

Gen Z knows how to manage finances, but they're still stressed

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More than a few Generation Zers just entering the workforce are stressed about making ends meet, and many would like their employers to help them better manage their finances, according to LifeWorks' report, "The Financial Wellness of Gen Z- The Good, the Bad, and the Ugly."

LifeWorks surveyed 751 Gen Z employees in the U.S., Canada, and the U.K., and found that while 77 percent say they have a clear set of financial goals and know how to achieve them, nearly the same percentage say they're moderately to very stressed about finances.

"While Gen Z brings ambitious goals and a healthy approach to money management, there are quite a few obstacles standing in their way," the authors write. "These financial issues hurt their overall well-being because they cause stress and might even force them to work more to earn extra income."

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Their most pressing obstacles include cost of living, 58 percent; student loan debt, 41 percent; taxes, 34 percent; poor spending habits, 33 percent; and credit card debt, 29 percent. "Sometimes, Gen Zers have no choice but to get into more debt," the authors write. "When they face unexpected expenses, 31 percent resort to using credit cards. This implies they don't have enough to cover the cost of emergencies." They're also struggling to save, according to the survey. Nearly one in five (19 percent) Gen Z employees aren't putting anything into savings each month. One in four (23 percent) barely save anything, putting away less than \$50.

"Most Gen Zers say financial stress impacts their performance in some way," the authors write. "They're driven to earn more but are experiencing distractions and hurting their well-being in order to get ahead."

Four in 10 say, "I'm distracted thinking about and handling financial matters at work;" 25 percent say, "I work longer hours and weekends for overtime pay;" and 19 percent say, "I miss work because financial stress negatively affects my health. To attract and retain Gen Z talent, employers should help young workers manage these financial stressors by offering competitive wages, with additional performance-based incentives such as

bonuses, the authors write. Employers should also invest in initiatives geared toward teaching Gen Z workers more about general financial literacy, managing debt, saving for retirement and budgeting.

The survey found that many Gen Zers feel that their employer falls short in this area. Less than half (40 percent) of respondents can't say their employer cares about their financial wellness and helps them manage it.

The majority (84 percent) of Gen Zers agree it's important that employers offer financial wellness programs. They favor various methods of financial wellness support, including health insurance and discount programs.

"Gen Zers are especially interested in financial wellness, so developing programs to help them succeed will have a positive impact on these employees," the authors write.

Their level of participation in their employer's financial wellness program is high: 41 percent are currently participating, with 11 percent saying they have previously participated. Those who participate enjoy various aspects of the program ranging from educational workshops to coaching services.

However, while many Gen Z employees are engaged in financial wellness initiatives, 20 percent of respondents say they stopped participating or have never participated. What's more, 19 percent said they're not aware whether or not a program exists, and 20 percent say their employer doesn't offer one.

"These results show a lack of awareness and availability when it comes to financial assistance," the authors write. "But even when that assistance is available, employees feel intimidated and don't trust that their financial matters will be kept confidential. What's more, the importance of financial wellness is not yet clear to some. Those who don't take the time to participate in a financial wellness program need to understand why making the time is a top priority."

Employers should host financial wellness awareness campaigns to highlight why managing money is vital to employee health and worker productivity, the authors recommend. But perhaps even more important: "Destroy the stigma surrounding financial wellness programs by promoting its confidentiality and building a culture that makes them feel comfortable seeking out financial wellness support."

By Katie Kuehner-Hebert