



## Generational Gap Grows: Work & Money Outlook Divided

*Latest Prudential Pulse survey finds millennials, Gen Z and women need more than flexibility to reach their financial goals.*

**NEWARK, N.J., Nov. 3, 2022** – Younger generations are demonstrating notable shifts in attitude about work and life, taking drastic measures to bring balance to their lives, according to Prudential Financial, Inc.’s latest Pulse research survey, “Generational Gap Grows: Work & Money Outlook Divided.”

The survey finds that while millennials and Gen Z are attracted to more flexible ways of working, they are far more likely than Gen X or baby boomers to turn to gig work, go into debt, or receive financial support from relatives to meet their financial goals. Related findings include:

- **Younger generations continue to drive the Great Resignation:** One-third of millennials and 46% of Gen Z have switched employers since the start of the pandemic — a stark contrast compared to 29% of all workers.
- **Job-hopping for paycheck-bumping:** Younger generations are more likely to say that the best way to increase their earning potential is to change employers every few years, with 41% of millennial workers and 44% of Gen Z workers expressing this belief, compared to 36% of all workers.
- **Younger generations look to employers for help:** Almost 6 in 10 Gen Z (58%) and millennial (57%) workers believe their employer has a responsibility to help them feel more financially empowered.
- **Flexibility strong against the dollar:** Conversely, over the past year, 29% of millennials who switched jobs took a pay cut, with more than 1 in 4 millennials who took a pay cut explaining they did so in order to achieve a better work/life balance.

“Millennials are acutely attuned to the benefits of a hybrid working model. As the largest generational cohort in the U.S. workforce<sup>1</sup> and at Prudential, nearly 40% of our employees in the U.S. are millennials, the demand for flexibility in when and where we work is not going anywhere — hybrid demand is here to stay,”

said Prudential Vice Chair Rob Falzon. “The biggest opportunity for employers is to fully embrace this new era and redefine the workplace to best meet the needs of employees — regardless of where they are in their lives.”

- **Hybrid and happy:** According to the survey, 70% of hybrid workers report feeling a strong sense of loyalty to their employer, compared to 64% of in-person and 59% of remote workers. Hybrid workers are also more likely to say they feel fairly compensated for the work they do (68%) and that the benefits their employer provides are tailored to their individual needs (64%).

One watch-out for employers is that many Americans report their main source of income is not enough to pay the bills or save for the future. Turning to gig work, going into debt, or receiving financial support from relatives to close the gap has become the norm:

- **Salary not sufficing:** 49% of millennials and 48% of Gen Z don’t believe that a salary is going to be enough to achieve their financial goals.
- **Growth in gig work:** 70% of all workers have pursued or considered pursuing gig work to supplement their income over the past year. This is even higher among Gen Z (81%) and millennials (77%) — roughly a quarter of whom hope that their gig work will one day be their full-time job.
- **Gig work seen as a temporary option:** Most workers who are considering or are pursuing gig work (34%) say they are only doing it until their main source of income can fully sustain their financial needs.

Notably, younger generations feel acute challenges — and anxiety — about managing money, struggling to balance “living in the now” with saving for the long term. Overall, without taking steps and becoming more proactive about their long-term financial security, their outlook is bleak:

- **Looking to others for financial help:** Half of millennials say they regularly run out of money and have to rely on credit cards or family for financial support, and 65% of millennials and Gen Z have received financial support in the past two years from either parents, significant others, relatives or grandparents.
- **Emergency savings funds in crisis:** 50% of all respondents have less than \$500 or no emergency savings fund. Nearly 4 in 10 (39%) of both millennials and Gen Z report having no emergency savings at all.
- **Debt taking a toll:** 55% of millennials say that debt is preventing them from accomplishing personal goals, such as owning a home and having kids; 33% of millennials and 32% of Gen Z say student loan debt is a barrier to accomplishing those personal goals.
- **Social obligations turn financial burden:** 46% of millennials and 48% of Gen Z say they’d be able to spend more on personal goals if they did not have to spend on friends’ and family members’ life milestones like wedding gifts, baby gifts, or milestone birthday celebrations and gifts.
- **Not keeping a budget or prioritizing investing:** Nearly 70% of millennials and Gen Z do not keep a formal budget; 44% of Gen Z and 38% of millennials do not invest.

“Without keeping an eye on finances, it can be easy for good spending and savings habits to slip. As a millennial myself, I know how tough it can be to balance financial responsibility with having a social life,” says Brandon Goldstein, ChFC<sup>®</sup>, Financial Planner with Prudential Financial. “I attended a handful of weddings this year — and the expenses for gifts and travel really added up. That’s why it’s imperative to assess and prioritize what’s critical, so you can stick within your budget and not lose sight of your long-term financial goals, too.”

The survey also revealed some sobering insights around women, who are facing more precarious financial situations than men:

- **A shaky situation:** 4 in 10 women (41%) strongly agree that the economic environment has made them more concerned about their financial security (compared to 34% of men). Alarmingly, only 56% of all women have an emergency savings account (compared to 73% of men).
- **Income is stretched:** More than half of women (53%) say they cannot afford their current lifestyle or are barely getting by — just 40% of men say the same.

- **Feeling the stress:** More than one-third of women (36%) report experiencing health or mental health issues as a result of financial stress (versus 28% of men). More than 4 in 10 women (45%) say they have trouble sleeping for the same reason (versus 36% of men).

“The pandemic had a disproportionate impact on women, both professionally and financially,” says Caroline Feeney, CEO of Prudential’s U.S. Insurance & Retirement Businesses. “At Prudential, we seek to understand the life events that impact today’s women and the barriers they face when it comes to investing, insurance, and retirement security. We want to help solve financial challenges for all by designing and tailoring solutions to meet unique needs and financial wellness goals.”

For additional insights from the Pulse survey, please visit [news.prudential.com/pulse](https://news.prudential.com/pulse). For tips from Brandon Goldstein (ChFC<sup>®</sup>, Financial Planner with Prudential Financial), click [here](#).

<sup>1</sup>U.S. Department of Labor.

## **About the Prudential Pulse Survey**

The Prudential Pulse survey was conducted on behalf of Prudential by Morning Consult from Sept. 29 to Oct. 1, 2022, among a national sample of 4,796 self-identified adults (age 18 and over). This sample included 477 Gen Z; 1,458 millennials; 1,223 Gen X; and 1,430 baby boomers. It also included 2,356 employed adults. The interviews were conducted online, and the data were weighted to approximate a target sample of employed adults based on age, educational attainment, race/ethnicity and gender. Results from the full survey population have a margin of error of  $\pm 2$  percentage points. Percentages may not total 100% due to rounding.

## **About Prudential Financial**

Prudential Financial, Inc. ([NYSE: PRU](https://www.nyse.com/quote/nyse:pru)), a global financial services leader and premier active global investment manager with more than \$1.3 trillion in assets under management as of September 30, 2022, has operations in the United States, Asia, Europe, and Latin America. Prudential’s diverse and talented employees help make lives better by creating financial opportunity for more people by expanding access to investing, insurance, and retirement security. Prudential’s iconic Rock symbol has stood for strength, stability, expertise, and innovation for more than a century. For more information, please visit [news.prudential.com](https://news.prudential.com).

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