



Gen Z's Financial Priorities, Barriers & The Path Forward

We surveyed Gen Z (ages 18-24) to explore their financial behaviors and priorities as they work to establish their financial footing and look ahead to what's next as they emerge from the pandemic. We also examine the role of an individual's race, ethnicity and gender in shaping their financial knowledge, opportunities and values.

As Gen Z looks to take control of their finances and plan their financial futures, they continue to seek advice and guidance. Bank of America's [Better Money Habits](#) platform connects people at all life stages to relevant tools to help them take action toward their financial goals. It also includes specific resources catered to [Gen Z](#) and young adults, covering topics including budgeting, building credit, borrowing, investing and more.

Key Findings Include:

Gen Z is taking positive steps toward achieving financial goals

- Over the past year, 80% of Gen Zers have taken one or more positive financial actions. Among which, 70% added to savings, 29% mapped out financial goals, 26% contributed to a retirement account and 26% invested in the stock market.
- Despite financial and other pandemic-related challenges, nearly 7-in-10 (68%) are optimistic about their financial future.
- Nearly 70% also say the pandemic has influenced their financial priorities, including a greater focus on saving for future goals (33%) and living a more frugal lifestyle (19%).
- Half describe themselves as fully or mostly financially independent. Among the half still fully (14%) or mostly (36%) dependent on their parents financially, 24% are prioritizing becoming financially independent.

Gen Z's Top Financial Priorities for the Year Ahead

- Furthering education (41%)
- Advancing career/increasing salary (36%)
- Building credit (27%)
- Learn to invest/investing more (25%)
- Buying a car (24%)
- Building an emergency fund (23%)

Confronting gaps in financial education and discussions

- One-third (34%) of Gen Z rate their financial knowledge as low, among whom 40% say they don't even know where to start learning about finances.
- Gen Z feels knowledgeable about basic financial concepts – including saving (85%), managing money (82%) and budgeting (77%).
- Knowledge levels start to decrease around credit scores (61%), paying down debt (61%) and applying for/managing credit cards (57%). They decrease significantly when it comes to topics critical to a more secure financial future: saving for retirement (38%), investing (30%) and buying a home (26%).
- Only one-third (33%) of Gen Z learned about finances in school (K-12 and/or college). Three-quarters learned at home or from family, 39% were self-taught, 20% learned from friends and peers and 13% learned from a financial professional.
- Two-in-five say they have never been offered financial education courses at any level of school, and one-in-four (23%) cite lack of financial education/know how as a barrier to achieving financial goals.
- 84% of Gen Z has one or more financial role models – primarily their parents (65%), in addition to other family members (15%), friends (10%), teachers (8%) and financial professionals (8%) – far more so than Millennials (69%), Gen X (60%) or Baby Boomers (65%).
- Today, 44% of Gen Z talk openly about money with family, friends and colleagues – more so than any other generation, including Millennials (41%), Gen X (30%) and Baby Boomers (27%). A mere 10% consider discussing finances with family and friends taboo, compared to 12% of Millennials, 18% of Gen X and 19% of Baby Boomers.

Gen Z's financial barriers, stressors and career/economic outlook

- Today, Gen Z views their greatest barriers to financial success as insufficient income to achieve financial goals (46%), lack of job stability (23%) and being unable to save (21%).
- When asked about the most stressful financial aspects of their lives, they cited not being able to afford the life they want (37%), lack of emergency savings (33%), student loan debt (22%), health care costs (17%) and simply making it to their next paycheck (11%).
- Gen Z is most likely (52%) to lack confidence in the job market over the next 12 months, more so than Millennials (49%), Gen X (47%) and Baby Boomers (41%).
- Two-thirds (66%) also aren't confident in the housing market, more than Millennials (55%), Gen X (57%) and Baby Boomers (44%).
- As this group looks at their next few decades in the work force, nearly half (49%) say the pandemic has influenced their career priorities in some way. This includes prioritizing jobs with greater levels of flexibility (20%) or prioritizing jobs with a higher salary over work that they are passionate about (10%).

Black/African American Gen Z more likely to be financially independent, cite starting a business in their definition of success

- More than half (51%) of Black/African American Gen Z say that, due to their race, it has been more difficult to access financial resources and education.
- This community is also more likely to say that money was not something they talked about in their household growing up (41% vs. 22% of non-Black/African American Gen Z).
- 59% identify as mostly or fully financially independent (vs. 47% of non-Black/African American Gen Z).
- They also cite greater knowledge of several financial topics, including filing taxes (59% vs. 39% of non-Black/African American Gen Z), saving for retirement (44% vs. 37%) and purchasing a home (41% vs. 24%).
- 66% carry debt, and of those that use credit cards, 44% have accrued credit card debt – more than non-Black/African American Gen Z (51% and 21%, respectively). They're also nearly 2x as likely to cite debt as a barrier to financial success (30% vs. 17%).
- Black/African American Gen Z are nearly 6x as likely to include starting a business in their definition of success (17% vs. 3% of non-Black/African American Gen Z), and 2x as likely to cite starting/growing a business as top priority for the year ahead (16% vs. 8%).
- 72% say the pandemic influenced their career priorities: 30% prioritize job flexibility and/or work life balance (vs. 18% of non-Black/African American Gen Z), and they are 2x as likely to take a higher paying job they are less passionate about (19% vs. 8%).

Hispanic Gen Z highlight greater gaps in financial education, see homeownership as success

- Nearly half (48%) of Hispanic Gen Z say they were never offered a financial education class in school – more so than non-Hispanic Gen Z (37%).
- Almost one-quarter (24%) say they feel at a disadvantage for receiving a financial education/coaching due to being a Hispanic American.
- This community is less likely to feel knowledgeable about building credit (56% vs. 63% of non-Hispanic Gen Z), saving for retirement (34% vs. 40%) and filing taxes (28% vs. 45%).
- They are more likely to cite lower income (52% vs. 44% non-Hispanic Gen Z) and job stability (31% vs. 20%) among their top barriers to financial success.
- Hispanic Gen Z are also 2x as likely to consider it taboo to talk about their salary (16% vs. 8% of non-Hispanic Gen Z).
- Homeownership is especially important to this community: 39% define financial success as owning a home (vs. 26% of non-Hispanic Gen Z) and 20% say it's a priority to buy a home in the year ahead (vs. 16%).
- As this community turns their focus to housing, they're less confident that the housing market will stay strong (26% vs. 34% of non-Hispanic Gen Z).

Gen Z women face financial knowledge and investing gaps, but are more likely to be taking steps toward financial wellness

- The investing gap persists between genders in younger generations: Gen Z women are less likely to feel knowledgeable about investing (22% vs. 37% of Gen Z men) and less likely to have invested in the market over the last year (17% vs. 25%).
- They also feel less knowledgeable about managing debt (56% vs. 66%) and saving for retirement (35% vs. 41%).
- Gen Z women do, however, feel more knowledgeable about building credit (66% vs. 57%).
- Gen Z women are more likely to cite debt as a barrier to financial success (23% vs. 14%) and say paying down debt is a top priority for the year ahead (23% vs. 18%).
- In fact, 36% have at least \$5,000 of debt compared to 28% of Gen Z men – which may be contributing to the fact that more women are prioritizing paying down debt in the year ahead than men (23% vs. 18%).
- Gen Z women feel they are at a disadvantage for equal pay/salary (52%), advancing their career (45%), building wealth (30%) and being financially independent (35%).
- Despite challenges, Gen Z women were more likely than Gen Z men to have taken positive financial actions over the last year (82% vs. 78%). Among those who took positive action, Gen Z women were more likely to have: contributed to savings (76% vs. 63%), openly discussed money with family, friends or colleagues (63% vs. 48%), stuck to a budget (27% vs. 21%) and sought guidance on managing finances (25% vs. 16%).
- 41% are also more focused on saving for future goals, compared to 25% of Gen Z men.

Methodology The study was conducted August 12 – September 7, 2021, by Ipsos in English and is based on nationally representative probability samples of 1,024 general population adults (age 18 or older), and a partially overlapping sample of 635 Gen Z adults (age 18-24), including 28 Gen Z adults from a non-probability sample. This survey was conducted primarily using the Ipsos KnowledgePanel®, the largest and most well-established online probability-based panel that is representative of the adult US population. Panelists are scientifically recruited into this invitation-only panel via postal mailings to a random selection of residential addresses. To ensure that non-internet households are included, Ipsos provides access to a tablet and internet connection to those who need them. Because of this probability-based sampling approach, KnowledgePanel findings can be reported with a margin of sampling error and projected to the general population. The margin of sampling error for the general population sample is +/- 3.3 percentage points at the 95 percent confidence level.