



Boost Financial Literacy, Build Gen Z Tenure

What role do managers play?

Managers and HR leaders don't always grasp Generation Z's forward-looking approach to money. But employers who identify the financial coaching Gen Z wants — and whether HR, carriers or someone else provides it — can succeed in retaining this age group's talent.



Boosting Gen Z's Financial Literacy Can Boost Your Business

When it comes to finances, our research shows Gen Z is focused on the future. Besides valuing traditional employee benefits, this group wants tools to strengthen their financial literacy and help them plan ahead. Without it, Gen Zers are apt to make poor decisions about employee benefits and blame their employers — potentially leading to a loss of Gen Z talent.

Key Finding

Many frontline people managers and HR leaders lack a clear view of Gen Z's attitude toward saving, debt and financial literacy.



Gen Z favors saving for the future.

79% of Gen Zers say saving is a top goal. But just a little over half of managers and HR leaders think Gen Zers consider saving a key priority.



Supervisors, like HR decision-makers, mistakenly focus on Gen Z's debt.

Only 37% of Gen Zers view paying off debt as a top goal, while managers and HR leaders say over half of Gen Zers regard paying debt as important.



Gen Z prioritizes financial literacy and most HR leaders report having resources to improve it. But managers don't always know this support exists — or how much Gen Z wants it.

80% of Gen Zers value working for an employer who provides support for financial literacy. Nearly three-quarters of HR leaders concur and 70% say their companies offer help. But fewer managers (59%) know their organizations offer resources for financial education.

Who is Gen Z?

Gen Z is usually described as being born after 1996.* The Great Recession and the COVID-19 pandemic have shaped this cohort. They are the first generation of digital natives, meaning Gen Z grew up with the internet.

Bridging disconnects in understanding can help employers identify the help Gen Z wants to plan for the future. Companies can leverage supervisors and HR departments in referring Gen Zers to financial literacy resources offered by benefits and financial wellness program providers.

* The Annie E. Casey Foundation. ["What Are the Core Characteristics of Generation Z?"](https://www.aecf.org/blog/what-are-the-core-characteristics-of-generation-z) Casey Connects (blog), The Annie E. Casey Foundation, updated Jan. 16, 2024, and originally posted Jan. 12, 2021, <https://www.aecf.org/blog/what-are-the-core-characteristics-of-generation-z>

Managers Say They're Doing Well With Gen Z — but Want More Support

Our research shows most supervisors think they're managing Gen Zers well and that their organizations do a good job of supporting them. But over half want more training and support from their companies on how to best manage team members in this age group.

Most supervisors rate their people management skills positively.

97% say they do at least a good job of managing employees overall.

Excellent job: 31% Good job: 66%

88% say they do at least a good job of managing Gen Z employees.

Excellent job: 25% Good job: 64%

And most report their organizations are doing a good job of supporting them.

80% say their companies do at least a good job of providing the resources they need to effectively manage employees overall.

Excellent job: 23% Good job: 57%

74% say their companies do at least a good job of providing the resources they need to effectively manage Gen Z employees.

Excellent job: 17% Good job: 57%

But over half of managers still want more training and support for supervising Gen Z workers.

53% wish they had more training on how best to manage Gen Z employees.

52% want more support for managing Gen Z employees.

Why do so many managers want more support when most report at least some success in managing Gen Zers? One possible driver is that nearly half of supervisors (48%) say integrating Gen Z team members into their work culture has been at least somewhat challenging.

Supervisors' desire for greater resources to manage this workplace age group signals opportunities for organizations to strengthen their ability to compete for Gen Z talent.

There's More to the Story

Earlier research has revealed that Gen Z workers expect certain types of companies to respond to societal issues. This marks a cultural change from earlier generations and may pose challenges for employers trying to integrate Gen Z workers. Check out [Breaking News](#): Benefits Providers Are the Good Guys — How employers can use carriers to attract and retain Gen Zers.

How Do Managers Fit Into the Gen Z + Benefits Equation?

Advising a team member about benefits is generally outside a manager's role. But our data shows a majority of managers report that Gen Z is engaged with benefits.

Managers who say that Gen Z employees ...

Care about benefits:

70%

Use their benefits:

65%

Express opinions about benefits:

64%

Ask them about benefits:

62%

Besides focusing on the future, older Gen Zers are likely more aware of benefits because they're no longer covered by their parents' health insurance. Many members of this cohort also experienced major life disruptions from the COVID-19 pandemic. Perhaps they witnessed group coverage — such as life or disability insurance — make a positive impact on their families' financial stability.

There's More to the Story

Previous research on Gen Z shows this age group is looking for employers to provide traditional benefits like retirement plans and life insurance, as well as coaching to help Gen Zers manage their finances. The research also suggests companies are offering financial literacy resources — but many Gen Zers don't know these tools are there.

A follow-up survey indicates HR decision-makers think Gen Z prefers newer benefits even though their organizations already offer the traditional programs this generation prefers.

Explore these position papers for more on this topic:

Evolution, Not Revolution: Gen Z's traditional goals point to success through refining — not remaking — employee benefits

Protector, Provider and Mentor: Gen Z's new expectations for employers

Learning to Speak Gen Z: Help Gen Z employees see that your benefits align with their goals



Gen Z employees want transparency. They need help when it comes to their future, enrolling in benefits and knowing what their options are.”

— Millennial manager at a health care company with 2,500+ employees

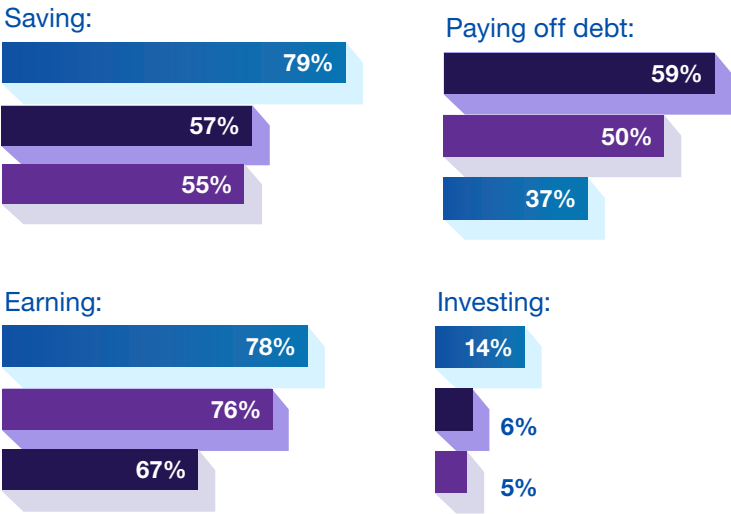
Are Managers Prepared for Benefits Questions?

Supervisors aren't benefits experts. But an awareness of their Gen Z team members' financial goals and worries can make them more effective at directing these employees to relevant benefits information.

62% of managers report that Gen Z workers ask them questions about benefits.

Our survey reveals supervisors lack full clarity on Gen Z's economic objectives and concerns. This data is similar to findings from our study on Gen Z and HR leaders.*

Gen Z's Top Financial Goals



Ensuring Gen Z workers have the tools for personal financial stability will help to maximize their contribution to an organization and improve retention. If businesses continue to ignore the financial literacy needs of Gen Z, they'll feel it in their bottom line."

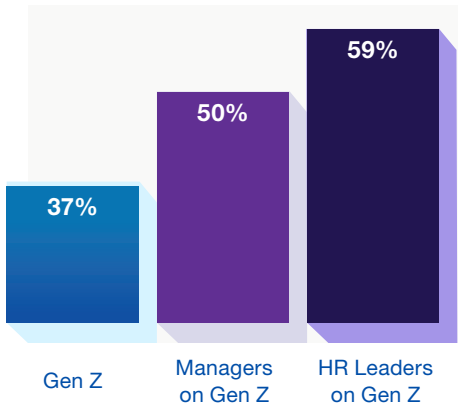
— Lauren Canfield, Vice President, Corporate Actuary and Chief Risk Officer at The Standard[†]

* [Learning to Speak Gen Z: Help Gen Z employees see that your benefits align with their goals](#), The Standard, March 2024

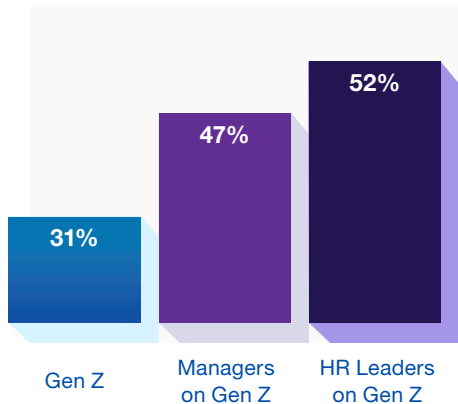
Debt Concerns Don't Line Up

A look at Gen Z's financial apprehensions reveals that managers, like HR leaders, believe Gen Z is more worried about debt than they are.

Paying Off Debts
(as a top goal for Gen Z)



Fear of Never Getting Out of Debt
(as a top financial worry for Gen Z)



How Much Debt Does Gen Z Carry?

Government data shows Gen Z owes less credit card debt than other age groups.

Credit card debt: Gen Zers are more likely to be maxed out on credit cards, but their median balance is lower than that of other cohorts.

Median Credit Card Balance by Generation

Gen Z:	\$760
Millennials:	\$2,378
Gen X:	\$3,017
Baby boomers:	\$1,599

Source: Andrew F. Haughwout, Donghoon Lee, Daniel Mangrum, Joelle Scally, Wilbert van der Klaauw, and Crystal Wang, “Delinquency Is Increasingly in the Cards for Maxed-Out Borrowers,” Federal Reserve Bank of New York *Liberty Street Economics*, May 14, 2024, <https://libertystreeteconomics.newyorkfed.org/2024/05/delinquency-is-increasingly-in-the-cards-for-maxed-out-borrowers/>

External data on student loans suggests Gen Z has lower student debt per capita than other generations.

Student debt: Like all workplace generations, Gen Z has student loan debt, but it's less than other age groups.

Per Capita Student Loan Debt by Generation

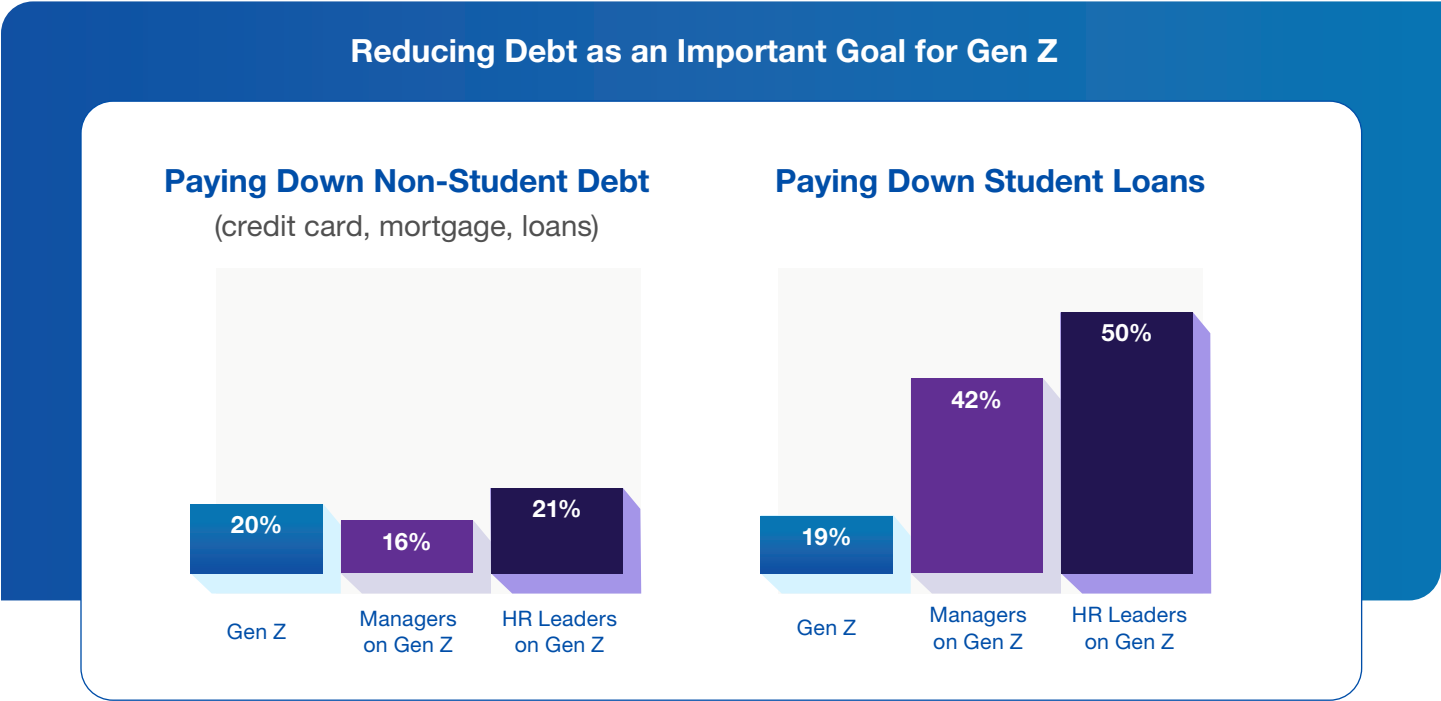
(in thousands):

Gen Z:	\$14,380
Millennials:	\$32,800
Gen X:	\$44,290
Baby boomers:	\$42,520

Source: Hanson, Melanie, Student Loan Debt by Generation, EducationData.org, September 24, 2023, <https://educationdata.org/student-loan-debt-by-generation>

Misreading Gen Z and Student Debt

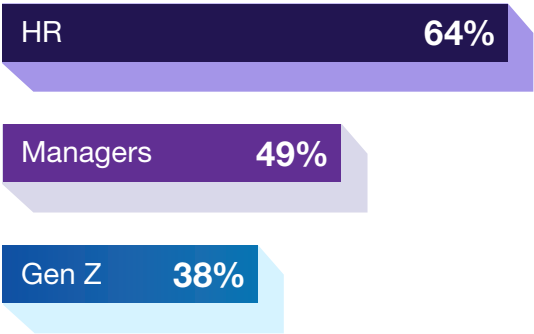
A look at specific types of debt shows a larger gap in perspective on student loans than other liabilities. Both managers and HR leaders are more aligned with Gen Z’s attitudes on reducing credit card debt, mortgages and other loans.



Does Gen Z Want Help With Student Debt?

When asked how much Gen Z values support from employers for student debt repayment, our research reveals a difference of 11 percentage points between what Gen Z says and managers believe. The gap between Gen Z and HR leaders is even wider — at 26 percentage points.

“Support from employers for student loan repayment would be valued by Gen Z.”



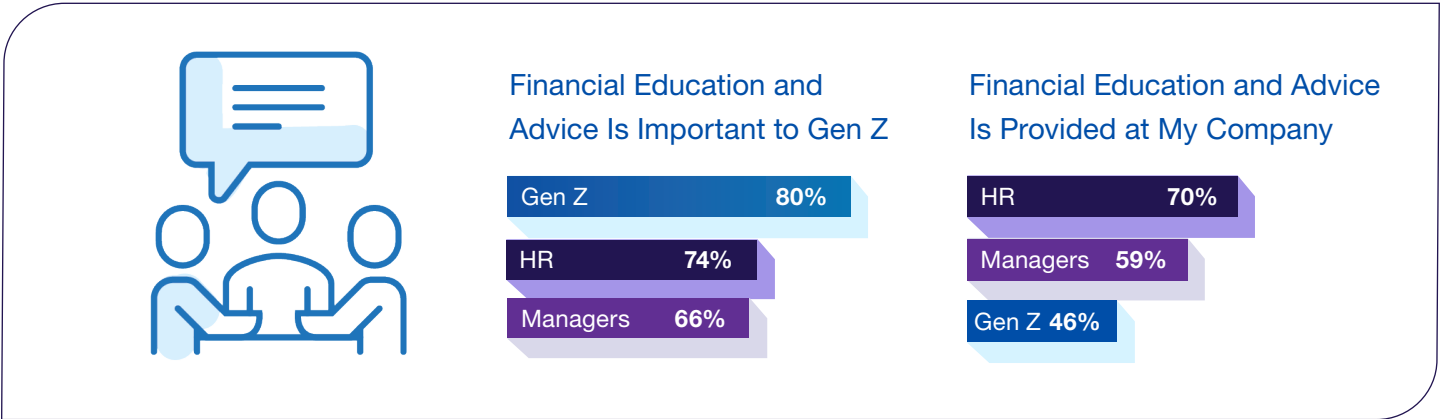
There’s More to the Story

When thinking about student debt, supervisors, like HR decision-makers, may be conflating Gen Z and millennial workforce populations. Find out more about HR leaders and Gen Z in: [Learning to Speak Gen Z](#): Help Gen Z employees see that your benefits align with their goals.

A strong grasp of Gen Z’s relationship to debt — student or otherwise — matters in connecting them to the support and benefits they find relevant. Understanding what motivates and troubles Gen Z can help employers avoid expending resources on less-desired offerings.

Gen Z and Financial Literacy: What Managers Don't Know

Gen Z's focus on the future is evident in their desire to improve their financial literacy. While supervisors are closer to their Gen Z workers, they're less aware than HR leaders of Gen Z's desire for financial education and advice. And while a solid majority of HR leaders report their companies offer these resources, fewer managers seem to realize it.



HR leaders are well positioned to know what financial literacy support is available at their organizations. The 11 percentage-point difference in awareness between HR leaders and managers is concerning. Clearly, managers aren't financial advisors. But more should probably know about their company's resources so they can direct employees — including Gen Zers — to the financial education and advice they want.





Who should provide the resources Gen Zers want to help secure their financial future?

Employers have multiple pathways to deliver the benefits and support for financial literacy that Gen Z wants. Besides providing Gen Zers with help they value, employers who meet this need are likely also addressing a source of anxiety for Gen Z, given that 54% of Gen Zers say the thought of dealing with insurance makes them feel overwhelmed or anxious.* HR departments can design financial education programs that target employees in terms of age and other demographics. They can also work with financial wellness vendors who specialize in educating workers on saving, budgeting, investing and debt management.

Employers should also look to benefits providers. Whether Gen Zers need help understanding retirement plans or the impact of life and disability insurance on a family's finances, carriers can supply materials and training to help workers get the most out of their products and services.

Ensuring Gen Z employees have resources to strengthen their financial literacy frees frontline people managers to do what they do best: develop talent that yields value to their organization.



Provide Gen Z workers with financial education to help them in the present, so they aren't distracted by financial problems.”

— Gen X manager at a business services company with 100+ employees

* [Only about 1 in 4 Gen Z Adults Can Define “Deductible” and “Copay.”](#) NAIC, July 22, 2024

Summary of Findings

People managers:

- Say they're doing well supervising Gen Z workers, but over half still want more support from their organizations
- Often don't grasp Gen Z's emphasis on saving as a goal — over paying off debt
- Could have a stronger understanding of Gen Z's desire for greater financial literacy — and the related resources offered at their companies

Discover more about Gen Z and benefits in these position papers:

- **Evolution, Not Revolution:** Gen Z's traditional goals point to success through refining — not remaking — employee benefits
- **Protector, Provider and Mentor:** Gen Z's new expectations for employers
- **Breaking News:** Benefits Providers Are the Good Guys — How employers can use carriers to attract and retain Gen Zers
- **Learning to Speak Gen Z:** Help Gen Z employees see that your benefits align with their goals

Why This Data Matters: Boost Gen Z's Financial Acumen for a Talent Retention Edge

This research suggests employers can:

1. Play on managers' strengths: Supervisors' day-to-day proximity to Gen Z workers puts them in the right position to point Gen Zers to resources that give them the tools they want to improve how they manage their finances.

2. Promote what their companies are already doing: Most HR leaders indicate their companies offer support for financial education and advice. Not as many managers are aware of these resources and even fewer Gen Z employees know about them. Getting the word out on what's available can help companies increase ROI on their financial wellness investments.

3. Take a multipronged approach to providing Gen Z with financial literacy resources: Inventory your in-house programs and external support. Then assess whether you're offering the right balance of education on saving, budgeting, investing and debt management based on Gen Z's financial objectives. It's also a good idea to ensure this support is delivered using the forms of communication Gen Zers prefer.

By focusing on offering financial literacy and leveraging managers' strengths, you can retain your Gen Z talent.

About the Research

On behalf of The Standard, a third-party research firm conducted three surveys.

Survey of Managers of Gen Z Employees

A 20-minute survey of 809 workplace managers who have Gen Z employees reporting to them.

The survey included an oversample of managers who are themselves Gen Z (n=105), with overall data weighted to adjust for the oversample.

Field dates: May 1 to 21, 2024

For comparison, a third of the survey questions replicated two other surveys about Gen Z conducted for The Standard in 2023:

- 1,250 Gen Z full-time workers or soon-to-be workers
- 500 HR decision-makers about Gen Z employees

Survey of HR Decision-Makers

Parallel 20-minute survey of 500 HR decision-makers focused on Gen Z workers

Sampling was stratified to ensure full representation of all company sizes.

Data were weighted by company size to reflect the full estimated population of HR decision-makers based on the most recent data available from the Statistics of U.S. Businesses provided by the U.S. Census Bureau and the most recent SHRM Human Capital Benchmarking Survey.

Field dates: Sept. 5 to Oct. 3, 2023

Survey of Gen Z

A 20-minute survey of 1,250 Gen Z full-time workers (or soon-to-be workers), with participants who were:

Ages 18 to 26

Full-time employed, in their final year of college, expecting to be full-time employed post-graduation or in graduate school

The study includes oversamples of Black (n=273) and Hispanic (n=271) Gen Z members weighted to correct proportions in overall data.

The survey was offered in English or Spanish.

Field dates: Aug. 7 to 24, 2023



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