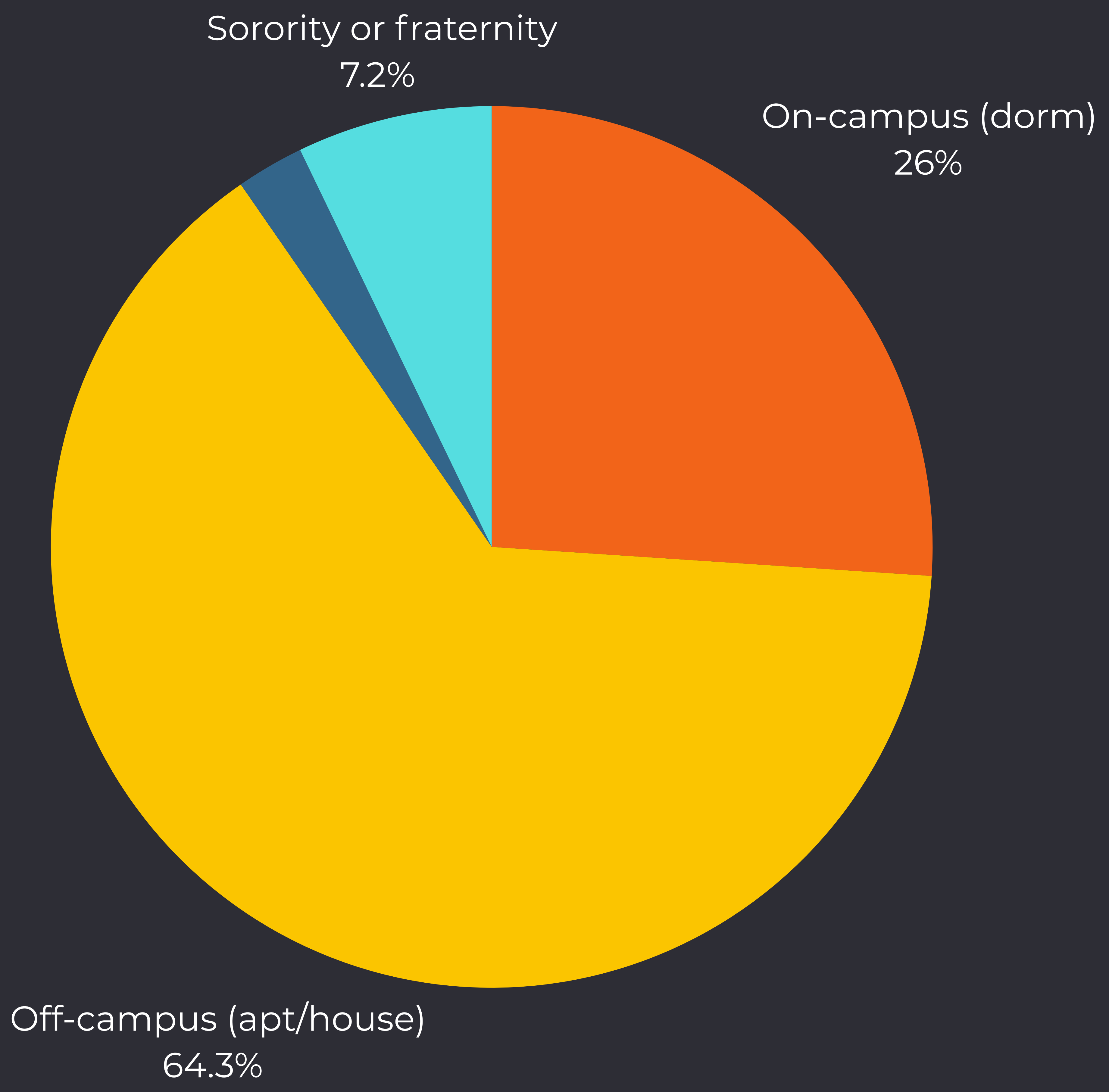
WHAT IS THE CURRENT LIVING SITUATION OF STUDENTS?



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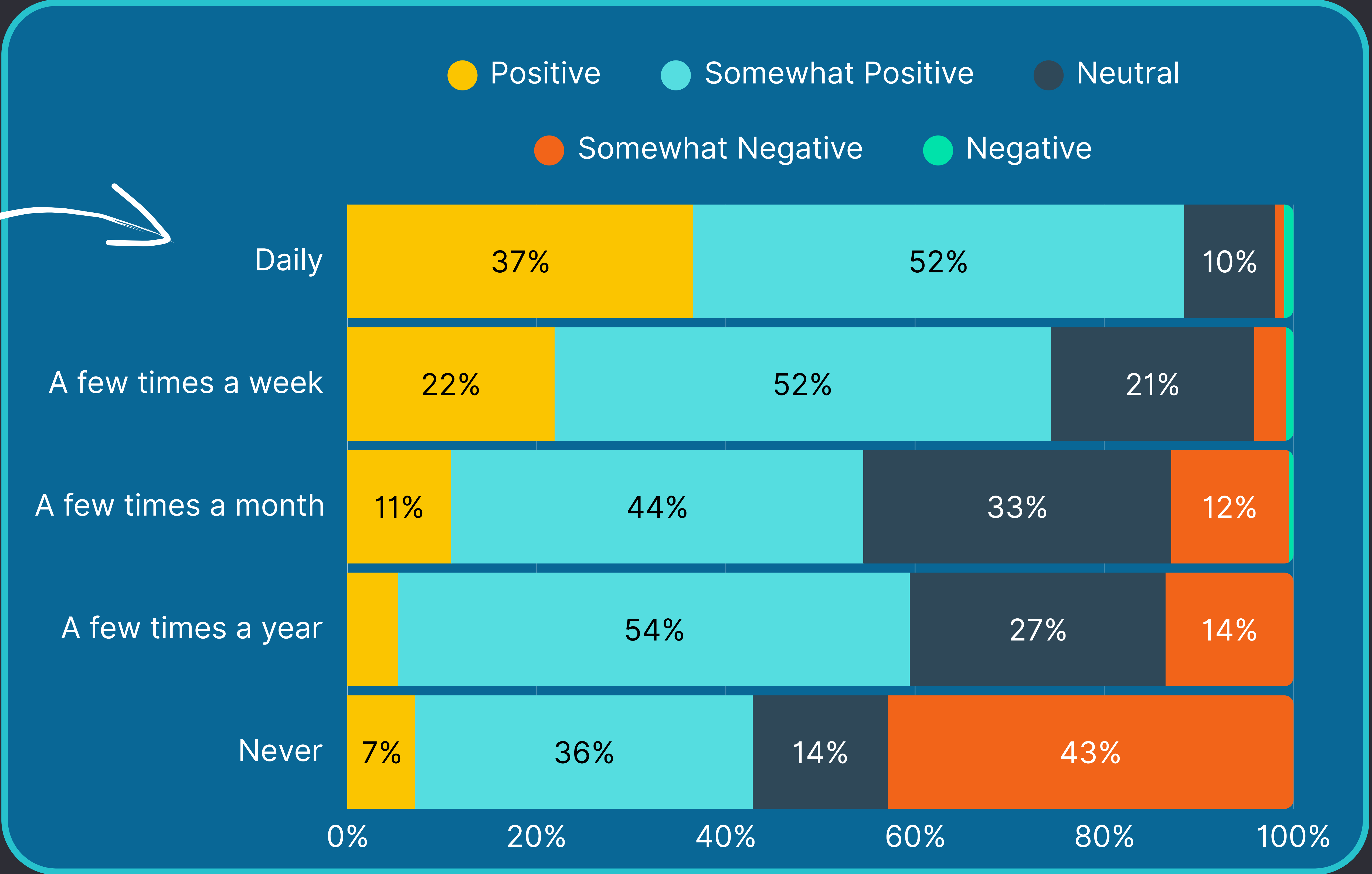
PERCEPTION OF CREDIT CARDS BY FREQUENCY OF USAGE

N= 606



Respondents who use their credit cards daily tend to have a more favorable perception compared to those who never or rarely use them.

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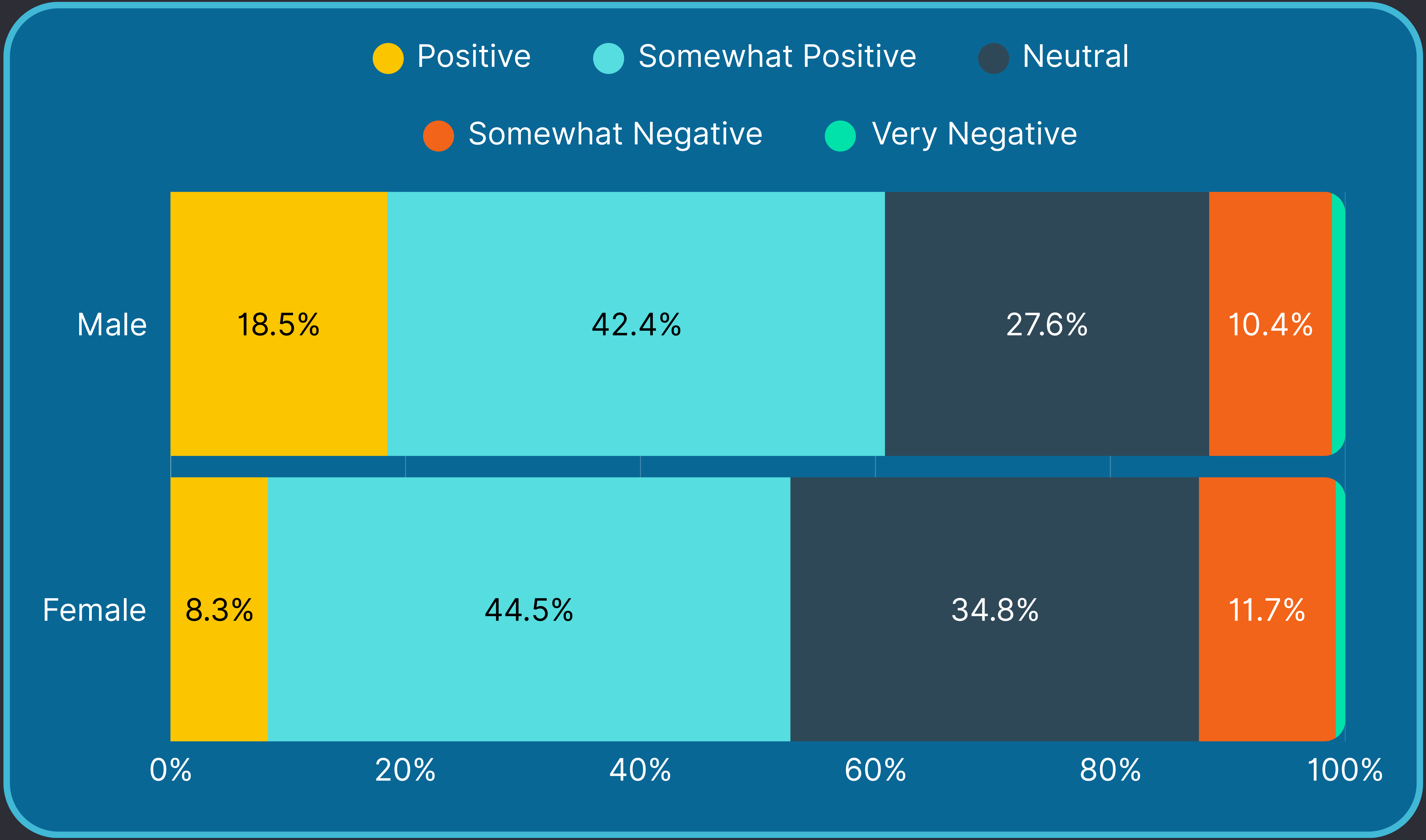
PERCEPTION OF CREDIT CARDS BY GENDER

N= 1042



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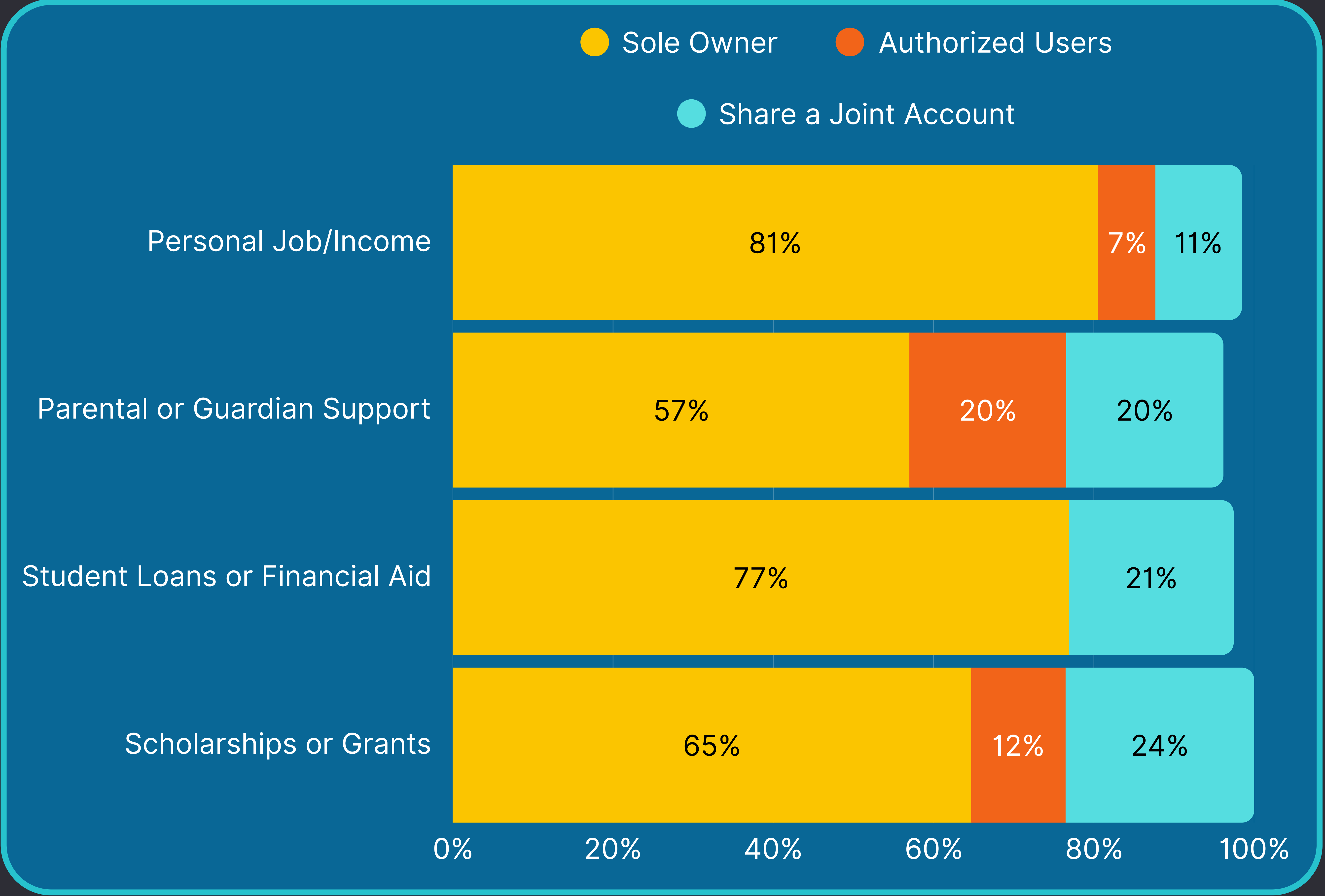
OWNERSHIP LEVEL BY SOURCE OF INCOME

N= 589



Among students that own credit cards, those who rely on parental or guardian support are less likely to be sole owners of a credit card

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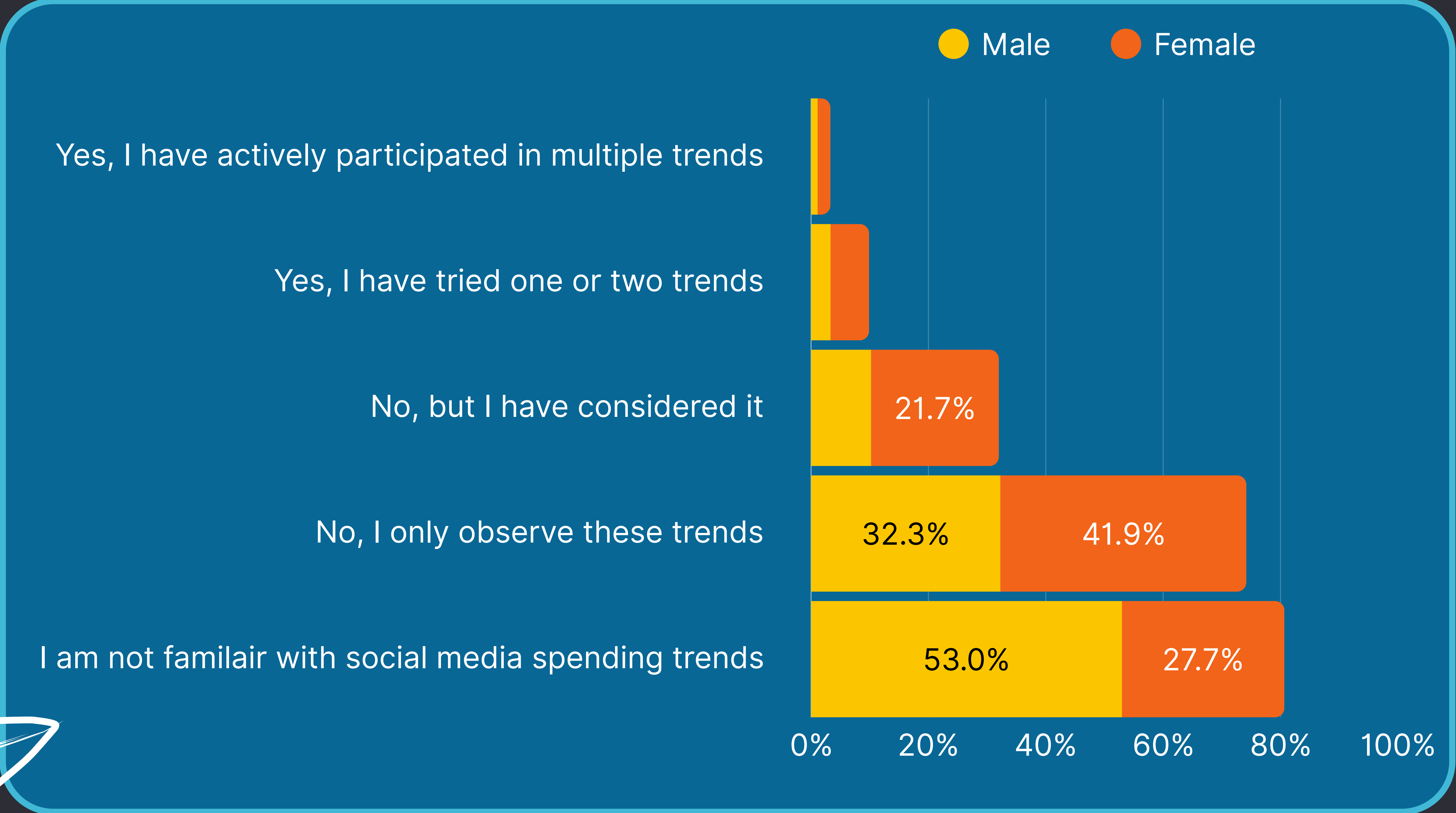
ENGAGEMENT WITH SPENDING TRENDS BY GENDER

N= 1042

Around half of the male respondents are not familiar with social media spending trends



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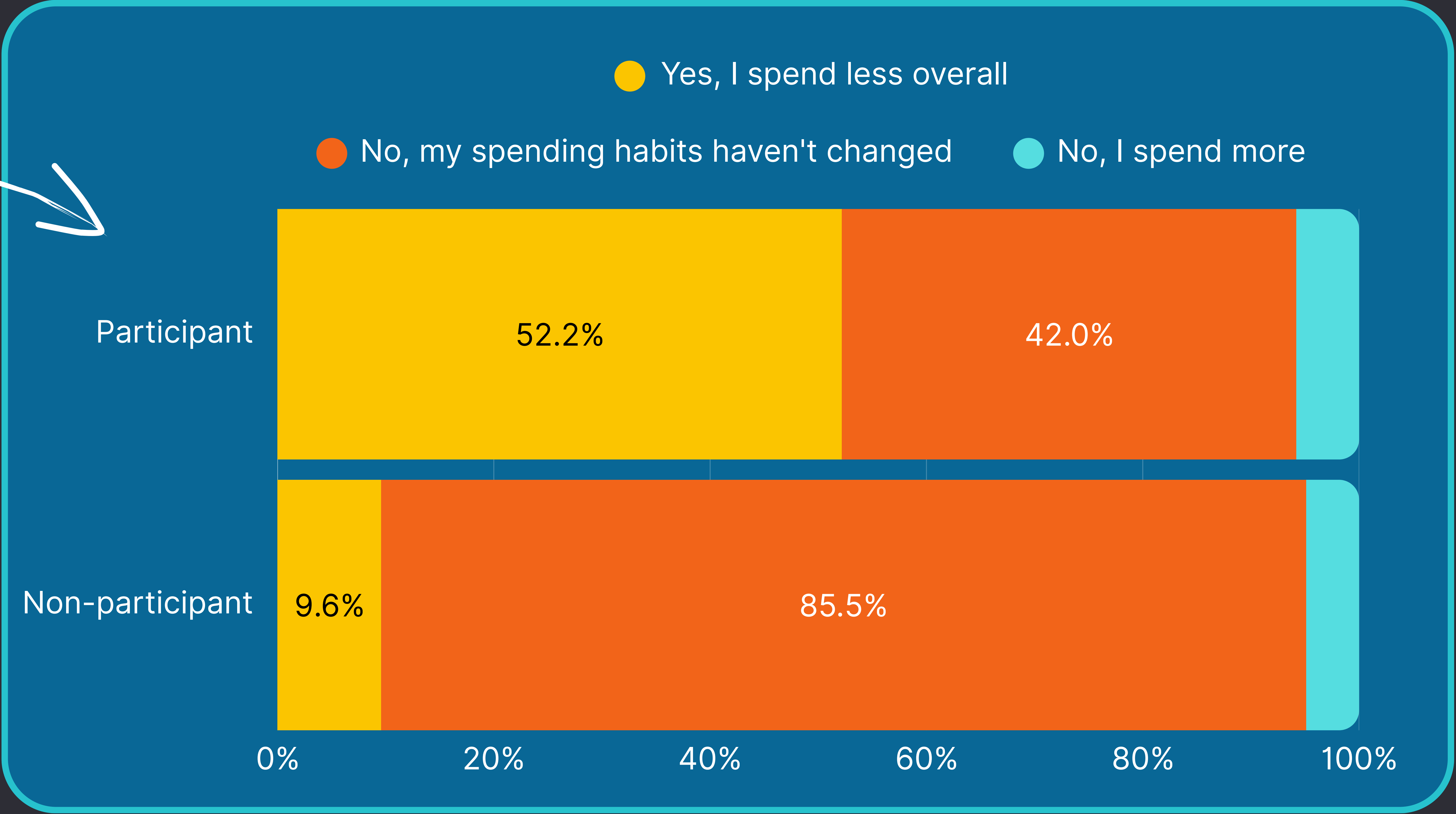
INFLUENCE OF PURCHASING HABITS BY PARTICIPATION IN SPENDING TRENDS

Among respondents who are familiar with spending trends, only about 52% (N=) of those who have participated in spending trends are more likely engage in conscious spending behaviors



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