

A person's legs and feet are covered in a thick, multi-colored layer of paint, suggesting they have been working in a paint studio. The background is a wall and floor covered in a dense, colorful pattern of paint splatters. In the foreground, there are several paint cans and brushes scattered on the floor. The overall scene is one of creative chaos and artistic expression.

How can
societal change
drive the next
business shift?



The better the question. The better the answer.
The better the world works.

The EY logo, consisting of the letters 'EY' in a bold, white, sans-serif font. The 'E' and 'Y' are connected at the top right. A yellow triangle points upwards from the top right corner of the 'Y'.

Building a better
working world

Every generation deals with significant events, technological disruptions and economic uncertainties that shape and reshape their values, behaviors and beliefs.

The way each generation manages these disruptions creates a societal shift as well as major opportunities for entrepreneurship and new business thinking.

A person's legs are the central focus, heavily splattered with various colors of paint. They are standing in a room that appears to be a paint workshop or a studio, with the floor and walls covered in paint splatters and numerous paint cans scattered around. The lighting is dim, creating a moody atmosphere.

GENERATION:

Born from shared events and
experiences that shaped the society
they grew up in

Each generation resets societal norms thanks to their collective responses and reactions to the times and events during which they grew up.

“

It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change.

– Charles Darwin

Generations in the workforce in **2021**

BOOMERS | Born prior to 1965*

17%

GEN X | 1965-1980

34%

MILLENNIALS | 1981-1996

36%

GEN Z | 1997 and after**

13%

*Includes 1.2% from Silent Generation, born 1928-1945

**Includes Gen Z (born 1997-2007) and moving into Gen Alpha

Gen X and Millennials now make up the majority of the US workforce.

Generations in the workforce in

2031 projected

BOOMERS | Born prior to 1965*

5%

GEN X | 1965-1980

25%

MILLENNIALS | 1981-1996

37%

GEN Z | 1997 and after**

33%

Millennials, Gen Z and those that follow will make up 70% of the US civilian workforce within the next eight years.

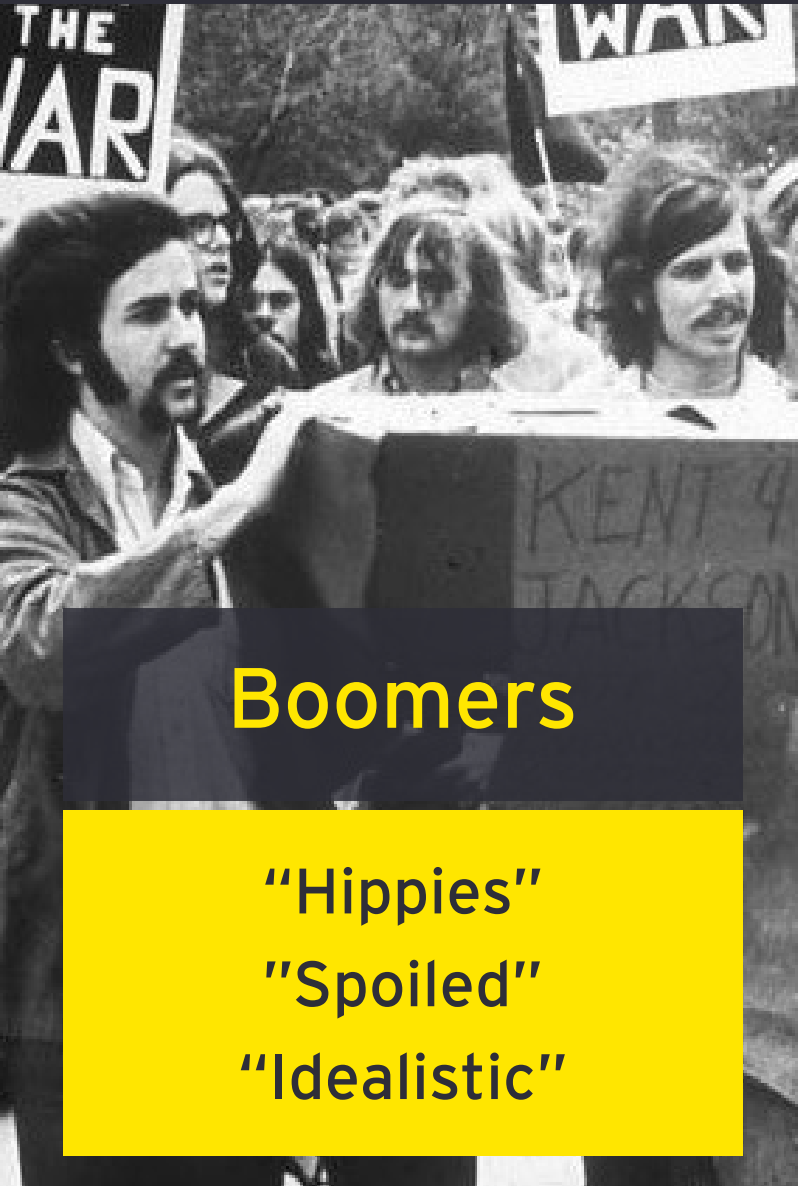
*Includes 1.2% from Silent Generation, born 1928-1945

**Includes Gen Z (born 1997-2007) and moving into Gen Alpha

In 2031, the U.S. Department of Labor forecast that Millennials, Gen Z and those that follow will make up 70% of the US civilian workforce, mainstreaming new beliefs and behaviors that will change every aspect of business and daily life.

Simultaneously, Gen X and younger boomers are expected to continue working well past “traditional” retirement years, which will upend society’s perception of post-career life.

Influence is richer and more profound than stereotypes



Boomers

"Hippies"
"Spoiled"
"Idealistic"



Gen X

"Slackers"
"Cynical"
"Directionless"



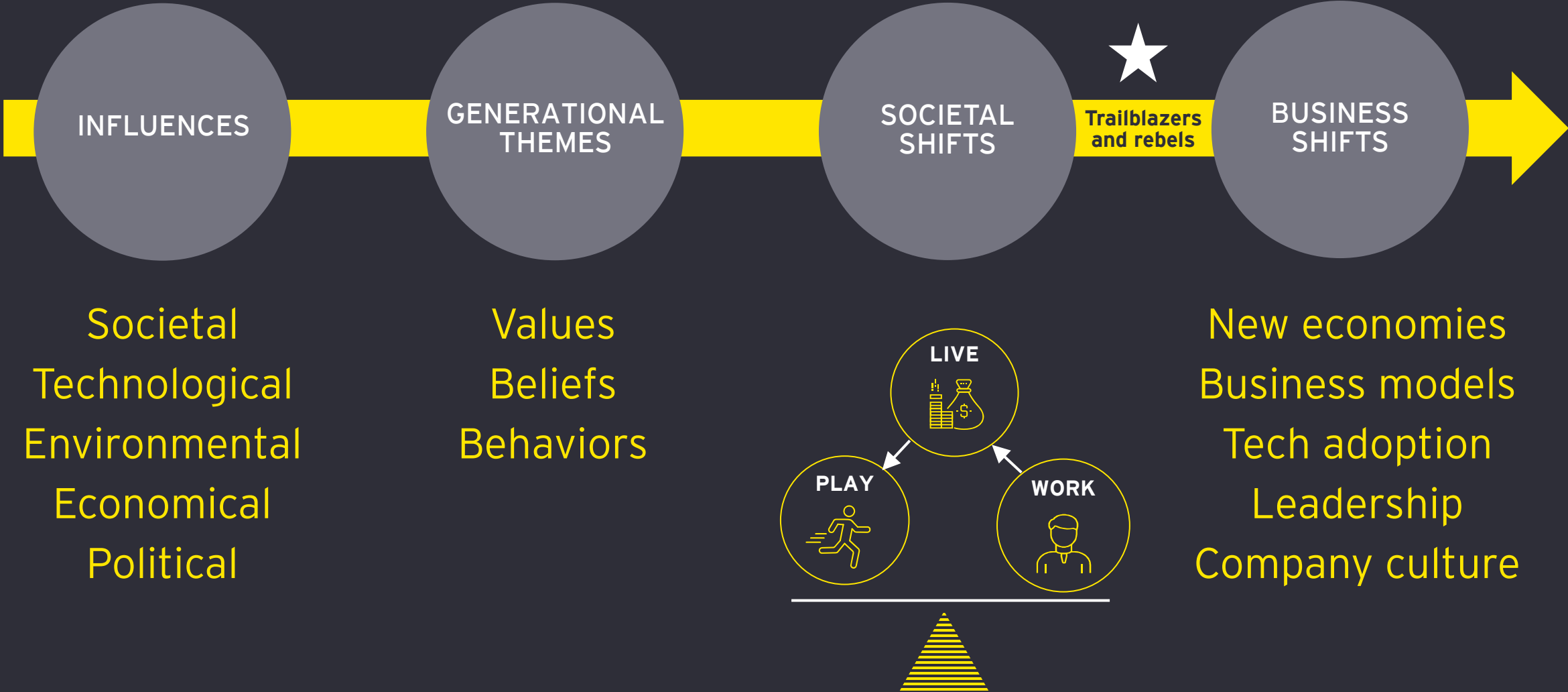
Millennials

"Entitled"
"Self-obsessed"
"Noncommittal"

“Hey, Boomer” doesn’t help anyone or anything.

Each generation gets stereotyped by the ones that came before, and the 24-hour news cycle and social media amplify the falsehoods. Let’s not fall for that.

External influences shape the values, beliefs and behaviors of every generation – which ultimately lead to societal and business shifts



The values, beliefs and behaviors of a generation ultimately lead to three primary societal shifts:

Live: the things that define lifestyle, education, home and family

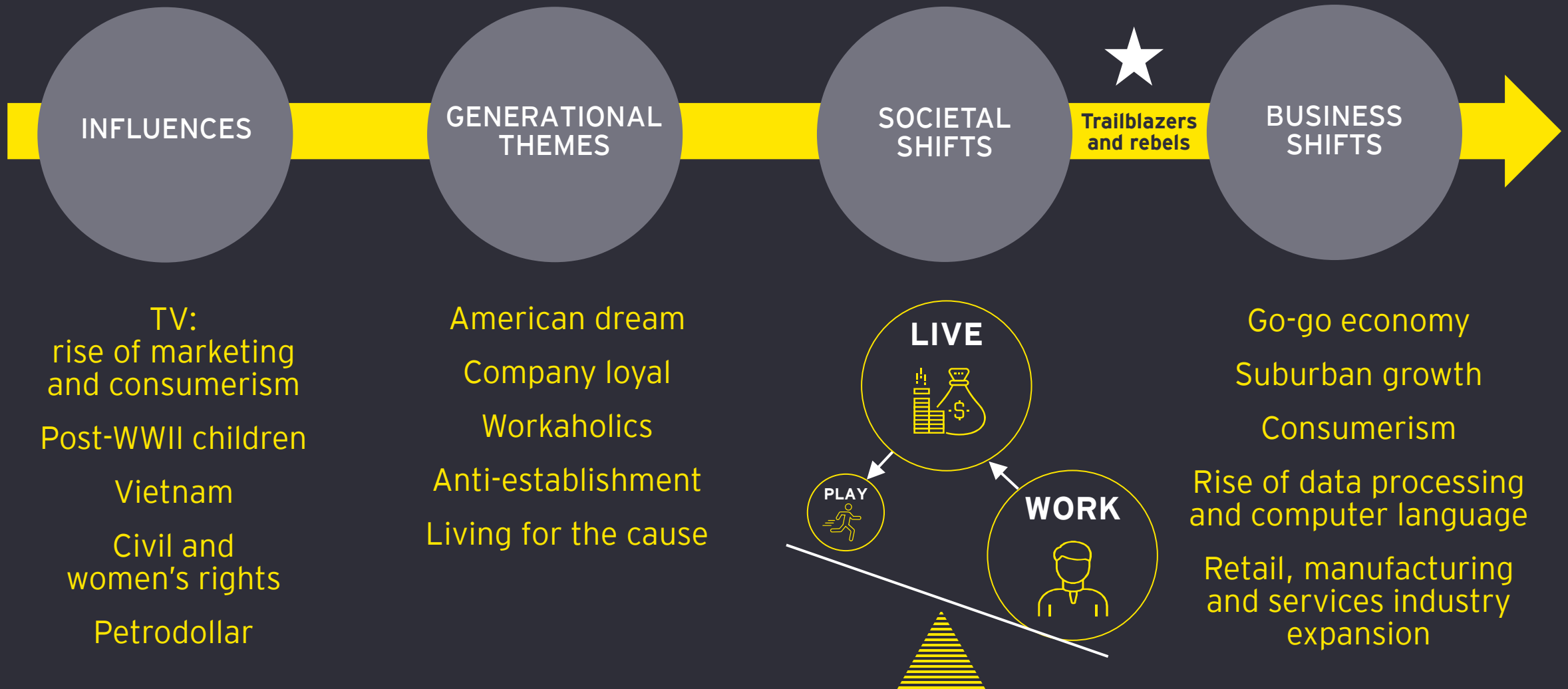
Play: the sports, hobbies, volunteerism and travel experiences that enrich us

Work: the career or jobs that fuel our lifestyles

These societal shifts ultimately lead to a shift in business – the economies of the time, the business models, technology adoption at scale, and leadership and cultural norms.



Baby boomers | Born prior to 1965



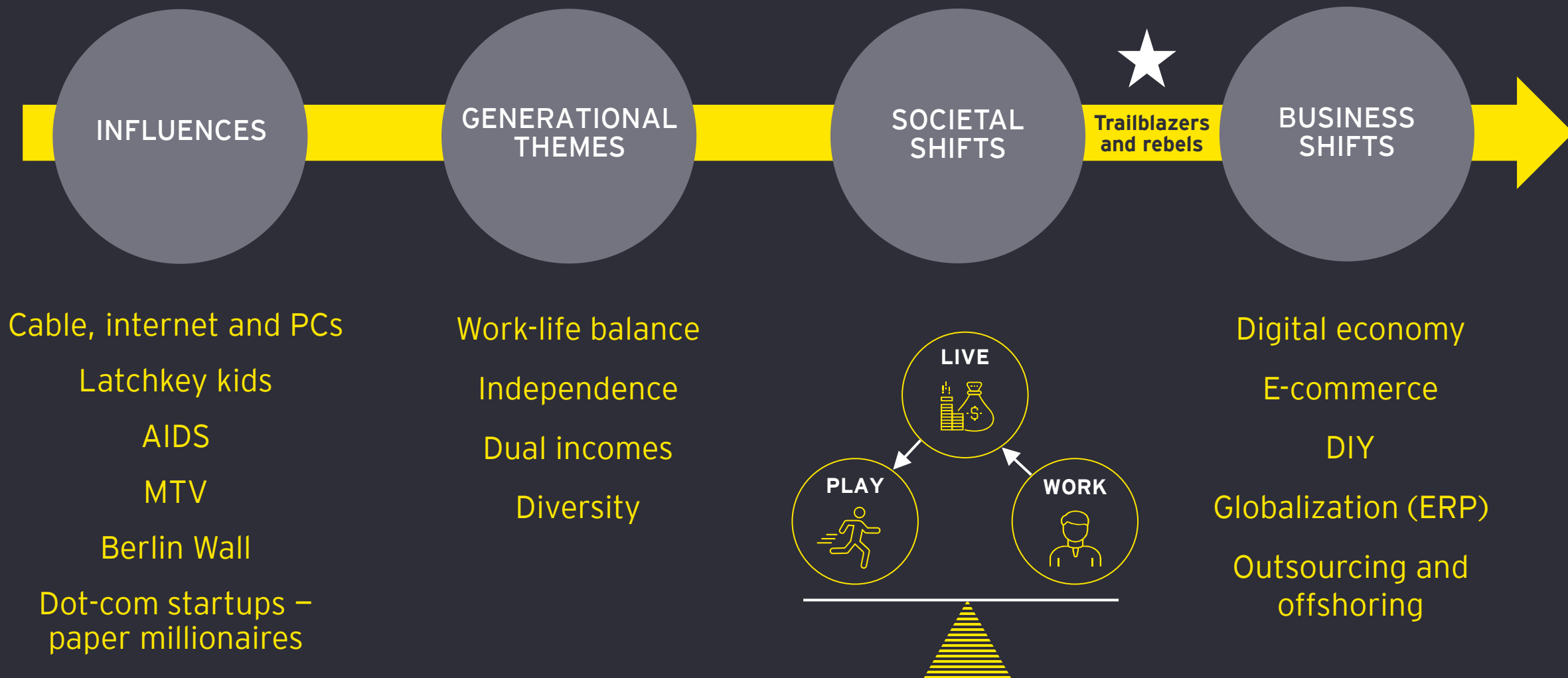
Baby boomers and the work ethic that changed the world

Baby boomers experienced, and drove, a period of intense societal change. In the aftermath of WWII, they rolled up their shirtsleeves and got to work chasing the American dream and the material gains of a newfound consumerism and middleclass wealth. Others, however, challenged the establishment.

Trailblazers of their generation focused society's attention on civil and women's rights, and we saw the birth of rebel tech companies that changed technology and the future. Boomers sacrificed play for work, which had enormous personal and societal impact on their families and relationships, but created the go-go economy and fueled the American dream for others.



Gen X | Born: 1965-1980

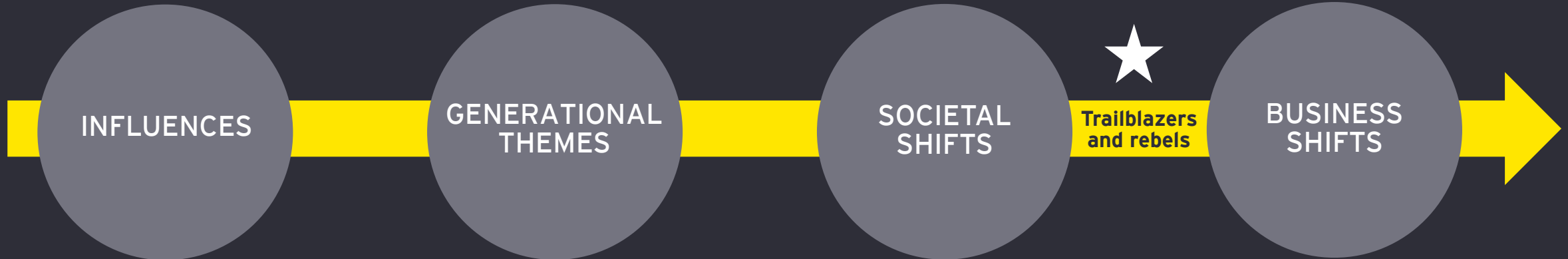


Gen X and the benefits of balance

Gen X, or the forgotten generation, were the latchkey kids of workaholic or divorced parents. By the time they entered the workforce, balance was critical. They created and valued an increasingly diverse workforce and prioritized play as much as work. The last to know life before the internet and the first to embrace modern computing in the workplace, Gen X drove massive change as technology exploded. The internet, global 24-7 news and communications, and the meteoric rise of e-commerce, all happened on Gen X's watch. Gen X were fiercely independent, fluid and loyal to their professions not their employers. They broke the mold of lifelong careers, chased innovation and helped give birth to major tech and retail giants that continue to shape our experience today.

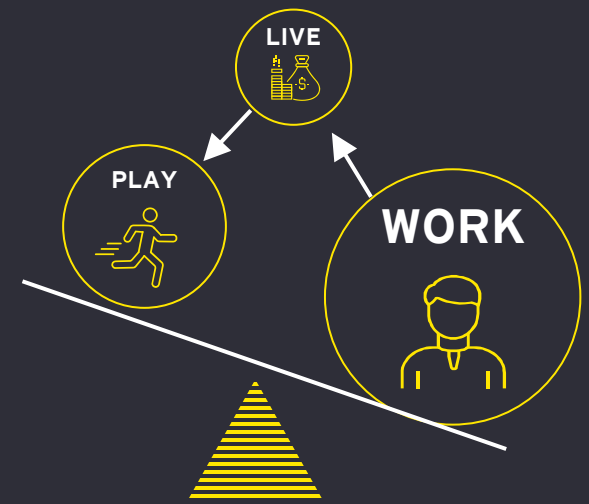


Millennials | Born: 1981-1996



Text, smartphones, social media and 4G
Helicopter parents
The Great Recession
Climate change
Terrorism, 9/11
War on savers

Seeking purpose in work
Demand companies and government to "do better"
Insta-worthy, "live out loud"
Patriotic



Gig economy
Mobile commerce
Digital and social media adoption
Rise of influencers
Made in America

Millennials and the rise of social media

Millennials grew up as the kids of schedule-driven, helicopter boomer parents and recipients of everyday technology in their hands. Many started college or work during the Great Recession, graduating to enormous student debt and an unaffordable housing market. Compared with boomers at ages 25-35 who accounted for 21% of total wealth, millennials own just 5%. Dogged by financial challenges, they seek financial security but with the balance Gen X ushered in, along with the affirmation of friends and community. It's hardly surprising, then, that millennials fueled the birth of social media, online communities and the now pervasive flexibility of the mobile, gig economy.



Gen Z

Gen Z and the next great shift

Gen Z is still coming of age, with the oldest born in 1997. They are entering the workforce en masse and gaining in consumer buying power. An incredibly diverse and cause-focused generation, they're just 16% of the world's population but outpunch their weight in terms of influence. Connected, ultra-networked, obsessively online and socially conscious, they're poised to create widespread change as employees, consumers and citizens. It will be crucial for businesses to avoid stereotyping Gen Z and understand their motivations, beliefs and potential.

Emerging technology

Hybrid work anxiety

COVID-19 continuation



Metaverse/Web3

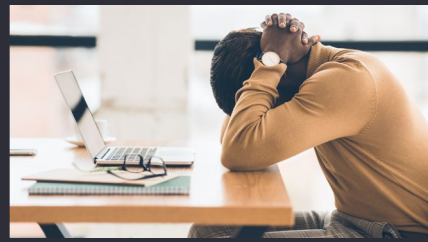
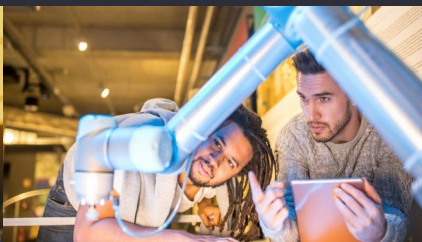
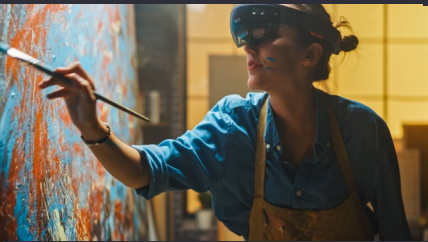
Advanced robotics

Burnout

Mental health issues

War

Gun violence



AI and machine learning

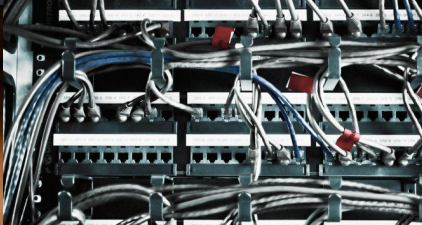
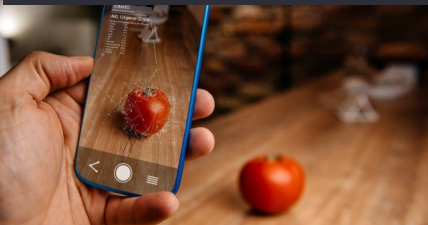
Bandwidth

Food shortages

Energy crisis

Social injustice

Climate change



Gen Z – digital natives and leaders of change

If millennials were tech-savvy, Gen Z is digitally native.

They've never known life without mobile, let alone the internet.

Online relationships are as real as those of in-person.

But with enormous potential in a digitally expansive world,

Gen Z is stressed unlike any other generation at their young age.

Environmental worries, financial instability, global conflict, social justice and their own mental health concerns all weigh heavy.

Smart, pragmatic and intuitive with the ability to harness rapid technological advances, Gen Z are agents of the next big change.

Understanding the generational themes that define Gen Z

Ubiquitous technology

Expect **immediacy, intuitive and seamless processes, policies and procedures.**

Health matters

Admittedly **high-stress, anxiety-ridden and fearful of failure** – and want to address it.

Inclusivity and transparency

A generation of skeptics, **authentic connections and transparency** are critical attributes.

Intentional consumerism

They are **financially pragmatic and will push brands to be more ethical and sustainable.**

Multiple economic pathways

Always looking to do more with less – **painting economic pathways that aren't fully paved.**

Five factors shaping Gen Z behavior and beliefs

1. **Technological connections** – Technology is about connecting with people in Gen Z's always-on world.
2. **Health aware** – Almost half of Gen Z believe they don't receive the emotional and social support they need and are ready to address it.
3. **Authenticity and transparency** – 92% of Gen Z believe being authentic and true to themselves is critically important. They value diversity and inclusivity of all people.
4. **Intentional consumerism** – With easy access to information and technology, Gen Z values brands that are socially and environmentally conscious, and 71% purchase pre-owned clothing – an industry growing 24 times faster than other retail segments.
5. **Economic pathways** – 77% of Gen Z are savers. Some have an average of \$33,000 in retirement savings already, and all embrace the idea of making money through creator, collaborative and virtual economies.

Gen Z will create a societal shift where live-work-play is in balance

LIVE

PLAY

WORK



Gen Z wants it all: the balance of live, work and play. But they can't see and don't recognize the boundaries between. For Gen Z, ultimate mobility, gig-based work and flawless technology will reshape their lives and careers.

**GEN Z
WILL FLIP OUR
TRADITIONAL
MODELS
UPSIDE-DOWN**



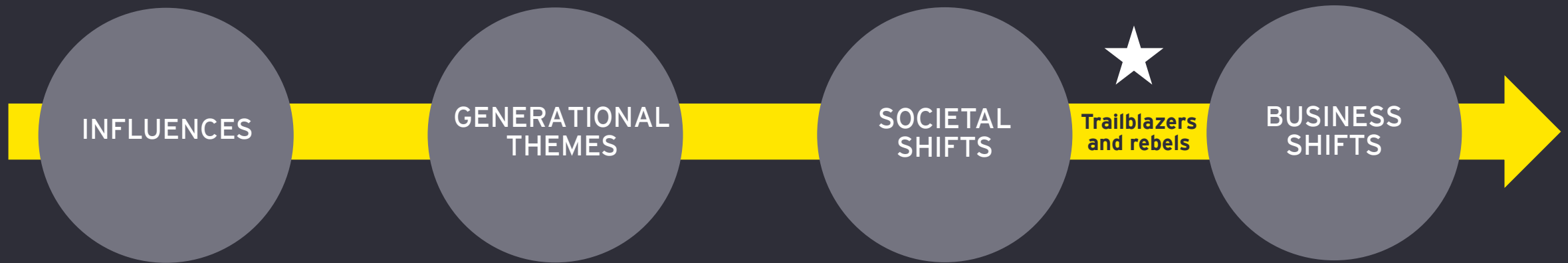
The change is already here. Or underway. Completely remote jobs. Digital nomad programs. The blending of vacation and business travel. And new educational principles based upon building skills vs. academic discipline. As this progress occurs, Gen Z remains concerned over mental health and overall wellbeing and is looking for the support to help them break or manage digital wellness. It's one of the reasons we're seeing a rise in digital health and wellness startups as well as rebels and trailblazers calling for more digital ethicists in businesses.



Gen Z will flip the work model for every business

You may have seen the video of a toddler trying to treat a magazine page like a tablet touchscreen. This is the same dynamic Gen Z is facing in workplaces that weren't designed around them or their digital fluency and in consumer businesses that have failed to keep up with the pace of change. It's now essential that every business become a truly digital company to be attractive to Gen Z workers and stay relevant as the world of work evolves rapidly.

How are you preparing for the shifts in front of us to reshape your customer, product, employee, and brand experiences?



For more on Gen Z, visit our content library:
www.ey.com/GenZ

Human connection for all

Whatever generation, whatever life stage we're experiencing from retiring boomers to Gen Z stepping up, we are all connected. We are all part of the amazing human experience and bear the responsibility of helping each new generation propel society and our businesses forward to greatness.

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

© 2023 Ernst & Young LLP.
All Rights Reserved.

2302-4190030

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com

