



Gen Z Insights

Zs and Money: What You Need to Know

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Meet
Gen Z



Meet Gen Z

You've no doubt heard it or uttered it yourself: "Be yourself and don't try too hard." It's sage advice on how to relate with others. It's also how Gen Z suggests that financial institutions market to their generation.



So who is Gen Z? And how are they different from Millennials?

For starters, they are not a younger version of the Millennial. Born in the mid 1990s or thereafter, Gen Zers range from children to college students. And unlike their pink-loving older generation, Gen Z are more practical than idealistic.

For example, when it comes to choosing a major with an eye toward career, Gen Zs attend colleges that are the best option (not necessarily the most prestigious or well known) for their field of study. And the majors they choose are ones that will pay generously, as opposed to the “follow your passion” millennial generation.

When it comes to money, Gen Zs are equally as practical. As you begin to plan your strategy for marketing to Gen Z, here are some basic but critical insights to keep in mind.

TOP

10

Things You Should
Know About Gen Z



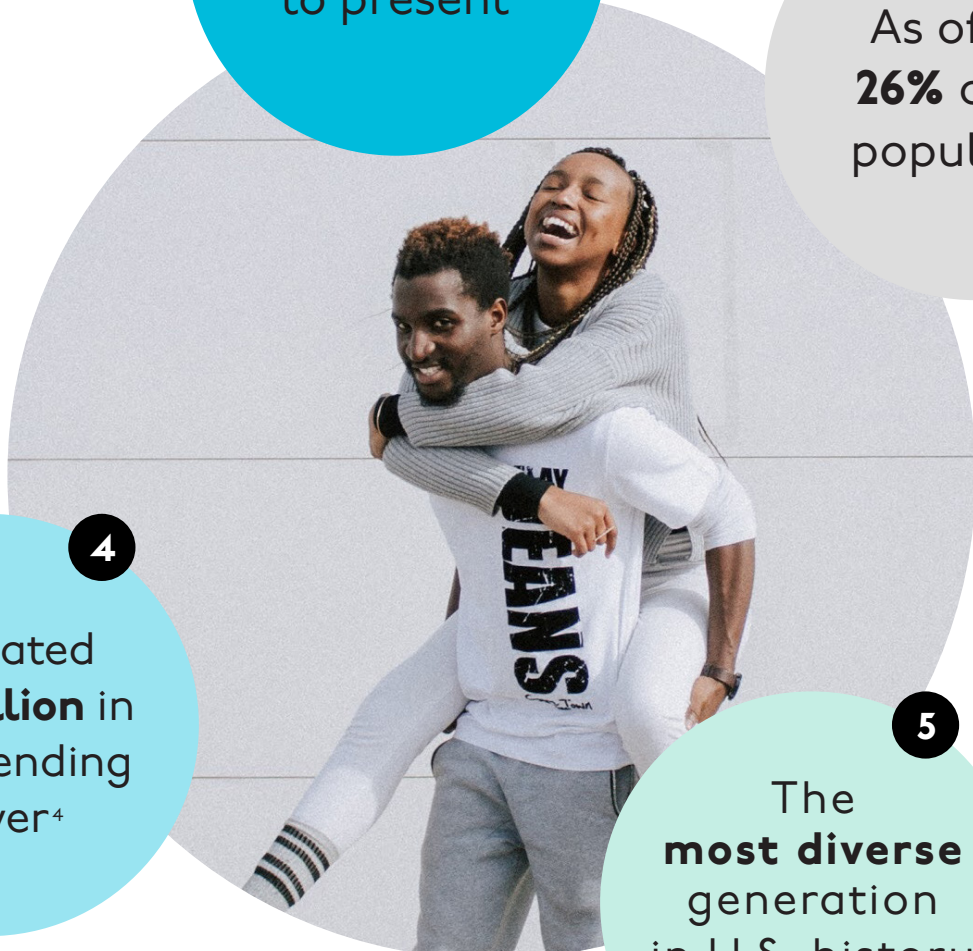
1
Willing to spend but want **value**¹

2
Born
in the mid 90's
to present²

3
As of 2017,
26% of U.S.
population³

4
Estimated
\$143 billion in
U.S. spending
power⁴

5
The
most diverse
generation
in U.S. history
by 2020⁵



6

They often communicate in **images**

7

Overwhelmingly **mobile - first**⁶



8


49% feel better socializing online than off⁷

9

Don't watch traditional TV⁸

10

Purchases influenced more by **friends** than public figures⁹



What
defines
Gen Z?





What defines Gen Z?

With \$143B in spending power, it's hard not to get excited about the opportunity Gen Z presents.

A word of warning before proceeding: these young men and women are savvy, discriminating and keen observers. When it comes to money, three key events have shaped their ethos and drive their actions.

1. The Great Recession of 2008

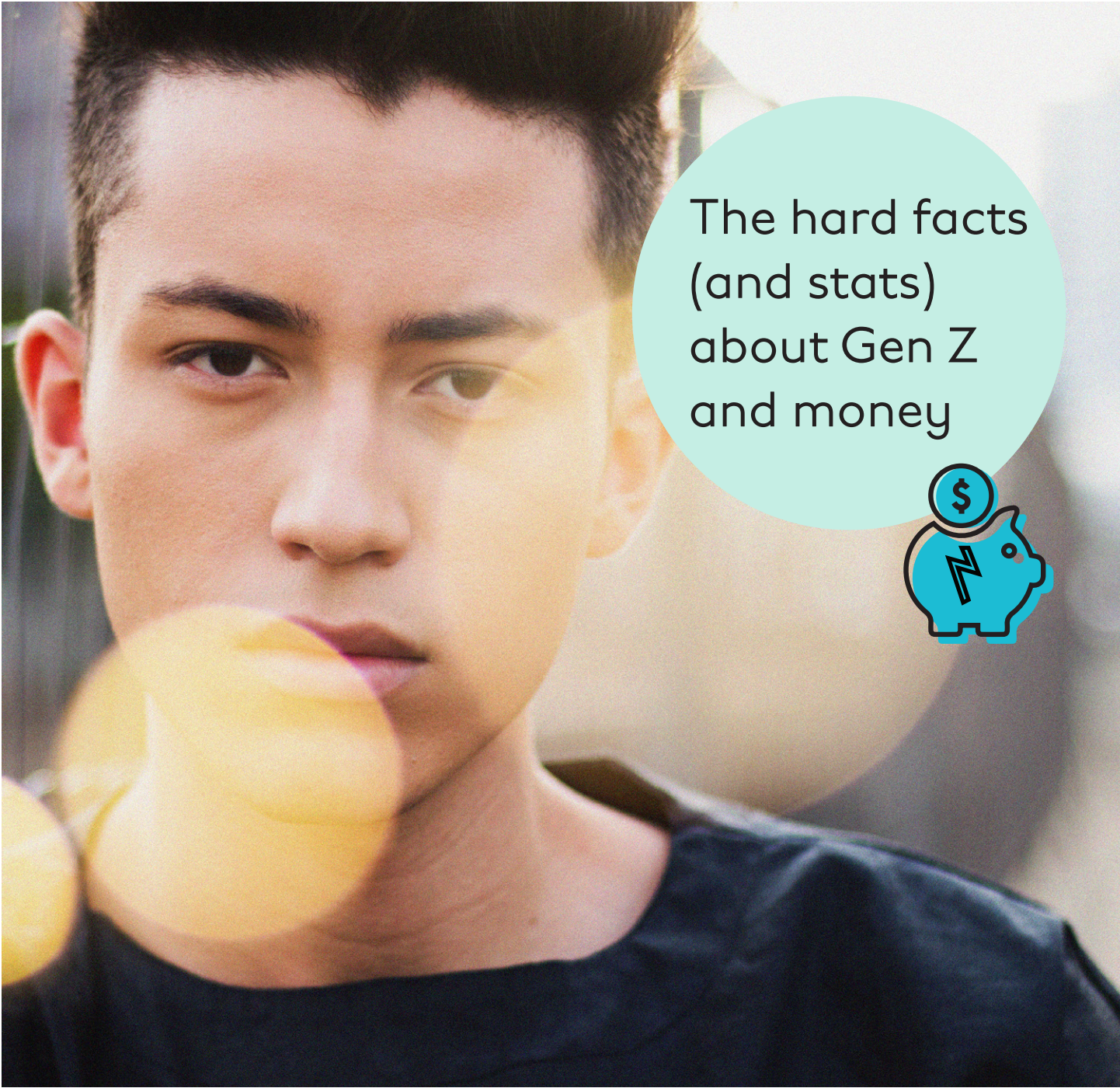
Gen Z saw their parents struggle during this time, scrimping and saving to get out from under massive credit card debt and over-financed mortgages. As a result, this generation is more fiscally anxious and cautious than their predecessors.

2. The Credit Marketing Regulation

Not that they'll notice, but thanks to the CARD Act of 2009, Gen Z won't experience credit cards handed out to them en masse on campus. And unless they can prove that they have their own means of income or can get an adult to co-sign, no one under the age of 21 will get approved for a credit card.

3. Smartphones and Social Media

Gen Z hasn't known life without the internet. And with a mobile phone within reach at all times, they are confronted with an endless stream of content that saturates all facets of their lives. Perhaps that's why their attention spans are a brief 8 seconds long (interesting fact: Millennials attention spans are 12 second long).



The hard facts
(and stats)
about Gen Z
and money



It's clear that growing up during a global financial crisis has had a major impact on how Gen Z views money. A recent survey from UNiDAYS of more than 1,800 Gen Z students uncovered the following insights, including some that were rather surprising.



80% of the students surveyed said they were going to college to get a higher salary.

Student debt is a no-go

Gen Z is mindful when it comes to debt. They don't embrace debt as a way of life as many Millennials do. They believe in college but they expect their efforts to pay off. 80% of the students surveyed said they were going to college to get a higher salary. And they don't expect to go into massive debt to obtain their degree. Of the Gen Zers surveyed, 26% expect to graduate college with no debt and 26% expect to graduate with <\$25,000 in debt.



A whopping 73% of undergrad students have a job or side hustle to help pay for their education and expenses.

Not afraid of a side hustle

One label you can't apply to Gen Z is lazy. Not only are they refusing to go into massive debt for school, they're also likely to have additional streams of income. Instead of loans, a whopping 73% of undergrad students have a job or side hustle to help pay for their education and expenses. In fact, only 35% have government loans and unlike past students, they're avoiding private loans completely.



They tread carefully with credit

Gen Z's conservative ways apply to consumer credit as well. Before making a big purchase, 83% of those surveyed save rather than use credit. This may also be due to the fact that 52% of them don't have a credit card and among those that do, 26% have only one.

And while 61% of those that don't currently have a credit do plan to apply for one, interestingly, 81% of them will apply mainly to establish a credit score. They've seen their parents tethered to credit card debt and want something different. This also differs greatly from splurge-savvy Millennials.

Mom and Dad aren't totally clueless

Gen Z are the kids your parents would have wanted you to date. They're fiscally responsible and they listen to their parents – at least about banking. Many Gen Zers might not have a credit card but 72% of them have a savings or checking account they opened in high school under the auspices of mom and dad.

Pro Tip:

Consider marketing to students and their parents. Point out the banking benefits that both Zs and their parents can share, such as linked accounts for easy transfer and deposit of funds.



Among the Gen Zers who have a bank account, 54% don't plan on opening another account no matter the incentive.

And when deciding which bank to open an account with, an impressive 61% of them went with their parents' bank. Trailing at a distant 16%, these Gen Zers chose a bank that offered student discounts, while for another 14% of them, proximity to home or school was the deciding factor.

Once Gen Zs have settled on a bank, getting them to switch will take effort. Among the Gen Zers who have a bank account, 54% don't plan on opening another account no matter the incentive. A few aren't quite as stubborn, with 25% reporting that a cool \$100 incentive will convince them to open another account.

Given Gen Zers' reticence to change their choice of financial institution once they've opened that first account, the sooner marketers reach out to both them and their parents, the better.

Pro Tip:

Point out why their parents' incumbent bank might not be right for them; or point out how it is and reward them for their legacy business. You're talking to a potential lifetime client whose financial needs (along with their net worth) will grow over time. Make them feel valued and important now.



Brick-and-mortar is as important as online

While we won't go as far to say Gen Zers aren't open to non-traditional ways of banking – 55% would consider banking with FinTechs that only have an online presence – surprisingly, 45% of supposedly digital native Gen Zers would not open an account with an online-only bank. The reason why? Of these respondents, 70% say it's because they want a physical bank location.

So what's a marketer to do to tap into this demographic?

Remember the words of advice from the beginning: Don't try too hard and be yourself.

Gen Zs have high BS detectors and will call you on it – or worse yet, simply disregard you. They're socially and politically aware and aren't afraid to stand up for what they believe in.

They are conscious consumers and speak their intentions with action. That might be in the form of not shopping at certain stores that don't pay fair wages or are not environmentally ethical. (Don't doubt for a minute that Gen Z won't do their research, they have grown up with the internet at their fingertips and they will do their research.) They are equally diligent when it comes to researching the business practices of financial institutions.

Know what's important to Gen Z and approach your marketing strategy accordingly. If Katy Perry and Beyoncé won't move the needle, what will?



Three tips for
marketing to
Gen Z





Have purpose

Financial institutions today must have a social promise. Just as no one likes a friend who asks for favors and never returns them, Gen Z doesn't care for companies that don't care.

To connect with them, give back to the community in real and meaningful ways. Remember: Gen Z knows the difference between lip service and genuine acts of social responsibility.



Ethics matter

Do right by your customers and showcase it. Gen Z expects the companies they do business with to behave with integrity. They have high standards, not just for the products they buy, but also for the companies they purchase from.

Given a choice between two banks, 86% of students surveyed would choose the one that's more ethical, even if the incentive is lower. To make an impression with Gen Z, show them that you're focused on customers and community – not just profits.



Educate

Help Gen Z make good financial decisions. Give them advice about how to set themselves up for financial success. Gen Z wants to avoid debt — help them to do so and you'll gain their respect and affinity.

For example, equip bank accounts with built-in purchase round-ups that go directly into savings for an easy way to help them avoid debt. Make investing more straightforward with in-app banking tools. Take every opportunity to educate Gen Z about smart finance, and they'll respect you for it.

About this report

The 2018 report, “Zs and Money: What You Need to Know” was generated through a quantitative online survey fielded among more than 1,800 verified Gen Z students in the U.S., U.K., Australia and New Zealand via UNiDAYS private online community network. The survey was fielded in June of 2018. Throughout the survey, the report refers to individuals surveyed as students and Generation Z.

For more information and insights about Gen Z, visit www.genzinsights.com



About UNiDAYS

UNiDAYS is the world's leading Student Affinity Network. Today, UNiDAYS connects brands to more than 10 million Gen Z college students around the world, giving them the power to make every experience more valuable and rewarding. The UNiDAYS award-winning marketing platform provides student verification technology and integrated marketing solutions to some of the world's most recognizable brands, including Levi's, Adidas and Samsung. Founded in 2011 by CEO Josh Rathour, and headquartered in Nottingham, U.K., UNiDAYS also has offices in London, New York and Sydney. The Sunday Times Tech Track 100 honored UNiDAYS as one of the top 10 fastest-growing companies in the UK. For more information, visit www.myunidays.com/genz.

Talk to us

To learn more about UNiDAYS, visit myunidays.com/genz
Email: chat@myunidays.com

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