



Learning to Speak Gen Z

Help Gen Z employees see that your benefits align with their goals.

Employers think members of Generation Z value newer benefits like flextime and help with student loan repayment. And they do — just not as much as traditional offerings, such as retirement and health care. That means HR leaders would do well to change their messaging — more so than their benefits mix — and make it crystal clear that the classic, tried-and-true benefits programs are there for this group of workers.



Bridge the Message Gap to Avoid Costly Benefits Overhauls

HR decision-makers underestimate the value Gen Z employees place on retirement plans and other types of financial support programs. This puts companies at increased risk of losing this cohort's talent to competitors who offer similar benefits but know how to talk about them with this age group.

Our research shows that HR leaders don't always have an accurate view of what Gen Z wants in a benefits package.

- HR decision-makers underrate the value Gen Z places on offerings such as retirement plans, paid family and medical leave, and life, supplemental, dental and disability insurance.
- HR leaders overestimate the value Gen Z places on benefits such as flextime, remote work and student loan repayment.
- HR leaders don't realize how important earning and saving are to Gen Z, while thinking that paying off debt is much more important to this cohort than it is.



Fortunately, many companies continue to offer traditional benefits. That means employers are already offering Gen Z workers many of the benefits they want.

The takeaway? Rather than incurring the costs of overhauling benefits packages, HR decision-makers should focus on helping Gen Zers see that what's currently offered aligns with a number their financial priorities. HR leaders should also ask their benefits providers for support in targeting communications about benefits programs to workers in this age group.

Who is Gen Z?

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

* 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>

‡ The Standard is a marketing name for StanCorp Financial Group, Inc. and subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Oregon, in all states except New York, where insurance products are offered by The Standard Life Insurance Company of New York of White Plains, New York.

Two Views on Benefits Priorities

In looking at how Gen Z prioritizes benefits and how HR decision-makers think Gen Z ranks them, we see some notable differences.



Gen Z's Top 5 Benefits in Priority Order

1. Health/medical insurance
2. Paid family and medical leave
3. Retirement savings plans
4. Life insurance
5. Emergency savings accounts
5. Mental health days (tied for fifth place)

HR Leaders' Perception of Gen Z's Top 5 Benefits in Priority Order

1. Health/medical insurance
2. Flex time
3. Flexible work location/student loan repayment (tied for third place)
4. Mental health days
5. Mental health services

There's More to the Story

Gen Zers are fairly traditional in what they want from benefits. To learn more about how employers can meet their needs, explore, [Evolution, Not Revolution: Gen Z's traditional goals point to success through refining — not remaking — employee benefits.](#)

“As an HR leader, I consider all generations in our workforce. What's different with Gen Z is how and where I message about the benefits and the package to ensure it's relevant to them.

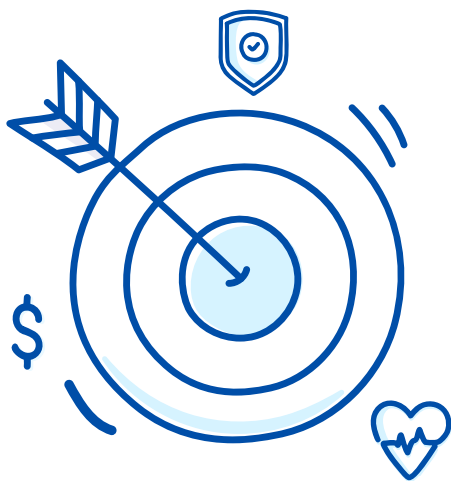
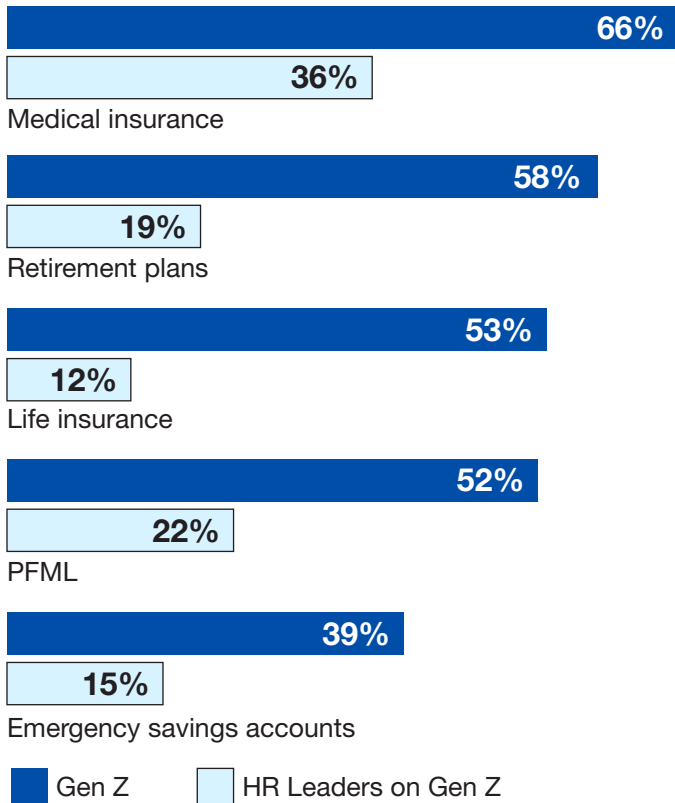


— Melissa Oliver-Janiak,
Second Vice President of
Total Rewards, The Standard[#]



When we look at the benefits Gen Zers see as most valuable compared to what HR decision-makers believe this generation values, we observe the following gaps.

Benefits Viewed as Extremely Valuable: Gen Z vs. HR



Life Insurance Divergence

41 percentage points

That’s the difference in the percentage of Gen Z members who say life insurance is extremely valuable compared to HR decision-makers who say Gen Z feels this way.

Employers offering life insurance can feel confident they’re providing a program to attract and retain employees in this cohort. But providing life insurance isn’t enough. The Standard’s previous research shows that Gen Z thinks a lot about the future.* HR leaders will want to be sure that benefits communications for Gen Z explain how life insurance supports this age group’s focus on planning and preparing their finances for the unexpected.

* [Evolution, Not Revolution: Gen Z’s traditional goals point to success through refining — not remaking — employee benefits](#), The Standard, January 2023

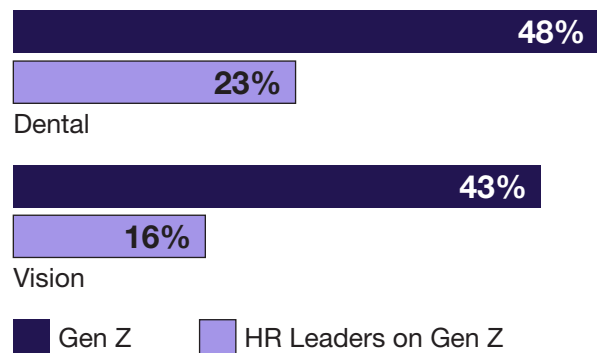
More Gaps in the Perceived Value of Low-Cost, Traditional Benefits

In examining other benefits that many Gen Zers find “extremely valuable,” our study showed more gaps in perception between Gen Z and HR decision-makers.

Nearly half of Gen Zers say **dental insurance** is extremely valuable, while only 23% of HR decision-makers say Gen Z feels this way. The difference is even greater for **vision insurance**.

Dental and Vision Insurance

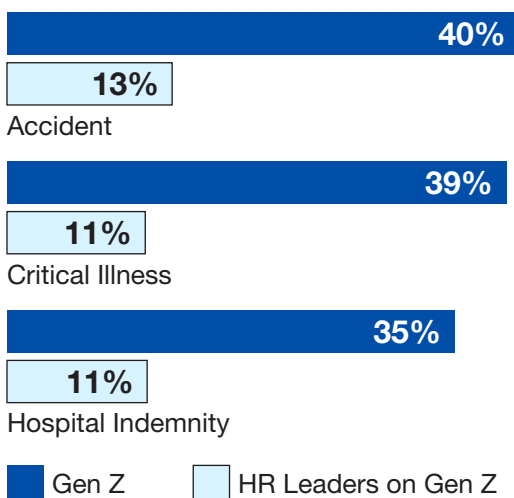
(% who say it's extremely valuable)



The research also shows significant differences in perceptions of the value Gen Z places on **supplemental** and **disability insurance**.

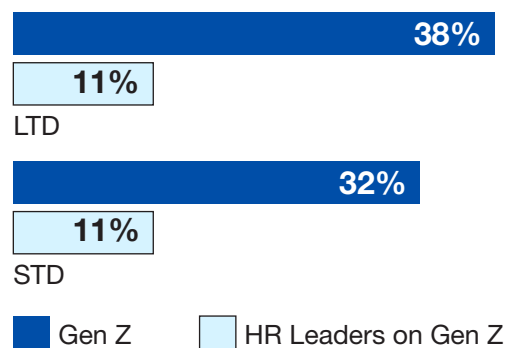
Supplemental Insurance

(% who say it's extremely valuable)



Disability Insurance

(% who say it's extremely valuable)



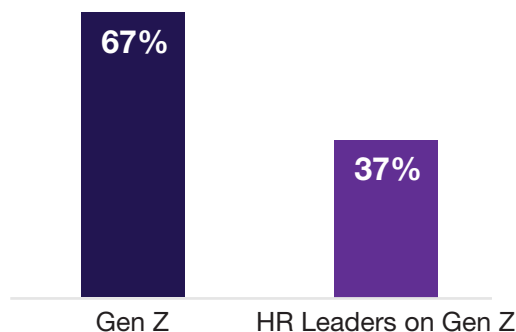
This data suggests most traditional benefits matter to younger workers, which is good news for employers offering these programs. It's also a reminder that surveying generational cohorts across workforce populations could be a useful tool for avoiding perception gaps about voluntary benefits.

Differing Views on Retirement Plans

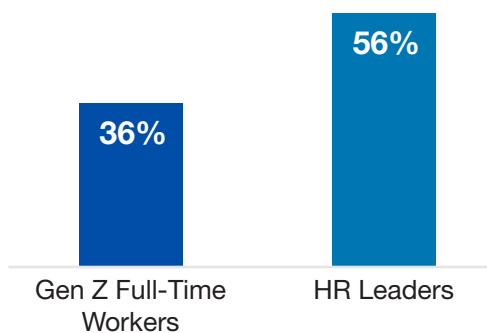
Members of Gen Z value working for an employer who offers a retirement plan.

Two-thirds of Gen Zers (67%) say working for an employer who provides retirement savings support is very important to them. But only 37% of HR leaders say the same thing about this generation.

“Working for an employer offering a retirement plan is very important.”



“My company helps workers a lot via a retirement savings plan.”



HR decision-makers also misread this generation’s awareness of the retirement plan support at their company.

Thirty-six percent of full-time Gen Z workers say their employer provides a lot of support for retirement plans compared with 56% of HR leaders. That 20-percentage-point difference suggests Gen Z has the support for retirement plans it wants — but doesn’t always know it.

It’s easy to view these differences in perception only as a gap. But they’re also an opening for employers to tout their retirement plan programs and help employees see the support they want is there right now.



Disconnect Drivers: Financial Goals and Debt

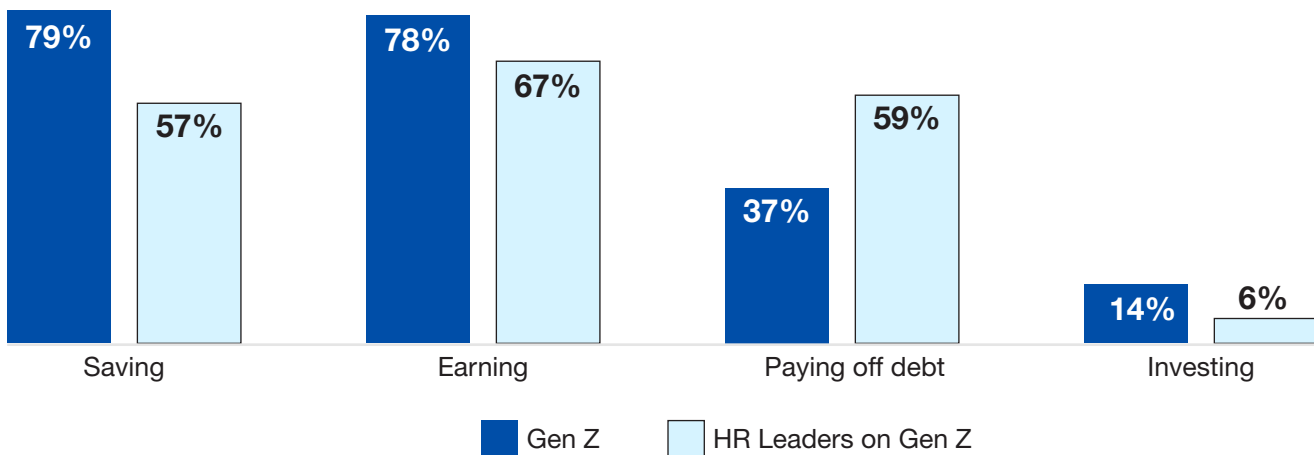
What's driving HR decision-makers' misconceptions regarding the benefits Gen Z wants? It could be a need for greater understanding of Gen Z's financial goals and top economic concerns.

Earning and saving are more important to Gen Z than many HR leaders realize. And paying off debt is less important to this age group than many HR decision-makers think it is.

Differences in ideas about Gen Z's goals are a likely cause of this misalignment.



Gen Z's Financial Goals



“ I have made many assumptions about this generation, but it is best to hear from them about their needs. Focus on helping them to address important things like financial management and savings. This will alleviate stress and make them more focused and engaged.

— HR professional and Gen Xer at a manufacturing company with over 2,500 employees

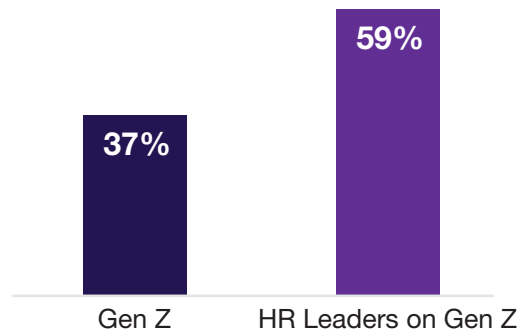
Differing Views on Debt Suggest Opportunities for Financial Literacy

Differing views on debt between Gen Z and HR suggests what could be an unaddressed issue related to Gen Z's financial literacy.

22 percentage points

That's the difference between Gen Z and HR leaders on the importance of paying off debt in general, with HR leaders overestimating how highly Gen Z ranks it as a goal.

“Paying off debt is one of Gen Z's top 3 financial goals.”



HR decision-makers' concern about debt is understandable. Individual debt in the U.S. affects all generations, with Gen Z having the highest rate of credit card delinquencies and millennials exceeding their pre-pandemic delinquency levels.¹

Given that our previous research showed members of Gen Z are hungry to improve their financial literacy,² there's an opportunity for employers to include education about debt as part of their financial wellness offerings.

“Have regular (at least annual) check-ins to evaluate their benefit literacy. Then provide the information and assistance most useful to each person. I think having more interactive conversations regularly and open relationships with a lot of companies/providers/vendors allows individual needs to be met.

— HR professional and millennial at an educational organization with over 5,000 employees



¹ Andrew Haughwout, Donghoon Lee, Daniel Mangrum, Belicia Rodriguez, Joelle Scally, Wilbert van der Klaauw, and Crystal Wang, [“Credit Card Delinquencies Continue to Rise—Who Is Missing Payments?”](https://libertystreeteconomics.newyorkfed.org/2023/11/credit-card-delinquencies-continue-to-rise-who-is-missing-payments/), Federal Reserve Bank of New York Liberty Street Economics, November 7, 2023, <https://libertystreeteconomics.newyorkfed.org/2023/11/credit-card-delinquencies-continue-to-rise-who-is-missing-payments/>

² [Protector, Provider and Mentor: Gen Z's new expectations for employers](#), The Standard, January 2024

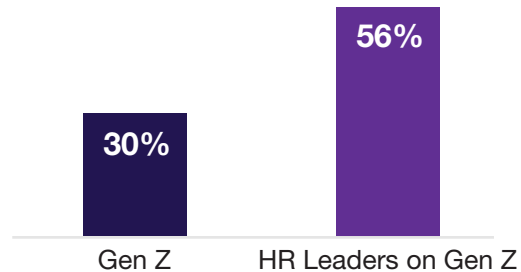
Is Gen Z Carrying Less Student Debt Than HR Thinks?

26 percentage points

That's the difference between Gen Z and HR leaders on how common taking on debt is for Gen Z.



“Taking on significant debt, like student loans or a mortgage, is a common life event among Gen Zers.”

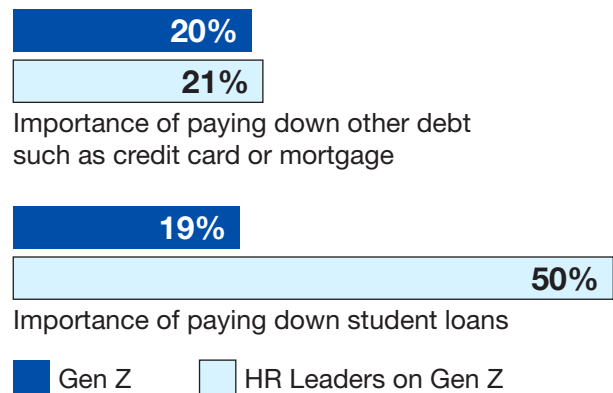


Student loan debt

Digging into the data, we see that HR decision-makers align with Gen Z on the importance to this age group of paying down debt, such as credit card or mortgage obligations.

But the two groups don't see eye to eye regarding how important it is to Gen Z to pay off student loans.

Importance of paying down specific debt to Gen Z

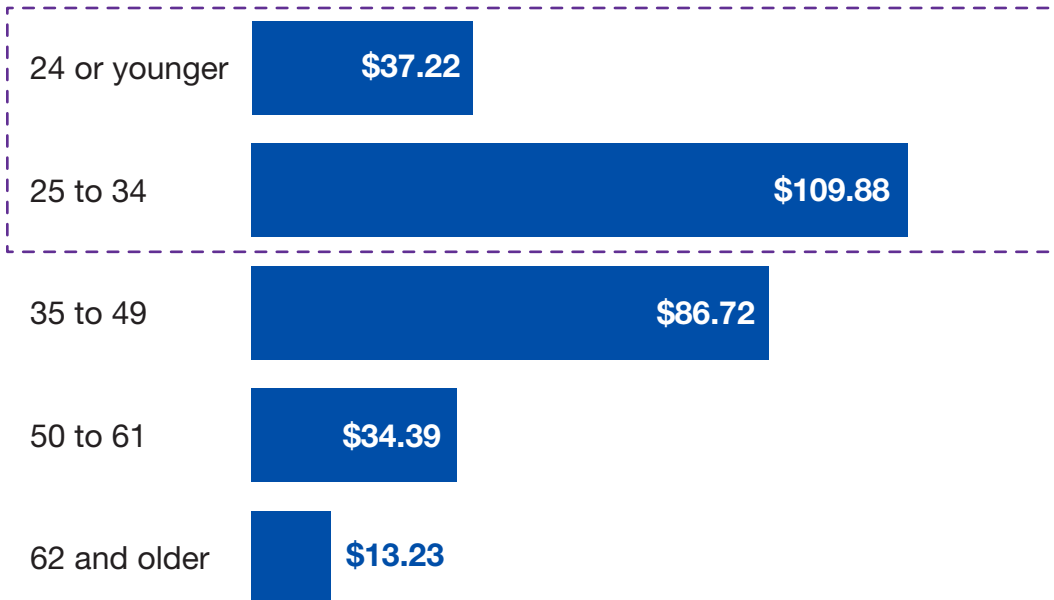


Our findings point to HR decision-makers believing Gen Z has a large amount of student debt. But data from the U.S. Department of Education comparing educational debt held by five age groups show that the youngest cohort (24 or younger), carries less student debt than the next oldest group (25 to 34).*

* [Federal Student Loan Portfolio Sorted by Borrower Age and Debt Size](#), Federal Student Aid, Department of Education, Sept. 30, 2023

Dollars Outstanding for Borrowers With 20K to 40K in Student Debt

(in billions)



Source: [Federal Student Loan Portfolio Sorted by Borrower Age and Debt Size](#), Federal Student Aid, Department of Education, Sept. 30, 2023

Could HR leaders be conflating their Gen Z and millennial workforce populations when thinking about levels of student debt? Given that the 25 to 34 age group overlaps somewhat with Gen Z and more so with millennials, it seems fair to think so.

But even if HR decision-makers are misreading the amount of debt held by Gen Z employees, it's likely Gen Zers' lack of concern about debt points to deficits in their financial literacy. And that creates a gateway for employers to address it with targeted messages and methods of communication.



There's More to the Story

Members of Gen Z are motivated to better their financial situation and will reward benefits providers and employers who give them the tools to do so. Learn more about this topic from [Breaking News: Benefits Providers Are the Good Guys — How employers can use carriers to attract and retain Gen Zers.](#)

Speaking Gen Z

Reducing misperceptions and increasing financial literacy requires meeting Gen Zers where they are. In terms of how they prefer to receive information and evaluate purchases, video and social media influencers are two things to consider.

Among adults, 93% of those ages 18 to 29 say they've used YouTube. (This was the highest percentage for any age group, although those in the 30- to 49-year range were a close second at 92%.) Adults ages 18 to 29 are also much more likely to use Instagram, Snapchat and TikTok than other age groups.¹

A preference for video among young adults is no surprise. Nor is their reliance on influencers to help them learn about products and services. But when it comes to financial decisions, this can be risky. A recent study on financial influencers shows Gen Zers turn to them due to inadequate financial literacy, little contact with

regulated financial advisors and because they'd rather receive information via digital platforms.²

Relying only on influencers means Gen Zers could be basing decisions about issues like retirement planning on content that's misleading or incorrect. They may also not realize that a financial influencer lacks the same education and credentials as a professional advisor.

Looking for avenues to deliver more video content about benefits is one way HR leaders can successfully communicate with Gen Z employees about benefits.

Employers can also leverage Gen Z's fondness for influencers by having veteran employees serve as sponsors, helping Gen Z workers find answers to their benefits questions and pointing them to resources for making informed decisions regarding benefits and their finances.



“ Be honest up front and ask those personal questions during the hiring process. Ensure the candidates know all the programs available to them. If possible, have a sponsor (someone who currently works for the company) available for them to rely on. Many young people will not inform you of all their needs for fear of not getting the job.

— HR professional and baby boomer at public employer with fewer than 500 employees

¹ [Americans' Social Media Use](https://www.pewresearch.org/internet/2024/01/31/americans-social-media-use/), Pew Research Center, Jan. 31, 2024. <https://www.pewresearch.org/internet/2024/01/31/americans-social-media-use/>

² [The Finfluencer Appeal: Investing in the Age of Social Media](#), CFA Institute, January 2024

Summary of Findings

HR Leaders:

- Underestimate how much Gen Z values traditional offerings such as paid family and medical leave, retirement plans and life, supplemental, dental and disability insurance
- Don't always realize how important earning and saving are to Gen Z, while thinking that paying off debt is much more important to this cohort than it actually is
- Are more likely than they realize to already be offering the benefits Gen Z wants



Discover more about Gen Z's attitude toward benefits:

- [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](#)

Why This Data Matters:

Speaking Gen Z's Language to Improve Retention

This research suggests employers can:

- 1. Avoid costly benefits overhauls with effective messaging on existing benefits:** Overall, Gen Z values traditional programs currently provided by many employers. But this age group may not realize what's available to them. Employers should ask carriers to ensure benefits communications help Gen Zers grasp how existing programs support their financial goals.
- 2. Use financial literacy as a low-cost opportunity to partner with benefits providers:** HR decision-makers view debt as a larger problem for Gen Z than Gen Z thinks it is. This could be the result of Gen Z's lack of financial literacy. Through coaching on financial planning and debt management, companies can help Gen Zers strengthen their finances — an important step in improving this cohort's loyalty and engagement.
- 3. Succeed with Gen Zers by meeting them where they are:** As newer hires, Gen Zers are digital natives receiving benefits information likely created by those who have not lived with the internet and social media from an early age. HR leaders should consider targeted approaches to benefits communications for this group of workers, including video. HR decision-makers should also explore employee-sponsors and resource groups to serve as an influence on Gen Z's understanding of benefits.

About the Research

Survey of Gen Z

On behalf of The Standard, a third-party research firm conducted a 20-minute survey of 1,250 Gen Z full-time workers (or soon-to-be workers). Survey participants 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

Survey of HR Decision-Makers

On behalf of The Standard, the same third-party research firm conducted a 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



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