



## MASTERCARD INSTALLMENTS

# A closer look at who is using installment financing



In today's economic climate, credit and budget-savvy consumers want the flexibility of financing a purchase over time. Mastercard® Installments offers an opportunity to capture this growing segment and provide more payment optionality.

### INSTALLMENT FINANCING GROWTH

## Installment financing customers are recurring users

Installment financing continues to show staying power. There is a high potential for future use, especially among primary debit users.

### Strong recurring usage



**78%** of installment financing users have used it more or the same in the past year

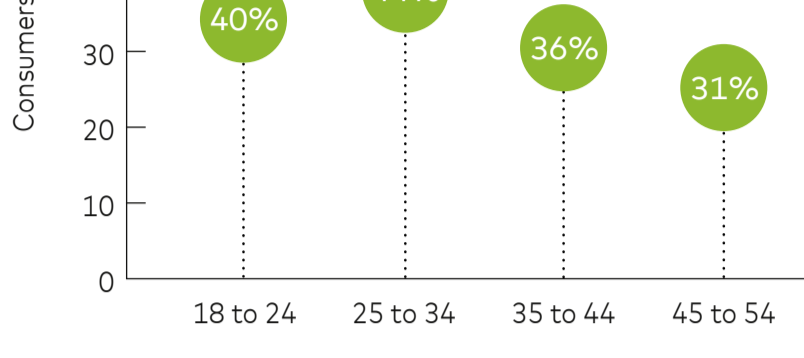
### Non-user upside potential



**+58%** There is also strong upside of potential use as 58% of debit non-users are likely to use it in the future.

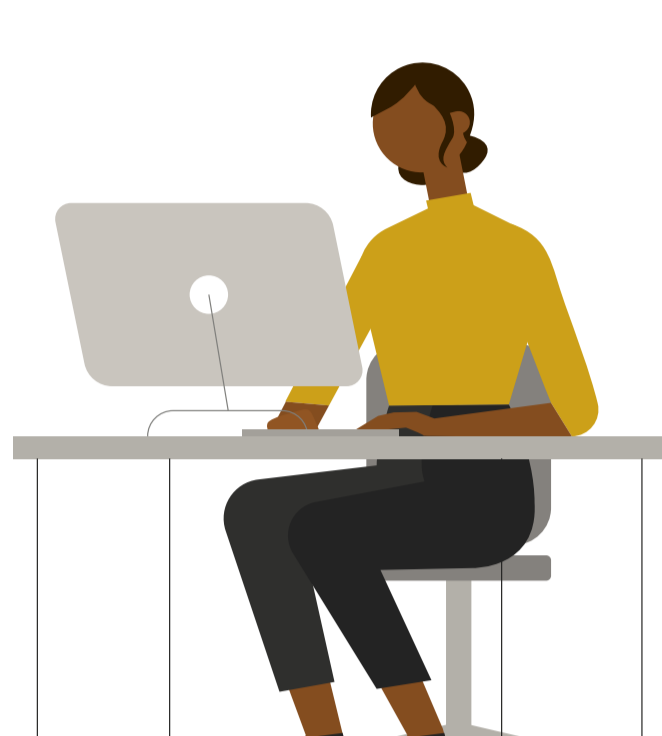
## Installment financing growth is currently being driven by younger segments

● Used more this year than the year prior



### BUDGET-FRIENDLY INSTALLMENT FINANCING

Installment financing users prefer it over other payment methods for its convenience, simplicity and added control in managing their financial well-being.



**71%**

prefer installment financing over other lending products

**42%**

agree they would use this instead of a credit card

**\$250-\$1,000**

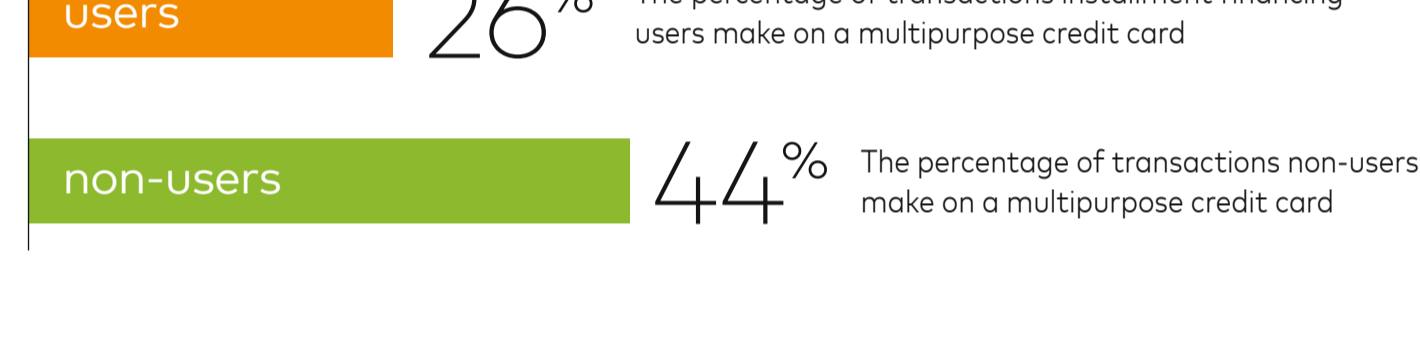
The amount consumers are most likely to use it for

**5%-7.5%**

The average amount of interest consumers are willing to pay

## Installment users are much less likely to rely on credit cards for their payment mix

Percent of payments on credit cards among installment users vs. non users:



## Installment financing offers power and control over budgets



**77%** of users like that they get exactly the amount they need in advance of a purchase



**72%** of users find the product to be helpful in managing their budget

## Categories installment financing is commonly used:



### INSTALLMENT FINANCING DEMOGRAPHICS AND FINANCIAL PROFILE

## Consumers who use installment plans appear to be creditworthy younger adults

The demographic and financial profile of an installment financing user is not that different from a non-user. They represent a potentially lucrative market segment that relies on credit cards less than other segments, but could be creditworthy.



### Demographics

**38** is the average age of installment financing users

**35%** are between 18 and 34

**63%** of installment financing users are women

**59%** have children

**48%** are married

**80%** have a college degree, post-graduate degree or technical certification

### Banking behavior

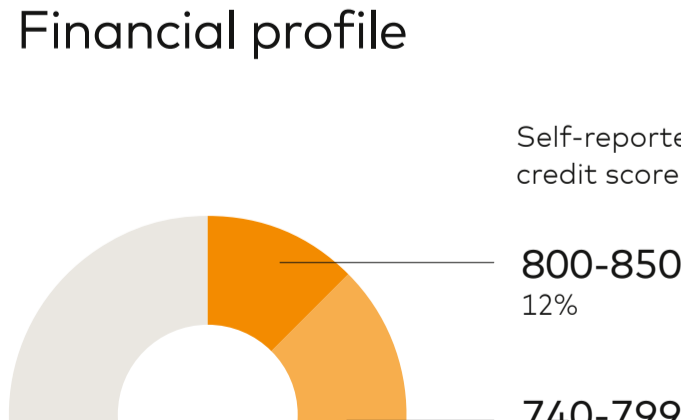
**52%** currently use a Digital Wallet to make transactions

**88%** use mobile banking apps



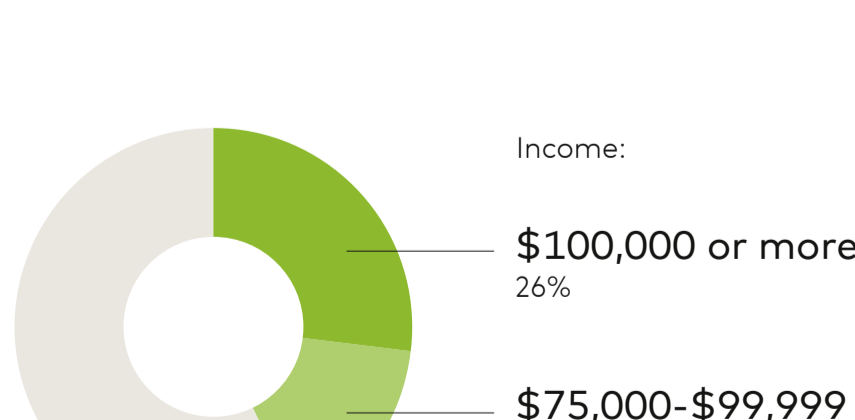
### Financial profile

Self-reported credit score:

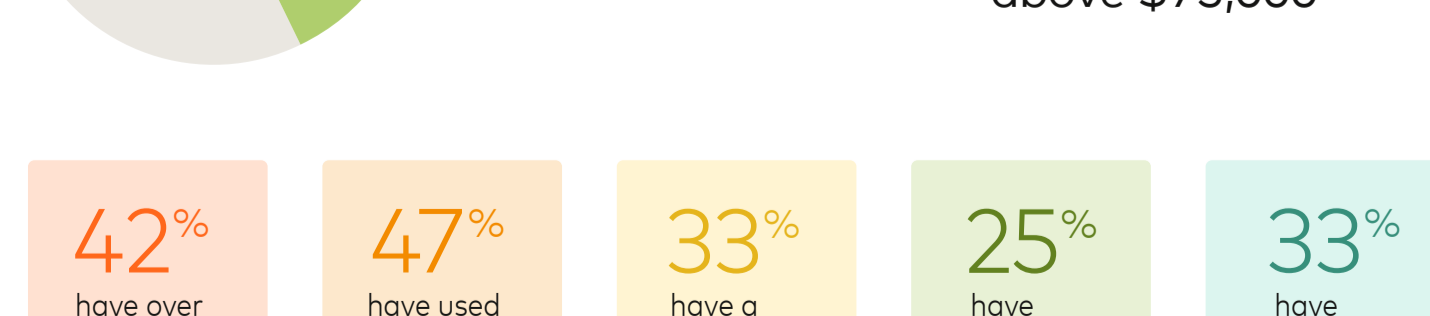


**63%** of installment financing users have a credit score of 670 or above

Income:



**42%** have income above \$75,000



Source: Mastercard Proprietary Research, November 2022. The category was defined as a loan that finances a specific purchase and allows you to pay it off over time by breaking down payments into monthly or bi-weekly installments with or without interest.

Contact your Mastercard representative to learn more about installment financing and the Mastercard Installments program

