



Gen Z's Thirst for Financial Education

👉 business customers Gen Z

Summary: Personal finance and financial health is top of mind for both Gen Zers and their parents. We look at some of the ways in which Gen Z learns about finances — and how CFIs can provide the financial education and advice that these customers want.

Most animal species instinctually know what they need to do, or they learn via observation. But researchers have found that [certain species, such as meerkats, also teach their young certain skills](#). For example, meerkat parents and older meerkats teach their young how to manage dangerous prey, like scorpions, by incrementally introducing the young pups to dead, injured, and then finally live prey.

Gen Z — currently aged between 10 and 25 — is the first fully digitally-native generation. This means the ways in which they learn about, access, and use financial services and information are far more likely to be digital than older generations.

However, recent research by Raddon highlights that while social media and online research rank highly as sources of financial information for Gen Zers, they still overwhelmingly [look to their parents and family for personal financial advice](#). At the same time, Raddon's research reveals that 80% of Gen Z parents want support in teaching their children money and wealth management skills.

Although [more than half of Gen Z adults already hold some form of investment](#), Raddon notes that approximately two-thirds of Gen Zers lack confidence when it comes to making financial decisions and using financial tools. The one thing that is clear is that this generation has a deep thirst for financial knowledge — more than half indicated in a Laurel Road/One Poll survey that [they want to improve their financial literacy](#). Areas they'd most like to receive more information and advice on include **saving, borrowing, managing debt, paying taxes, investing, and cryptocurrencies**.

Given that Gen Zers trust their financial institution — and both they and their parents would like money management advice — community financial institutions (CFIs) are well placed to help them with their financial education.

Here are **four ways CFIs can help Gen Zers become financially savvy**:

1. **Become the trusted source of information**

These days it's easy to get financial information from a range of online and offline sources. But this information may not always be the most reliable. CFIs could use their position as both a knowledgeable and trusted source to become the "go-to education destination" for Gen Zers and their parents. Crucially, they need to make their expertise available across different channels, including in-person, social media (such as Instagram and TikTok), text message, video chat, and other digital places Gen Z frequents.

2. **Go where they are**

Gen Zers live in a digital world. Studies suggest they spend approximately six-and-a-half hours on their smartphones every day. In addition, an overwhelming majority of Gen Zers use mobile payments for their transactions.

CFIs could offer these customers a seamless, personalized, mobile experience and digital journey incorporating financial guidance, products, and services tailored to their needs. They may also want to ensure that, given the evolving payments space, their payments strategy provides the necessary means and financial education to facilitate Gen Zers' mobile payment requirements.

3. Provide incremental tiers of education and advice

As with all generations, Gen Z covers a range of ages with varying needs. As they move along their financial journey, Gen Zers will have different needs and goals — and therefore require different types of information and education. For example, younger members of Gen Z may be more focused on spending and saving, with older members more interested in complex financial elements such as borrowing and investing. Similarly, while CFIs may want to collaborate more with parents of younger Gen Zers, they may want to help older members become more financially independent.

4. Offer an integrated financial wellness solution

Aside from wanting help with financial education and money management strategies, Gen Z parents would also like savings accounts and debit cards for their children. Meanwhile, Gen Z adults would like an app — preferably from an FI with which they have an existing relationship — through which they can manage their payments and debit and credit cards, and receive rewards. According to the Raddon study, Gen Z parents are also very interested in using a financial education app integrated into a banking account for their children.

By creating an app solution that incorporates these features and a financial wellness program, CFIs should be able to keep both young people and their parents engaged. What's more, as most Gen Z parents are open to using any FI's app for this, savvy institutions may be able to reach new customers.

For example, fintech [Greenlight provides an all-in-one family money management and investment platform](#) with a debit card and app for children and their families. It helps children learn to earn, spend, and invest, while empowering their parents to help them become financially smart. Gen Zers and their parents can log into the same app, but have two completely different experiences relevant to their particular needs.

In the ongoing competitive banking environment, CFIs would be well advised to leverage their trusted position and build on established relationships with Gen Z and their parents by offering more financial literacy education. Alongside this strategy, if CFIs also focus on developing the products and services Gen Z want and need to secure their financial futures, those CFIs stand to gain many long-term customers.

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ECONOMY & RATES

Rates As Of: 09/23/2022 05:45AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	3.31	0.35	3.25
6M	3.86	0.54	3.67
1Y	4.07	0.56	3.68
2Y	4.09	0.59	3.35
5Y	3.81	0.46	2.55
10Y	3.56	0.37	2.05

30Y	3.52	0.22	1.61
FF Market		FF Disc	IORB
2.33		2.50	3.15
SOFR		Prime	QBER
2.25		6.25	2.32

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