Holiday spending under financial pressure

How credit challenges shape consumer plans

Snap Finance surveyed U.S. consumers to learn more about their financial situation and credit health heading into the holiday shopping season – and how those factors influence their shopping behaviors and preferences. We found that those with credit scores below 670 face the holidays from a very different financial position than those with better credit. Let's take a look.

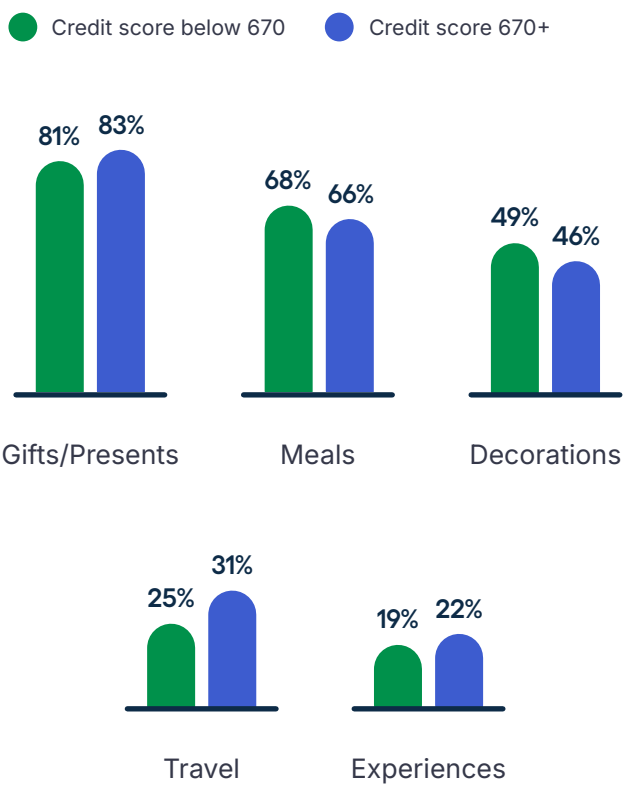
1 Holiday spending plans and priorities

Financial realities are shaping holiday spending decisions. Credit challenges, financial confidence, and broader economic conditions change how consumers shop, buy, and pay for the holidays.

As the season approaches, 43% of consumers – 58% of those with credit challenges – are **concerned about how they'll afford holiday purchases.** Despite their concerns, 82% of consumers expect to purchase holiday gifts this year.

Fewer than 10% of households said they don't expect to spend on holiday-related purchases this year, primarily because they have more pressing expenses, do not celebrate, or are concerned about the economy.

Expected holiday-related purchases

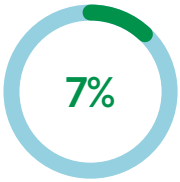


snap finance

68% of consumers plan to **start shopping for gifts** in October or November



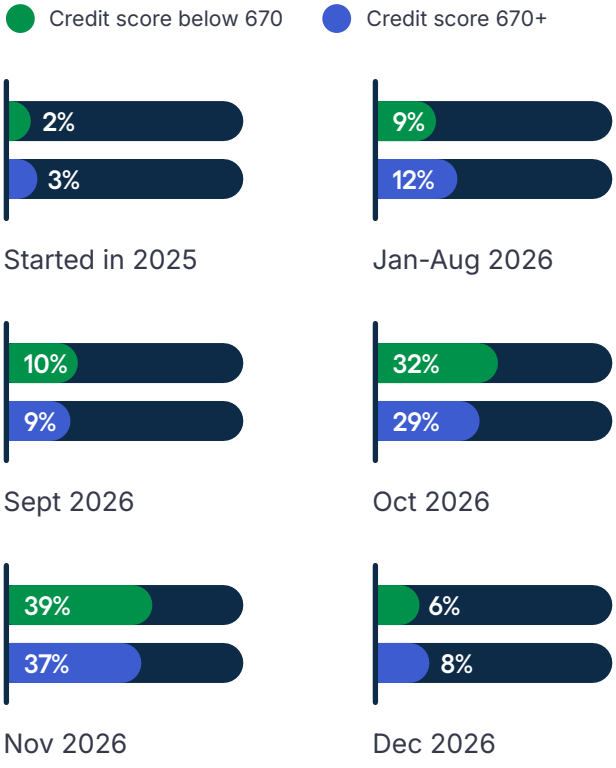
Started before September



Plan to wait until December

Start of holiday gift shopping

(Among those who plan to purchase gifts)



Top gift recipients

(Among all consumers)

1. Children **(64%)**
2. Spouse **(57%)**
3. Other relatives **(45%)**
4. Friends **(42%)**
5. Parents **(42%)**
6. Self **(30%)**
7. Pets **(27%)**
8. Co-workers **(14%)**
9. Teachers **(6%)**

Special shopping days

Younger generations (especially Gen Z) are more likely to shop during at least one special shopping day this year – just 3% of this group say they won't shop any special shopping days. Among boomers and older generations, 25% don't plan to shop any of these events.

These high-profile days matter because consumers often look for promotions and deals to stretch their holiday budgets, while businesses use these events to attract shoppers, drive traffic, and boost sales.

Planned participation in key shopping days

(Among all consumers)



Thanksgiving Day



Black Friday



Small Business Saturday



Cyber Monday



Super Saturday



Christmas Eve



December 26

For holiday gifts and other purchases, 65% of consumers expect to shop through an **online marketplace** and 59% in a **physical store.**

Use of AI to shop

Consumers are **using artificial intelligence (AI) to compare prices and get gift recommendations,** but most are not planning to use AI to complete a purchase.

Among all consumers:

24%
plan to use AI to compare prices for gifts or other items

20%
plan to use AI for gift recommendations

6%
plan to use AI to complete a purchase

Millennials are more likely to use AI to compare prices (31%), get gift recommendations (27%), and complete their purchase (11%).

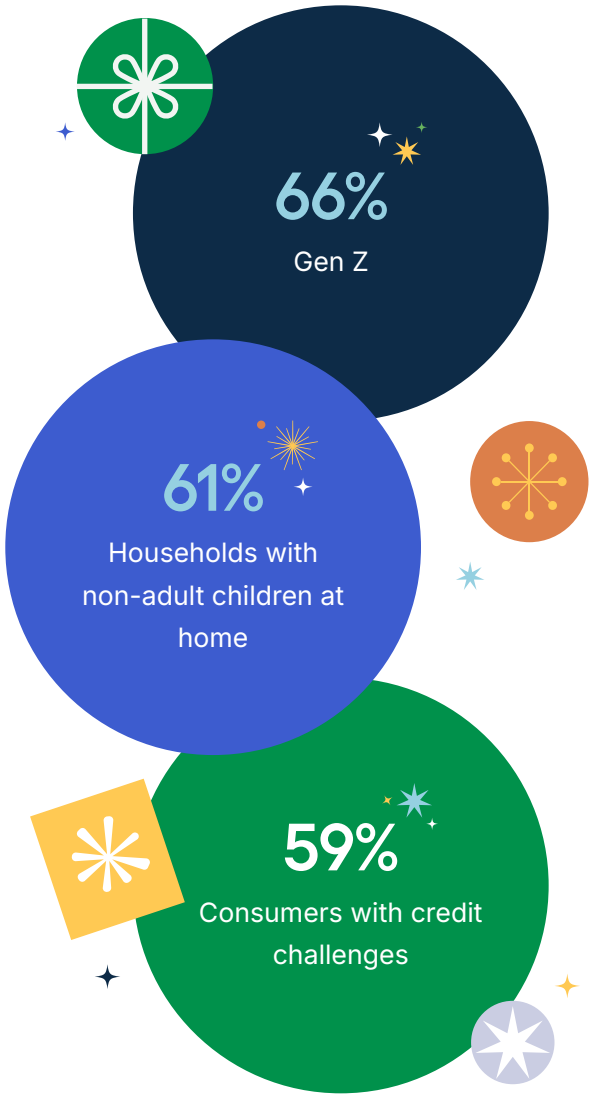
Budgeting and spending for the holidays

As households balance holiday expectations with financial pressures, many are adjusting their spending plans.

53% of consumers will create a budget for holiday expenses, though only about half are confident they'll stick to that plan

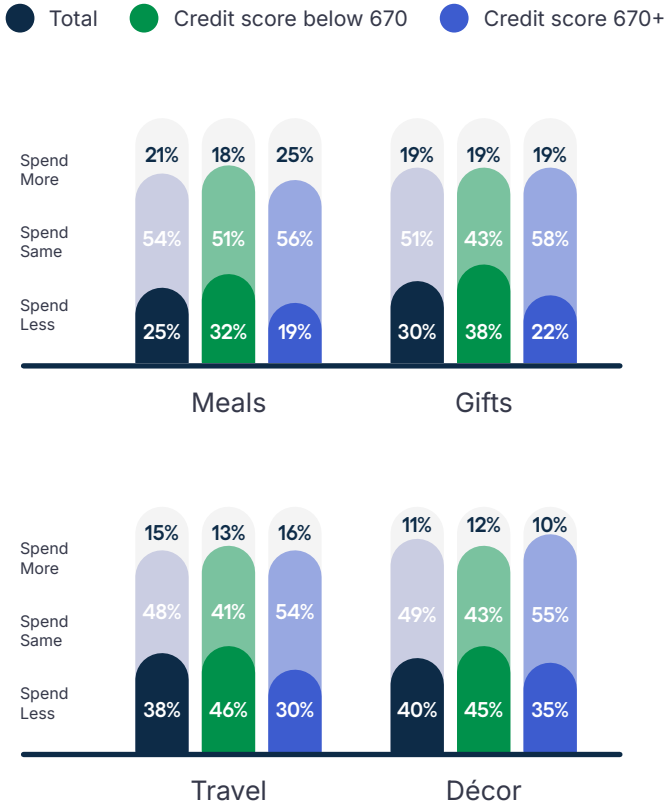
Most likely to create a holiday budget

For many households, creating a holiday budget is an important way to stay on track with seasonal spending.



Many consumers told us they are **planning to spend less this holiday** season compared to 2025, led by those with credit challenges. Holiday décor and travel are two areas where many expect to spend less.

Expected spending change by category



Top reasons for spending less on gifts

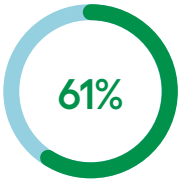
(Among all consumers)

1. Economy/inflation **(74%)**
2. Recession concerns **(27%)**
3. Income decline due to job loss **(24%)**
4. Income decline due to retirement **(15%)**
4. Fewer people to buy for **(14%)**

75% of consumers cite higher prices as the top reason they'll **spend more on gifts this year**

Planned actions to manage holiday spending

(Among all consumers)



Shop around more



Shop more during major events



Set a lower budget per person



Skip buying for some people



Buy off-brand items



Re-gift items

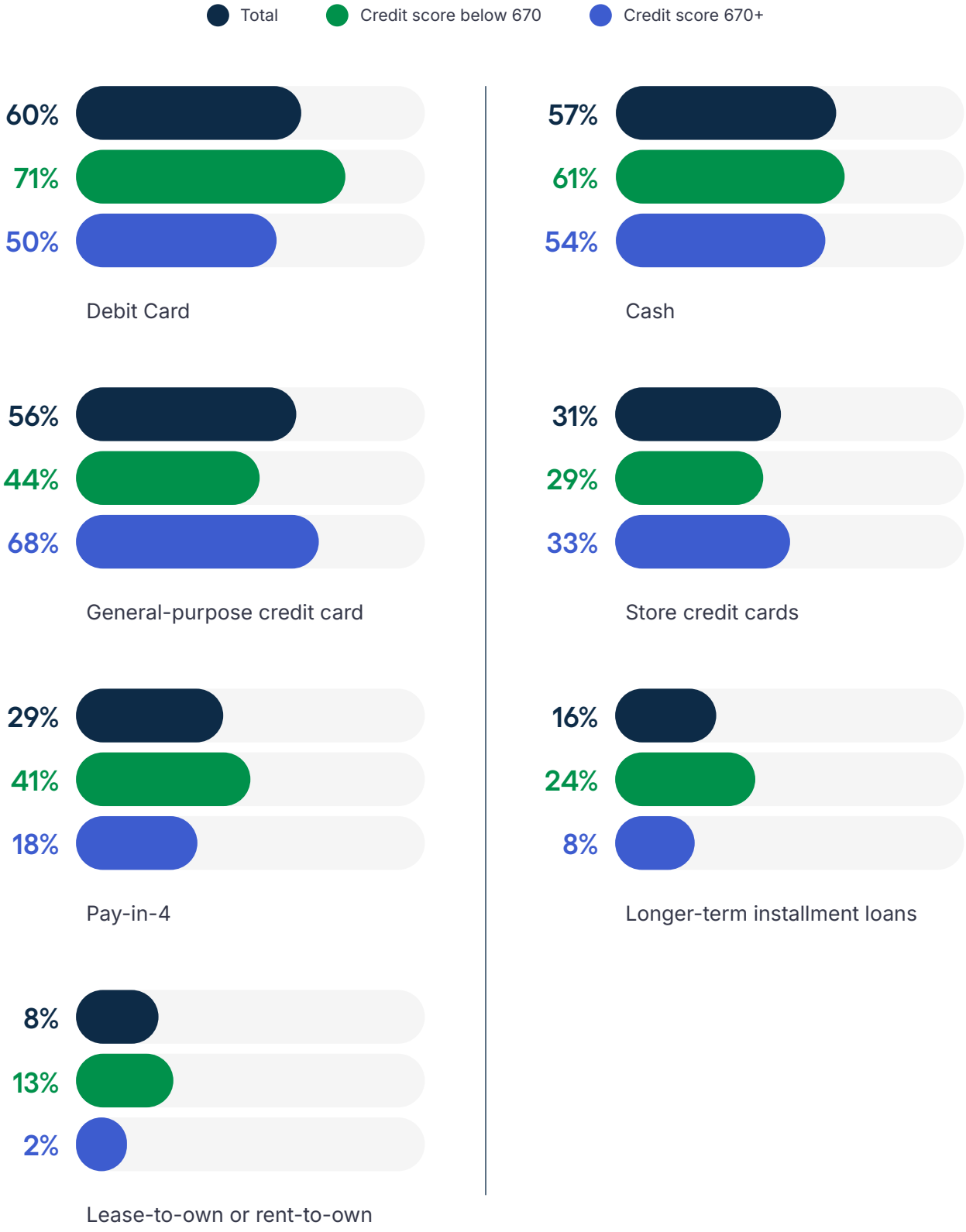
Paying for the holidays

For many consumers, especially those with credit challenges, **the ability to pay over time is an important consideration for holiday purchases.** Those with lower credit scores are more likely to consider alternative financing options, including Pay-in-4 options, longer-term installment loans, and lease-to-own or rent-to-own financing

44% of credit-challenged consumers say **financing availability** is a major factor in deciding where to shop for the holidays.

36% of consumers will **rely more on credit and financing this holiday** season, led by 42% of those with lower credit scores.

Payment products considered for holiday purchases



2 Financial pressures shaping holiday spending

As consumers enter the holiday season, many are balancing the desire to celebrate with ongoing financial uncertainty. That pressure is especially pronounced among households with lower credit scores and incomes.

Nearly a quarter (24%) of consumers describe their **current financial situation as unstable,** jumping to 40% for those with credit scores below 670 and 38% for households with income below $50K.

Financial situation unstable, by generation

29%
Gen Z

25%
Millennial

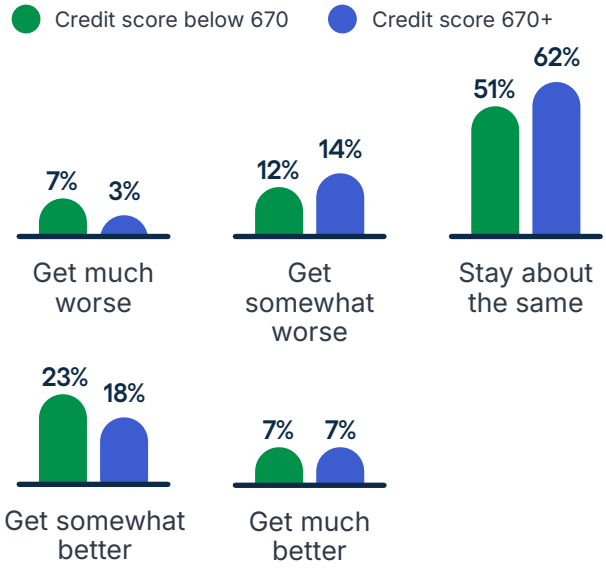
28%
Gen X

17%
Boomers+

26% of consumers **expect their financial situation to improve;** optimism is strongest among those with lower credit scores, Gen Z, and millennials.

Expectations for household's financial situation

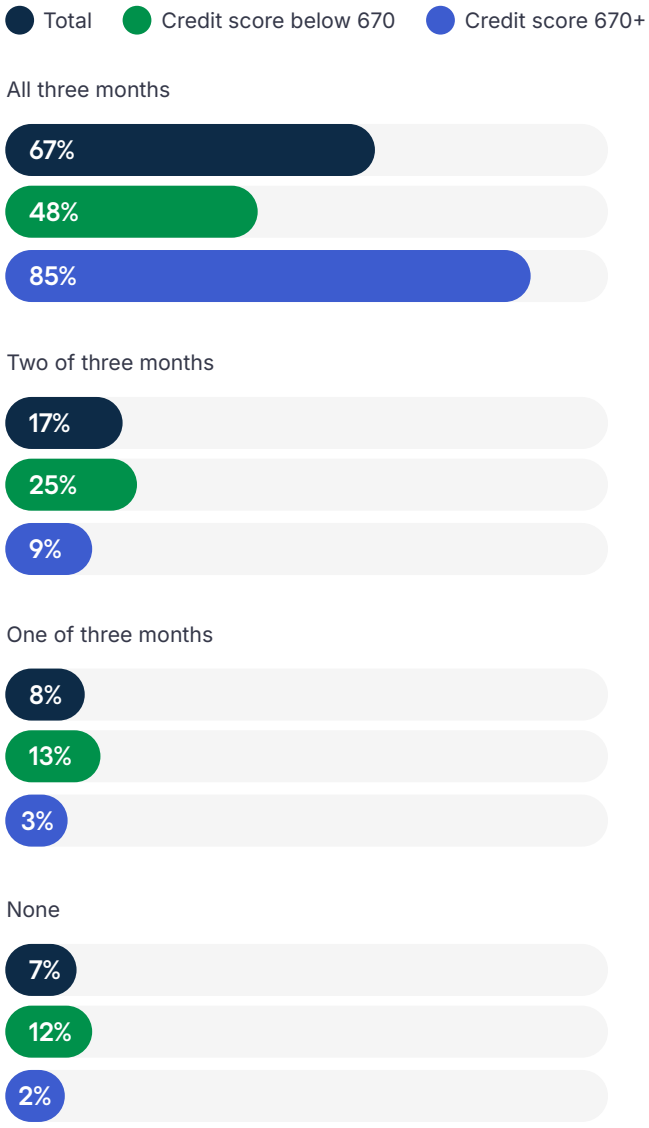
(Next three months)



Financial footing diverges sharply by credit status

Only 48% of credit-challenged consumers fully covered all their bills the past three months, compared to 85% of those with better credit. In addition, just 54% of millennials and 55% of households with income below $50K did the same.

Number of months bills fully covered
(Past three months)







46% of all credit card holders paid their balance in full each of the past three months, compared with 19% of those with lower credit scores

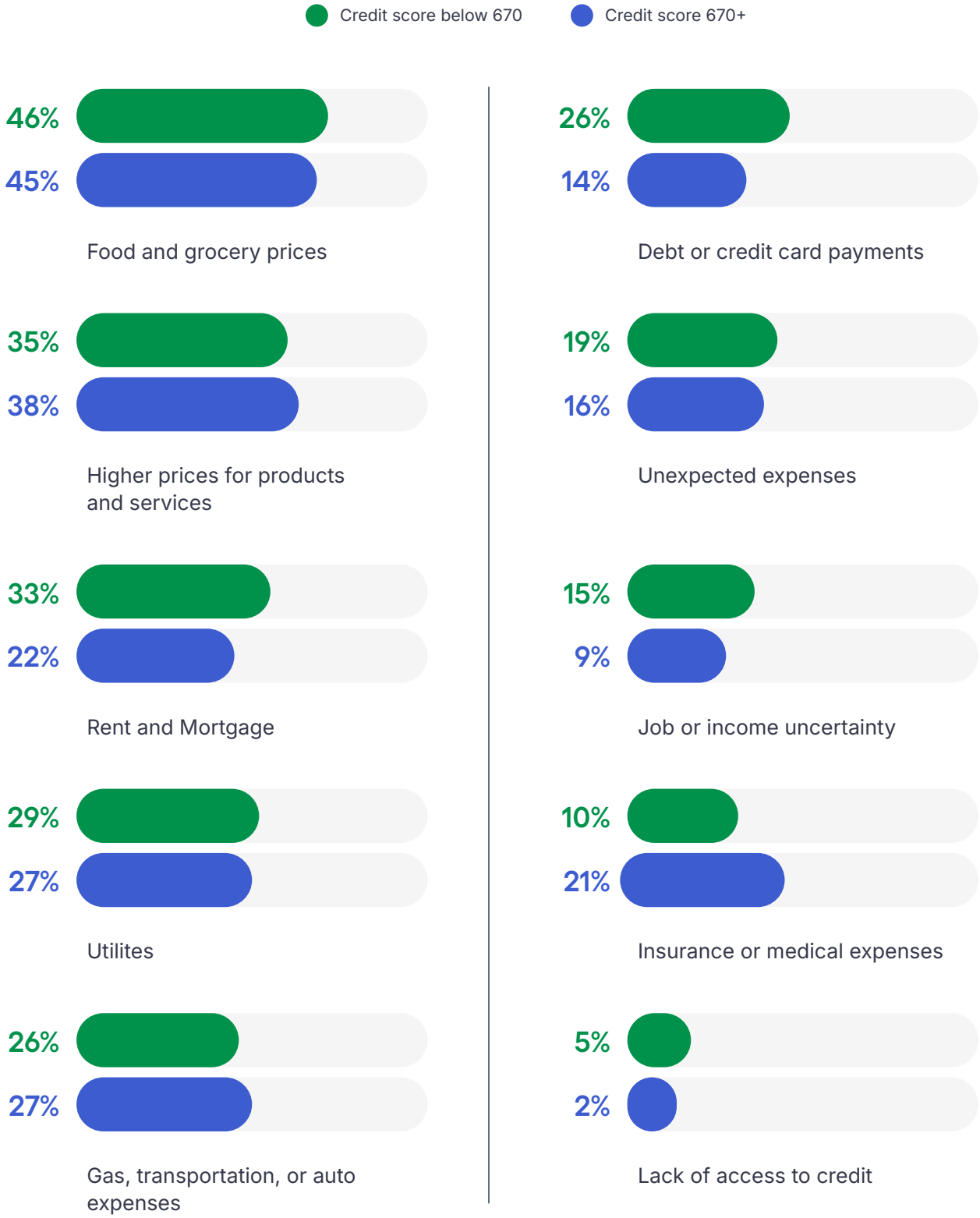
Day-to-day expenses continue to pressure all shoppers, but debt payments and housing costs disproportionately impact those with lower credit scores.





33% of those with lower credit scores cite their **rent or mortgage** as one of their top three financial pressures, compared to 22% of those with better credit

Top 10 financial pressures



Delaying purchases

Delaying larger purchases is often unavoidable. Nearly half of all consumers have **delayed a $300+** purchase in the past three months, led by those with lower credit scores (63%).

Top purchase categories delayed



Spending and financing

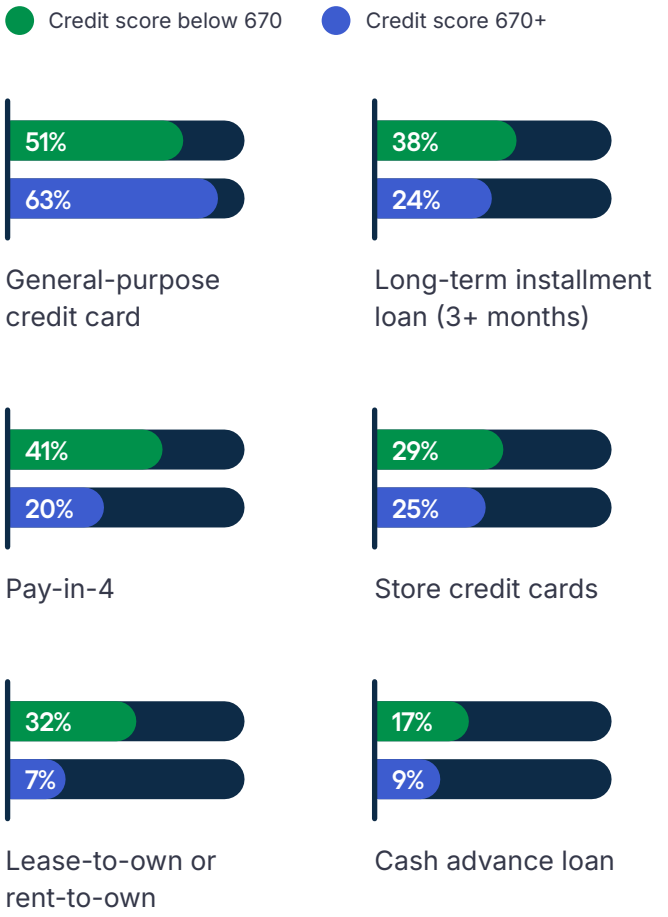
Many consumers lack a financial cushion for unexpected expenses. Overall, 36% of consumers say they are **not at all or not so confident they could cover an unexpected $300 expense.** The lack of confidence climbs among those with lower credit scores (56%) and those with household income below $50K (58%).

Financial pressures often means making hard trade-offs. Nearly 7 in 10 consumers are **reducing nonessential spending** due to their financial situation – and 36% are relying more on financing to make ends meet.

25% of consumers **financed a major purchase** in the previous three months

Financing method used for a major purchase

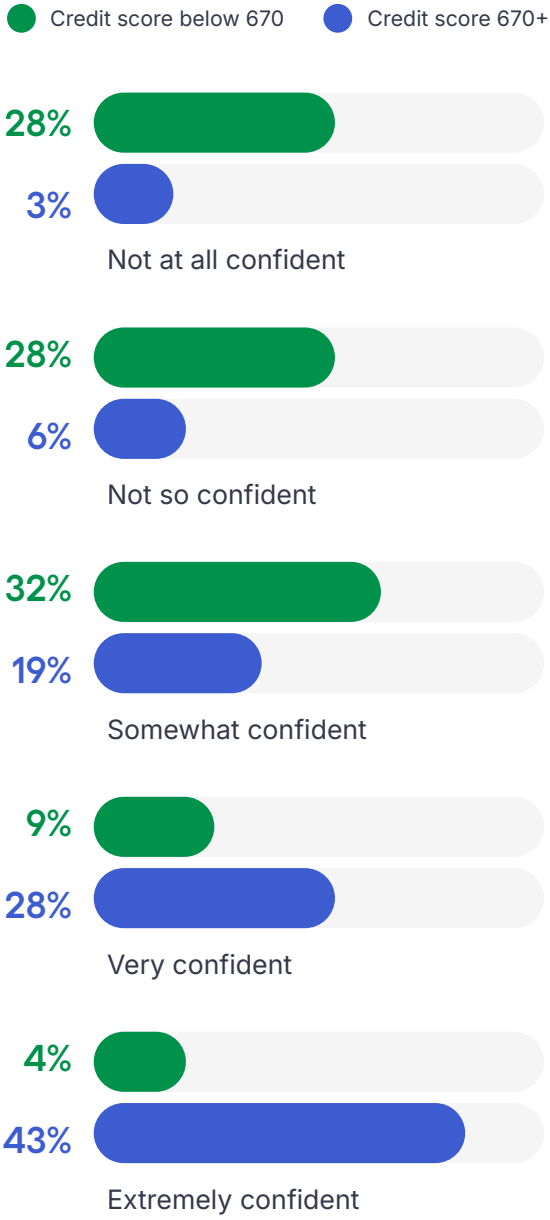
(Among those who financed a major purchase in the past three months)



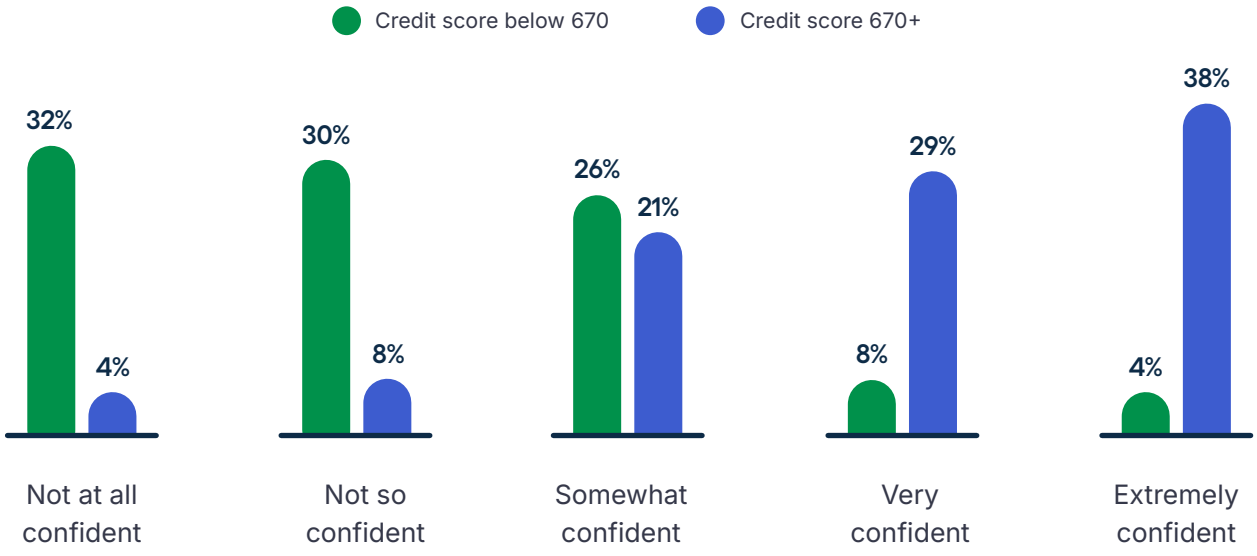
Despite relying more on financing, consumers with credit challenges are often unsure they can access ways to pay over time. Among those with lower credit scores, **56% lack confidence they will be approved for financing** and 62% doubt they'll be approved for enough financing to meet their needs.

63% of those with lower credit scores avoid applying for financing because they **fear being declined**

Confidence in approval for new financing



Confidence in approval for a sufficient spending limit



About the survey

Snap Finance's proprietary research exploring consumers' financial situation and expected 2026 holiday shopping plans was conducted through Accelerant Research's Agora panel in August and September 2026, surveying 979 household financial decision makers. Respondents' answers were categorized by their self-identified credit scores above or below 670. Approximately half of respondents had credit scores below 670.

For more information, visit **snapfinance.com/partner**



Snap-branded product offering includes retail installment contracts, bank installment loans, and lease-to-own financing. For more detailed information, please visit snapfinance.com/legal/products