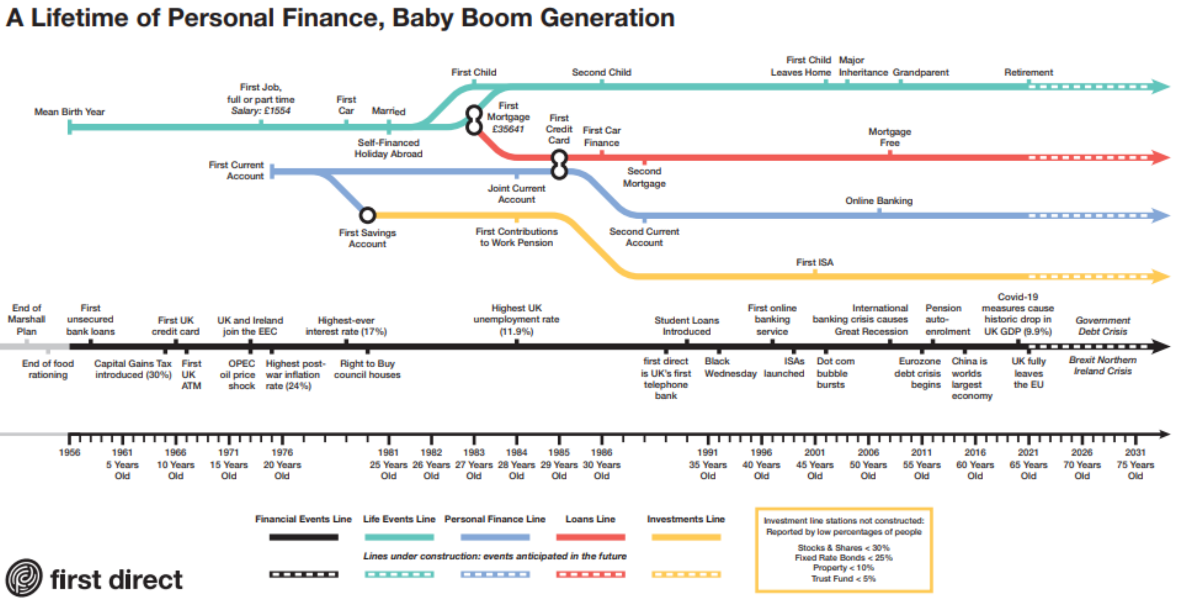
Mapping a lifetime of personal finance

What are the maps telling us?

Baby Boomers

Late adopters and spend-as-things-happen



Baby Boomers were born between 1947-1965 (average year born 1956) and are now aged between 56-76 years old.

This generation has hit many personal and financial milestones, from having children and grandchildren, multiple mortgages (and paying them off), to reaching retirement.

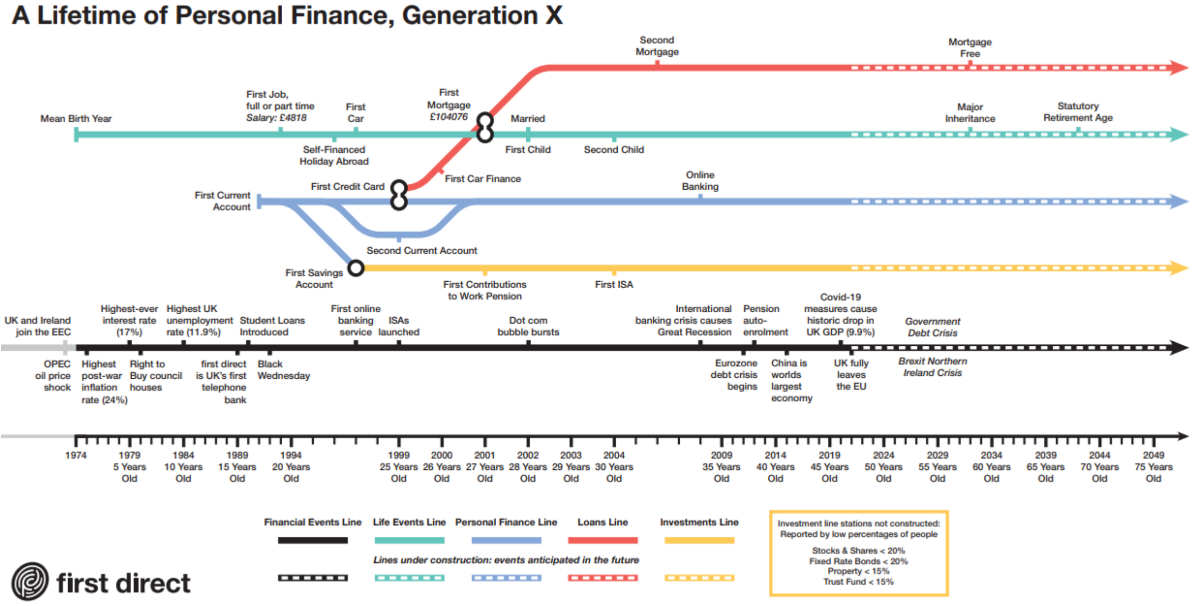
The Baby Boom generation tended to spend-as-things-happen and looked for financial solutions only when they needed to. Take their first credit card for example. A generation reluctant to rely on credit, they took out their first credit card when life milestones accumulated – like having children and a mortgage – and costs started to rise.

This generation grew up in a world where the variety of financial products available were limited, but when more were introduced, they tended to be sceptical of them and were overall late adopters to financial solutions. Credit cards were launched when the Baby Boomers were children, but on average they didn't choose to have one until they were 29.

As the generation got older, the data shows a shift in attitude and less resistance to financial products, especially if it could help them save. For example, ISAs were launched in 1999, which Baby Boomers were quick to take advantage of two years later.

Gen X

Credit is the way of life



Gen X were born between 1966 – 1981 (average year born 1974) and are now aged between 40 – 55 years old.

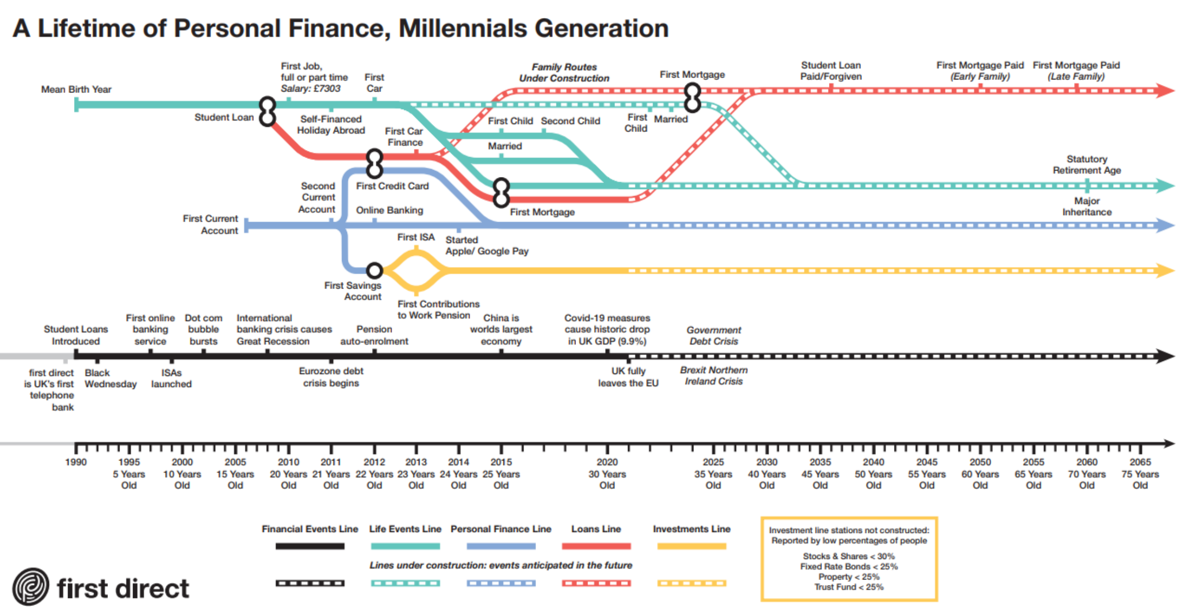
A typical Gen X-er has experienced starting a family, making a career and buying houses. With retirement, their children leaving home, and paying off their mortgage still to come and ‘under construction’.

Contrasting from their Baby Boom parents – and with the availability of easy credit – Gen X typically tended to spend before getting settled. Holidays, a car and credit cards all came before marriage and credit seemed to be used for enjoyment, as well as the necessities of life.

Although quicker to take out a credit card, Gen X-ers were more reluctant to be as fast off the mark when it came to taking out saving products. ISAs launched when the average Gen X was 25 years old, but it’s not until the average Gen X was 30 that they choose to set one up – typically around the time they become more settled in life.

Millennials

Settling down early, settling down late



Millennials were born between 1982 and 1997 (average year born 1990) and are now aged between 24 and 39 years old.

The data clearly showed a big split in the Millennials generation, from early settlers who've married and had children at the age of 25, to the later settlers who plan on having children and marrying after 30, shown by the divide on the Life Events Line.

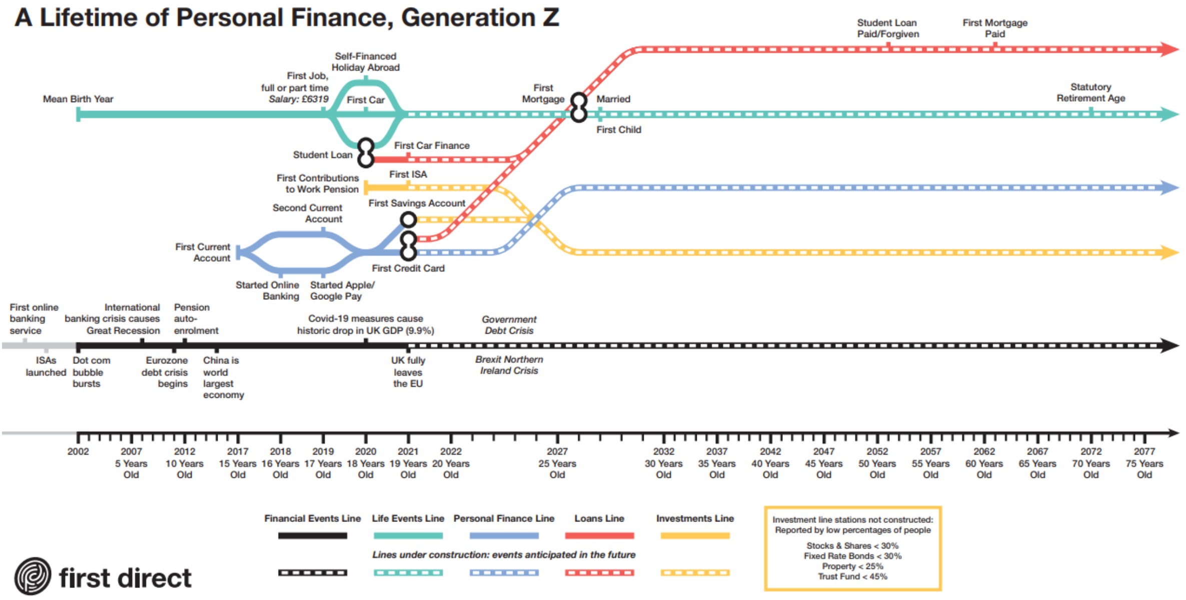
Our Millennial generation have periods of inactivity, before frantically catching up when lots of milestones happen at the same time. The earlier settlers were most likely to follow this pattern, with major milestones from getting married to their first child, all happening at 25.

Although overall quicker to adopt financial products and make personal finance decisions than the previous two generations, the Millennial generation tended to delay them until after University, unlike members of the Gen Z who wanted to have everything in place before or soon after.

The Millennial generation also marks the first to be brought up with the internet, and the first to use Apple / Google Pay.

Gen Z

Personal finance milestones hit earlier on average but an uncertain future awaits



Gen Z were born between 1998 and 2005 (average year born 2002) and are now aged between 16 and 23 years old**.**

The youngest generation here still have a lot to experience, but they are quickly ticking off financial milestones from first ISAs, car loans and credit cards. However, mortgages are still a way off for many.

This generation has grown up with a long list of financial products to choose from and mobile banking is second nature. Changes in policies, such as auto-enrolment in pensions encouraging young people to contribute to their workplace pension as soon as they start working, has also meant Gen Z's reach milestones quicker than past generations. It's therefore not surprising that this generation has done everything earlier than any other generation – apart from buying a house.

Gen Zs are generally open to new things which can support their lifestyle, reflected in their map by being quick to adopt any financial product they can – which their Baby Boom grandparents were much more reluctant to do so. By 19, Gen Zs already have saving accounts, ISAs, two current accounts and Apple / Google pay.

However, with more choice comes more confusion, and it is hardest for this generation to understand what products they need and when.

Represented by under construction lines, Gen Zs still have a long personal finance journey ahead of them and arguably the most uncertain future.