



Not So Fast, Gen Z: Millennials Lead the US for Fintech Adoption, FIS Research Shows

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Key insights:

- Gen Z has been said to rule the social media world, but Millennials are more likely to engage in financial services embedded in social media apps than their younger counterparts, according to new FIS research.
- More Millennials say they are likely to try new financial technologies across emerging digital channels including the metaverse, neobanks, and more, compared to other demographic groups.
- More than half of Millennials and Gen Zs say they're likely to use loyalty-based mobile apps, citing groceries and clothing as top items to redeem loyalty points.

JACKSONVILLE, Fla.--(BUSINESS WIRE)--Nov. 2, 2022-- A new U.S. study from [FIS](#)® (NYSE: FIS), a global leader in financial services technology, finds Millennials in the U.S. are more open to adopting new and digitally-oriented financial experiences, including those enabled through embedded finance experiences than other generational groups.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20221102005112/en/>

Embedded finance is when consumers have unique, tailored financial service experiences delivered to them at the point of need by non-financial companies. Most commonly, consumers encounter these new financial service experiences in the form of in-app payments, like on social media platforms where a purchase is completed without leaving the platform, or as Buy Now Pay Later offerings at checkout.

Young consumers are tapping into seamless shopping experiences via social media apps:

- 55% of Millennials and 48% of Gen Zs say they are likely to make a purchase directly through a social media platform in the next 12 months, according to the recent survey.
- Meanwhile, Millennials (25%) and Gen Zs (21%) said they feel social media purchasing encourages more frequent, unplanned spending.

Millennials are most likely to inhabit and transact in the metaverse:

- While only 29% of all consumers say they are likely to access the metaverse in the next year, nearly half of Millennials (49%) and 35% of Gen Zs say they are likely to.
- Only 8% of Baby Boomers said they plan to use the metaverse over that time while 73% of Gen Z consumers said they would be willing to make a purchase in the metaverse.
- Those willing to make purchases in the metaverse in the next 12 months said they would be open to buying games or gaming tokens (52%), event tickets (38%), and virtual clothing/fashion (32%) within the metaverse.

Loyalty apps are winning in the eyes of the younger generations:

- More than half of Millennials (56%) and Gen Zs (51%) favor loyalty mobile apps to other forms of loyalty programs, like physical cards, digital wallets, or payment cards.
- Conversely, 50% of Baby Boomers said they still expect to collect loyalty points on a physical card in their wallet, such as a coffee shop stamp card, over the next 12 months.

Despite Gen Zs being digital natives, Millennials are more likely to embrace fintechs, digital banking:

- 32% of Millennials say they are likely to use banking services from a fintech or neobank in the next 12 months, more than Gen Zs (22%), Gen X (13%) and Baby Boomers (5%).
- Millennials were also most likely (24%) of any generation to say they are likely to use banking services—including investments and insurance—in the metaverse.
- Even in person, embedded payments experiences, like in checkout-free shopping are especially appealing to younger consumers with 70% of Millennials saying they would like to visit one in the next 12 months, followed closely by Gen Zs (63%).

"While the general wisdom is that the youngest consumers are most likely to adopt new technologies, Millennials—who have greater spending power—are leading the adoption of many new digitally-oriented payments and financial services, according to our new research," said Taira Hall, Senior Vice President of Embedded Finance, B2B & Strategic Innovation at FIS. "Between the desire to tap into seamless shopping experiences like

those in social media apps or taking advantage of the discounts and savings available through loyalty apps, the signal from Millennials and Gen Z is that there is significant potential for businesses to embed financial services within these channels.”

Learn more about consumer adoption of embedded finance with FIS research from around the world [here](#).

About the survey

Ipsos was commissioned by FIS to conduct the survey in September 2022 on 1,000 American consumers across Gen Z (18-24), Millennials (25-40), Gen X (41-54) and Boomers (55 and above).

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