



Gen Z Seeking Investments that Align with their Values, but Unsure How to Begin Investing, U.S. Bank Survey Finds

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- *Gen Zers view wealth differently than older generations, will sacrifice returns to invest in causes they believe in*
- *More than 75% of young investors say social media makes investing look easy*
- *Half of all investors feel overwhelmed, more pessimistic than last year*

MINNEAPOLIS--(BUSINESS WIRE)--Aug. 1, 2023-- Over the last few years, inflation, rising interest rates and high costs for just about everything have impacted nearly everyone – but for Gen Z, the economic environment has had a profound impact, a new U.S. Bank survey found.

Members of this generation, who range in age from 18 to 26, are overwhelmed by recent economic news, are unsure how to start investing, compare their financial progress to others – including their parents, people they see on social media, and people better off than they are – and are highly motivated by experiences and the pursuit of personal interests and opportunities. Members of the Millennial generation, aged 27-42, share many of these same feelings.

“Younger generations are dealing with inflation, high interest rates, and high prices, but they also inherited a much different world than older generations: since 1980, college tuition has increased by 169%; the average price of a home is up 540%; and average student-loan debt now sits at \$37,000,” said Gunjan Kedia, vice chair of Wealth, Corporate, Commercial and Institutional Banking at U.S. Bank. “It’s no wonder they are unsure about beginning an investing journey. But despite these headwinds, they are passionate about investing in causes they believe in and are seeking financial guidance.

“We did this survey to better understand the challenges the younger generation is facing, how they are (or aren’t) investing and why, and how we can help them start investing before they lose too much time. Some of the findings that really stood out for me are that financial worries and decision fatigue are impacting young investors’ confidence, they are overwhelmed and unsure how to begin investing, and nearly 80% of investors responded to the economic climate by changing their investment strategies in some way in the past three months.”

The new data is from a proprietary U.S. Bank survey of 3,000 active investors and 1,000 aspiring investors of all generations. The survey was conducted May 12-24, 2023.

Additional key takeaways from the survey:

1. The pursuit of a better quality of life, personal interests, and new experiences drive younger generations’ investment decisions

- 38% of Gen Z active investors say having a better quality of life defines their view of wealth (vs. 35% of Millennials, 34% of Gen Xers and 27% of Boomers)
- 25% of Gen Z active investors define wealth as being successful (vs. 14% of U.S. investors overall)
- All generations agree that financial security is a crucial factor in defining wealth (36% Gen Z vs. 61% of Boomers vs. 52% of all U.S. investors)

2. Gen Zers view wealth differently than older generations and will sacrifice returns to invest in causes they believe in

- Top things that make Gen Zers feel wealthy: a better quality of life, living life how they want and being successful (vs. Boomers’ top picks: having good health, being able to afford what they want and not just what they need, and living life how they want)
- 65% of active Gen Z investors want to invest in causes they care about
- 85% of active Gen Z investors would accept a return on their investment that’s significantly less than the average return of the S&P 500 (12% for the past 10 years); 30% would accept a 3% to 5.9% return; and 29% would accept a return of 6-8.9%

3. Investors are overwhelmed by recent events and are losing faith

- 34% of active investors are more pessimistic about the future of their investments than they were last year
- 79% have changed their investment strategies over the past three months
- 69% of aspiring investors feel negative emotions (frustration, anxiety, helplessness) when thinking about starting their investment journeys

4. Younger generations compare themselves to others and social media

- Just 6% of all Gen Z investors said they do not compare their wealth and investment goals to anyone else’s (vs. 26% of Gen X and 40% of Boomers)

- Gen Z active investors are most likely to compare their investment goals to their parents (35%), their friends (34%), and to people on social media (27%)
- 3 in 4 of aspiring Gen Z and Millennial investors say social media posts and influencers make investing look easy; this isn't necessarily translating to their own lives, however, as 73% of Gen Z and 70% of Millennial investors still don't know where or how to begin investing

5. Relationships hold the key to building trust

- 62% of Gen Zers trust financial advisors to give financial advice – more than any other generation
- 50% of Gen Z investors get financial advice from family; 40% get it from advisors; and 36% look for advice on YouTube. Millennials turn to family (44%), financial advisors (42%) and friends (34%). Gen Xers look to financial advisors (44%), traditional investment sites (38%) and family (38%). Boomers seek advice from financial advisors (54%), family (31%) and traditional investment sites (29%)
- Gen Z and Millennials look for advisors who are diverse and share their values more so than older generations, who value an advisor who takes time to listen to them and is results-oriented

[Read the full report here.](#)

Methodology

U.S. Bank conducted an online survey in partnership with Edelman Dxl from May 12-May 24, 2023, of 3,000 active investors across the U.S. and 1,000 aspiring investors. Sixteen percent of those surveyed were Gen Z (ages 18-26); 30% were Millennials (ages 27-42); 34% were Gen X (ages 43-58); and 21% were Boomers (ages 59+). Survey samples represent U.S. audiences by age, gender, race/ethnicity, region and income. Active investors have a minimum of \$1,000 invested in stocks, bonds, mutual funds/ETFs, cryptocurrency, an investment/brokerage account or robo-advisor, CDs, and/or IRAs (not employer-sponsored retirement plans) or make at least one investment a month in a stock, bond, ETF, mutual fund or cryptocurrency. Aspiring investors are defined as those who plan to make an investment within the next year and may have money invested in stocks, bonds, mutual funds/ETFs, cryptocurrency, an investment/brokerage account or robo-advisor, CDs, and/or IRAs (not employer-sponsored retirement plans).

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