PwC's Consumer Lending Radar Survey 2026

The borrower has changed. Have you?: What lenders need to know

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The borrower has changed. Have you?: What lenders need to know

The preferences and expectations of the customer that you want to serve are changing fast and in some unexpected ways. What 4,000+ US consumers reveal about the pressure, the trade-offs, and the expectations they have of the value your company brings.

85%
value personalized guidance

67%
are concerned about housing affordability in their area

22%
missed or were late on a payment in the past 12 months

28%
say “I cannot afford” a home or car is the main reason they are not making a purchase

Executive summary

Today's borrower thinks and acts in ways that are different compared to five years ago, and in many ways this borrower is a striking departure from the one many lenders are built to serve. Most institutions spent a decade optimizing speed and price. Yet the customer who solely places great value on those things is quietly disappearing. PwC's Consumer Lending Radar Survey 2026 details what is triggering borrower habits and decisions. Today, consumers are more pressured, more deliberate, more demanding, and, in meaningful pockets, more strained. Four mindsets define the majority of borrowers:

- **Practical.** Asset ownership is still the aspiration, but younger borrowers are deferring, hedging, and keeping options open, reshaping demand for the very products lenders built their economics around.
- **Pressured.** Affordability is no longer a background concern. It is the defining stumbling block and the main emotional context many borrowers bring into the conversation.
- **Stretched.** Repayment strain is concentrated, not scattered, and it sits inside the population segments that represent the greatest potential growth in lending demand. The borrower who is your biggest opportunity is also your biggest repayment risk.
- **Particular.** Personalization has crossed from "nice to have" to a switching trigger and, perhaps surprisingly, the industry's assumption is incorrect about who wants it the most.

For executives at lenders of all types (banks, non-bank lenders, and fintechs), the strategic questions are "Do we actually understand who is on the other side of the loan application and is our operating model built to serve them?"

The lenders who pull ahead will likely combine empathetic, hyper-personalized digital experiences with proactive support. Approval speed is table stakes in lending, but that's a vanity metric in a market that is increasingly competing on understanding the borrower. The institutions that win the next cycle probably won't be the fastest to "yes." Instead, the likely winners will be those who most clearly understand who is asking, why they are asking, and what they can sustainably afford.

Today's borrower is more pressured, more deliberate, more demanding, and in some segments more strained than ever before.

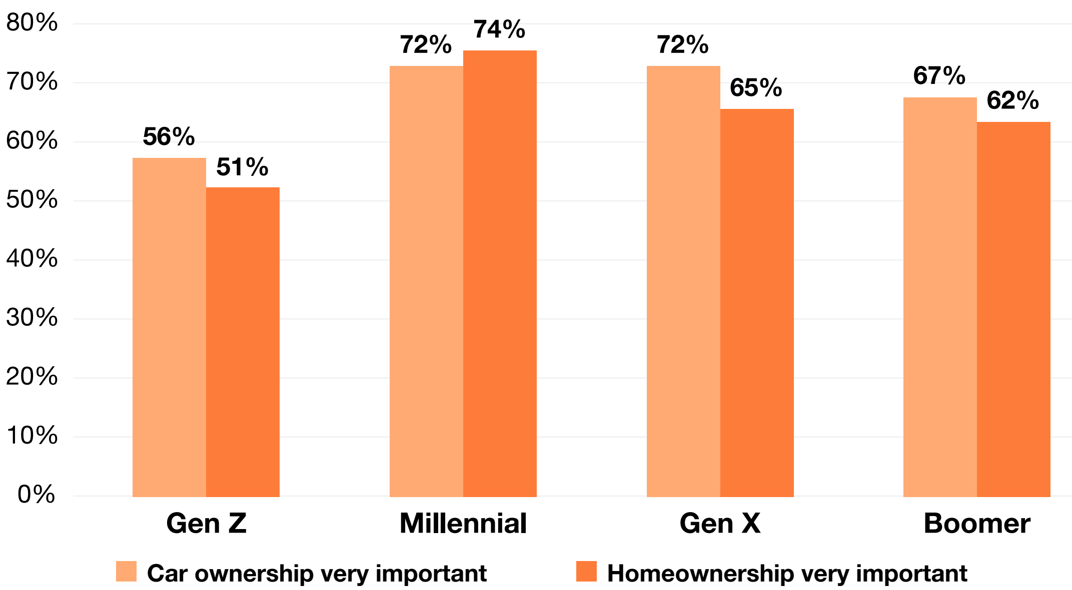
Lenders that meet them where they are, not where the product catalog assumes they are, can earn a disproportionate share of tomorrow's wallet.

Ownership is shifting, but not in the direction headlines suggest

Before a lender solves for rates, speed, or experience, it should answer a more basic question: does anyone still want what we sell? The short answer is yes, but what they 'want' is changing, and that is where strategy should now begin.

The 'death of ownership' narrative is overstated. Most consumers want to purchase a home and a car. But the **intensity** of that desire is changing in ways lenders need to design for. What borrowers 'want' ranges from help becoming owners, deciding whether to buy, and how to protect what they already have.

Importance of home ownership and car ownership by generation



Q: How important is owning a home as part of your financial goals?
Q: How important is owning a car as part of your financial goals?
Note: Respondents could choose among five options, showing only "very important" responses
Source: PwC, Consumer Lending Radar Survey 2026, Base = 4,100

Millennials are the most ownership-oriented generation in our survey. 74% say home ownership is "very important." If your mortgage strategy isn't built around them, it isn't built for today.

- **Millennials are the most ownership-driven generation in our survey:** 74% rate home ownership as "very important," the highest of any cohort, and only 1% say it's "not at all important." If there is one generation lenders should be designing primary mortgage experiences around, it is this one.
- **Gen X** mirrors the average on home ownership (65% "very important") and over-indexes on car ownership.
- **Boomers** still value ownership (62% "very important" on homes), but 8% now say it is "not at all important," the highest of any group, reflecting downsizing and lifestyle shifts.
- **Gen Z is the real signal of change.** Only 51% rate home ownership as "very important" and 56% say the same about cars. However, Gen Z is not rejecting ownership. They are deferring, hedging, and keeping their options open.

There is a parallel shift on home equity. Younger generations are far more open to tapping into it than older ones. **Millennials and Gen Z (22%, 23% respectively) find HELOC access "very appealing," vs. just 7% of Boomers.** The implication is counterintuitive: the strongest future HELOC demand is likely to come from the generations still building equity, not the ones sitting on it.

What this means for lenders

Re-segment your product strategy around life stage and intent, not age alone. Millennials want help becoming owners. Gen Z wants help deciding whether to buy. Boomers want help protecting what they have or making the right downsizing decision. The same mortgage product, marketed in different ways, can outperform a single generic message.

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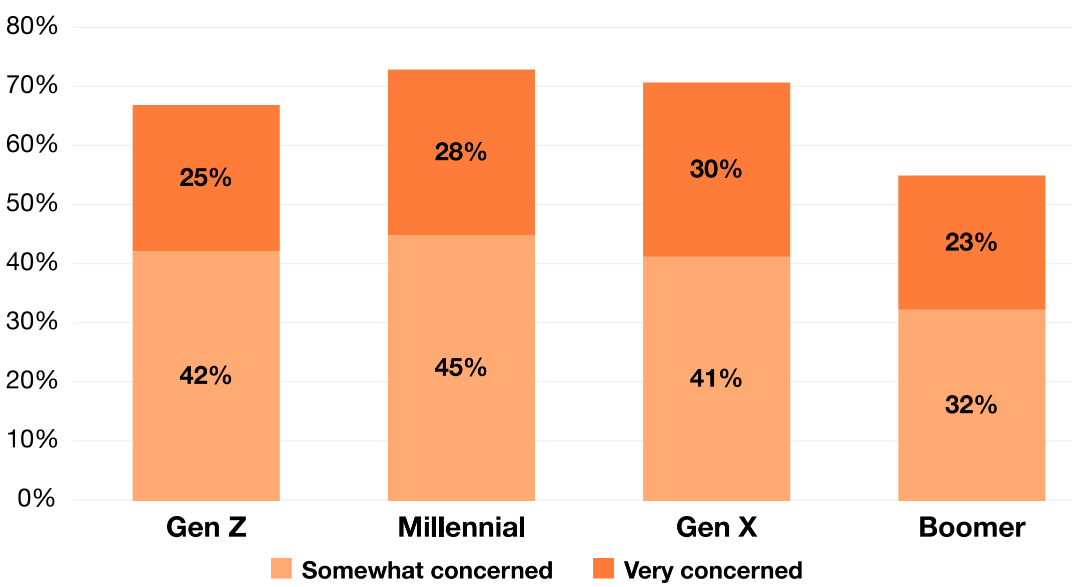
Affordability is the lens through which everything else is viewed

The dream of homeownership is alive and well. But there are doubts about whether it is reachable, and that is where affordability stops being an economic talking point and becomes a critical stumbling block for a lender's growth plans. **Two-thirds of consumers are somewhat or very concerned about housing affordability in their area, just 18% are unconcerned.** When asked why they might not buy a home in the future, the most common answer was, "I cannot afford to buy" (28%). That outweighs personal preference for flexibility (e.g. renting, moving frequently, 14%) or a shared-use model (5%) by a wide margin.

Concerns about affordability are universal but not evenly distributed.

Concern about housing affordability by generation



Q: How concerned are you about housing affordability in your area?
Source: PwC, Consumer Lending Radar Survey 2026, Base = 4,100

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Affordability is more than an economic talking point. It is the emotional context every borrower brings into the lending conversation.

- **Gen X (45–60)** is most likely to be “very concerned” (30% vs. 27% average) about home affordability. They are at the peak of buy/upgrade decisions and feel the pressure most acutely.
- **Millennials (29–44)** post the highest “somewhat concerned” rate (45%), reflecting their active yet frustrating attempts to be the winning bidder on a home.
- **Gen Z (18–28)** is highly concerned (67% “somewhat” and “very” combined) but also the most likely to register as neutral (21%) on home affordability, a sign of distance from, not indifference to, the buying process.
- **Boomer (61+)** is the least concerned cohort, reflecting established homeownership and rising home equity.

Watch this

Affordability anxiety is reshaping demand patterns faster than the industry's product roadmaps can respond. Lenders that lean into payment and total cost of ownership scenarios, and “what would it take” simulators, can convert borrower concerns about affordability into informed action.

What this means for lenders

Build affordability into the top of the funnel, rather than leaving it in the underwriting box. Tools that make affordability tangible (e.g. personalized rate estimates, monthly payment ranges, ‘stretch’ vs. ‘comfortable’ scenarios) are not marketing extras; they are acquisition infrastructure. Invest in the relationship early. Do not abandon those customers that might be a couple of years away from becoming eligible.

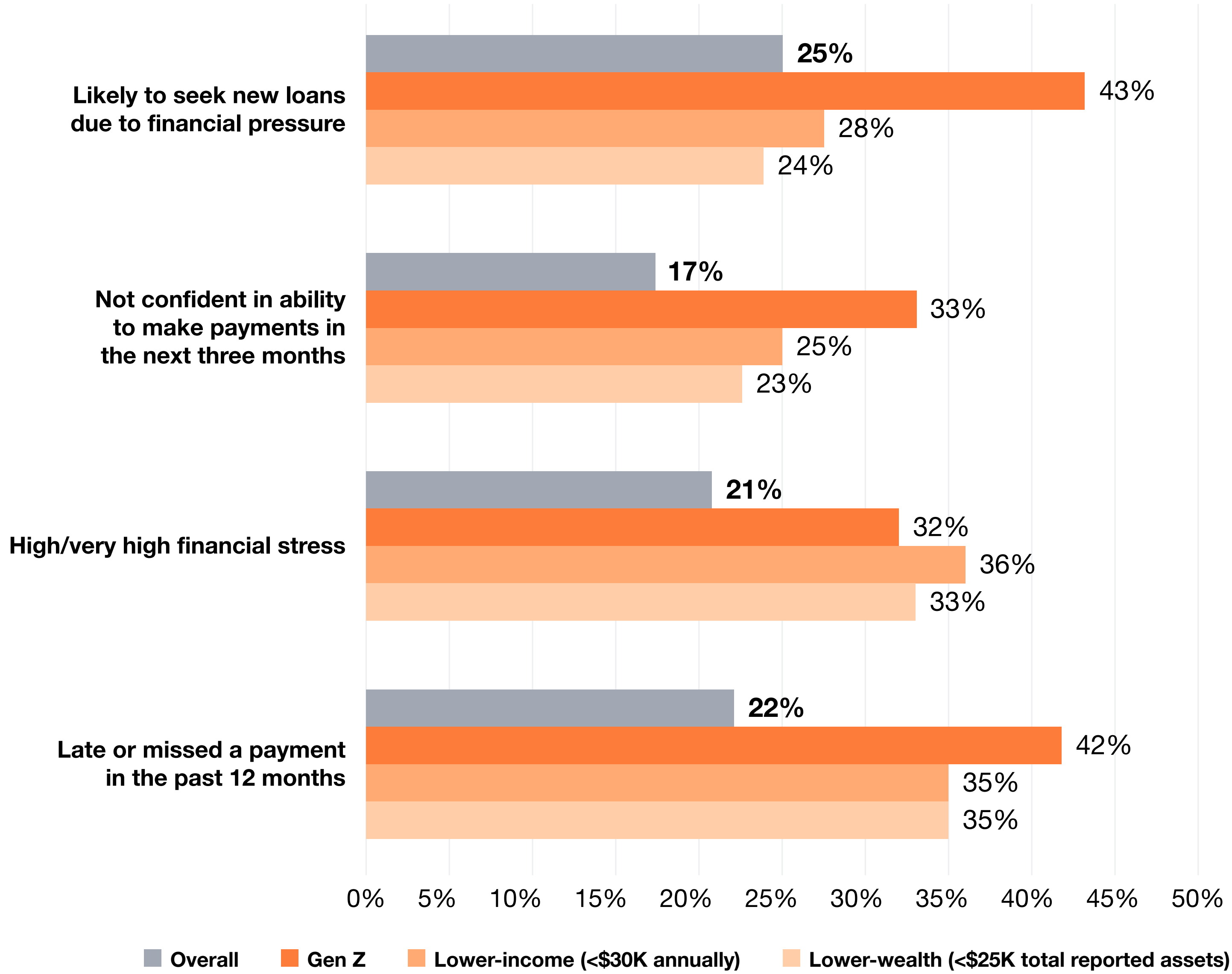
Borrower distress signals concentrated among Gen Z, lower income

For many borrowers, the stress of paying their bills on time is a tension they live with, not a crisis they are in. However, for a concentrated few, they realize the income-versus-expenses arithmetic doesn't work. About one in five borrowers show signs of financial strain at the time of our survey:

- **21%** say they feel "high" or "very high" financial stress
- **22%** missed or were late on a payment in the past 12 months
- **24%** are worried about making required payments in the next six months
- **25%** say they are "somewhat" or "very" likely to take out new loans due to financial pressure
- **17%** are not confident they can make all required payments in the next three months

These signals are not evenly distributed. They are concentrated in three overlapping segments: **Gen Z, lower-income households, and lower-wealth households.**

Financial vulnerability indicators by segment



Q: In the past 12 months, have you missed or been late on any loan or bill payments (e.g. mortgage, auto loan, credit card, personal loan, utilities)?
Q: How would you describe your current level of financial stress? Note: Respondents could choose among five options, showing only "high" and "very high" responses
Q: How confident are you that you will be able to make all of your required loan payments over the next 3 months? Note: Respondents could choose among five options, showing only "somewhat unconfident" and "very unconfident" responses.
Q: How likely are you to take out a loan, line of credit, or other financing product in the next 12 months due to financial pressures? Note: Respondents could choose among five options, showing only "somewhat likely" and "very likely" responses.
Source: PwC, Consumer Lending Radar Survey 2026, Base = 4,100, Segments not mutually exclusive

Gen Z is twice as likely as the average borrower to have missed a payment in the past year, and 43% are likely to seek a new loan because of financial pressure.

When fiscal strain grows, 67% of borrowers say they prioritize the roof over their head. It's credit cards, auto loans, and subscriptions that absorb the household budget shock, and that's where delinquency will surface first.

When money gets tight, borrowers triage, and the hierarchy of what gets paid is clear. In our survey, **67% say they prioritize their mortgage or rent payment during financial difficulty**, followed by utilities (12%), credit cards (10%), auto loans (5%), and discretionary categories like internet, cell phone, personal loans, student loans, and subscriptions (under 3%).

Housing stability is non-negotiable; essential household services are nearly as important as housing; and unsecured or discretionary obligations are likely to be deferred. For lenders, this hierarchy is a roadmap for where stress will surface first.

Watch this

The combination of higher application volume from financially stressed segments and weaker repayment indicators is probably the single most important risk-and-growth tension in the 2026 data. Lenders that solve for both through intelligent underwriting, transparent terms, and proactive support can grow responsibly. Lenders that solve for only one of these issues may either miss an opportunity or potentially report rising loan losses.

What this means for lenders

Stand up segment-specific support before calls from distressed borrowers force you to. Flexible payment options, hardship programs, proactive refinance, rate-watch alerts, and AI-driven affordability tools should be in-market for stressed segments now. Empathy at scale is a credit as well as a service strategy.

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> **Nearly nine in 10 consumers want personalized lending guidance, but it's Boomer and Gen X who want it most.**

Personalization has become a switching trigger

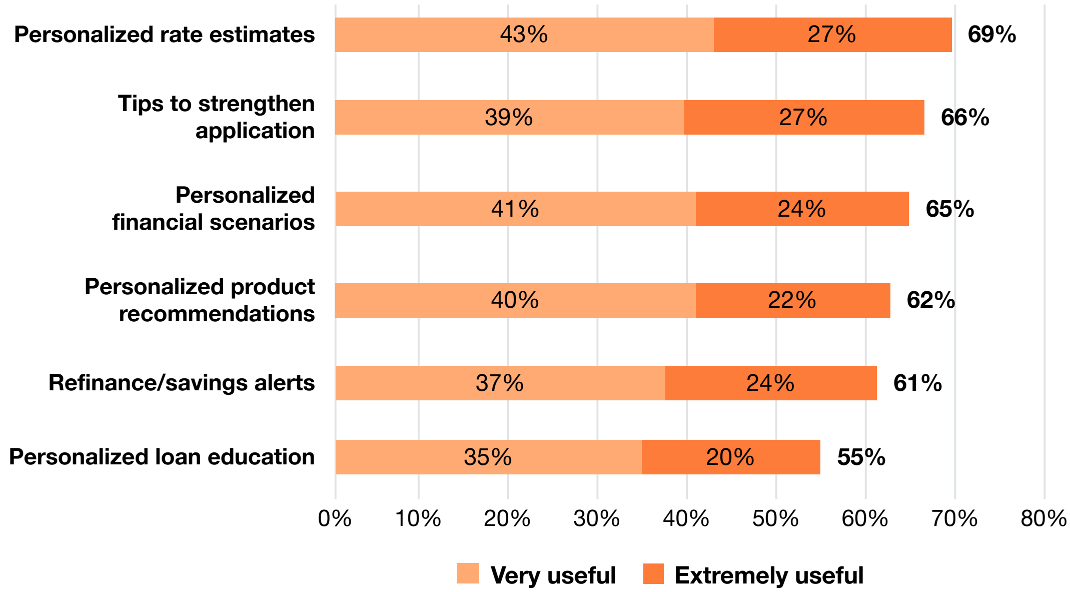
Aspiring owner, anxious shopper, stretched borrower—regardless of where a customer sits on that spectrum, there is one consistent thread: treat me as the person I am, not the segment I resemble. That is what personalization means, and it's the standard of excellence. **Eighty-five percent of consumers rate personalized lending guidance as "very" or "somewhat" important.** Less than 4% dismiss it.

Contrary to common industry assumptions, it's older rather than younger consumers who value personalization more intensely. Boomer and Gen X respondents are most likely to say personalization is very important, while Gen Z is more likely to be neutral or say it is only somewhat important.

- **Boomer:** 49% say it's "very important"
- **Gen X:** 45%
- **Millennials:** 40%
- **Gen Z:** 33%

This isn't a contradiction, it's a clue. Older borrowers carry more complex finances (multiple properties, retirement timing, home equity appreciation), and they have high expectations of being treated as known customers. Gen Z's lower intensity on personalization likely reflects unfamiliarity both with the lending process and the potential financial implications of their borrowing decisions, rather than indifference.

Most valuable personalization use cases for borrowers



Q: How useful do you find the following types of personalization from a lender?
Note: Respondents could choose among five options, showing only "very useful" and "extremely useful" responses
Source: PwC, Consumer Lending Radar Survey 2026, Base = 4,100

The personalization features borrowers value are concrete and decision-oriented. Notice the pattern: borrowers reward personalization that makes a financial decision easier.

Watch this

The personalization gap is widening into a competitive moat for lenders that deliver real-time, application-aware guidance. They can pull share from lenders that still offer the same brochure to everyone. The data, models, and system design capability for personalization take about 12 to 24 months to build. Plan accordingly.

What this means for lenders

Treat personalization as the product, not a campaign. Invest in the data backbone, eligibility engines, and event-driven communication infrastructure that make every customer-facing moment feel tailored to them alone. The use cases borrowers value most—rate estimates, application-strengthening tips, scenario modeling—are the ones that strengthen a trusted relationship and can increase conversion.

A new playbook for serving today's borrower

Today's borrower is more anxious about affordability and more selective about what to own. They demand greater personalization and, in meaningful pockets, face deeper financial strain than borrowers just a few years ago. The good news for lenders? Every one of those changes are addressable. Here are five moves you can make.

1. Lead with affordability, instead of approval
Move affordability tools to the top of the funnel. Personalized rate estimates, payment scenarios, and 'what would it take' calculators reduce friction and build a trusted relationship before a potential borrower begins to fill out an application.

2. Resegment around life stage and intent
Stop treating generations as monoliths. Millennials want to become owners. Gen Z wants to keep options open. Gen X wants to upgrade. Boomers want to protect. The same product positioned four different ways can outperform one generic message.

3. Make personalization a product capability
The use cases that move the needle—rate estimates, application-strengthening tips, scenario modeling, refinance alerts—require a data backbone, eligibility engine, and event-driven communication layer. Treat them as core infrastructure, not marketing campaigns.

The lenders that win in the next 12 months likely won’t be the ones with the fastest process. Lenders who pull ahead can demonstrate that they clearly understand their borrower and their motivations, and build an experience that meets them where they are.

4. Build empathy at scale for stressed segments

Gen Z and lower-income borrowers will likely represent a disproportionate share of new loan applications. You should already be in-market with flexible payment options, hardship paths, and AI-driven guidance before loan volume increases. Proactive support reduces both potential loan losses and customer churn.

5. One view of the borrower for both growth and risk management

The segments driving your next wave of applications are the same ones showing the most strain. It is of little help to your institution if acquisition, underwriting, and collections have different views of the same borrower. That can lead to over-lending to the ‘wrong’ customer or underserving the ‘right’ ones for your business model. A single, shared borrower view across growth and risk is what separates responsible scale from those who can’t see the full picture.

About this survey

PwC's Consumer Lending Radar Survey was conducted in the first part of 2026, and collected the views of US-based loan decision-makers who either used a mortgage or home equity line of credit or financed the lease or purchase of a vehicle within the past five years—or plan to in the next 12 to 36 months. Total respondents: 4,100.

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