

How Gen Z Will Change the
Future of Business—and
What to Do About It



The First Two Chapters

What leaders are saying about Zconomy:

“Jason’s work with our team has had a profound impact on how we communicate with our consumers and manage our multi-generational workforce.”

—Steve Williams, CEO, PepsiCo Foods North America

“Zconomy delivers the step-by-step solutions leaders need to understand Gen Z and take action right away.”

—Steve Cannon, Former CEO, Mercedes-Benz USA

“Zconomy is a must-read guide from the most authoritative voices on generational studies of our time.”

—Andrea Brimmer, CMO, Ally Financial

“Listen to Denise and Jason! Every creator, leader, and parent should read this book.”

—Kenan Thompson, Longest-Running Cast Member,
Saturday Night Live

THANK YOU

Thank you for downloading the first two chapters of *Zconomy: How Gen Z Will Change the Future of Business and What To Do About It*

We are excited for you to receive a two-chapter preview of our newest book. We worked on *Zconomy* for more than two years! The book includes our favorite discoveries from leading more than 65 original research studies and working directly with over 700 clients around the world.

***Zconomy* has been translated into five languages and was a #1 New Release on Amazon. Forbes.com selected it as a Top 10 Business Book of the year.**

In *Zconomy*, you'll have access to our unique research-based insights into Gen Z and multiple generations. You'll also learn specific actions to solve the difficult challenge of recruiting, retaining, and developing Gen Z as employees. You'll gain proven strategies on exactly how to attract and retain Gen Z as customers, influencers, and trendsetters.

Thank you, again, for taking the time to read these preview chapters and learn more about our mission to separate generational myth from truth. **We believe every generation brings value and the more informed leaders are about generations, the faster they can unlock that value!**

Do you have a meeting or event where bringing new solutions to generational challenges would be immediately valuable to the attendees? Reach out to us! Our keynote speakers work with venture-backed startups to multinational companies to inspire audiences and provide specific actions that drive results now.

Contact us for keynote speaking, trends briefings, and custom research at:



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Sincerely,
Jason Dorsey
Denise Villa, PhD



ZCONOMY

CHAPTERS ONE AND TWO

1 WELCOME TO THE NEW NORMAL

“We are a generation of choice. This means that we choose the businesses just as much as they choose us.”

—Bradley, twenty

Gen Z is already putting legacy companies out of business.

Visit many indoor malls in cities large and small and see the empty spaces for yourself. While Millennials may have started the decline, Gen Z is finishing it. At the same time, the generation is driving dramatic growth for many brands and businesses. Gen Z’s definition of normal is not getting into a car to go shopping, but 1-click purchases on Amazon—or ordering by voice without a single click!—and having their purchase delivered on the same day for free.

Gen Z has always been able to use Lyft and other on-demand transportation options. Throw in the rise of new vehicle prices along with insurance, and we can see why this generation is not in a rush to get a driver’s license. Other generations couldn’t wait to get the freedom—and responsibility—that goes with getting a driver’s license, but many in Gen Z wait months or even years beyond the minimum age when they could get their license.

The same goes for using services such as Airbnb, which even Gen Z’s parents think is now a normal way to stay when traveling. Gen Z has

come of age not only skipping a checkbook, or even recognizing why a checking account is called a *checking* account, but they've also been fortunate to have Venmo or the Cash App to send money to friends, split the bill at a restaurant, and get paid for side gigs from babysitting to a freelance photo shoot booked through Instagram messages.

Gen Z is already driving something remarkable for their age: change. And they are driving this new version of “normal” at an ever-younger age. We remember one Gen Z event in particular. It happened in our own home.

We walked into our kitchen after work and heard our then six-year-old daughter, Rya, asking, “*Alexa*, what is twelve plus thirteen?” “*Alexa*, how do you spell rainbow?”

We'll never forget it.

We stood there looking at each other thinking, “Wow. Our daughter is using *Alexa* to do her homework.” Rya was *six years old*. At that defining parental moment we knew how we responded would have an impact. Jason's response: he couldn't have been prouder. However, Denise is a former teacher. *Alexa* is now unplugged from 4 to 6 p.m.

Rya relies on *Alexa* daily. She asks *Alexa* about the weather, to set her alarm, tell her a joke, solve a trivia question, and—whenever we are not within earshot—help her with all manner of homework.

Rya will never remember a time before she could speak to a connected device and have it respond with the correct answer or action—all without learning how to type, spell(!), or look up from her homework.

To Rya, you will *always* have been able to speak to the devices that surround you, see who is at your door through your Ring doorbell, and interact with your phone by saying, “Hey, Siri.” And this is only a fraction of the change this generation will consider *normal and expected as they become employees and consumers*.

Born after 1996, Gen Z brings an entirely new definition of normal to technology, information, and the world. They think the 1990s are vintage. They think binge-watching shows on Netflix is normal (and so is sharing your password). They also see social media as a resource for news, personal branding, entertainment, community, education, dating, and so much more than just memes or clever GIFs.

Shehan, age sixteen, shares how his Spanish teacher uses Snapchat to remind students to do their homework. “Last year when I was a sophomore my Spanish teacher had a Snapchat account. She’d post almost every time we had a quiz, exam, or had to read a chapter for a book. She’d post pictures to the class, like, ‘Hey, don’t forget there is a test tomorrow.’ Little reminders so that whenever you’re just looking through your feed, it shows up and you’re like, ‘Oh yeah, I forgot to study.’

“It’s her form of communicating to all of her students while being herself, I guess. Because she knows that we won’t check actual school announcements. She knows that we’re always on our phones and we’ll check Snapchat enough to see what she has to say. I’d probably not have failed, but I’d have a lower grade if it weren’t for her giving reminders and whatnot on Snapchat.”

Gen Z has *always* been able to connect online and learn online, has *always* had to deal with the grim reality of cyberbullying, and has *always* been able to dream about a potential career as an “online influencer.” We’ll dive much deeper into Gen Z’s complicated relationship with technology and what it means to your business in future chapters.

The Future Is in Gen Z’s Hand (or Digital Wallet)

Gen Z will influence the future of business in a *massive* way and eventually reshape business entirely. Anyone who studies trends, consumers, and employees knows that the youngest emerging adult generation is often the driver of the biggest change. In fact, we see that Gen Z is the generation that is driving trends from the youngest up to the oldest. Want to see what Baby Boomers will eventually do with technology? Watch what Gen Z is doing now.

One thing we are already seeing in our research: what worked to attract, keep, and motivate Millennials as employees and customers does not work as well—if at all—with Gen Z.

This could not happen at a more challenging time for many leaders. Why the urgency?

Because within *two years* Gen Z will be the fastest growing generation in the workforce. They'll also become the most important generation of consumers and trendsetters. Their economic power and influence are only going to grow with each passing day.

Adding to the urgency: Baby Boomers are retiring and moving into a “less is more” mindset. These same Baby Boomers, Gen Z's *grandparents*, were often viewed as reliable employees and customers, the backbone of many longstanding businesses. As these Baby Boomers transition into a new life stage there is only one group on the horizon to fill the gap as workers and consumers: Gen Z.

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In fact, Gen Z is expected to be the beneficiary of a massive wealth transfer from older generations to the youngest, which could exceed twenty to thirty trillion dollars. How would a generational change of that magnitude affect your industry, businesses, or community? Or even your own family?

Financial services firms, banks, robo-advisors, and every other business that depended on retaining Baby Boomers and their assets are already scrambling to keep the money that they will be moving to other generations. That is only compounded with Gen Z likely not expecting to seek face-to-face conversations in order to save, manage, and invest their money, because unlike even Millennials, Gen Z has never had to go to a physical bank branch to do their day-to-day banking.

Gen Z expects the future of finance to be mobile, intuitive, easy-to-use, and, most important, extremely personalized to them and their needs—the same thing they expect at work and throughout their life. How will this level of personalization expand to other areas outside of banking?

Already, brands are struggling with Gen Z. The urgency is only going to grow.

It's Not Too Early

Have you ever watched esports?

These massive multiplayer video games enable people to play alongside and compete with individuals and teams around the world. Esports

are so popular that videos of top players and teams playing generate *billions of minutes* of video streaming *each month*. That is billions of minutes of people watching *other people* play a video game—and often it’s just a *recording* of them playing the video game; they’re not watching it live.

Even if you haven’t heard of esports, contests are selling out entire professional football arenas in minutes. As one parent says, “I don’t understand how teens can just *watch* other people play video games online. Why not just play them yourself?” Yet this is no fad. The largest esports competition has over thirty-four million dollars in prize money—and *it’s all crowdfunded by fans through the purchase of “battle passes” online*.

This is just the beginning as leaders, including those leading traditional brands, rush to sponsor teams, players, and games. Esports team “franchises” can sell for more than twenty million dollars.

You are not alone if you haven’t heard of esports. It’s often been referred to in the media as the “most popular sport nobody knows about.” But esports’ ability to fly under the radar is a signal that Gen Z is changing business in ways many companies are simply not seeing. Gen Z is already revolutionizing marketing in a massive way because of where the generation focuses their *attention*. Whether that is esports, Snapchat, YouTube, Fortnite, or TikTok, they are focusing intently on platforms and interests that too many brands are not yet fully embracing—and some executives don’t even understand. Failure to bridge the generational divide will be perilous, yet the leaders who adapt will have a tremendous advantage they can build on for years.

The trends that Gen Z is already embracing as preteens, teens, and college-aged consumers are only going to accelerate. Boards of directors are asking their companies if they have a Gen Z strategy, CMOs are hiring Gen Z consultants, meeting planners are hiring Gen Z speakers, and leaders are recognizing that their own experience with Gen Z family members does not provide a good representation of the overall generation. Even B2B sales will be affected, as Gen Z becomes both the frontline salesperson of the company and the first line of screening for many B2B purchases over the next five years.

On the employer side, Gen Z is already changing how companies must recruit, pay employees, and offer scheduling options via messenger platforms. Gen Z believes employers should try to make the world a better place, solicit and offer feedback quickly and frequently, and be transparent in their diversity initiatives and social causes.

Gen Z is here *now*, and they are the proxy for what will become *the norm* for other generations over time. Adapting now is the key so you and your organization can build on the foundation and momentum for years.

The tidal wave of Gen Z has already begun affecting industries from retail and restaurants to employee recruiting. Taking a look at those industries it is easy to see that the risk of adapting too early to Gen Z has already passed.

Waiting until Gen Z hits their late twenties and then adapting to them is too late. You'll be left behind in the way Millennials left behind so many retailers, restaurants, brands, and employers—many of whom have yet to catch up or are now on the fast track to irrelevance. And you certainly don't want your organization to end up in a Gen Z news feed for the wrong reason. As Taylor, age sixteen, shares, "Social media is usually the way that I find out people die. They're not dying because of social media, but I know that they died because of social media."

At the same time, when you adapt to this new generation you can immediately grow with their hyperconnectedness as they exert more influence every day—from their IRL (in real life) connections as well as those they don't know but influence digitally. In fact, *now is the exact right moment* in Gen Z's life stage to understand and respond to this huge, new, global generation, so you can be informed and take the right actions to fuel your own growth for decades to come.

Are You Ready to Engage?

In 2017, sixteen-year-old Carter Wilkinson dispatched this tweet to fast-food giant Wendy's:

“Yo @Wendys how many retweets for a year of free chicken nuggets?”
Their answer? Eighteen million.

Carter rose to the challenge. And meanwhile, Wendy’s got thinking. They engaged their ad agency to get creative with Carter’s request, and the #NuggsforCarter campaign was born. The movement quickly made international news and caught the attention of celebrities like Ellen DeGeneres, whose 2014 Oscars selfie held the record for most retweets of all time. Ellen welcomed Carter as a guest on her show and sparked a playful rivalry to keep her top spot as retweet queen. Meanwhile, brands like Google, Amazon, Apple, and Microsoft joined in to retweet #NuggsforCarter.

Carter didn’t reach eighteen million retweets, but Wendy’s made the call when he broke Ellen’s record. He got the nuggs at 3.4 million retweets.

Carter decided pretty quickly that he wanted his media blitz to go beyond the nuggets. Raised in Reno, Nevada, with three siblings, Carter took the opportunity to sell #NuggsforCarter T-shirts with all proceeds going to the Dave Thomas Foundation for Adoption—a nonprofit created by Wendy’s founder Dave Thomas that supports kids in the US foster system. The inspiration: Carter’s family. Carter’s little sister was born severely premature and his mom was diagnosed with Stage III breast cancer two weeks after his sister’s birth.

He explains, “Whenever I’m sad or feeling ungrateful, I think back to when I was a kid. I remember when my parents would have to drive to UCSF every other weekend to receive treatments. I remember families bringing us dinners trying to support us in any way they could. I remember seeing my sister so prematurely born that she was on the brink of death.

“Then I remind myself how lucky I am. How lucky I am to have my mom today. How lucky I am to have a healthy sister who is above average in growth. As well as how lucky I am to have so many loving people in my life. I am so blessed to have an opportunity to use my voice to support something I believe in.”

Carter says he “hit the family jackpot” and wants to help foster kids find their forever home. He also has a fundraising page for Pinocchio’s

Moms on the Run, a local organization in Reno that provides support services to women with breast cancer and their families.

This craze started when a bored teenager decided to have some fun tweeting at his favorite fast-food chain. And it turned into a phenomenon when Wendy's engaged Carter in a conversation he started, on the platform of his choice, in a public forum. It was standard practice for Wendy's, as they've built a reputation for being one of the wittiest and most highly engaged fast-food brands on Twitter. It's a defensible difference™ among their competitors. Marketing analysts at the Ayzenberg Group calculated that #NuggsforCarter scored Wendy's \$6.7 million in earned media value. Their cost? \$1,960.05 if Carter eats nuggets every day, for every meal, all year. And their \$100,000 donation to the Dave Thomas Foundation.

Carter and his Gen Z peers have come of age with social media as their default communication tool. They're very effective and usually way more comfortable on these platforms than the PR teams who are paid top dollar to respond on behalf of brands. Gen Z is used to starting the social media conversation and has the benefit of a generally limited downside, whereas brands must constantly track social media and risk even more downsides if they don't respond in the right way (and fast).

Gen Z has a gift for leveraging online platforms to create public-facing conversations that drive change. These conversations are not always as lighthearted as #NuggsforCarter. They're just as often criticisms, and just because Gen Z is taking a position against a company doesn't mean it's the right position or that they will get their intended outcome. But the fact that Gen Z will openly challenge legacy brands—and as teenagers(!)—that have hundreds of millions of dollars to spend in marketing and PR budgets shows that the generation's desire to be heard is real and only getting started.

In our view, Gen Z will continue to exert this external and highly public influence on brands, businesses, and leaders, for better or worse. As a leader, it's important for you to know one thing is certain: there will only be *more* pressure on brands and brand leaders to listen to Gen Z.

Getting it right now and actively listening can avoid so many of the

pitfalls that have befallen brands that did not take the time to listen to this generation or shrugged them off as simply young, inexperienced, and uninformed.

The irony is that Gen Z has already proven to be a tremendously powerful force on business and business strategies *without even being a customer or employee*, but rather by being vocal about a company through social media.

Odyssey is a platform for Gen Z content creators to share their opinions on topics as diverse as shopping and food to student life and political activism. With 12 million unique visitors each month, over 128,000 content creators to date, and over 1 million original content pieces, Odyssey is particularly tuned in to the ways in which Gen Z wants to engage with brands.

Odyssey's president, Brent Blonkvist, and his team conducted a 2019 study of two hundred brand and agency advertising buyers, asking them to share their biggest struggles. "Eighty-seven percent of respondents," Blonkvist shares, "said they know they need to target this generation, but they don't know how to engage them. That can seem alarming when you consider there are so many tools brands can use to target this generation, like Facebook, Twitter, and YouTube." Blonkvist continues, "But the problem is that just targeting this demographic doesn't engage them—and if you don't truly engage them, you're not driving loyalty. If you're not driving loyalty, you don't have a long-term customer. This generation has grown up on the Internet. They understand how to manage ads; they understand how to block them or just blow by them and not even notice that they're there."

Gen Z engagement requires going well beyond one-dimensional ads. Brands need to listen to what the generation is saying and become part of their conversations.

The reality is that now a fourteen-year-old ninth grader can start a hashtag about almost anything and a twenty-two-year-old can film a video call to action—and both can collide and amplify each other exponentially online, without ever actually knowing or even meeting. (And if you are unsure how to use hashtags, well that is a completely different conversation and one you want to have very quickly.)

Gen Z has proven they can have unprecedented influence on businesses and organizations at a younger age than previous generations, and this external impact—created without being an employee or a customer—represents only the beginning of the connectedness and influence we believe this generation will drive.

A Path to the Answers

At CGK, we are excited that Gen Z is now emerging and can be accurately studied across geographies around the world. To truly understand a generation requires both quality and original research as well as quantity of research. Gen Z research is still very limited because of their youth, but our quest to lead research into the generation every day is already unearthing a trove of insights and unexpected findings. These discoveries can inform and drive understanding, strategy, and practical solutions to help leaders effectively connect with Gen Z at every point in the customer and employee life cycle.

The rise of Gen Z calls into question the future of work, life, consumerism, and the planet. Some of the questions our research addresses include:

- How will a generation that appears to have a more informed and conservative perspective of money think differently about saving, investing, and spending? What will this mean to your business?
- How will this generation navigate a world overflowing with endless information at their fingertips? Will they find a way to wield this to their advantage and drive gains important to them, or will it be overwhelming, taken for granted, and underutilized?
- How will a generation that is so immersed in a digital world adapt their social skills to enter the face-to-face workforce and society—or will they expect the world to adapt to them? How will this shape your hiring, management, or sales process?

- How will being raised by Generation X and older Millennials—not Baby Boomers—affect this generation’s values, priorities, voting, and what they bring into adulthood? Will they choose to take care of their parents or choose a different path?
- How will COVID-19 and its aftermath affect the generation when it comes to work, money, education, and their thinking about the future?

The more we study Gen Z, the more excited we are to uncover and tell the generation’s story, to bring them to life, not from the vantage point of a single or small sample group of Gen Z, but by looking at Gen Z across the United States *and the world* via data, stories, quotes, and frontline strategies we’ve uncovered that work for leaders.

Gen Z is heralding a “new normal” across industries and around the world. Are you ready to make the most of it?

2 REDEFINING THE TERM “GENERATION”

“Sure. I know all about 9/11. I learned it in history class.”

—Gen Zer

From Jason . . .

I remember exactly where I was when I heard something was happening in New York City on September 11, 2001. I was in Los Angeles to film a TV show that had come out of my work writing books and speaking. I was sitting on the couch in my hotel next to my dad. We turned on the TV. The images were shocking. I’ll never forget the fear and confusion I felt.

I have deep connections to New York City. My family is from there and I went to a year of college in New York. Many friends still lived in the city. And beyond my personal connections, seeing something like this happen at all was devastating. I remember sitting on that couch, crying. But my dad was completely emotionless. His face showed no hint of what he was thinking.

Thirty minutes later my grandfather called. He was my hero. He had grown up in Brooklyn. He was about seventy-nine years old at the time. I will never forget what he said: “Sonny boy, we are going to be okay. I promise you. *We are going to be okay.* This happened to us before and we got through it and we will get through this again. I promise you. *We will be okay.*”

Years later, I finally got my dad to open up about what he was thinking that morning in 2001. Our conversation allowed me to put the generational pieces together.

When my grandfather said “this happened to us before” he was referring to Pearl Harbor. My dad, who was born in 1952, shared that he was worried I would soon be drafted. What happened on 9/11 brought back his experience of showing up to the draft board for Vietnam.

For me, 9/11 was the defining generational moment of emerging adulthood. It was the turning point for my generation in the United States and forever changed my generation in many other countries, too. For us Millennials, it was our “Where were you when . . . ?” moment.

Looking back at that experience as a generational researcher, I can see why we each reacted to the exact same event in such different ways. We were all experiencing the same event, but *completely differently* through our own generational lens and life stage.

Every detail about our time and place growing up in the world affected our reaction to 9/11: our age, our prior experience with war, terrorism, political upheaval, where we’d lived, even how we learned to deal with the unknown—the context we each brought to the situation shaped how we responded to it.

This one experience has helped me put the concept of generations in perspective better than any other. And it is a key marker in my work teaching new ways to lead across generations. The reason: the same event can create different responses for each generation experiencing it—and for good reason. For Gen Z, we suspect COVID-19 will be a generation-defining moment.

Generations Don’t Fit into a Tidy Box

At CGK, we believe that generations are *not a box* that each of us fit neatly inside based on our birth year alone.

Generations don’t work that way.

In our view, we’ve found that each generation is a framework and set of insights that offer powerful clues on *where to start* to quickly

connect with and influence people of different ages. This helps people work, market, build trust, and influence those older, younger, and even in the same generation as themselves.

We view a generation as a “segment of a geographically linked population that experienced similar social, technological, and cultural events at roughly the same time in their maturation leading to increased predictability by scenario.” Those are a lot of fancy words to say that a generation is a group of people born about the same time and raised in about the same place.

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GENERATION NAME	APPROXIMATE BIRTH YEARS
Generation Z (aka iGen)	1996 to 2012
Millennials (aka Gen Y)	1977 to 1995
Generation X	1965 to 1976
Baby Boomers	1946 to 1964
Traditionalists (aka Silent Gen)	1945 and earlier

Note that “cuspers” are people born on the edges of a generation. They tend to have characteristics of both the generation before and after. Sometimes there is a clear delineation between one generation and another, such as 9/11 for Gen Z in the United States. In other periods, there is no generation-defining moment, but rather a transitional period. For example, the transition from Gen X to Millennials means that the generations could start or end anywhere between 1977 and 1981 depending on factors such as geography, affluence, and age of parents.

Every generation has its own powerful indicators—not rigid definitions—of how its members may experience and respond in a given situation, whether shopping for a car or evaluating a job posting. Those indicators are influenced by the “about the same time” and “about the same place” aspects that link a generation within a geography. While my dad was likely not alone in worrying about me being drafted after 9/11, many of his peers born in the 1950s had

different reactions. They did not all fit in the same box, but they did have a larger shared context of their upbringing that offers insights into where their response might lead.

The key that is too often overlooked, and that we always seek to make a point of in our work with leaders, is that geography plays a huge role in shaping generations. Within the same generation, we will see differences between rural and urban members, and we'll definitely see differences between Gen Z in different parts of the world. A seventeen-year-old growing up in rural Arkansas might have had a driver's license for two years already in order to help on the family farm or drive to school or work, while a teenager in New York City might not feel the need to get their driver's license unless they move out of the city. Interestingly, trends tend to originate in urban areas due to diversity and population density and then ripple out to rural areas (music, for example). In our extensive work outside the United States, we always regionalize each generation to make sure it accurately represents the part of the world we're studying or speaking to.

In addition to the timing and geography that shape every generation, there are also generation-defining moments. These are the events or occurrences that take place at a critical phase of a generation's emergence—usually as children or teenagers—that forever alter their worldview. This can range from war or terrorism to political upheaval, a natural disaster, technology breakthroughs such as landing on the moon, or the spread of COVID-19.

For Baby Boomers in the United States, generation-defining moments might be the JFK assassination, the civil rights movement, Sputnik and nuclear bomb drills, color TV, the Beatles, and so much more.

For Generation X in the United States, those experiences could range from the end of the Vietnam War, Watergate, and the Iran-Contra affair to the oil embargo, the massive rise of the divorce rate, the AIDS epidemic, the *Challenger* explosion, being a latchkey kid, Walkmans, Atari, and the launch of MTV in 1981 (where the first music video was “Video Killed the Radio Star”).

Millennials emerged in the late 1980s and 1990s to the rapid introduction of the personal computer, the Internet, cell phones, email, going from “analog to digital,” the rapid adoption of social media, introduction of smartphones, legalization of gay marriage, the first mass-casualty school shooting (Columbine in 1999), the launch of Amazon, ecommerce, Y2K, student loan debt, 9/11, and the Great Recession.

Recognizing the defining moments that shape a generation helps us to understand the generation’s points of view, priorities, values, and behaviors. It’s also important to note that how a trend or event affects an individual varies based on their age at the time of the event (were you five years old or fifteen?), geography, socioeconomic situation, culture, gender, and much more.

For example, if you were a Millennial born in 1985, then the Columbine tragedy happened while you were in high school. Your response to—and fear, emotion, and feeling about—the school shooting being replayed over and over on the news would be different from the Millennial born in 1990 who would have been in elementary school and probably not remember the Columbine tragedy as a contemporary event. They would (unfortunately) remember other school shootings that occurred later. Columbine would have also affected you differently if you’d experienced it through the lens of being a homeschooled third grader in rural Virginia, an eighth grader in New York City, or a high school student in one of Columbine’s neighboring towns.

The better we understand the framework that shapes a generation, the better we can connect with and influence each of them. That clarity also makes it much easier to bridge different age groups in a variety of situations, from employee recruiting, motivation, and retention to marketing, sales, and customer experience.

The Powerful Events That Shape Gen Z

Gen Z was born from about 1996 through approximately 2010 to 2012ish. As generational researchers and speakers, we don’t know

when a generation ends until well after the fact, similar to recognizing when a recession is over. Unless there is a clear and profound generation-defining moment—such as 9/11 in the United States, Brexit in the United Kingdom, the Boxing Day Tsunami in Southeast Asia, or COVID-19 worldwide—generational ending dates are best analyzed by looking back instead of guessing ahead of time. Then, there is always flexibility among cuspers, who were born on the edge of two generations and often relate to aspects of both depending on their upbringing.

We do know that Gen Z starts after 1996 in the United States because, as we mentioned, they do not remember the most defining event of the previous generation: September 11, 2001. As we continue to study this emerging generation, it seems certain that COVID-19 will be the generation-defining moment that draws the line between Gen Z and the generation that follows them.

One consistent through line in our Gen Z research is the speed and impact of cheap mobile technology on the generation. While this is still not universal in all parts of the world, it has created a connection among Gen Z that empowers them and supercharges their impact on businesses.

Our 2019 State of Gen Z Study revealed these truths about the generation's relationship with technology:

- 95% of Gen Z use or access social media at least once a week.
- 74% of Gen Z are dependent on technology to *entertain themselves*.

Gen Z watches events unfold on the other side of the world in real time directly from their phone or tablet, without being limited by location or time zone. They engage in conversations with strangers who may not speak their own language but they know from playing esports online. They are connected to their mobile phones so deeply that we see Gen Z in different parts of the world respond similarly to our survey questions about technology, music, apparel, travel, sports, money,

and the future of the Internet—even though their languages and customs might be different.

Gen Z has an unprecedented dependence on technology, and from a very young age: 31% of Gen Z feel uncomfortable being away from their phone for thirty minutes or *less*! And 14% say they cannot spend any amount of time away from their phones. Looking further, 26% of Gen Z boys and 33% of Gen Z girls are on their phones *ten or more hours per day*. And 65% of Gen Z are on their smartphones after midnight at least a few times a week. Of these, 29% say they are on their phones after midnight *every night*!

According to research by Common Sense Media, 89% of thirteen- to seventeen-year-olds had their own smartphones in 2018—a huge increase from 2012, when 41% of teens in that same age group had a smartphone.

Technology has had a profound impact on Gen Z—from interactive toys for newborns to the ubiquitous iPad that has programmed Gen Z kids to think every screen is a touch screen as they try to swipe up on their parents’ TV. Media platforms, from apps to videos, now teach kids everything from foreign languages and math skills to makeup styles and potty training.

Gen Z is frequently compared to Millennials in terms of technology exposure, adoption, normalization, and trendsetting. This is an important comparison because it shows just how *different* Gen Z actually is when it comes to technology and their *integration* with it.

Gen Z, not Millennials, is truly the connected-first generation, and more deeply and natively due to the rise of Internet-connected devices at the right time in Gen Z’s youth. Gen Z has come of age with everything from Alexa answering their trivia questions to never having to carry cash thanks to Venmo’s introduction while they were preteens and teens to following their favorite YouTubers going to college, while streaming music on Spotify.

Gen Z is not living the same experience as Millennials when it comes to technology—their digital native upbringing is unlike any other we have seen (in person or via Twitch!).

Connecting with a Highly Connected Generation

Gen Z's ubiquitous access to *inexpensive* mobile technology is, without doubt, this generation's biggest defining trend. Their immersion in technology since birth has profoundly shaped their worldview; expectations for communication at school, with brands, and with friends and family; how they shop and buy; how they prefer to communicate, collaborate, and work as a team; and where they go for information, answers, dating, healthcare, jobs, and news.

At the same time, Gen Z modeled their parents, who were constantly staring at their own screens, whether on a family trip or at the dinner table, which made looking at a screen normal anywhere, anytime—and even within a close group.

Our daughter, Rya, is seven years old. She does not remember a time before she could look at the person she was talking to on the phone. When she was younger, she thought the phone was broken if she couldn't see you. She once tried to use the phone at a hotel, but when she put the handset to her ear, she heard something that scared her and that she had never heard before . . . a dial tone! Technology that was commonplace for older generations baffles Gen Z. YouTube channels dedicated to this phenomenon are enormously popular (search YouTube for “kids react to old computers” for a laugh).

Rya has never woken up early to watch a marathon of Saturday-morning cartoons, because in her view of the world, cartoons or any show are always available on demand, even on an airplane. In fact, she doesn't like TV, only Netflix.

We remember receiving a notification on our phones that Rya had changed her Netflix settings so she could watch any show she wanted. That kid! Fortunately for us, Netflix sent us a message, which led to a heart-to-heart conversation—and face-to-face no less—which was an unforeseen hurdle in Rya's quest to watch PG-13 shows at age seven.

While geography plays a huge role in shaping generations, the consistency of inexpensive mobile technology leads us to believe that Gen Z will be the most *globally consistent* generation of employees and consumers, but we won't know for sure for a few more years. However,

the early signs of mobile technology’s effects do point to this. From our initial work, we’re seeing that a ten-year-old in the United States might have more in common with a fifteen-year-old in London or India than a fifty-year-old in their own country.

Gen Z already has a huge influence on the world as consumers, and they’re quickly making their mark as employees as well. Like all generations before them, they don’t fit in a tidy box, but we can identify the key events, trends, and influences that most shape this generation—and there is much more beyond technology. The clues to connecting with Gen Z are all around us and them.

As foreign as their TikTok-dancing, esports-watching, and Snapchat-messaging ways may seem to some of us, we can bridge the gaps between Gen Z and older generations by taking the time to understand the lens through which Gen Z sees the world. We don’t have to agree with it, nor do they need to agree with our worldview, but taking the time to understand their viewpoint creates the foundation and space to effectively connect with and influence them.

In the next chapter we’ll take a deeper look at the biggest influences on Gen Z, beyond their tech dependence, that have shaped this generation to date.

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We look forward to hearing from you!

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