

Banking Across the Generations

Meeting Evolving Expectations at Every Age





Community banks and credit unions serve account holders across their lives. Too often, generational differences are flattened to a simple mobile-first vs. branch-first conversation, instead of examining why people have the expectations they do. When banking experiences don't address deeper needs and preferences, even the most modern digital enhancements can feel fragmented or irrelevant.

This white paper looks at how different generations experience banking today and why those experiences matter for community financial institutions. It explores behaviors across Baby Boomers, Gen X, Millennials and Gen Z, showing where expectations align and where they differ.

The goal isn't to build separate experiences for every age group. Instead, it's to help financial institutions deliver holistic banking that feels personalized, consistent and human.

Understanding the Multi-Generational Banking Landscape

Today’s banking landscape includes four distinct generations, each shaped by different economic realities and technology environments.

Baby Boomers generally began their financial lives in a branch-first world, where trust was built through in-person relationships and consistency over time. Financially, they can be a paradox. On the one hand, 41% say they’re confident covering expenses¹; on the other, more than half close to retirement age have assets under \$250,000², creating anxiety about sustaining their current lifestyle in retirement.

Gen X entered banking as self-service options like ATMs and early online tools emerged, shaping a practical mindset focused on efficiency, value and flexibility. Sometimes called “the sandwich generation,” many Gen Xers are caught between supporting their aging parents and raising their own children. This often hinders their ability to save for retirement. While they’ve easily adapted to digital life, many feel overlooked by the financial institutions they’ve been loyal to for decades.

Millennials came of age alongside widespread internet access and mobile technology, driving expectations for convenience, strong digital tools and transparent communication. They’ve lived through major economic downturns, responding with both caution and ambition. From carving out new paths toward financial security to embracing entrepreneurship and side hustles to achieve their goals, they want their financial institution to adapt to their reality.

Gen Z, the first generation to grow up entirely with smartphones and on-demand access, expects banking to be fast, intuitive and highly personalized from the start. Nearly three-quarters of Gen Zers say they face unique challenges other generations haven’t, and more than 40% have no emergency savings. However, 92% report actively trying to improve their financial literacy³.

Generation	Birth Years	Defining Moments	Defining Traits	Banking Mindset
Baby Boomers	1946–1964	Cold War Vietnam War Civil Rights movement	Relationship-driven Cautious	Trust & Stability
Gen X	1965–1980	End of the Cold War Reagan-era recession Dawn of the Internet	Practical Time-constrained	Value & Flexibility
Millennials	1981–1996	Rise of the Internet, smartphones & social media Dot-com bust Great Recession	Digital-first Convenience-focused	Security & Personalization
Gen Z	1997–2009	COVID-19 pandemic Rising inflation Emergence of AI	Mobile-native Transparency-driven	Speed & Control

These early experiences continue to influence how each generation evaluates service, technology and trust as they decide who to bank with. While preferences differ, understanding the forces and events that shaped them helps financial institutions design experiences that feel convenient, useful and relevant (without needing separate strategies for every age group).



Banking Preferences and Expectations

Generational differences in banking preferences are shaped by life stage, financial responsibility, early technology environment and more. While trust, security and ease of use matter to everyone, the way each generation defines and prioritizes them varies.

Baby Boomers

This generation controls over 50% of U.S. wealth, making it essential for financial institutions to understand their expectations and preferences.

Top priorities include:

- **Trust & relationships:** Baby Boomers highly value personal connections, yet 21% feel their bank doesn't understand them⁴.
- **Convenience:** Many Boomers have adopted digital tools. Although three-quarters say they want the option of in-person service, about half visit a branch⁵ a few times a year or less.
- **Costs & fees:** While they're not as fee-sensitive as younger generations, hidden charges can still erode their trust, making transparency and fairness an important factor.
- **Security & privacy:** Americans aged 60+ suffered \$4.8 billion in losses in 2024⁶, with average losses exceeding \$33,000 per victim. Fraud is on the rise and growing more sophisticated, creating anxiety and distrust among older account holders.
- **Financial education:** Surprisingly, 42% of Baby Boomers don't want advice⁷ from their banks. Many feel that "anything I needed to know isn't relevant at this point." However, resources related to retirement, healthcare, estate planning and fraud detection and prevention do still resonate with them.

Gen X

Gen Xers want a balance between digital convenience for everyday needs and personalized service for more complex issues. They're less likely than younger generations to switch financial institutions⁸, but high fees and interest rates or unresponsive service can still push them to look elsewhere. Their highest priorities⁹ are:

- **Discounts, cashbacks or rewards:** Gen X appreciates tangible, practical benefits that offset everyday expenses and provide immediate financial value.
- **Easy-to-use digital tools or apps:** While digitally capable, Gen X wants tools that save time, especially for routine banking tasks.
- **Personalized, expert advice:** As the "sandwich generation," many Gen Xers face complex financial decisions and value access to knowledgeable guidance when stakes are high.
- **Goal setting and tracking tools:** With competing demands on income and savings, Gen X looks for tools that help them plan, monitor progress and stay on track.
- **Transparent, easy-to-understand language:** 27% of Gen Xers struggle with financial jargon⁹, making clear communication a must.

Millennials

Like Gen X, Millennials are drawn to tangible perks such as cashback, discounts and debit card rewards¹⁰. They're also likelier to try new financial products like Buy Now, Pay Later (BNPL). In fact, more than 4 out of 10¹¹ Millennials have used BNPL to fund a purchase in the past two years. This group highly values¹²:

- **Security:** 54% say top-notch security is critical when choosing a financial institution.
- **Digital Banking:** 51% prioritize robust digital tools, and 41% want to be able to open an account online.
- **Personalization:** Growing up with targeted ads and tailored social media feeds has conditioned Millennials to expect customized financial products and services.
- **Integration:** 22% want digital solutions that work with digital wallets or wearable devices.

Gen Z

Gen Z's financial expectations are shaped mainly by early, constant access to technology and the Internet. They want digital experiences that are transparent and personalized. Some top priorities¹² in banking include:

- **Security:** To Gen Z, data breaches and AI-driven scams are simply part of living in a digital world, but they expect strong fraud protection and fast resolutions as a result. 60% say security is one of the most important banking features.
- **Digital Banking:** 53% of Gen Z say robust digital tools are another deciding factor when choosing a financial institution.
- **Personalization:** Gen Zers want useful and supportive recommendations in their app, such as customized budget nudges, savings insights and spending breakdowns.
- **Transparency:** Open and honest communication is expected, from how fees are calculated to how their data is used.

Like Millennials, Gen Zers appreciate perks with value: cashback, discounts and rewards rank among their most-desired banking features. Gamified banking experiences can keep Gen Z engaged, but their loyalty is often shallow. If a brand doesn't meet their expectations, they'll move on quickly.



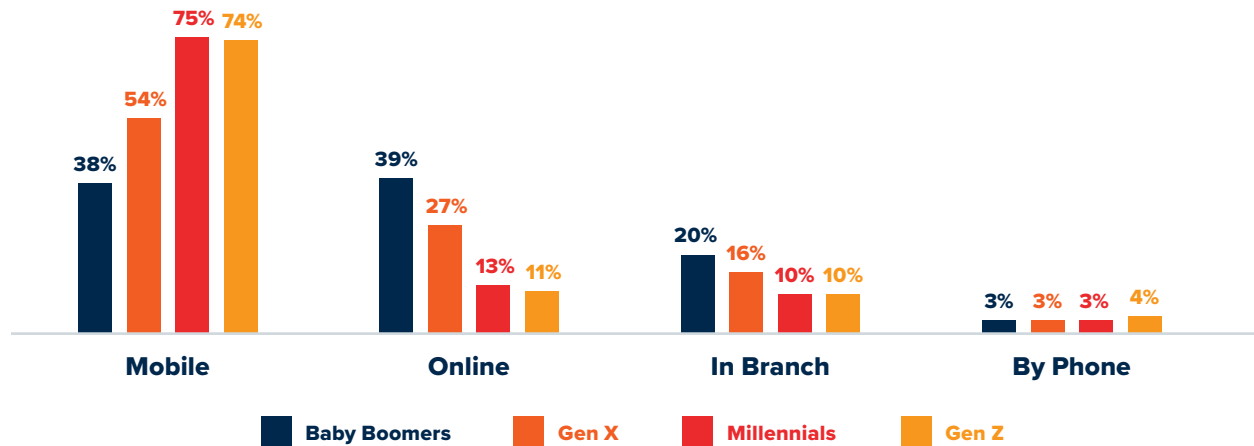
Digital Habits and Channel Usage

All four generations use digital banking, but usage patterns differ. Older generations blend digital and branch use, while younger generations expect mobile to handle nearly all interactions.

Mobile banking is preferred by Millennials and Gen Z, while Boomers and Gen X still rely on branches for complex needs.

Preferred Banking Methods, by Generation

Source: [Marketwatch](#)



Not all technologies have been embraced equally across generations. Baby Boomers are the most skeptical¹³ about AI, so acceptance of emerging bank tech like AI chatbots may take some time. Meanwhile, most of Gen X has frequently felt overwhelmed by technology¹⁴ over the years, so hybrid engagement is key. In practice, that might mean pairing proactive digital alerts and personalized financial insights with easy access to a real banker when needed.

Credit card¹⁵ use also varies by generation:

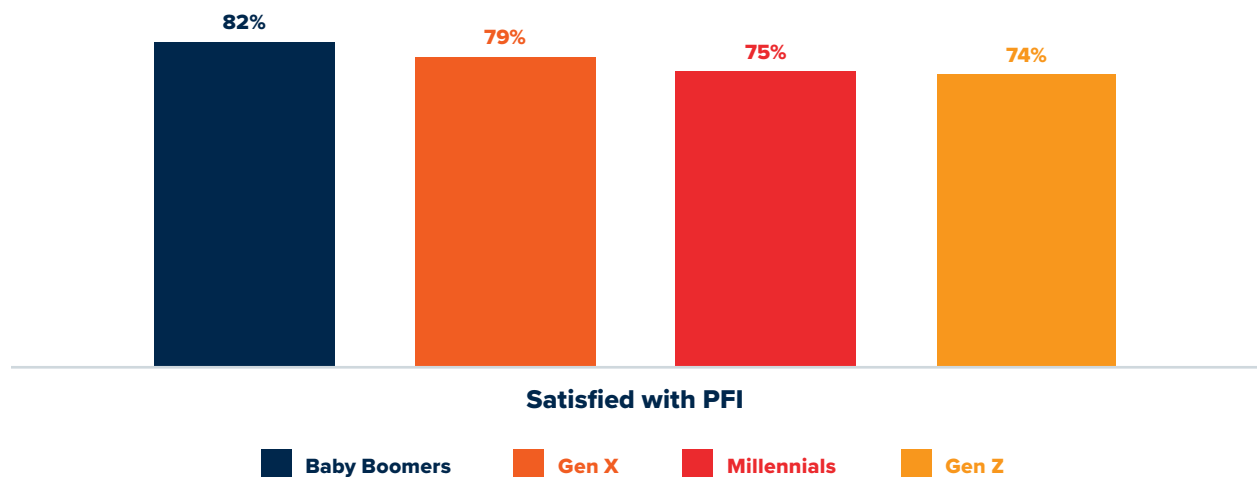
- **Baby Boomers** are the generation most likely to have no outstanding credit card balance and not accrue interest (52%). Many either avoid carrying credit card debt or use cards more conservatively.
- More than one in four **Gen Xers** prefer to put all eligible purchases on their credit cards. They're also the least likely generation to regularly pay off their full monthly balance (42%), with 30% paying less than half of their balances regularly and 6% unable to make payments.
- **Millennials** use their credit card more frequently than other generations, with 36% reporting they use a card one or more times per day. They're also the most likely group to have missed a credit card payment within the last 12 months (34%), and for most of those that have, it's a source of significant concern.
- **Gen Zers** are the generation most likely to pay off their credit cards¹⁵ each month, with 56% reporting they do so. However, because they often maintain accounts across multiple institutions, they are more prone to losing track of their financial products and services.

Loyalty & Engagement

Loyalty varies significantly by generation. Baby Boomers tend to stay with their primary financial institution (PFI) for years, while younger generations are more willing to switch based on the quality of their experience. Trust remains the strongest loyalty driver across all age groups. Poor service, unclear pricing or security concerns can quickly wear down relationships, regardless of generation.

Financial Institution Loyalty Among Generations

Source: [Apiture](#)



Overall, Baby Boomers and Gen X are less willing than Gen Z and Millennials to switch banks.



Older generations are open to switching¹⁶ to a local bank (49%) or a credit union (47%), yet significantly less would be willing to switch to an online bank (25%) or large bank (20%)—a clear opportunity for community financial institutions.



Factors that might trigger a switch include poor service, a lack of trust, excessive fees or missing basic digital capabilities.

Meanwhile, Gen Z's loyalty is still up for grabs, but it will take constant effort to retain it. They're willing to switch financial institutions to get the services and personalization they want. Research from PYMNTS shows that Gen Z switches two to three times more often¹⁷ than their parents and four times more than their grandparents.

To engage and retain Gen Z, financial institutions need to meet them where they already are: on their smartphones, on social media and in personalized digital spaces. Gamified learning, bite-sized videos, financial wellness tools and authentic, values-driven messaging can help build the trust and loyalty needed to keep them engaged and coming back.

Opportunities to Connect and Engage

Serving multiple generations doesn't require separate strategies for each group. Instead, successful financial institutions build flexible experiences that adapt to different needs without adding unnecessary complexity.

Clear communication, reliable digital tools and easy access to human support consistently improve engagement across generations.

Baby Boomers

What Matters Most

- Trust
- Stability
- Personal relationships

How Financial Institutions Can Respond

- Maintain branch access and banker availability for complex conversations and reassurance.
- Provide personalized service that recognizes them as individuals, not account numbers.
- Support multi-generational planning as assets transfer to heirs.
- Be transparent about fees, fraud protection and how AI is used to improve (not replace) service.

Gen X

What Matters Most

- Efficiency
- Guidance
- Emotional reassurance

How Financial Institutions Can Respond

- Proactively address financial stress with clear resources and outreach.
- Support multi-generational planning for children and aging parents.
- Combine strong digital tools with easy access to human advice.
- Use plain language, not financial jargon.
- Reward loyalty with tangible benefits like debit rewards and referral programs.

Millennials

What Matters Most

- Security
- Flexibility
- Digital convenience

How Financial Institutions Can Respond

- Emphasize fraud protection and identity security.
- Support side hustles and variable income with flexible tools like tailored overdraft protection and small-dollar loans.
- Deliver modern digital experiences paired with optional human support.
- Simplify account opening and onboarding to earn primary relationships.

Gen Z

What Matters Most

- Transparency
- Speed
- Personalization

How Financial Institutions Can Respond

- Lead with trust and ethical practices.
- Offer bite-sized, engaging financial education through short-form and digital channels.
- Deliver fast, intuitive mobile experiences focused on P2P payments, budgeting and instant transfers.
- Make onboarding friction-free and maintain ongoing communication to build loyalty early.

Conclusion

For community banks and credit unions, addressing generational needs and preferences is an opportunity to meet account holders at every life stage with personalized service, products and communication.

And though each generation has different expectations for their banking experience, one theme is consistent: account holders stay loyal when they feel understood, supported and respected. Those factors matter to everyone — and never go out of style.

Clear communication, reliable digital tools and easy access to human support consistently improve engagement across generations.





About CSI

CSI is a leading provider of end-to-end financial technology solutions, helping U.S. community and regional financial institutions compete and grow. Backed by more than 60 years of industry expertise, CSI delivers a comprehensive suite of capabilities spanning core banking, digital banking, lending, payments, risk and compliance, and managed IT and cybersecurity services. CSI gives financial institutions the flexibility to deploy a fully integrated core platform or best-of-breed, core-agnostic solutions, enabling them to modernize on their terms. Known for its high-touch service, CSI helps financial institutions navigate disruption, strengthen account holder relationships and drive growth in an increasingly digital-first financial landscape. To learn more, visit csiweb.com.

Resources

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- [2 baby boomer financial trends](#)
- [3 younger generations financial mindsets](#)
- [4 financial services for boomers](#)
- [5 generational banking survey](#)
- [6 2024 ic3 report](#)
- [7 financial services for boomers](#)
- [8 apiture study identifies consumers top motivators](#)
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