America's Economic Opportunity Gap

Trends in Americans' outlook on the economy, shifts in their financial goals, and emerging AI technologies for financial institutions

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Introduction

Across generations, Americans are squeezed by rising costs, restricted access to credit, and a financial system that seems stacked against them. Many have abandoned personal goals, from homeownership and debt payoff to dreams of retirement, because these goals simply no longer feel realistic.

The credit system in particular is a flashpoint: many view it as outdated, biased, or even designed to make people fail. As consumers face growing financial pressure, they're leaning on credit to cover essentials like food, housing, and medical needs. But ironically, those same behaviors can damage the very credit scores they rely on.

This has created a cycle of financial fragility and distrust. While some are turning to tools like Buy Now Pay Later or even pulling from retirement savings to make ends meet, others are delaying major life decisions or giving up on long-term planning entirely. The gap between where people are and where they want to be feels wider than ever.

Amid this struggle, technology may provide solutions. A growing share of consumers say they'd consider switching to a financial institution that uses AI or machine learning, hoping for faster, fairer, and more personalized decisions.

In the America's Opportunity Gap Report, Zest AI shows that Americans aren't just facing a cost-of-living crisis, they're navigating a crisis of confidence in the systems meant to support them. Bridging the economic opportunity gap will require more than access to credit. It will require rebuilding trust, rethinking risk, and ensuring that everyone has a fair shot at financial progress.

KEY TAKEAWAYS

Economic uncertainty is reshaping financial choices

86% of Americans report that recent economic conditions or policy changes are hurting them.

65% of Americans have been using credit more over the past year, up from just 27% in 2020 who increased their reliance on credit over the prior year.

Credit access is a lifeline, and a struggle

72% of Americans believe the credit system contains bias.

5% of Americans consider credit access "absolutely critical." This metric is more than double the 2020 rate.

Consumers want banking that can keep up with their realities

47% of Americans find the current loan approval process "painfully too long."

74% of Americans want AI to improve their banking experience.

Zest AI conducted this study in partnership with Kelsey White and PureSpectrum. The online survey was completed by n=1,000 adults across the United States, nationally representative to age, gender, income, and region. Data was collected from July 30 to August 3, 2025.

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Financial Opportunity & The American Dream



The Cost of Uncertainty: Americans Abandon Financial Milestones

Across generations and income levels, Americans report scaling back ambitions—not from lack of interest, but because the financial hurdles ahead feel insurmountable. The result: a nation pressing pause on its dreams.

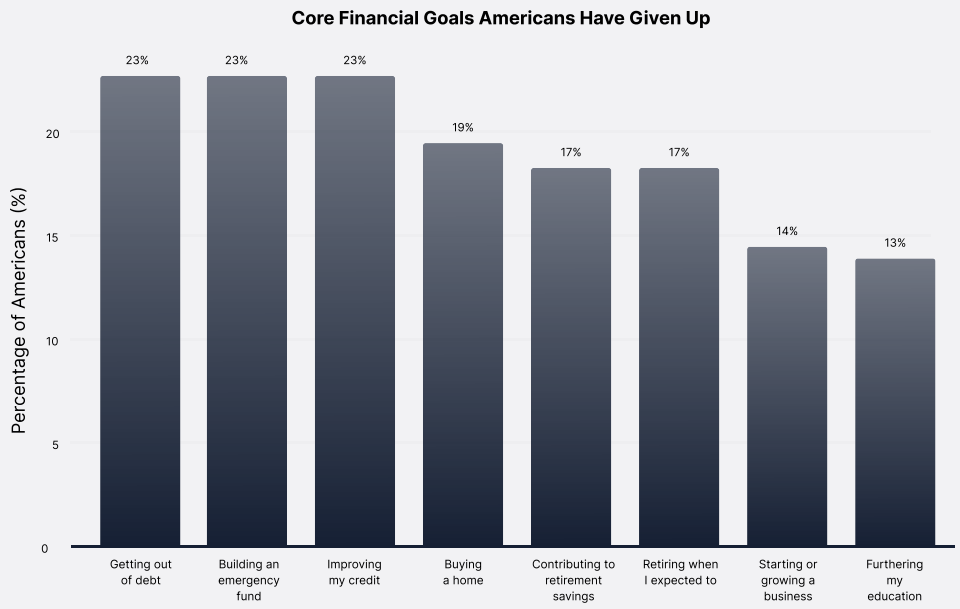
For some, that means postponing marriage or children. For others, it means giving up entirely on milestones like homeownership, debt payoff, or retirement.

1 in 3

Americans have given up on their goal of getting out of debt or improving their credit.

Nearly three in four Americans (74%) say they've abandoned at least one personal goal in the past year for financial reasons. Debt payoff and credit repair are amongst the most common casualties, underscoring just how deeply financial strain cuts into basic stability.

Economic Uncertainty is Reshaping Life Plans (or Lack Thereof)



If abandoned milestones reflect the long-term toll of financial strain, uncertainty about the future is what shapes day-to-day choices. For many, the future feels too unpredictable to commit to major purchases, career moves, or personal milestones.

The majority are adjusting their daily habits and long-term outlook at the same time: cutting back on everyday spending, delaying big-ticket buys, and saving more "just in case." Others are taking on more work or leaning on credit to stay afloat. Millennials and Gen Z are making the most dramatic shifts, but even high-income households are playing it safe in their careers.

Job insecurity amplifies this cautious mindset. One in three employed Americans believe they are at risk of losing their jobs within the next year, stemming from factors outside of their control: the economy, health of their industry, or rapid technological changes. That fear is prompting many to avoid career moves, put off major life decisions, and focus on stability over progress.

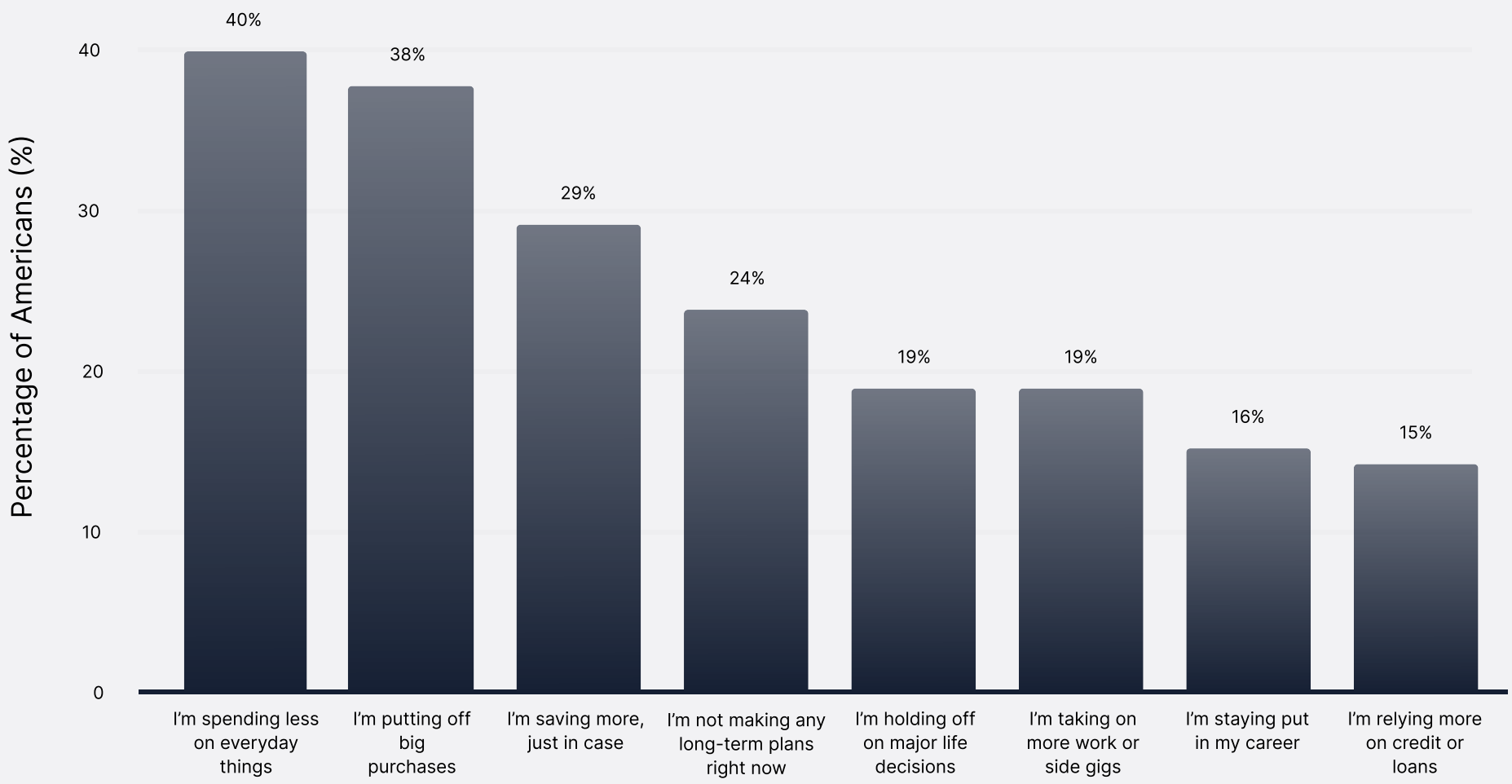
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84%
of Americans say economic uncertainty impacts their decision making; **1 in 5** are putting off major life decisions like marriage & children.

1 in 3
employed Americans think they are at risk of losing their jobs in the next year.

1 in 4
Americans say they aren't making any long-term plans right now because of economic conditions and financial uncertainty.

How Economic Uncertainty is Changing Behavior

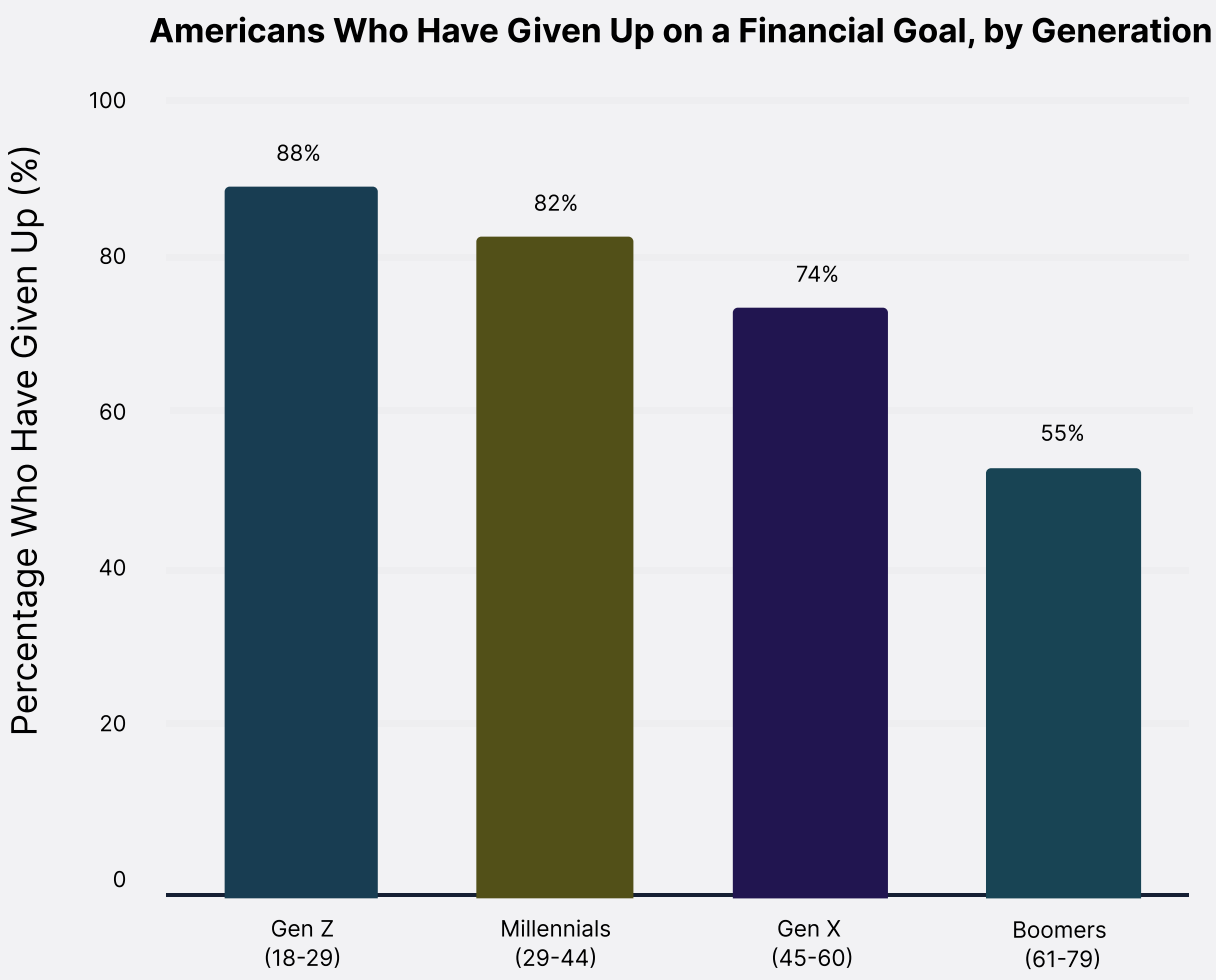


The Goalposts Shift for Younger Generations

While economic strain is felt across the board, younger Americans are the most affected. Gen Z and Millennials are abandoning major milestones at higher rates than older generations, especially when it comes to homeownership, credit improvement, and education. More than 1 in 4 Gen Z and Millennials report giving up on buying a home, and 32% and 30%, respectively, have given up on improving their credit. Twenty-two percent of Gen Z have given up on a goal of furthering their education because of financial reasons.

88%
of Gen Z and **82%** of Millennials have recently given up on a goal compared to **74%** of Gen X and **55%** of Boomers.

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Young People Feel Brunt of Job Insecurity

As expected, young people are more worried about losing their job (35% among Gen Z & Millennials) than older generations (21% among Gen X). This is likely a function of employment status and not age, as early-career roles can come with less stability and fewer protections.

Life Goals Are On Hold Across All Income Levels

Just over half (57%) of Americans earning less than $40k say they've abandoned a life goal because of the economy, along with 45% of individuals earning above that threshold. The most common goals left behind include getting out of debt, improving credit, building an emergency fund, buying a home, contributing to retirement savings, and retiring when expected. The financial system compounds these issues: nearly everyone (91%) who has been denied credit within the past 5 years has given up on a goal.

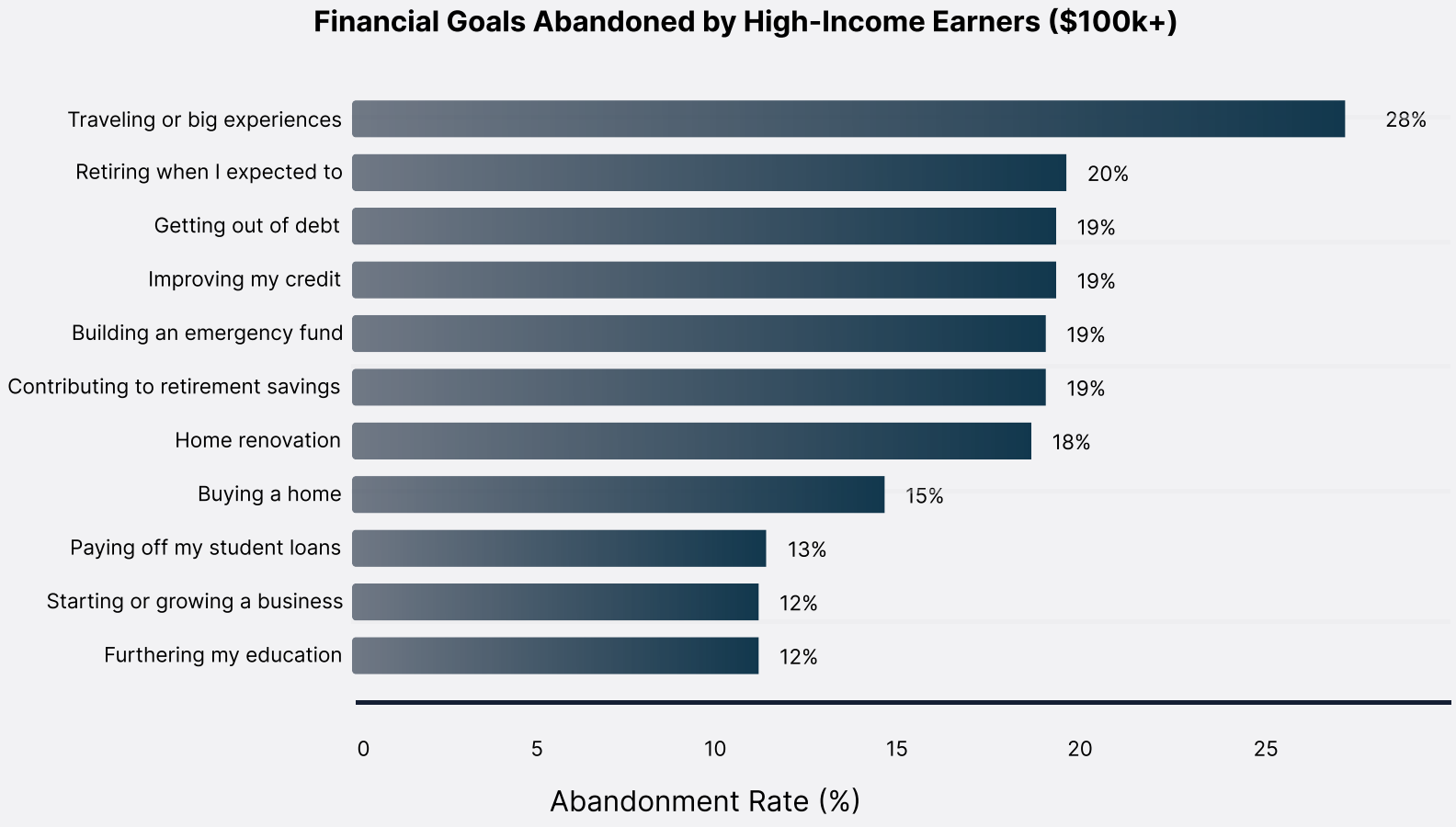
Even with more resources, higher-income Americans ($100K+) have still scaled back ambitions, and 20% are avoiding job changes due to uncertainty. These trade-offs are less about survival and more about long-term milestones, such as retiring when expected, buying a home, or major life plans like marriage and children.

While low-income earners are more likely to report feeling the impact of recent economic changes—90% say they've been hurt by them—the majority of high-income earners (82%) report the same.

91%

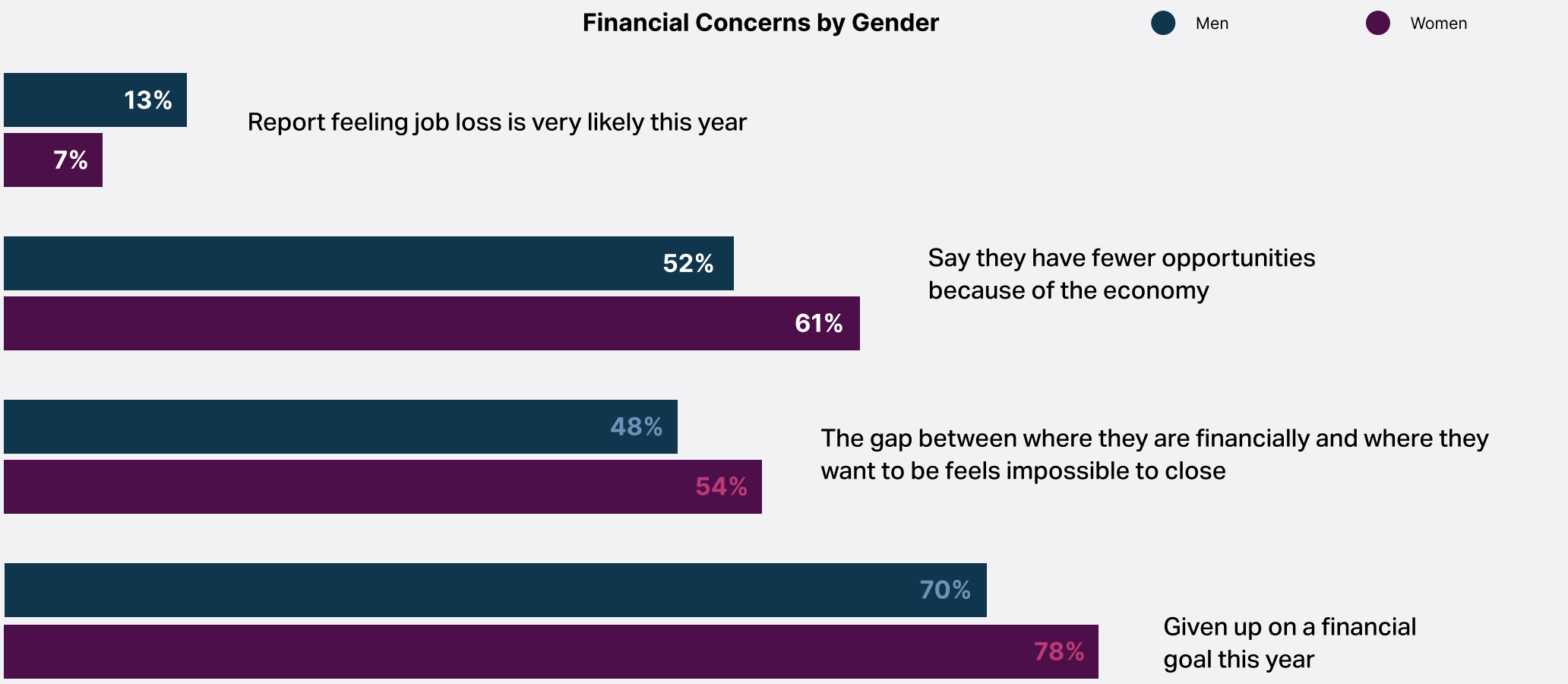
of people who've been denied credit in the prior 5 years have given up on a financial goal.

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Opportunity Loss—Present or Permanent? Men and Women Feel Differently

While men and women are aligned in many of their financial concerns, the data reveals important differences in how each group experiences and responds to economic pressures. Both report feeling the impact of a challenging economy, scaling back goals and perceiving fewer opportunities than in the past. However, men are more likely to anticipate imminent job loss, and women are more likely to report a long-term sense that financial progress is out of reach.



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Impact of Economic Policy



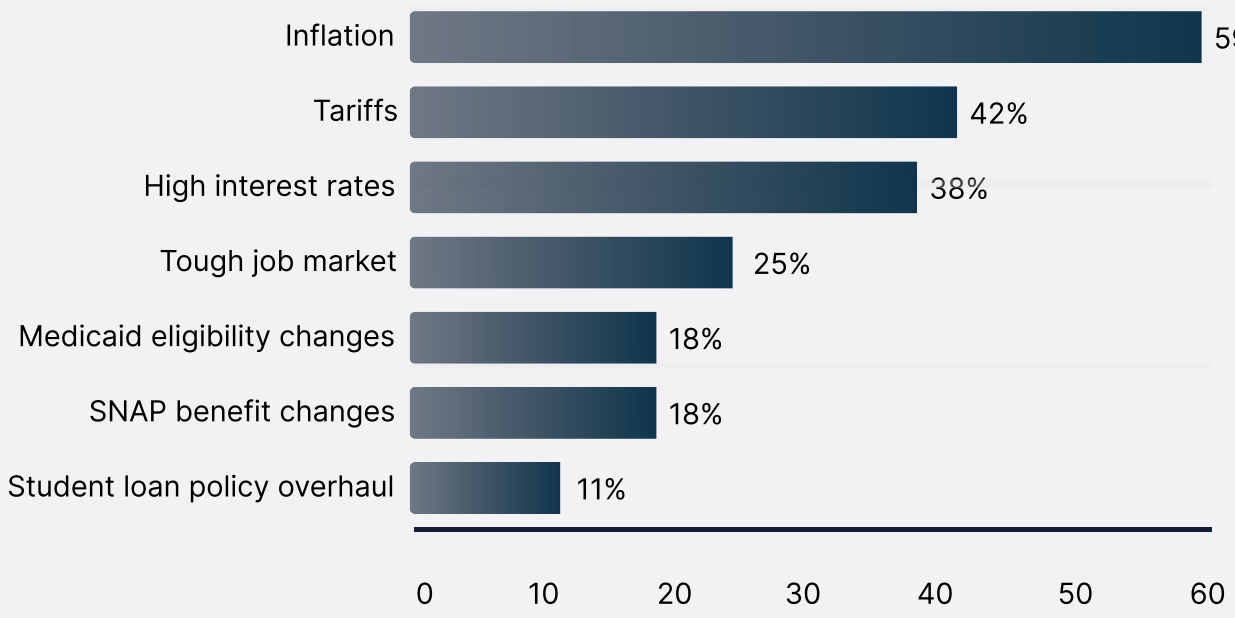
How Economic Policy Changes Are Impacting Americans' Outlook

Recent economic conditions and policy changes are weighing heavily on Americans' financial outlook. The bipartisan nature of these responses shows that policy effects are being felt across the political spectrum, even if specific concerns or priorities differ. An equal proportion in both parties say they are giving up on life goals because it's no longer financially realistic.

The majority of survey respondents listed inflation, tariffs, and higher interest rates as economic policy decisions that impacted them the most. However, the most frequently cited issues differed across party lines.

86% of Americans say recent economic conditions or policy changes are hurting them.

Most Frequently Cited Economic/Policy Issues Impacting Americans



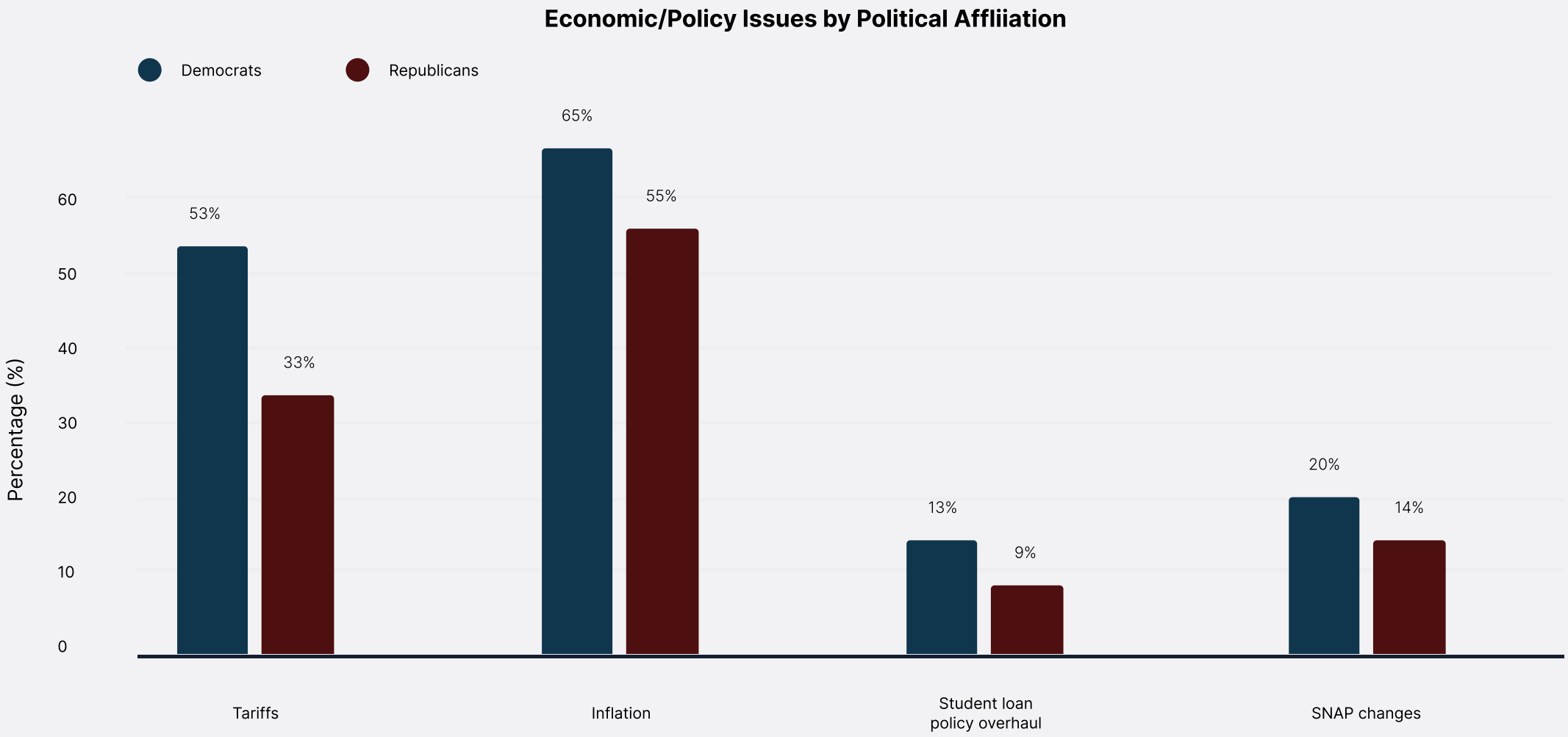
"Inflation is the cruelest tax of all. It affects middle-income and lower-income levels much greater than the rich."

– Baby Boomer male, Republican, MD, earning between $125,000-$149,999

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Policy Pain Is Bipartisan, But Which Policy? That Depends

While the sense of strain is widespread, the data shows some partisan differences in perception: 89% of Democrats say recent economic conditions or policy changes are hurting them, compared to 83% of Republicans. However, Democrats are more likely to report tariffs and inflation are hurting them.



Inflation and interest rates remain universal pain points, but the areas of emphasis diverge by party. Democrats are more likely to cite tariffs, inflation, student loan policy overalls, and SNAP changes as policies that hurt them. Some of the changes—such as student loan policy overhauls and SNAP changes—could point to the fact that Democrats tend to skew younger. A majority in both parties say they have fewer opportunities than one year ago, with 59% of Democrats and 52% of Republicans reporting a loss in economic opportunity.

> **“More jobs doesn’t mean more good jobs and the stock market being good doesn’t immediately make the lives of regular people better.”**

– Millennial male, Democrat, MS, earning between $25,000-$39,999

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What Americans Want Leaders to Know

When asked what they wish people in power understood about their financial reality, the most common themes reflect frustration with stagnant wages, rising costs, and a sense that the system is “stacked against everyday people.”

Top Response Themes

Fixed Incomes Can’t Keep Up (50%)
Many rely on disability benefits or other fixed incomes, leaving them unable to cover basic needs.

Paychecks Stretched Too Thin (27%)
Wages have failed to keep pace with inflation.

Essentials Out of Reach (10%)
The rising cost of housing, groceries, and utilities is making everyday life unaffordable for many.

Need for a Stronger Safety Net (7%)
People want more support from government and community programs.

Unstable Work, Uncertain Future (6%)
Concerns over job availability, hours, and long-term stability create financial insecurity.

> “One thing I wish people in power understood about my financial reality is that the rising cost of basic necessities like food, housing, and healthcare often outpaces income, making it hard to save or plan for the future. It’s not about poor budgeting—it’s about a system that feels stacked against everyday people.”
>
> – Millennial male, Democrat, NY, earning $200k or more

What This Means for Financial Institutions

These metrics are alarming for today’s lending environment: when more consumers put financial goals on hold, that means rising delinquencies and less overall demand for loans. In response, financial institutions tend to increase manual reviews of loan applications and implement stricter policy overlays.

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America's Credit Catch-22



The Credit Paradox: Essential Access Meets Systemic Distrust

The research reveals a troubling paradox at the heart of America's financial system: as credit becomes increasingly difficult to access, it simultaneously becomes more essential for basic survival. This contradiction has trapped millions of Americans between growing dependence on credit and diminishing ability to qualify for it. Moreover, while Americans are ultra-reliant on credit to achieve their financial goals, findings show the majority don't trust the current credit system. Americans' faith in the credit system has eroded to crisis levels, representing a wholesale rejection of the system's fairness and design.

72% believe the system contains bias

46% consider it fundamentally broken

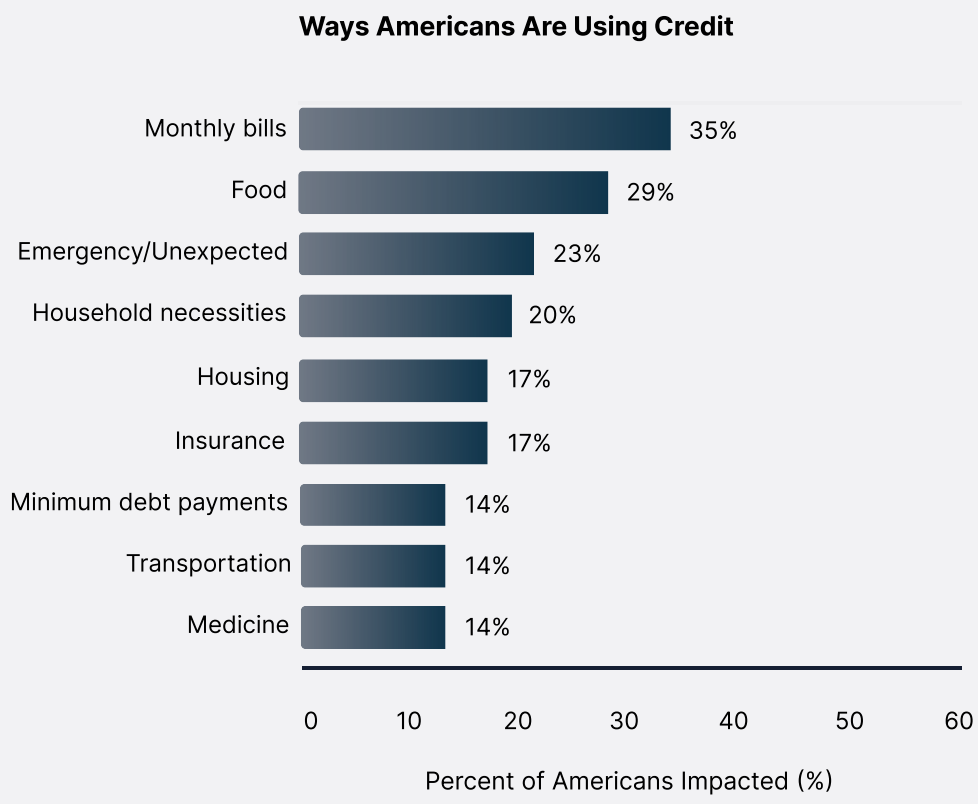
44% believe the credit system is "set up for people to fail"

47% find the approval process "painfully too long"

Despite widespread frustration and lack of trust with the current system, 56% of Americans believe access to affordable credit or better interest rates would most improve their financial situation. This reveals that while the system is failing many consumers, credit itself remains a vital tool for economic progress when accessible and fairly priced.

Credit...From Convenience to Survival

Credit has evolved from a tool for major purchases to critical infrastructure for daily life. This dependency is most pronounced among younger generations, with three-quarters of Gen Z and Millennials saying they rely on credit for fundamental needs.

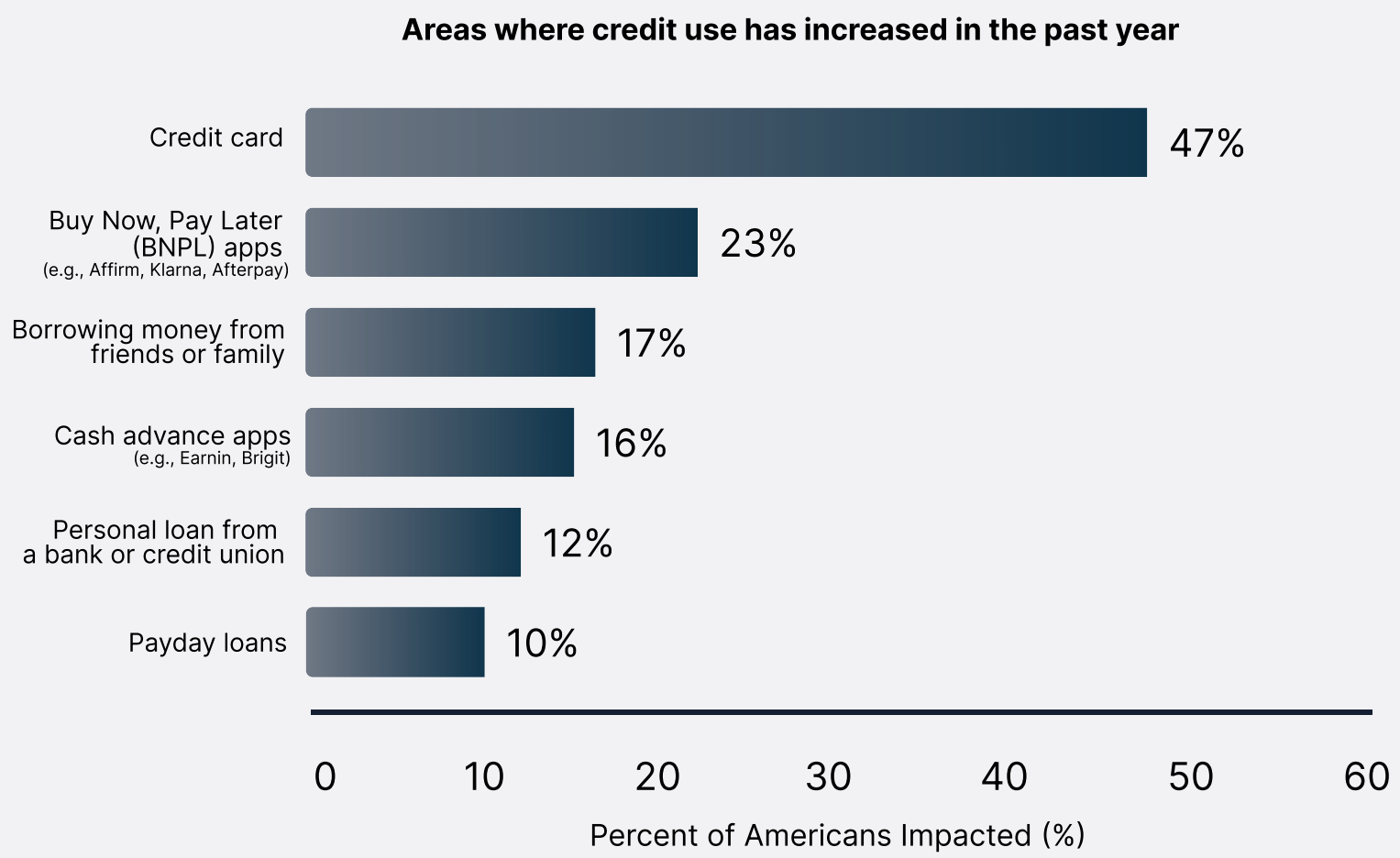


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Moreover, the number of Americans who consider credit access "absolutely critical" has more than doubled since 2020, rising to 15%. This shift reflects not consumer preference but economic necessity, as wages fail to keep pace with the rising cost of essentials. Americans are increasingly turning to a diverse array of credit options to manage their financial needs, with nearly two-thirds (65%) reporting increased usage of at least one form of credit over the past year.

53%

of Americans now rely on credit for basic necessities like food, utilities, and medicine



The Dangerous Credit Feedback Loop & Rising Demand for Buy Now Pay Later

Those struggling financially are most likely to need credit for survival, yet their financial distress makes them least likely to qualify under traditional underwriting models. As traditional credit becomes less accessible, consumers are turning to alternative products like Buy Now, Pay Later (BNPL) services, with 23% using them more frequently than last year. However, this growth is driven by necessity rather than convenience. Nearly half (49%) of increased BNPL users cite basic necessities as their primary use case.

The study found that younger Americans are driving shifts in payment habits and using BNPL products most. Over one-third of Gen Z (36%) and nearly three in ten Millennials (29%) report using BNPL in the last year.

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63%

of Americans don't realize BNPL apps may affect their credit score.

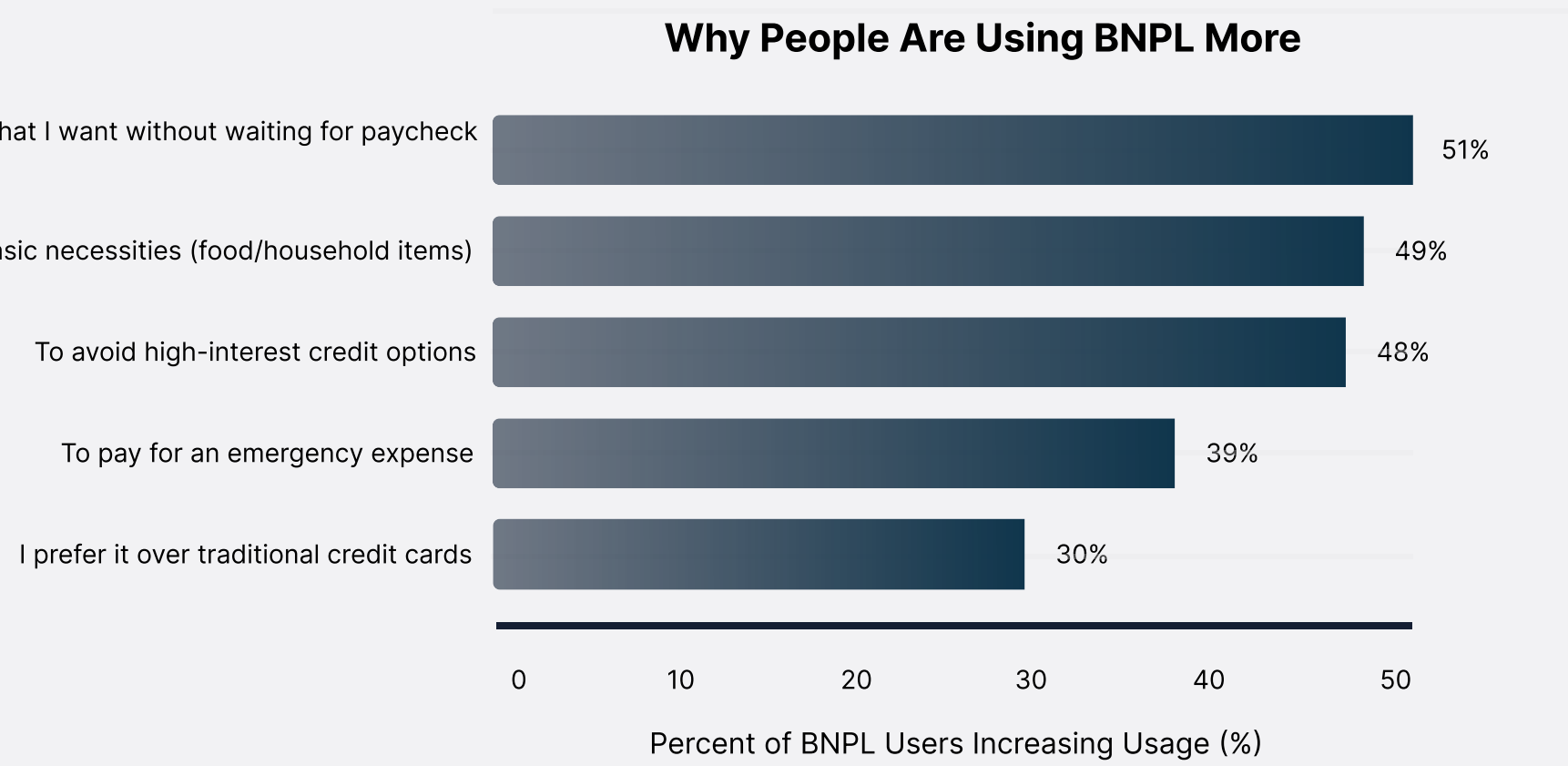
1in4

Americans using BNPL apps believe it doesn't affect their credit score.

Among the Gen Z respondents who use BNPL more,

58%

say it's to cover basic necessities like food or household goods.



BNPL: The Next Big Data Challenge

Modern lenders face two key challenges with Buy Now, Pay Later (BNPL): competing for share of wallet and gaining full visibility into consumer debt. A credit report may not currently include a consumer's total culmination of debt, highlighting the need to look for models that incorporate multiple data sources.

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AI Solutions

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American Attitudes Toward AI in Financial Services: Cautious Optimism with Trust Concerns

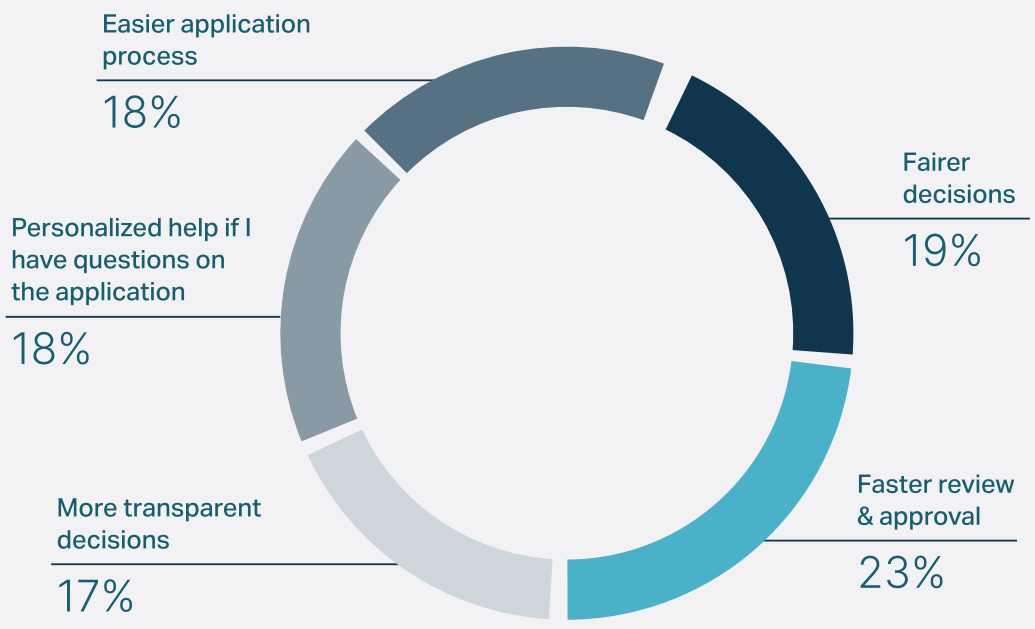
American consumers exhibit a striking contradiction in their relationship with AI in financial services, revealing a significant gap between stated preferences and actual behavior. Nearly three-quarters of Americans (74%) want AI to enhance their banking experience, with fraud detection being the top priority (32%), followed by 24/7 customer service (28%) and more affordable credit (24%). This enthusiasm translates to behavioral intentions, with one-third of Americans—and half of Millennials—indicating they would switch to financial institutions that use AI for loan approvals.

Yet this optimism coexists with persistent distrust and contradicting beliefs, particularly around lending decisions. While 63% prefer manual underwriters over AI systems for loans, nearly half (47%) still express at least some trust in AI-powered loan review systems. The inconsistency becomes even more pronounced when examining actual usage patterns: 72% of Americans report using AI tools to support their personal finances, with nearly half doing so weekly. This widespread adoption, despite expressed skepticism about AI in lending, suggests consumers may not fully understand how AI already enhances the services they value, or they compartmentalize different AI applications based on perceived risk.

74% of Americans want AI to make their experience with their bank better.

Detecting fraud is the #1 place consumers want banks to use AI.

1 in 4 Americans want AI to make credit more affordable at their financial institution.



Looking forward, 41% believe AI will positively impact economic opportunities, though this optimism is concentrated among higher-income Americans (55%) compared to lower-income groups (27%), highlighting the need to address equity concerns as AI adoption accelerates in financial services.

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The AI Trust Divide

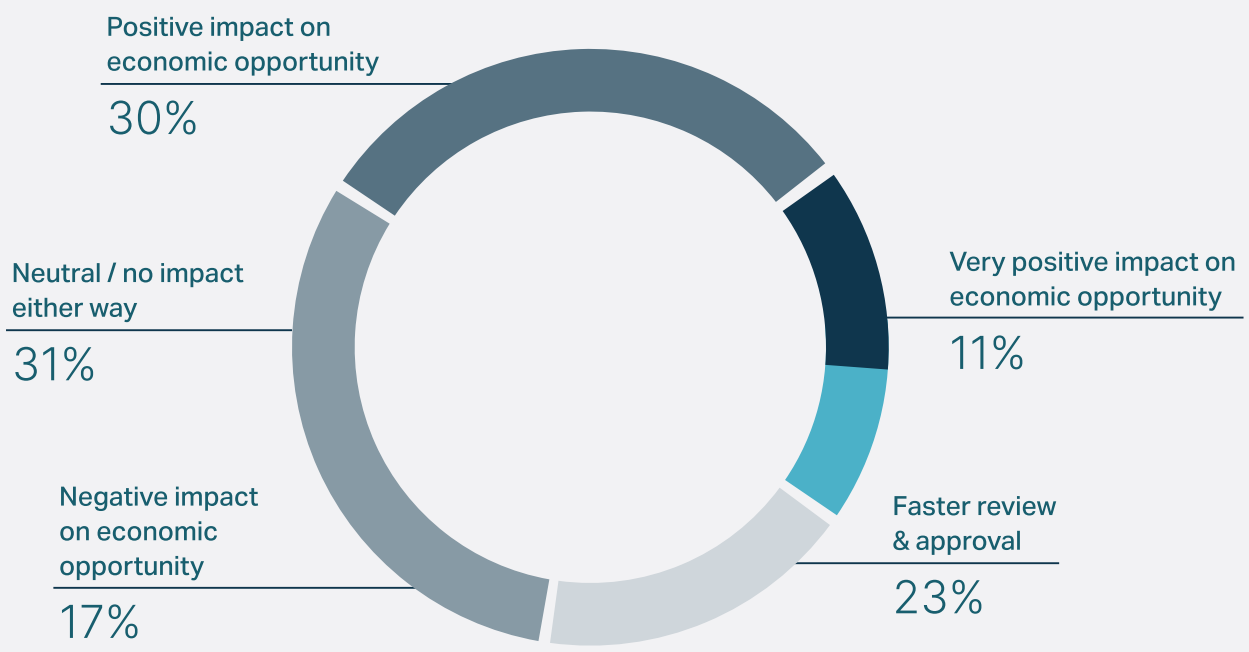
Trust barriers are most pronounced among vulnerable populations. One in four Americans completely distrust AI for loan decisions, with rates highest among low-income Americans (34% vs. 22% for high-income), women (31% vs. 23% for men), and older generations. However, generational differences suggest evolving attitudes. While 56% of Gen Z and Millennials still lean toward human decision-makers for loans, the remainder prefer AI—a much higher acceptance rate than older cohorts. Additionally, Americans recognize AI's potential for addressing systemic issues, with nearly half believing it can help prevent fraud and reduce bias in financial decisions.

Those who use AI weekly at least trust it somewhat to make lending decisions, but those who use it less frequently trust it less, suggesting a further technological divide amongst consumers.

Those Who Use AI Are More Likely to Trust it

How much do you trust an artificial intelligence (AI) system in reviewing and making decisions about a loan?	Use AI Weekly	Use AI less than weekly
Completely trust it	17%	1%
Mostly trust it	24%	7%
Trust it somewhat	27%	20%
Trust it a little	23%	29%
Do not trust it at all	9%	42%

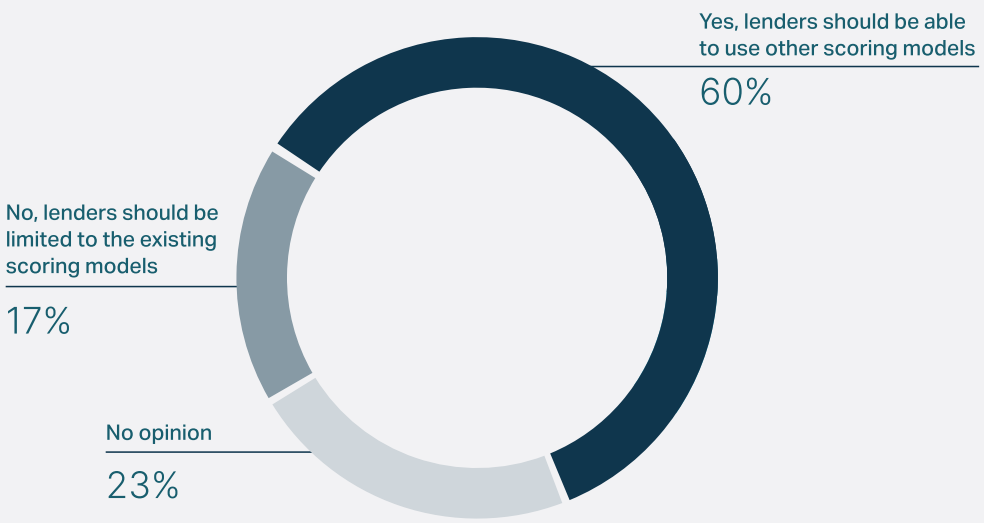
Americans' View on AI's Impact on Economic Opportunity



More men **(50%)** than women **(32%)** believe AI will create economic opportunities

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Majority of Americans Believe Lenders Should Have More Than Two Credit Scoring Options



When asked if mortgage lenders should be able to use more credit scoring models than the two they are currently restricted to (FICO and Vantage), 60% of Americans supporting alternative credit scoring models in mortgage lending.

AI, The New Financial Adviser

AI is also reshaping how Americans manage their money. As generative AI becomes more widely adopted, consumers are turning to these tools for budgeting, financial planning, and everyday decision support.

71%
of people who've been denied credit in the past 5 years say lenders should have more scoring models.

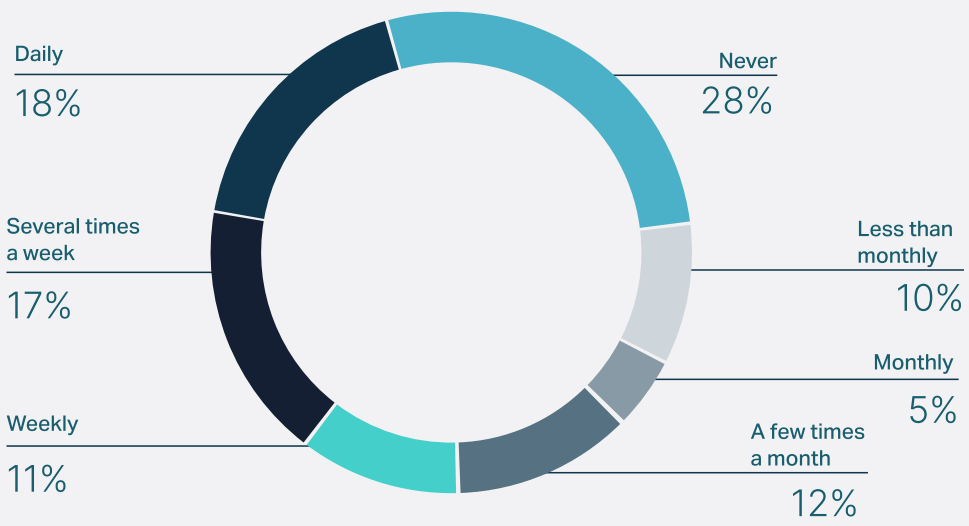
Usage is especially common for younger Americans, especially Millennials, men, and higher income Americans. Those with a higher education level are also using AI more frequently than those without a college degree. Nearly three-quarters of Americans (72%) report using AI tools at least occasionally for financial support, and almost half (45%) are doing so weekly. This growing reliance suggests that while trust in AI from financial institutions remains mixed, many are comfortable using it to navigate their personal finances.

High income Americans, men, and Millennials are the most likely to say mortgage lenders should have more credit scoring models. Republicans are also more likely to feel this way than Democrats.

How Often Americans Use AI Tools to Support Their Finances

NET: at least weekly **45%**

NET: less than weekly **55%**



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Conclusion

05

Breaking the Cycle

Bridging the persistent and growing economic opportunity gap will require more than new technology or faster loan approvals. It demands a fundamental reimagining of how we assess risk, grant credit, and support financial progress. Americans are looking for fair, transparent systems that provide a clear path towards financial wellness.

Success will be measured not by the sophistication of an AI algorithm, but by whether a generation of Americans can once again believe that financial progress is possible. The technology exists to create fairer, faster, more accessible financial services with Americans' best interests at heart. The question is whether financial institutions have the will to create a trustworthy, effective credit system.

The crisis of confidence can become a catalyst for transformation—but only if financial institutions listen to consumers' lived realities and design systems that serve their actual needs rather than perpetuating the barriers that have left so many behind.

What the Experts Say: Leveraging AI for Better Outcomes

To guide borrowers toward healthy financial wellness and better opportunities, financial institutions need to modernize their infrastructure with AI to better gather financial insights and expand access to responsible credit. Across economic cycles, we've seen lenders perform better when they use big data and advanced AI models that can account for strict thresholds without sacrificing the borrower experience or leaving out creditworthy borrowers who are often overlooked by traditional scoring methods. AI-powered systems can streamline underwriting with real-time decision-making while reducing bias through consistent, data-driven evaluations.



– Curtis Wagner
Head of Zest AI Advisors, Zest AI

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Key Takeaways for Action

For Financial Institutions

Redesign Credit Assessment

- Move beyond traditional credit scoring models that 72% of Americans view as biased.
- Implement more sophisticated, fairer credit assessment models that focus on a borrower's full financial picture, not just past mistakes.
- Create transparent processes that explain decisions and provide clear paths to improvement.

Navigate Competing Consumer Demands with Education

- While 47% find approval processes "painfully too long," 67% still prefer human oversight over AI.
- Develop hybrid models that combine AI efficiency with human touchpoints for complex decisions.
- Invest in building trust through transparency about how AI decisions are made.

Expand Access Strategically

- Recognize that 56% of Americans say affordable credit access would most improve their financial situation.
- Create products specifically designed for those using credit for necessities, not luxuries.
- Develop graduated risk models that use more data and better math to identify creditworthy borrowers and deliver affordable credit solutions that they can pay back

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