

Consumer Pulse Study

Consumer behaviors and attitudes about current and future household budgets, spending and debt

US Q4 2024

TransUnion's quarterly survey explores how consumers' personal finances have changed and what changes they expect in the future. The study measures shifting consumer attitudes and behavior based on the dynamics of income, debt and identity theft. The analyses and insights give consumers a voice and inform businesses' decision-making as they seek to create economic opportunity for consumers.

KEY TAKEAWAYS



Inflation state of mind has consumers fixated on grocery prices: Heading to the grocery store was a bit daunting for consumers trying to make ends meet this quarter. For the 43% of consumers who reported their household incomes were not keeping up with the rate of inflation, seeing the price of a dozen eggs up by over a dollar since June could be cause for concern.¹ The higher price of groceries appeared to be the primary measure of inflationary pressure on households overall; 80% of those who said they're concerned about rising prices named groceries as their top category of concern, far above the next category of gas for cars at 57%.



Millennials most financially optimistic: Despite enduring 9/11 as they began adulthood, the 2008 financial crisis early in their careers and a global pandemic during prime earning years, Millennial household finances showed particular strength in Q4 2024. Leading all generations, 41% of Millennials said their incomes increased during the previous three months compared to just 29% overall. They were also the only generation to have a higher percentage (42%) who said their household finances were better than planned at this point in 2024 compared to worse than planned (31%). Nearly two-thirds (63%) of Millennials felt their incomes would increase in the next 12 months and their outlooks were the most positive (65% were optimistic about their future finances, the highest of any generation).



Positive holiday shopping outlook led by Millennials: Given the impact inflation is having on many households' planned spending in general, 57% of consumers reported they planned to spend the same or more on holiday shopping compared to last year, while 38% said they'd spend less. Despite overall caution, 63% of Millennials planned to spend the same or more on holiday shopping as did last year – the highest of any generation.

¹ US Bureau of Labor Statistics: Average price data (in US dollars), selected items

Household income (HHI), spending and bill payment impacts

Buoyed by income and easing inflation concerns, consumers optimistic yet cautious about spending

In Q4 2024, over half (58%) of Americans reported they were extremely or very concerned about the current rate of inflation, significantly less than the 64% in Q4 2023. Inflation was a top three financial concern for 80% of consumers but moderated from 84% in Q2 2024. Despite that, prices continued to weigh on household budgets. Overall, price increases that were very concerning either held steady or fell since Q2: groceries fell to 80% from 84%, gasoline for cars down to 57% from 66%, and clothing down to 26% from 29%.

This quarter, 63% said their household finances were better or as planned, up from 60% in Q4 2023. Optimism about future finances appeared tied to income growth; 58% said they were optimistic, in line with the 53% of Americans who expected their incomes to increase over the next year.

Despite optimism, Americans were still cautious about spending. The top type of expected spending increase over the next three months respondents reported was on monthly bills like housing, utilities, insurance and credit cards at 37%. Continuing their conservative approach to spending, nearly twice as many consumers planned to reduce discretionary spending like dining out, travel and entertainment (41%) versus increase it (22%) in the next three months.

Millennials come into their own financially

At this point in 2024, Millennials were the only generation with a higher percentage (42%) who said their household finances were better than planned compared to worse than planned (31%). That's actually the opposite of consumers overall: 38% reported worse than planned and 31% said better than planned.

Part of the strength of Millennial household finances resulted from income growth that exceeded other generations; 41% of Millennials said their incomes increased during the previous three months compared to just 29% across generations. Driven by stronger income growth, 45% of Millennials reported their household incomes were keeping up with inflation, significantly higher than the overall response of 35%.

Millennials also ranked highest among generations in spending; 24% said they increased their usage of available credit in the past three months compared to just 17% overall, and 34% said they'd increase spending in retail shopping, 30% in discretionary spending, and 31% for digital services in the next three months compared to 24%, 22% and 25%, respectively overall.

Most consumers planned to maintain or increase their holiday shopping

Over half (57%) of Americans planned to spend the same or more on holiday shopping this season compared to last year and 38% planned to spend less. Millennials and high-income earners led all generations and income groups for planning to spend more or the same as last year at 63% and 73%, respectively. They were also the cohort with the most who planned to spend more than \$500 on holiday shopping; Millennials at 33% and high earners at 51% compared to 28% overall.

Figure 1. Household income change last three months

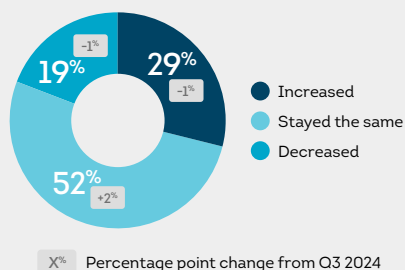


Figure 2. Expected household income change next 12 months

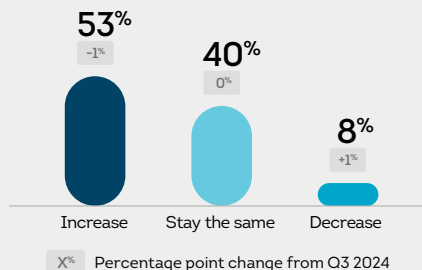


Figure 3. Expect to be unable to pay at least one of their current bills and loans in full

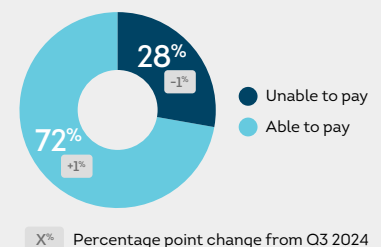


Figure 4. Optimism about household finances in next 12 months

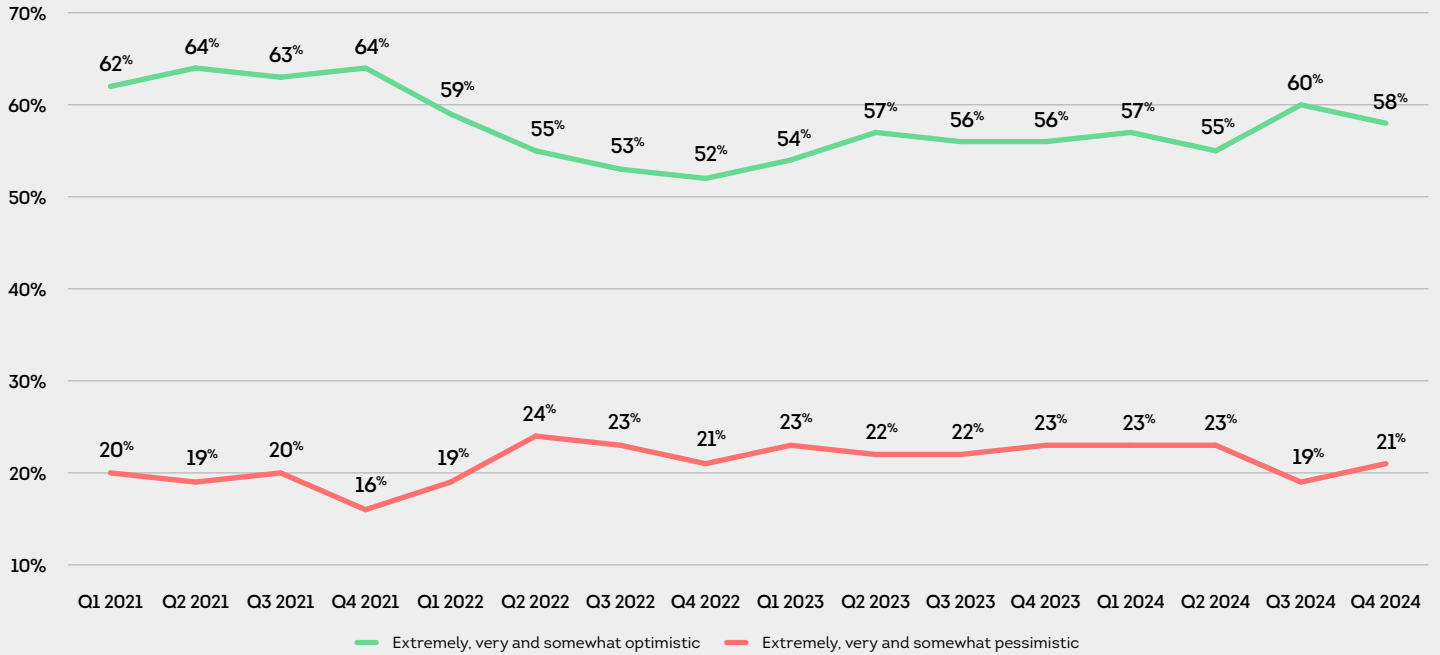


Figure 5. Biggest concerns affecting household finances in next six months
Percentage of consumers who said this concern was in their top three

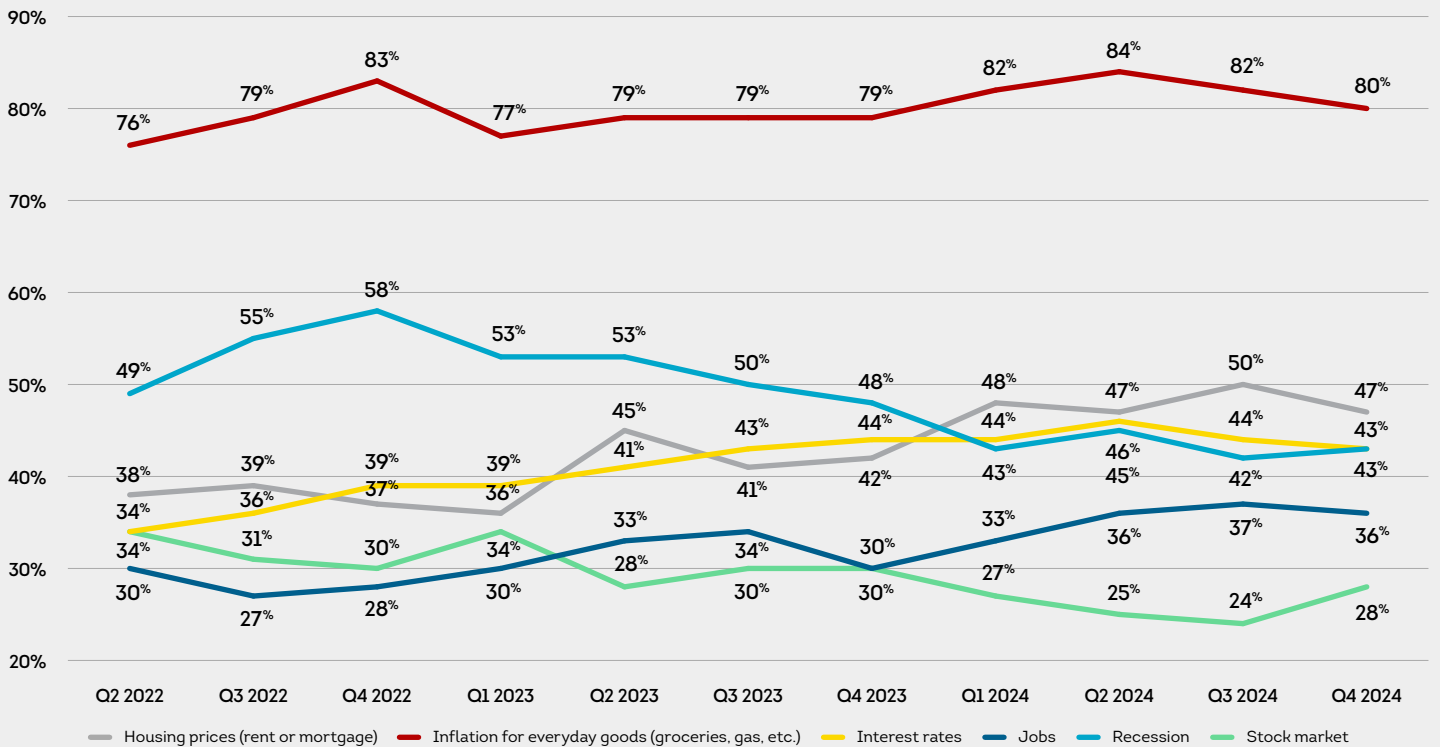
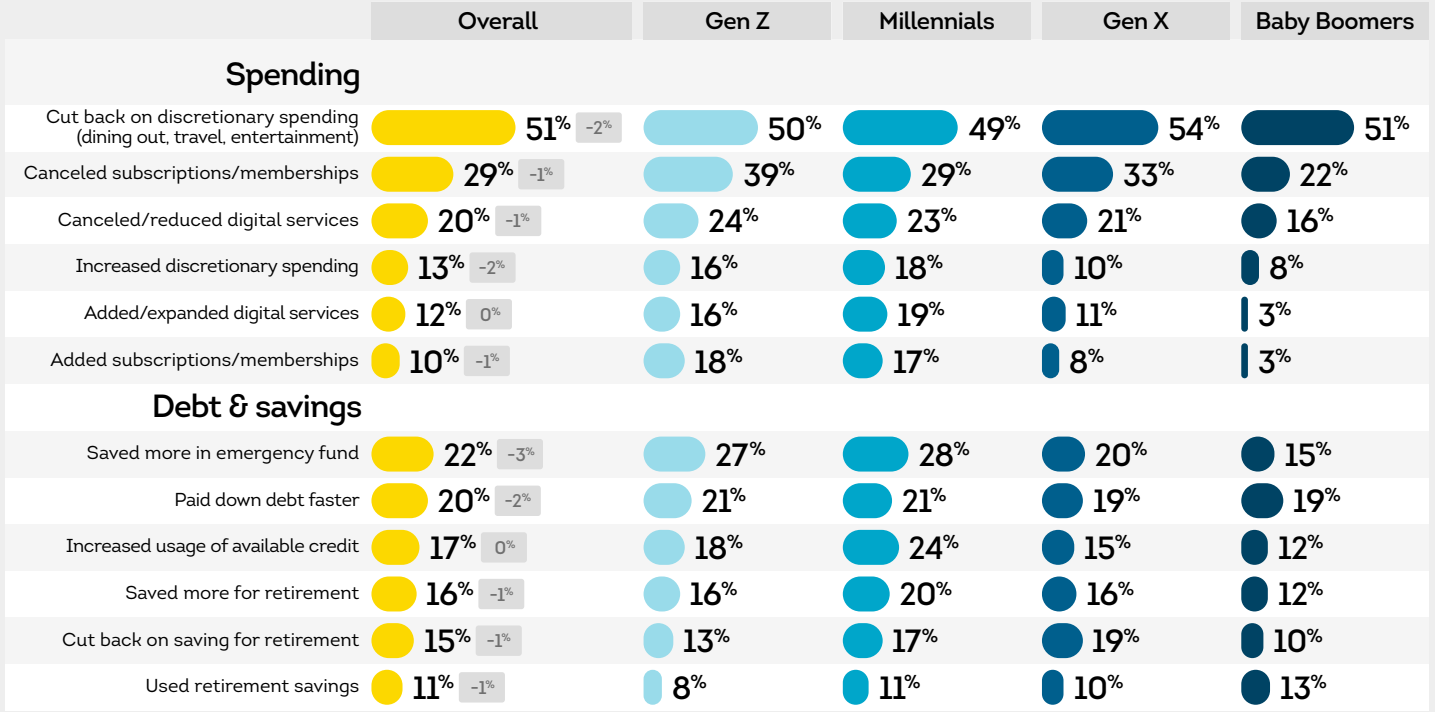
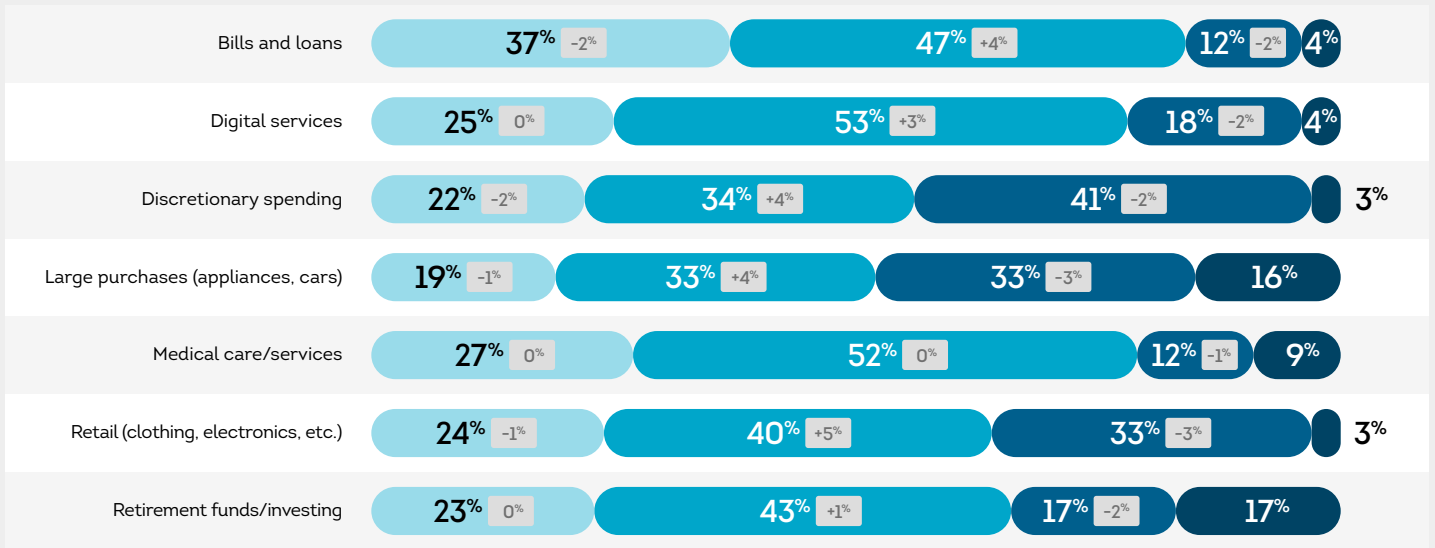


Figure 6. Changes to household budget in the last three months



X% Percentage point change from Q3 2024

Figure 7. Expected change to household spending over next three months



X% Percentage point change from Q3 2024 ● Increase ● Stay the same ● Decrease ● Not applicable

Attitudes and plans for economic participation

Interest rates ranked third as a top three financial concern – behind inflation for everyday goods and housing prices – for 43% of Americans in Q4 2024, flat to last year. Perhaps in response to moderating interest rates, the percentage of consumers who said rising interest rates highly or moderately impact their plans to apply for credit in the next 12 months was at its lowest point in the last year at 62%. Younger generations appeared to be the most sensitive to interest rates; 77% of Gen Z and 73% of Millennials said rising rates have a high or moderate impact on whether they'll apply for credit.

However, concern about interest rates had little impact on consumers' plans to apply for new or refinance existing credit. Thirty-one percent of interest rate concerned consumers planned to apply or refinance in the next year, the same as all respondents. Of those who planned to do so, 22% of consumers concerned about interest rates planned to refinance a mortgage or home loan compared to just 15% for all others.

Figure 8. Believe important to have access to credit and lending products to achieve financial goals

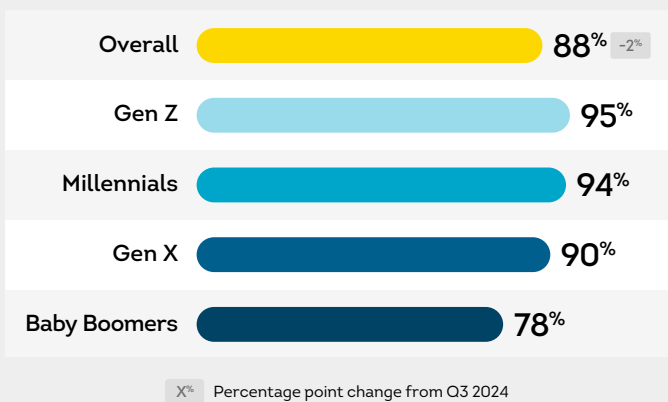


Figure 9. Believe have sufficient access to credit and lending products

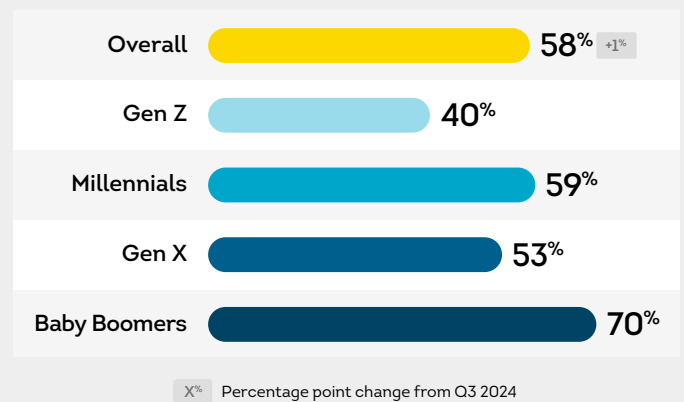


Figure 10. Plan to apply for new credit or refinance existing credit within the next year

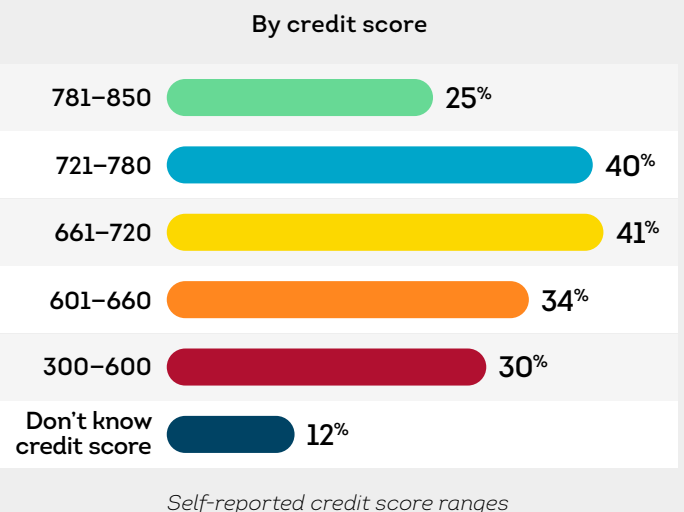
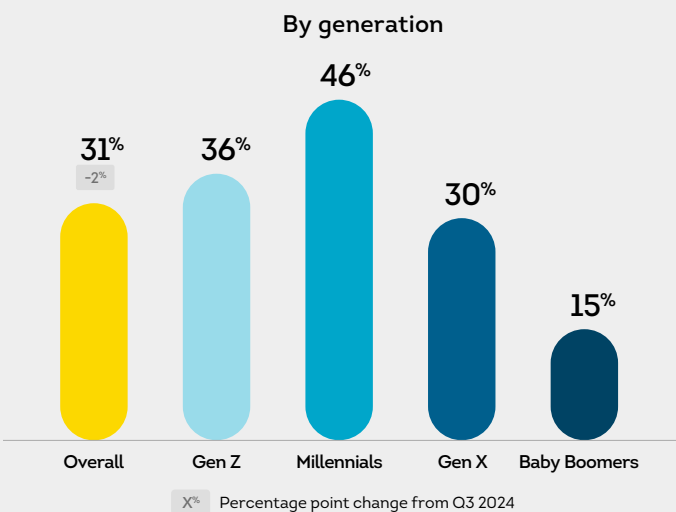
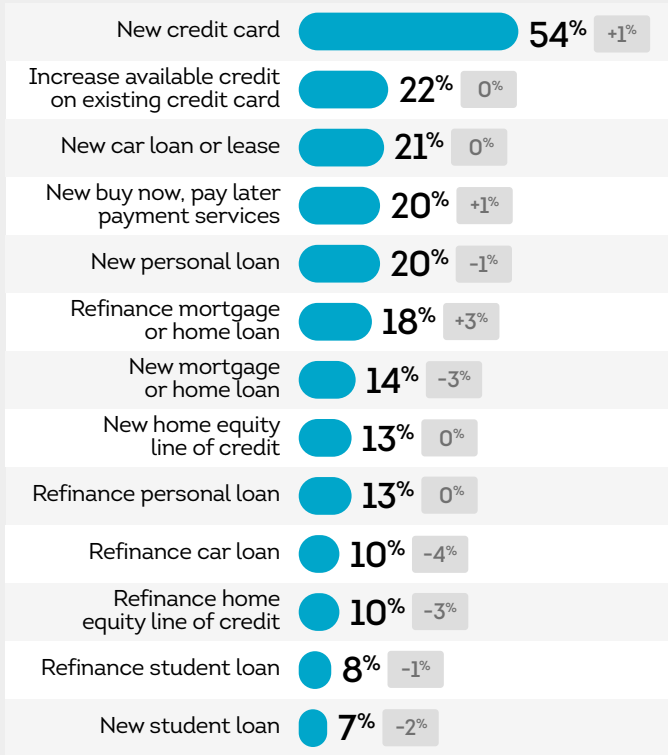


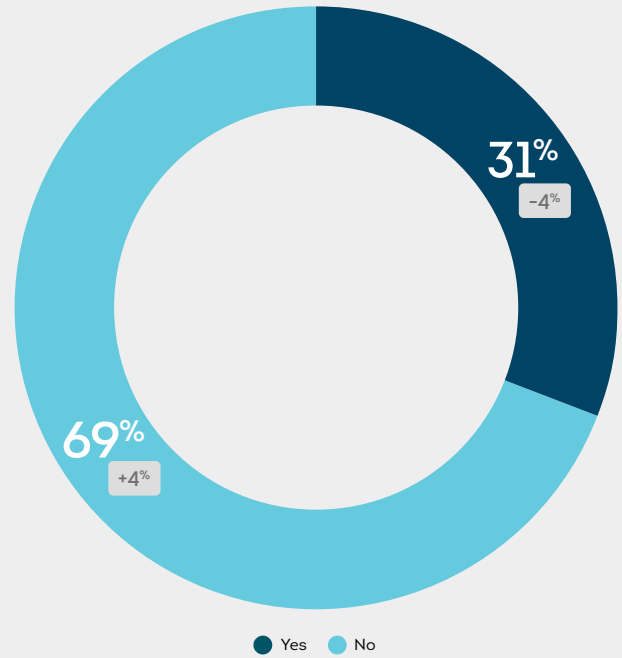
Figure 11. Type of new credit and loan activity planned in next 12 months

(among those who plan to apply for new or refinance existing credit)



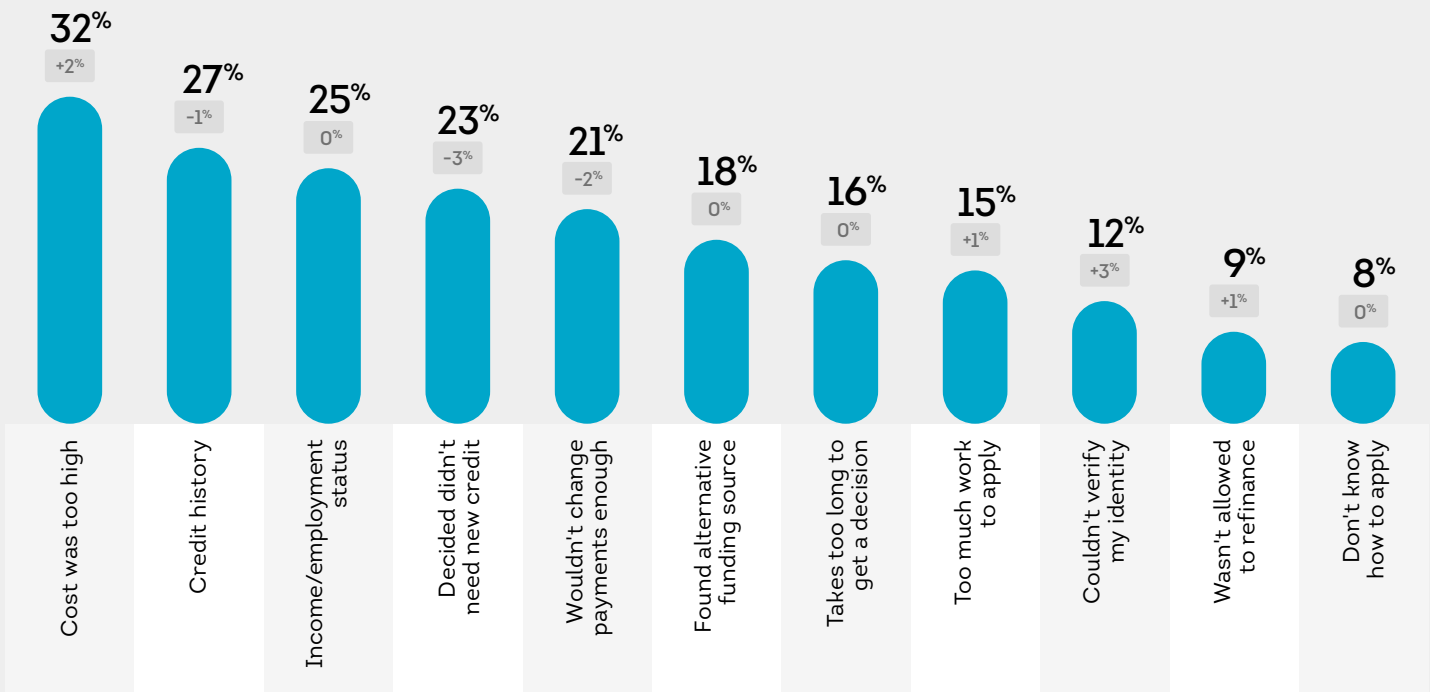
X* Percentage point change from Q3 2024

Figure 12. Abandoned plan to apply for new credit or refinance



X* Percentage point change from Q3 2024

Figure 13. Reasons for abandoning application for new credit or refinance



X* Percentage point change from Q3 2024

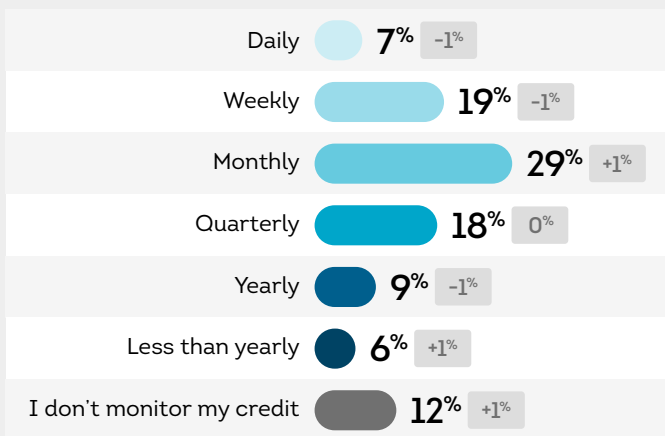
CONSUMER EMPOWERMENT

Attitudes and behaviors to manage financial choices

A majority (61%) believed monitoring their credit reports was extremely or very important, and 55% reported monitoring their credit at least monthly. Millennials (66%) believed monitoring credit was extremely or very important – the highest among generations. When it came to alternative credit, 38% of consumers believed their credit scores would increase if businesses used information not found on a standard credit report, such as rental payments and buy now, pay later (BNPL) loans. This jumped to 48% for Gen Z who typically have the least amount of credit history and was the highest of any age group.

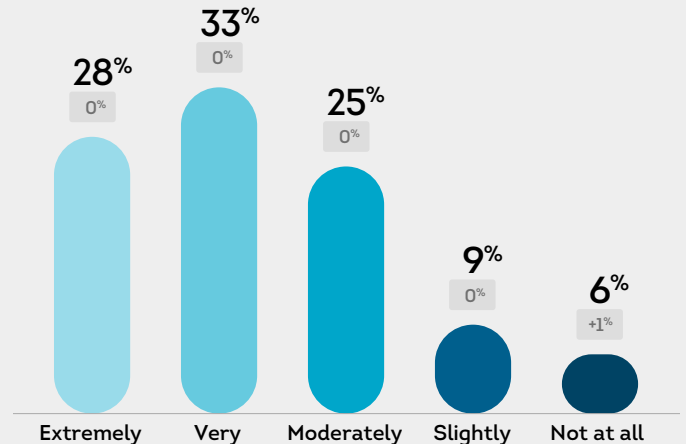
Despite crypto grabbing recent headlines, consumer experience is limited. While 85% of Americans said they'd heard of cryptocurrency (unchanged since Q4 2023), just 24% of them said they'd used it in the past 12 months. That jumped to 41% for Millennials, the most of any generation. Of those who said they used it, 46% said they did so because they just wanted to try it, 34% said it was a serious investment, 33% a speculative investment and 24% wanted to use it as a transactional currency.

Figure 14. Credit report monitoring frequency



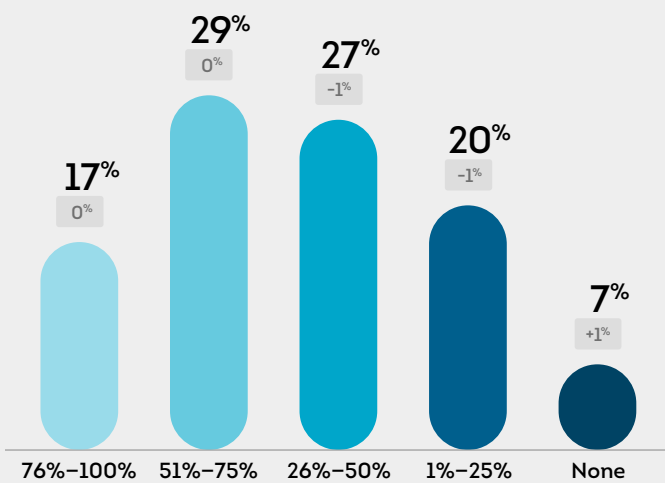
X% Percentage point change from Q3 2024

Figure 15. Believe monitoring credit report is important



X% Percentage point change from Q3 2024

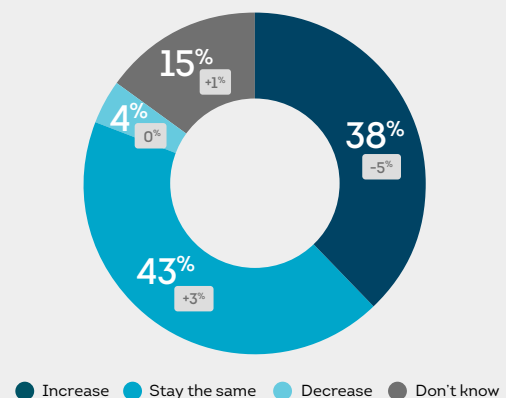
Figure 16. Percentage of transactions done online



X% Percentage point change from Q3 2024

Figure 17. How believe credit score would change if businesses used information not on standard credit report

Examples provided of non-standard information include: rental payments, short-term loan history and buy now, pay later loans



X% Percentage point change from Q3 2024

Identity risks and usage

Americans increasingly report their identities exposed in breaches

In Q4 2024, more than a third (35%) of Americans said they were notified details about their identities and/or online accounts had been stolen in a data breach – up from 28% last year. At the same time, 39% of consumers reported they were targeted with an online, email, phone call or text messaging fraud scheme but did not fall victim; another 9% said they were targeted and fell victim.

Scams seek to get consumers to reveal critical information

Scams designed to get consumers to share sensitive information or unknowingly grant access to online accounts were the leading fraud schemes reported by consumers targeted by fraud. Smishing (fraudulent text messages meant to trick you into revealing data) and phishing (fraudulent emails, websites, social posts, QR codes, etc. meant to steal data) were reported by 42% of those who said they were targeted – followed by vishing (fraudulent phone calls meant to trick you into revealing data) at 33%.

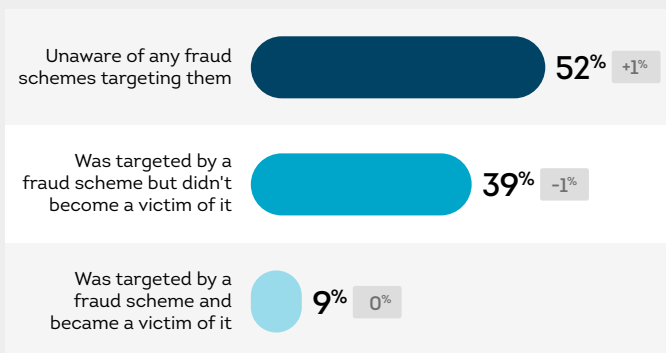
Consumers moved to protect themselves from reported data breaches

When notified their information was exposed in a data breach in the last three months, 50% of consumers said they checked the affected account for unauthorized activity and only 40% changed the password on the affected account. Around one-third took steps to protect themselves by checking their credit reports for unauthorized trades like credit cards, auto loans and personal loans (37%) and changing passwords on unaffected accounts (32%).

Consumers yet to invest in proactive cybersecurity threat monitoring

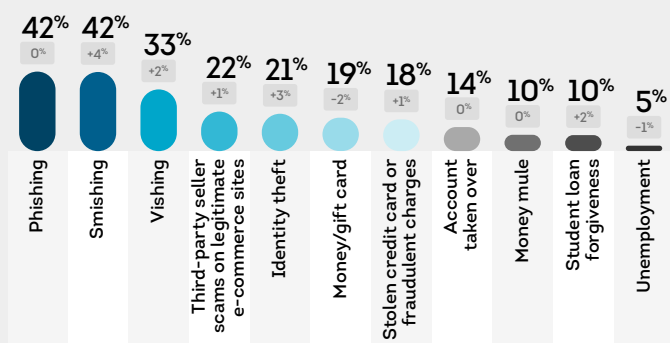
More than half (57%) of consumers reported identity theft was the most concerning cyber threat that might personally affect them. However, consumers appeared to be mostly reactive to cybersecurity concerns this quarter. In line with breach notification responses, 44% reported changing passwords and 41% checked their credit reports in the last 60 days in response to cybersecurity concerns. But investment in proactive services was limited: 14% said they enrolled in identity monitoring, 12% initiated credit freezes and 10% purchased identity theft/security protection. More than a quarter (29%) reported taking no action and of those, 33% said they did nothing because they chose not to invest the time or money – nearly half were unsure of what action to take.

Figure 18. Personal experience with online, email, phone call or text message fraud attempts in last three months



X% Percentage point change from Q3 2024

Figure 19. Most frequent fraud schemes targeting consumers
(among those targeted with online, email, phone call or text message fraud in the last three months)



X% Percentage point change from Q3 2024

Figure 20. Personal experience with data breaches in the last three months

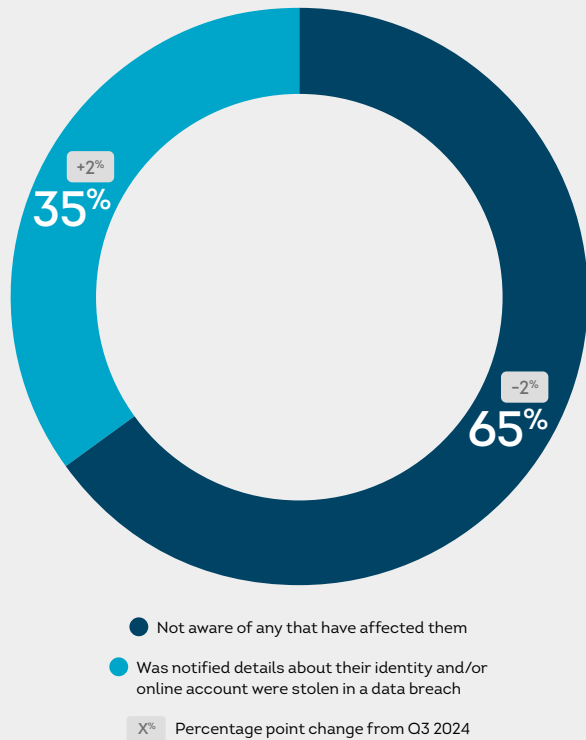


Figure 21. Most frequent actions data breach victims took
(among consumers notified in the last three months that details about their identities and/or online accounts were stolen)

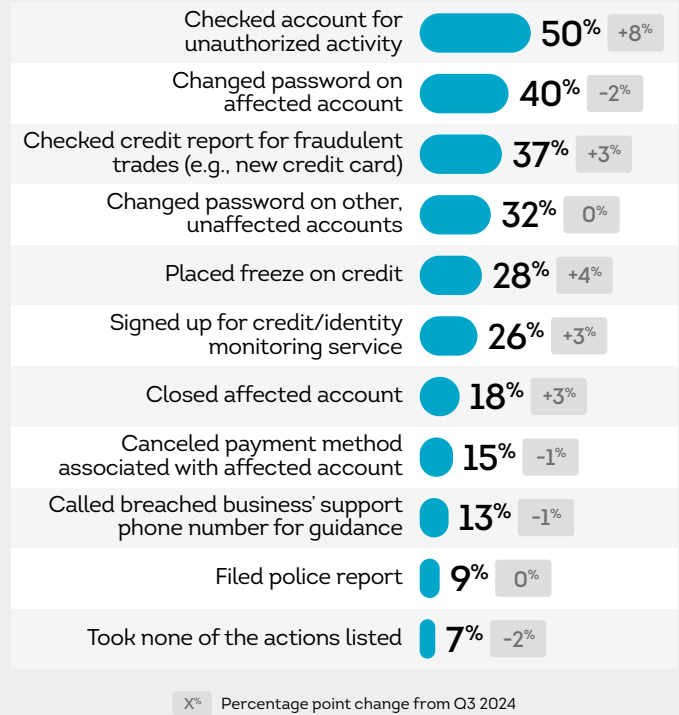


Figure 22. Actions taken in last 60 days due to cybersecurity concerns

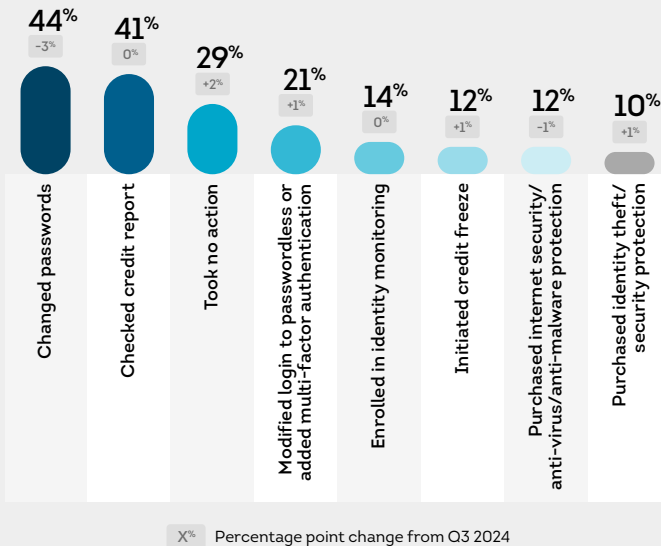
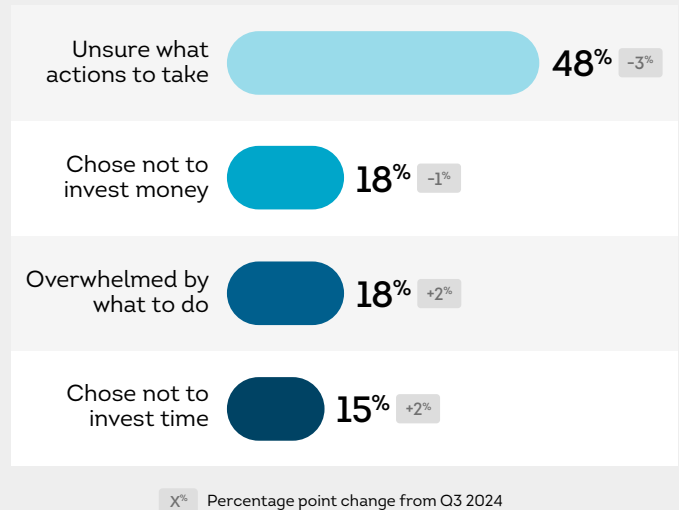


Figure 23. Reasons did nothing about cybersecurity concerns
(among those who took no action about cybersecurity concerns in the last 60 days)



Research Methodology

This online survey of 3,000 adults was conducted Oct. 1–9, 2024 by TransUnion in partnership with third-party research provider, Dynata. Adults 18 years of age and older residing in the United States were surveyed using an online research panel method across a combination of desktop, mobile and tablet devices. Survey questions were administered in English. All states are represented in the survey responses. To ensure general population sample representativeness across United States resident demographics, the survey included quotas to balance responses to the census statistics on the dimensions of age, gender, household income, race and region. Generations are defined in this research as follows: Gen Z, 18–26 years old; Millennials, 27–42 years old; Gen X, 43–58 years old; and Baby Boomers, age 59 and above. These research results are unweighted and statistically significant at a 95% confidence level within ± 1.8 percentage points based on calculated error margin. Please note some chart percentages may not add up to 100% due to rounding or multiple answers being accepted.

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