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Fiserv Gen Y Research Reveals Fiscal Responsibility and Digital, Mobile Mindsets

BROOKFIELD, Wis.--(BUSINESS WIRE)-- [Fiserv, Inc.](#) (NASDAQ: FISV), the leading global provider of financial services technology solutions, today unveiled research showing that members of Gen Y are frequent users of online and mobile financial services, are more likely to have debit cards and savings accounts than any other generation, and rely heavily on other people and online information when making financial product decisions. The Fiserv commissioned survey, conducted by [Accelerant Research](#) in 2009, was supplemented by ethnographic research, consisting of one-on-one consumer interviews, to better understand the consumer sentiment behind the survey findings.

"It is clear that Gen Y is actively seeking new accounts as their financial needs evolve," said Geoff Knapp, vice president, Online Banking and [Consumer Insights](#), Fiserv. "This is a formative period for financial institutions to establish strong relationships with Gen Y, and the survey reinforces how important it is for institutions to deliver accessible banking services that will satisfy these consumers' comprehensive needs."

Fulfilling Gen Y's Needs in the Online and Mobile Channels

According to the survey, Gen Y consumers, those between 21 and 29 years of age, have sought the largest number of banking services within the past year. Thirty-six percent of Gen Y opened a debit card, savings or primary checking account, ten percent higher than any other generation.

Gen Y is more likely to sign up for and use new accounts and services online, versus at physical branches. According to the survey:

- Forty eight percent of Gen Y with a credit card signed up for the card online, and 36 percent of those with personal loans applied for the loan online.
- Eighty percent of Gen Y has used online banking within the past month, a higher percentage than any other generation.

These findings are consistent with the ethnographic consumer interviews conducted by Fiserv, in which members of Gen Y indicated a propensity to visit multiple websites to gather information and accomplish tasks, such as signing up for financial accounts.

During the ethnographic interviews, members of Gen Y indicated that they do not keep file cabinets full of financial records and bill statements; instead, they prefer organizing their finances electronically. They also had a preference for receiving e-bills and e-statements

instead of the traditional paper formats, reflecting their high degree of comfort with Internet-based services as compared to previous generations, as well as their sense of environmental responsibility.

Many young consumers are extending electronic financial activities from their computer to their mobile phones. Gen Y is more willing to use their cell phones for financial management than other generations:

- One-third of Gen Y has conducted mobile banking activities in the last month, compared to only 11 percent of baby boomers.
- Forty-three percent of Gen Y plan to perform mobile banking activities in the next year.
- The most common financial activity Gen Y plans to conduct on their cell phone is checking account balances (32 percent). Additionally, 15 percent plan to receive and pay bills via their mobile device, representing more than 1.5 million Gen Y households.

Gen Y and Fiscal Responsibility

Members of Gen Y conduct a larger number of monthly debit card transactions (14.1) than the average household (10.6), but a lower volume of monthly credit card transactions (5.3) than the average household (6.6). According to the Fiserv ethnographic interviews, debit cards are Gen Y consumers' primary method of paying for day-to-day expenses. This potentially reflects a trend toward fiscal responsibility among young adults, as many had never been in debt and expressed an emphatic desire to avoid future debt. Others cited negative experiences managing credit card debt, leading to a desire to minimize card use.

The high number of Gen Y consumers with savings accounts could also indicate a proclivity for responsible financial management. Seventy five percent of the surveyed Gen Y consumers have a savings account, five percent higher than any other generation.

Several of the consumers interviewed by Fiserv expressed the sentiment that, "if you don't have the money to pay for something, you shouldn't buy it." Gen Y consumers are selective when making big ticket purchases, and spend a lot of time researching products on the Internet. Many said they were more interested in having fun experiences with friends than having a lot of material possessions.

Recognizing the Social Proclivities of Gen Y

As Gen Y members make decisions about financial products, they rely heavily on others to help inform their selections. They are most influenced by friends and family, with 68 percent indicating friends and family play a role in their financial decisions. One in four rely on bank Web sites for information, and 11 percent look to online communities for help, indicating a growing importance for financial institutions to maintain and grow online communications.

The Fiserv survey represents a helpful blueprint for financial institutions to strengthen their relationship with Gen Y consumers. Currently, less than half of Gen Y households are definitely satisfied or completely trust their primary financial institution. However, Gen Y recommends their primary financial institutions significantly more often than older generations, so elevating their satisfaction rates can amplify referrals made within social networks.

The Accelerant survey of 3,271 Internet-connected households was conducted in July 2009. Responses were categorized by generation: Gen Y (age 21 to 29), Gen X (age 30 to 44), Baby Boomers (age 45 to 64) and Seniors (age 65 and up.) Ethnographic interviews were conducted by Fiserv throughout 2009.

About Fiserv

Fiserv, Inc. (NASDAQ: FISV) is the leading global provider of information management and electronic commerce systems for the financial services industry, driving innovation that transforms experiences for financial institutions and their customers. Ranked No. 1 on the FinTech 100 survey of top technology partners to the financial services industry, Fiserv celebrated its 25th year in 2009. For more information, visit www.fiserv.com.

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Source: Fiserv, Inc.