

Want to attract Gen Z talent? Help them retire.

How media-sector employers can leverage retirement benefits to compete for today's youngest workers



Gen Z are major media consumers, but their habits are unlike those of any other generation. They opt for YouTube over TV and content creators over legacy media. They scroll social media, not home pages, to access news. One in three Gen Zers do not watch live sports, and nearly half have never been to a live sporting event.¹ And for most of those who do watch, Gen Z's relationship with sports is purely digital.

If the media and entertainment industry is going to win a Gen Z audience, it will need to recruit a Gen Z workforce. The good news is that this generation wants to work in media and entertainment more than any other industry.²

Employers in these sectors can gain a competitive advantage in talent recruitment and retention by helping their youngest workers pursue and secure a healthy financial future.

65% of undergraduates say they would not accept a job that doesn't offer retirement benefits.

Source: Handshake, 2024



Protecting Gen Z's financial future

“Young workers are likely to live longer than ever,” says Brendan McCarthy, head of retirement investing at Nuveen. “So they need to be thinking about retirement savings. A lot of them are saddled with student loan debt and are worried about other areas of financial stress, like buying a home or starting a family.”

As a result, Gen Zers are less interested in short-term employment perks and more interested in their long-term well-being—including financial security in retirement. In fact, 65% of undergraduates say they would not accept a job that doesn't offer retirement benefits.³ This demographic has been bombarded with messages about waning social security and the erosion of spending power caused by inflation. According to Mr McCarthy, “they're looking at when they are likely to be able to retire and want to know what they can do to prepare.”

Fortunately for these entrants to the workforce, the current market is a good one for long-term investment thinking. And products such as guaranteed lifetime income, which companies can use to provide workers with a guaranteed retirement check for life, may assuage the worries of young workers.* “There is no more important time for them to engage. And, thanks to compounding interest and compounding returns, factored in with longevity risk, it is increasingly important for them to build best practices and start their financial knowledge early in their career,” Mr McCarthy adds.



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Marcie Merriman
Cultural insights and customer strategy leader for the Americas at EY

Educating Gen Z on financial well-being

Unlike previous generations at the same age, Gen Z is hyperfocused on its financial health, says Marcie Merriman, cultural insights and customer strategy leader for the Americas at the professional services organization EY. She studies how cultural shifts shape human behavior and has conducted extensive research on the workforce’s youngest cohort.

Ms Merriman points out that Gen Zers have been witness to the financial blows dealt to older generations. The Great Recession, crushing student debt, disappearing pensions and shrinking social security have spooked many of them, prompting financial conservatism and hypervigilance about the future. “With Gen Z, we’re seeing much greater awareness and worry about whether they’re going to be able to take care of themselves, whether they’re going to be able to get the jobs that they want, whether they’re going to be able to have a family, and whether they’re going to be able to have houses.”

Yet things may not be as bad as all that, she says. Gen Zers’ concerns over their financial futures may be unnecessarily inflated. Social media, for instance, can ratchet up panic. Yet Gen Zers are much smarter in wanting to plan for their later years, and they expect their employers to play a key role. Ms Merriman has seen in her research that, in addition to financial benefits solutions, Gen Z expects employers to offer some kind of financial education.



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Brendan McCarthy
Head of retirement investing at Nuveen

They need it too, Mr McCarthy says. It takes a long time to help young workers build the vocabulary and understanding necessary for smart retirement investing. His advice? Start sooner, rather than later. “Fixed annuities provide an income stream that is comparable to a paycheck, a regular monthly amount that is deposited into their account. But there’s also a lot of nuance to these complex products, and it takes years to build that knowledge.”

Mr McCarthy also recommends tailoring financial education to young workers, who speak a unique language and have their own specific needs. “We can utilize things like gamification, charts and graphs, or things that they’re more familiar with seeing, whether it’s on social media or streaming services that are delivered to the younger generation in a different manner.”

Smart retirement planning strategies are inherently different across age brackets, he notes. What a younger generation needs is quite different from the requirements of someone in the pre-retirement phase of life.

“They want to do more, they want to be responsible, they want to prepare,” Ms Merriman explains. They may worry too much at times, “but it shows an interest and a desire. They crave for companies to help them understand what they should do and how to do the right thing.”

References

- 1 Morning Consult, “Gen Z Keeps Sports Executives Up at Night. Here’s What They’re Doing About It,” 13 December 2022.
- 2 CNBC, “The No. 1 industry Gen Z wants to work in, according to new research—it’s not tech,” 14 November 2023.
- 3 Handshake, “Gen Z brings new expectations to the workplace,” February 2024.

*Any guarantees are backed by the claims-paying ability of the issuing company. Past performance is no guarantee of future results. Guarantees of fixed monthly payments are only associated with fixed annuities.

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