



finotta

THE NEXT GENERATION

FINANCIAL FUTURES REDEFINED

Embrace Gen Z's insights and create solutions that cater to the needs of the many, not just the few.



What Makes Gen Z Different, and What Does it Mean for You?

Gen Z, born between 1997 and 2007, are digital natives. They're reshaping the way financial institutions operate with their advanced technological skills. **They represent 14% of the US population and are expected to make up 25% of the workforce by 2025, with \$33 trillion in purchasing power by 2030.** This generation's demands for inclusive services, digital innovations, and financial wellness are transforming the industry.

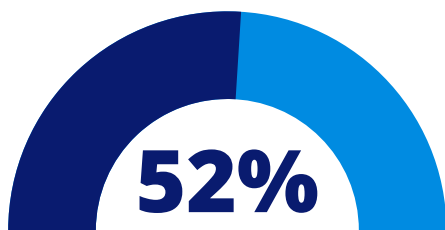
This guide aims to help financial institutions cater to the requirements of Gen Z, earn their trust and loyalty, and improve banking practices for all customers. By adopting Gen Z's values, banks and credit unions can offer innovative services that appeal to everyone, proving that meeting the needs of this forward-thinking generation contributes to the financial wellness of the entire customer base.



Key Findings

- Gen Z **prioritizes financial wellness over personal wellness**, indicating a significant market need for financial products and services that cater to financial health and literacy.
- **Digital transformation is non-negotiable** for engaging Gen Z, who prefer innovative and seamless digital banking experiences over traditional banking methods.
- **Social media has a significant impact on the financial behaviors of Gen Z.** This emphasizes the need for financial institutions to use these platforms to provide positive financial education and engagement.
- **Personalized guidance and financial education are essential** in attracting and retaining Gen Z customers, as they equip them with knowledge and resources to make informed financial decisions.
- Gamification and technology-driven solutions can effectively **increase Gen Z's banking engagement and loyalty**, turning financial management into a rewarding and enjoyable experience.

Navigating Concerns: Gen Z's Financial Uncertainties

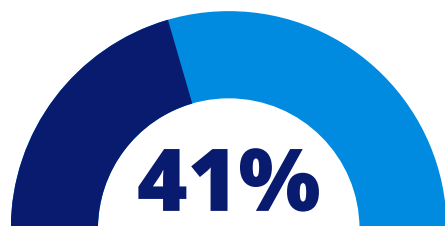


VERY OR EXTREMELY WORRIED ABOUT NOT HAVING ENOUGH MONEY



46%

LIVE PAYCHECK TO PAYCHECK AND FEAR THEY CAN'T COVER MONTHLY EXPENSES



ARE CONCERNED ABOUT NOT BEING ABLE TO PAY OFF DEBT



66%

ARE CONCERNED ABOUT NOT BEING ABLE TO AFFORD COLLEGE

This guide focuses on the important transition that is happening as people born between 1997 and 2007, who are expected to have a **purchasing power of \$33 trillion by 2030**, begin to make up 25% of the workforce.

46%

of Gen Z is struggling to make ends meet, emphasizing the clear urgency for banks to address and support their financial well-being.

These individuals have financial concerns and a **digital-first mindset**; 31% of them see a future with less reliance on traditional banking, 63% prefer mobile banking, and 72% are drawn to neo-banks. This highlights a **pressing need for banks and credit unions to adapt** and use digital tools to address these concerns and cater to the preferences of this influential demographic.



Forward Focus: Shaping Gen Z's Financial Ambitions



57%

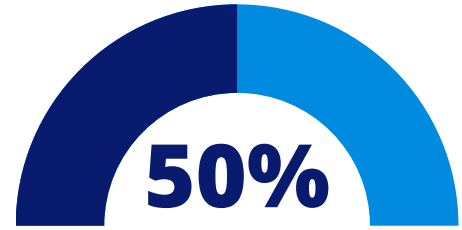
of Gen Z listed personal finance as their primary 2024 goal.

The financial behavior of **Gen Z is heavily influenced by their digital inclination.** As a result, 79% of them use social media for financial advice. This presents an **opportunity for financial institutions to connect with this demographic.** Gen Z's preference for direct control over finances is evident as 71% own and use a debit card.

59%

of Gen Z have made a specific financial goal for 2024 focusing on their savings for financial growth and security.

Additionally, 40% of them prefer online banking as their primary financial management tool, while 63% consider a bank's mobile app indispensable. **This trend aligns with their financial goals, which prioritize saving and reducing debt.** They also tend to choose debit over credit, indicating their pragmatic approach to achieving financial well-being.



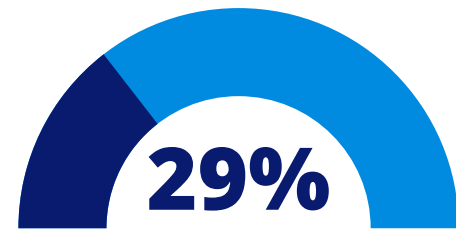
50%

PRIORITIZE PAYING OFF DEBT WHILE SAVING AS A FINANCIAL GOAL



76%

BELIEVE THAT FINANCIAL CONTENT ON SOCIAL MEDIA HAS MADE TALKING ABOUT MONEY EASIER



29%

PRIORITIZE BUILDING CREDIT AS A FINANCIAL GOAL



59%

PRIORITIZE SAVING MONEY AS A FINANCIAL GOAL

Engagement Evolved: Innovative Strategies for Gen Z Retention

Leveraging Technology and Social Media

63% of Gen Z think a bank's mobile app is essential. Specifically, apps with **customizable interfaces, interactive budgeting tools, and gamified financial education**. Create content with financial influencers on Instagram and TikTok. Avoid AI-driven personalization. Users can set financial goals, track their progress, and earn rewards for achieving savings milestones. These innovative, tech-driven solutions, make finance more accessible and engaging.

Financial Literacy, Education, and Coaching

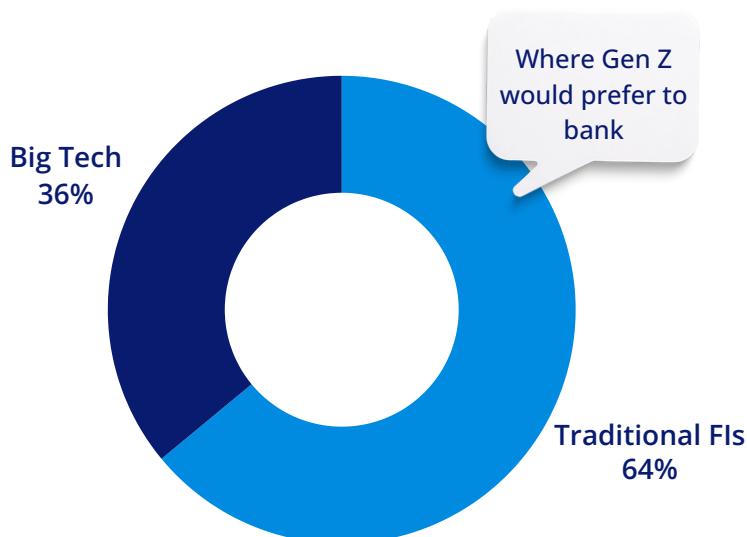
Empowering Gen Z with financial wellness requires a strategic combination of three elements: comprehensive education, hands-on money management, and personalized financial coaching. This educational strategy enables Gen Z to make informed financial decisions, navigate the financial world, avoid debt, and pursue ambitious goals. **Incorporating financial coaching personalizes the learning experience and reinforces the importance of a comprehensive approach to financial well-being.**

Innovative User Experience

Financial institutions should prioritize a **customer-centric approach for Gen Z by creating intuitive digital banking interfaces**, integrating services on a single platform, and emphasizing clear communication around data privacy policies. This helps build loyalty and meet Gen Z's demands for engaging, secure, and streamlined digital financial services.

The Future of Banking

To serve Gen Z, financial institutions need to provide a personalized, integrated, and secure digital experience. By prioritizing user-centric design and the holistic integration of financial services, new standards can be set for digital banking to stay ahead of innovation, and empower Gen Z to achieve their financial goals.



Future Proof Checklist

- Mobile Banking App:** Do you offer a mobile app that is easy to use and meets the expectations of Gen Z for banking on-the-go?
 - Innovation and Adaptation:** Are you continuously innovating and adjusting your services to meet the changing preferences of Gen Z?
 - Social Media Engagement:** Are you utilizing social media platforms to provide financial education and advice and engaging with Gen Z where they are?
 - User Engagement:** How does your bank interact with Gen Z customers to understand and fulfill their financial needs?
 - Saving and Debt Management Tools:** Are there any specific tools or services available to help Gen Z save money and manage debt?
 - Goal-Oriented Financial Guidance:** Do your resources include goal-setting and tracking features to assist in achieving financial milestones, especially in investment growth?
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Trusted Insights: Our Commitment to Credible Sources

Finotta has compiled this guide using information from reputable sources, ensuring the highest level of accuracy and relevance for leaders in the banking and credit union industry. **We have integrated insights from various sources such as Forbes, The Financial Brand, Zurich Insurance, Varo Money, Amex Trendex, Business Insider Intelligence, Bankrate, Bank of America, Morning Consult, and the EY Gen Z Segmentation Study.**

By embracing the perspective of Generation Z **we can address their unique financial needs while advancing financial inclusivity and innovation at large.** Our commitment to this objective is evident in our dedicated sourcing, which provides financial institutions with insights to effectively engage a generation that is poised to redefine the financial landscape. **By aligning with Gen Z's macro view, we can develop solutions that benefit all,** highlighting the collective progress and prosperity that emerges from genuinely comprehending and accommodating their forward-thinking approach.

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