



# Closing the credit gap: Financial stability and consumer confidence in the year ahead

Today's consumers are navigating economic uncertainties and making financial trade-offs. That's especially true for those with lower credit scores. To better understand how credit influences shopping behaviors, personal finances, and expectations for the year ahead, Snap Finance surveyed consumers with and without credit scores below 670. Here's what we learned.

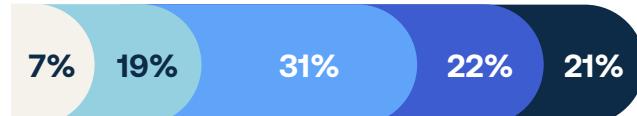
1

## How consumers feel about their current financial situation

In 2025, consumers with credit challenges reported significantly higher levels of instability compared to the general population.

One in four (25%) of all consumers described their **current financial situation as unstable or very unstable** – increasing to 41% of those with lower credit scores and 54% of those with household incomes of \$50K or less.

### Change in financial situation year-over-year



All consumers



Credit score 670+



Credit score <670



Household income \$50K or less

Much worse

Somewhat worse

About the same

Somewhat better

Much better



34% of those with lower credit scores said their financial situation got worse in 2025



## Managing household finances

While most consumers said they did a good job managing finances and debt in 2025, **62% still live paycheck to paycheck**.

Among those with credit scores below 670:

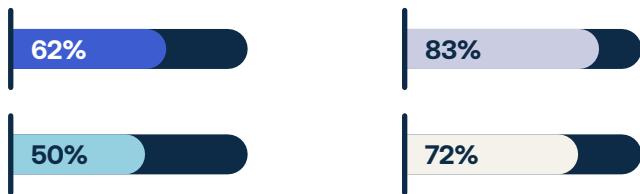
**83%**  
live paycheck to  
paycheck

**59%**  
said they did a good job  
managing their finances  
in 2025

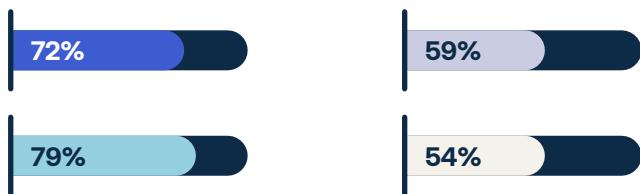
**59%**  
described their debt  
as manageable

## Money management in 2025

### Live paycheck to paycheck



### Did a good job managing their finances in 2025



### Amount of debt is manageable



● All consumers  
● Credit score 670+  
● Credit score 670+

● Credit score <670  
● Household income  
\$50K or less

## Making on-time debt repayments

When asked how well they keep up with debt repayments, **50% of all consumers said they always pay debts on time**, dropping significantly for those with lower credit scores.

Among those with credit scores below 670:

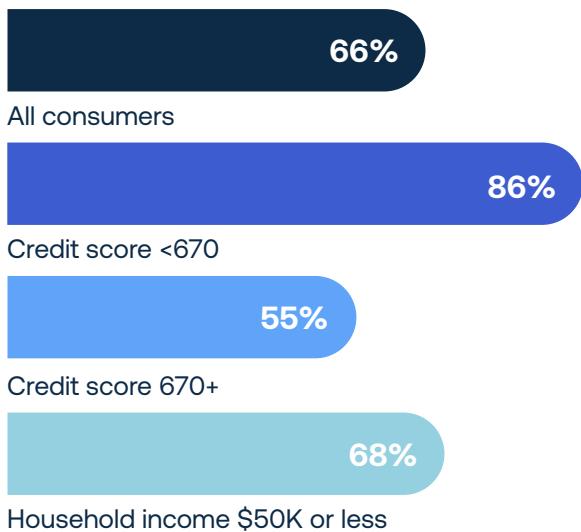


## Paying for unexpected expenses

Among those with lower credit scores, 39% said they were “not so” or “not very” confident they could currently **pay for a \$300 unexpected expense**. This compares to just 11% of those with higher credit scores and 49% of those with household income of \$50K or less.

## Delaying major purchases of \$300+

(Delays due to finances or the economy)



## Most often delayed purchases in 2025

- 1 Auto services and repairs
- 2 Appliances
- 3 New car
- 4 Dental care
- 5 Vacations and travel
- 6 Computer
- 7 Furniture
- 8 Home repair and servicing
- 9 Medical care or equipment
- 10 Education or training expenses

## Using financing to make ends meet

Those with lower credit scores are the top users of most types of financing, including 53% who use store-specific credit cards and 47% who use pay-in-4 financing.

Millennials are also top users of financing, including store credit cards (58%), pay-in-4 (41%), lease-to-own financing (28%), and installment loans (22%).

The exception? General-purpose credit cards are more often used by those with higher credit scores and boomers.



## Types of financing used in 2025

### General-purpose credit card



All consumers Credit score <670



Credit score 670+ Household income \$50K or less

### Lease-to-own or rent-to-own



All consumers Credit score <670



Credit score 670+ Household income \$50K or less

### Store-specific credit card



All consumers Credit score <670



Credit score 670+ Household income \$50K or less

### Installment loan

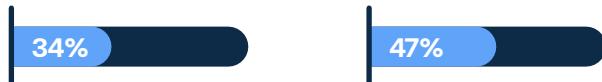


All consumers Credit score <670



Credit score 670+ Household income \$50K or less

### Pay-in-4 financing



All consumers Credit score <670



Credit score 670+ Household income \$50K or less

### Cash advance loan



All consumers Credit score <670



Credit score 670+ Household income \$50K or less

## 2

## 2026 outlook: How consumers feel about their finances in the coming year

Despite economic headwinds and lingering inflation, consumers are fairly optimistic about their finances in 2026. Among all consumers, **53% expect their financial situation to improve** – and just 12% expect it to get worse.

But few are worry-free. Among consumers' overriding concerns are inflation (67%), an unexpected major expense (48%), and a potential job loss (44%).

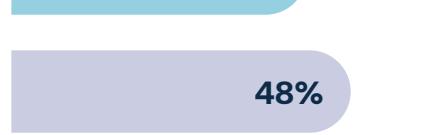
Gen X is the most financially concerned generation. For example, 76% of Gen X said they were concerned about inflation, compared to 55% of Gen Z, 67% of millennials, and 60% of boomers.

### Economic concerns in 2026

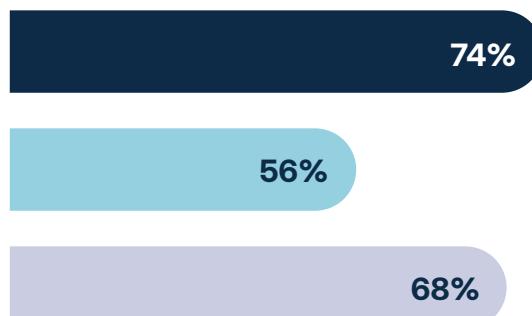
#### All consumers



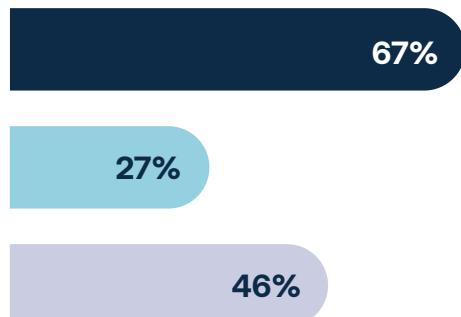
#### Credit scores 670+



#### Credit scores <670



#### Household income \$50K



● Inflation (increasing prices for goods and services)

● Potential job loss impacting your household

● Being able to pay for a major (\$300+) unexpected expense

## Consumers expect to rely on financing more often in 2026

When costs are higher than budgets allow, financing helps consumers get what they need. Among all consumers, **43% expect to rely on financing more often in 2026**, compared to 55% of those with lower credit scores.

### Expectations for relying on financing in 2026



All consumers



Consumers with credit scores <670



Consumers with credit scores 670+



Households with income of \$50K or less

### Making plans for major purchases

In 2026, consumers are prioritizing major purchases for necessities and essentials, including auto services and repairs (40%), major appliances (33%), and furniture (22%). These findings are the same or similar for those with lower credit scores.

## Planned \$300+ purchases in 2026

(Among all consumers)



## Financial resolutions for 2026

Consumers are entering 2026 with clear intentions to improve their finances through budgeting, debt reduction, increased savings, and other actions.

Consumers are most focused on saving more (49%) and paying down debt (45%).

## Planned financial actions for the coming year

(Among all consumers)



Save more



Pay down debt



Shop around more for deals



Cancel subscriptions



Invest more



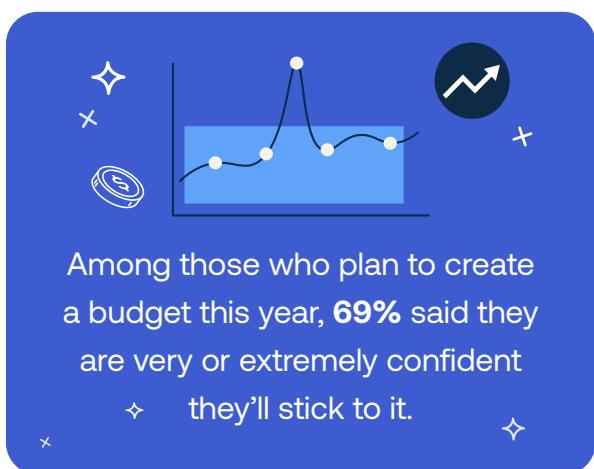
Travel/vacation less



Switch insurance providers

## Budgeting in 2026

Creating a budget is a way for consumers to manage their money amid ongoing economic uncertainty. Nearly 2 in 3 consumers plan to create a household budget in 2026, highest among those with lower credit scores and Gen X.



## Intent to create a budget in 2026



All consumers



Consumers with credit scores <670



Consumers with credit scores 670+



Household income \$50K or less

## Turning insights into action

While many consumers are entering 2026 with cautious optimism, financial instability and credit access will continue to shape how they spend, plan, and manage their money. For businesses, understanding these pressures is critical to meeting consumers where they are with solutions that build greater financial resilience in the year ahead.

### About the survey

Snap Finance's proprietary research on credit-challenged consumers was conducted in December 2025 through SurveyMonkey's panel with 1,423 U.S. adults who are household financial decision makers. Respondents' answers were categorized by their self-identified credit scores above or below 670.

For more information, visit [snapfinance.com/partner](https://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](https://snapfinance.com/legal/products)

