

UNDERSTANDING Consumer Financial Durability



Financial insights can help you see important differences between consumers

Both the pandemic and economic uncertainty have impacted numerous U.S. households. But households are being affected unequally — with significant consequences for marketers.

Financial Durability Index™

is a new index to measure a household's likely ability to weather economic uncertainty. It's a more holistic way of understanding financial capacity that goes beyond income or credit scores.



Financial Durability Index helps predict a household's likely ability to keep spending, and meet current and future financial obligations, even when under financial stress. It's a measure that considers many factors in combination, including affluence, estimated income, spending power, and aggregated credit.

HERE ARE SOME Facts about Durability THAT MIGHT SURPRISE YOU:

Low Durability is a problem for many...

ALMOST **53%** of U.S. consumers have low durability, many with less than **\$15K** in assets.



12%

of consumers with a 660-719 credit score have low durability and may not be a good prospect based solely on their credit score.¹



There is risk where you might not expect it...

1 in 6 consumers with a healthy credit score of **700+** have low durability. You wouldn't know this just from their credit score.



Durability is predictive of financial distress...

In 2021, consumers with the lowest durability had a

delinquency rate 13x higher

than those with the highest durability.



Low < Durability > High

But there have been financial gains...

30% of Millennials and Gen Xers have increased their financial durability score since mid-2020.



Did you know?

U.S. HOUSEHOLDS

9% have fewer than \$2,500 in liquid assets

22% have fewer than \$10,000 in liquid assets

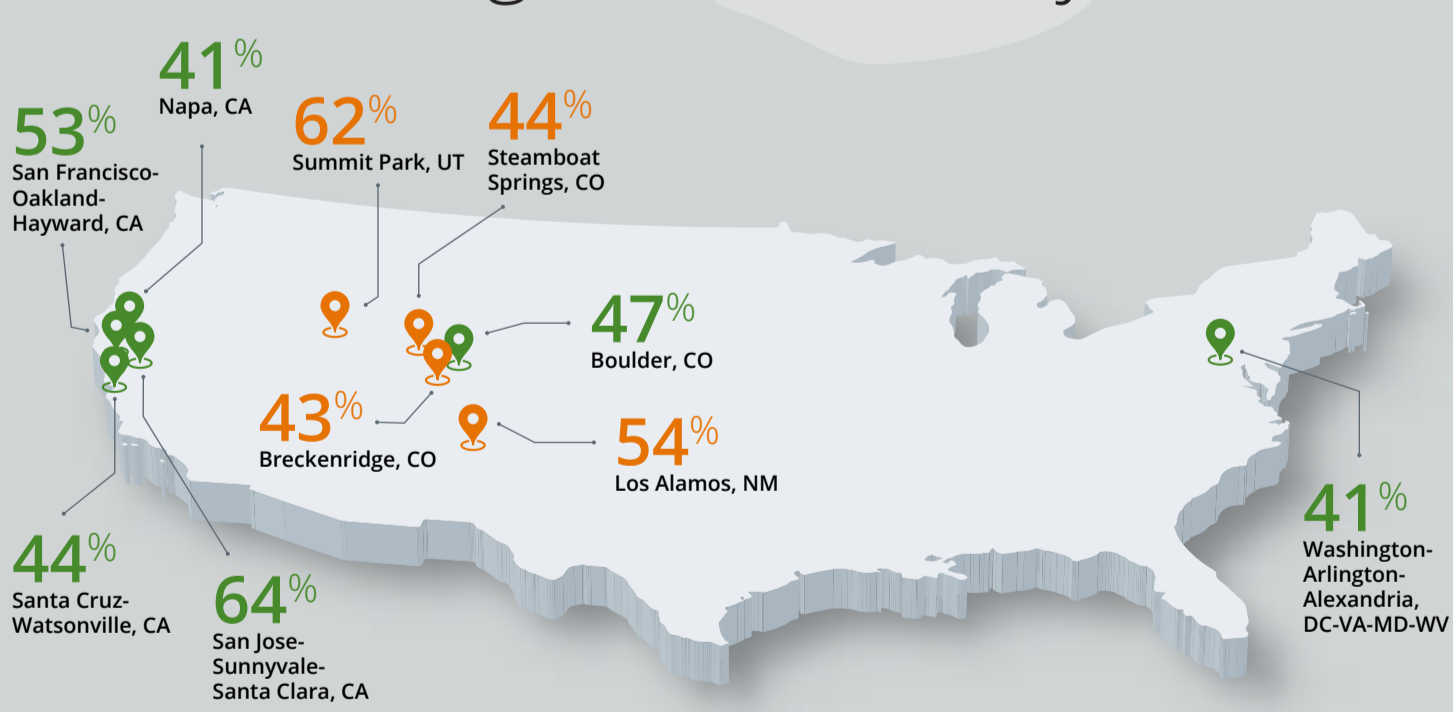
54% have fewer than \$100,000 in liquid assets

10% have \$1M+ in liquid assets



Equifax analysis, 2021

REGIONS WITH THE Highest Durability



Percent shown is the percent of very high durability households in each area.

Financial Durability CAN HELP YOU



Enhance your acquisition targeting and find unseen opportunities in your markets, as well as uncover hidden risk



Deepen relationships with high-durability customer households



Inform account and portfolio management for focused retention and collections efforts



Augment in-house models that use credit and income variables

Learn more about our [Financial Durability Index](#). Contact your Equifax account representative about a durability analysis of your customers.

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¹ This analysis uses VantageScore.
² Metropolitan areas have populations of 50,000+.
³ Micropolitan areas have populations of at least 10,000 but less than 50,000.