

Nearly 75% of Baby Boomers Will Use Split Payments for Holiday Gifts

Gen Z Least Likely to Use Pay Later for Gifts This Year, According to a New Study of 5,000 Consumers from Splitit and PYMNTS

ATLANTA, Nov. 26, 2024 /PRNewswire/ -- Baby boomers are the most likely generation to use pay-later options to purchase holiday gifts this year, with nearly three-quarters (73%) planning to use them to split payments over time, followed by 68% of Gen Xers and 65% of millennials. Although they are famously budget-conscious, Gen Zers are the least likely generation to use pay later for holiday shopping this year, with only 60% planning to use the flexible payments to purchase gifts. Those are among the findings of a new survey of 5,000 consumers conducted by Splitit and PYMNTS just ahead of the peak holiday shopping season.

The consumer study also found that although more than a third of Gen Zers admit to having overspent this year, 44% plan to use pay later to rationalize splurge purchases. Top planned spending categories include personal purchases (42%), entertainment (35%) and dining out (25%).

"Gen Zers are well known for being price-sensitive, so it's quite surprising our research found that boomers are the age group planning to use pay later most often for when purchasing gifts this holiday," said Nandan Sheth, CEO of Splitit. "That underscores the widespread demand for alternative payment options across all demographic groups. It's clear that Gen Zers are indeed carefully prioritizing spending this season, but our survey indicates they'll rely on their favorite pay-later options more heavily to finance personal splurges, including entertainment and meals out at restaurants."

Additional key findings include:

- **Higher-income consumers use pay-later options more often than lower-income cohorts:** Among survey respondents earning more than \$100,000 per year, 60% say they have recently used a pay-later solution, compared with less than half (48%) of those earning less than \$50,000 per year, challenging the view that pay later is mainly for those with lower incomes and credit scores.
- **Credit card installments outrank BNPL usage for Gen Z:** Almost half (46%) of Gen Zers increased their use of pay later using credit card installments this year, versus less than 44% increasing their use of traditional BNPL. This is the highest increase of credit card installment usage across generations, and more than double the increase rate of boomers.
- **More than a quarter of consumers will pay full price if they know about payment options early in the shopping journey:** Some 68% of respondents overall (including 65% of Gen Zers) say they decide to use card-linked installments *before* they get to checkout, suggesting merchants have an opportunity to drive sales and AOV by presenting these options earlier. In addition, almost half of Gen Zers surveyed say they would prefer to be offered pay-later plans before deciding what to buy.
- **More than half of millennial parents say pay-later plans reduce the guilt of splurge purchases** Among all parents surveyed, 67% intend to use pay-later options to spread out their holiday purchases this year and nearly half of all consumers surveyed (46%) will use credit card installments to finance toys and games purchases this holiday season.

Click [here](#) to read the full report detailing the survey findings.

Methodology

To gauge how consumers across key demographics plan to use pay later solutions this holiday season, PYMNTS Intelligence and Splitit collaborated fielded a survey among 5,248 consumers between September 30 and October 5, 2024.

About Splitit

Splitit is a global payment solution provider that lets shoppers use the credit they've earned by breaking up purchases into monthly interest-free installments using their existing credit card. Splitit enables merchants to improve conversion rates and increase average order value by giving customers an easy and fast way to pay for purchases over time without originating new credit. Splitit serves many of Internet Retailer's top 500 merchants and is accepted by more than 1,500 eCommerce merchants in over 30 countries and shoppers in over 100 countries.

Splitit Media Contact

Danielle Poggi
Berns Communications Group
dpoggi@bcg-pr.com

SOURCE Splitit USA, Inc.

<https://news.splitit.com/2024-11-26-Nearly-75-of-Baby-Boomers-Will-Use-Split-Payments-for-Holiday-Gifts>