

# GENERATION Z – DO THEY EXIST AND WHAT INFLUENCES THEM?



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# WHO ARE GENERATION Z?



## Chapter 1

## Who are Generation Z?

**Generational analysis has seeped into the public consciousness as a method of understanding attitudes and differences across demographic groups. Previous generational analysis by Ipsos has focused on debunking the myths and misconceptions that beset the Millennials.**

**As the oldest among Generation Z enter their mid-twenties, become powerful consumers and begin to vote, attempts to understand this cohort are gathering pace.**

In recent years, the field of generational research has experienced a backlash and it is common for people to question its usefulness and validity.<sup>1</sup> Some elements of this critique are accurate: our identities are not tied solely to bland age cohorts based on when we were born, we share stronger connections with

many different types of people based on factors like gender, religion, taste in music and our political views. However, the timing of a person's birth does influence their life experience. The Baby Boomer generation forms a part of an observable surge in the UK's birth rate in the two decades after the Second World War. This experience, as part of a large cohort, is the background that has shaped their experiences with schooling, politics, employment and now retirement. Later generations may not be as easily identifiable with hard metrics like births, but they do line up with key political and cultural events that have shaped the UK overall and may have greater influence still on those growing up at the time.

**This report explores the extent to which**

**Generation Z exist in the UK.** As we have explored in past work, generational cohorts give researchers the tools to analyse changes in views over time.<sup>2</sup>

They can provide a way to understand how different

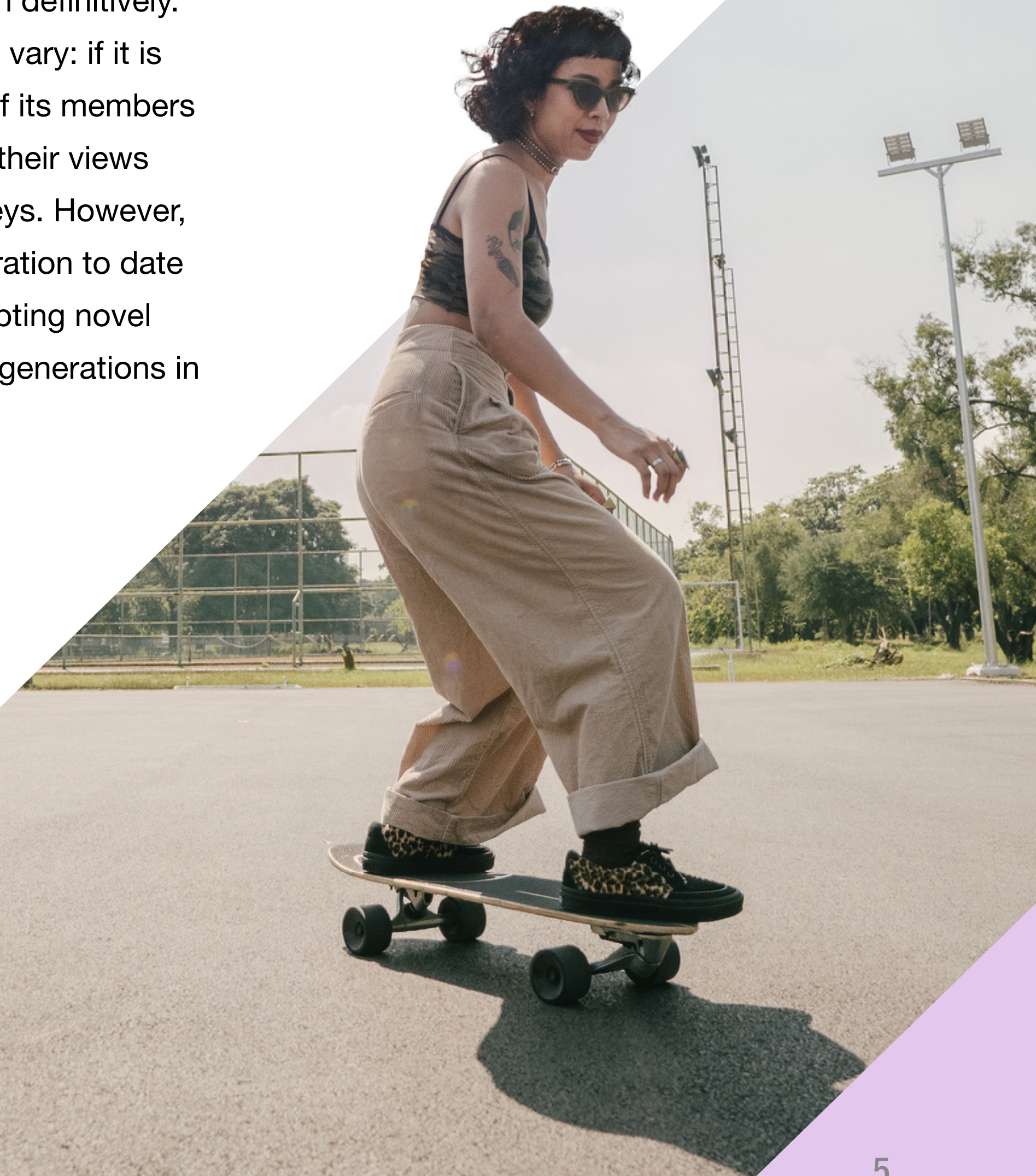
**“As the oldest among Generation Z enter their mid-twenties, become powerful consumers and begin to vote, attempts to understand this cohort are gathering pace”**

formative experiences such as economic, political, and technological social shifts are interacting with their lifespan and shaping their lived experiences.

**Are Generation Z a new generation with a distinct outlook and values, or are they a younger set of Millennials?** To answer this question, we refer to a range of high-quality social research sources including Nat Cen’s British Social Attitudes Survey,<sup>3</sup> the European Social Survey<sup>4</sup> and our own long-term trends on politics and public concerns.

For the first time we also use data from Ipsos’ Financial Research Survey (FRS),<sup>5</sup> a survey of people’s financial behaviours and attitudes which has run since 1977. This is brought together with a new survey, that explores the strength of generational identity in the UK today to understand to what extent Generation Z are a unique and identifiable cohort. In doing so, we shed light on the overall approach of Generational analysis.

This report cannot answer the question definitively. Definitions of when Generation Z ends vary: if it is 2010 then a considerable proportion of its members are currently aged under 16, meaning their views cannot yet be assessed by most surveys. However, we map the development of this generation to date and point out where we see them adopting novel positions or values in relation to other generations in the country today.



## How are Generation Z different?

**Generation Z exists in the UK – but their identity is more fluid than older groups.** Our research concludes that they have the weakest cohort identity of the four main generations, with many also identifying as Millennials. However, those who do identify tend to do so strongly. This means those who use the cohort name to communicate with young people will be speaking to a motivated subset rather than a wider audience.

**Generation Z show signs of greater financial optimism than Millennials.** There are also signs that generational income inequalities are weaker than they were in the 2000s. However, this greater sense of optimism will collide with an economic environment that may prove to be as disruptive for Gen Z as it was for Millennials. This clash is something governments and companies should be aware of as the generation continues to age.

**We find no evidence for 'Blair's babies' – Generation Z and Millennials share similar views on politics and policy.** Gen Z are more politically interested than Millennials were at a similar age – however, this is a by-product of living in a more politicised time. Politically, Gen Z and Millennials are similarly aligned to the UK's left-of-centre Labour party, following the powerful age-based divide in UK politics. While there are some signs of uniqueness in their views of redistribution, with a more pro-welfare view than Millennials, it is too subtle to justify political campaigns that target Gen Z specifically.

**Generation Z is the most progressive with significantly more liberal values.** Overall, Gen Z hold more socially and politically progressive attitudes than Millennials at a similar age and are more liberal in areas including prison sentencing, censorship, and the importance of 'traditional values'. While some of these attitudes (for instance, views on the death

“ Gen Z remains an elusive entity, concerned with self-identification, social media literacy and radical activism for a slew of social issues ”

penalty) are driven by societal shifts, others reveal clear signs of generational differences. For example, Gen Z are half as likely to agree that censorship of films and magazines is necessary to uphold moral standards than Millennials were when they were the same age.

**As important is the need to say where Generation Z are *not* different.** There are cases where we see no difference, or the difference is entirely due to the cohort's age rather than their specific circumstances. Environmentalism is a good example: there is a lot of writing about how younger people are more environmentally concerned, or more likely to be activists on the topic. Yet there is little to distinguish Generation Z here – we have seen a period effect with all cohorts becoming similarly more caring about the environment, and more likely to say climate change is a concern than a decade or so ago. While Generation Z are commonly considered the greenest generation, so far the data does not support this hypothesis.



This picture of Generation Z is incomplete. This is not just because the cohort is still – literally – in its infancy (some may be just ten years old), it is also because this generation has the greatest plasticity in its values, with many having changed their opinions more recently than older cohorts.

#### What does this mean for generational analysis?

This report confirms that cohort analysis can tease out generational differences – but often they will be more subtle than many headlines would have us believe. A key point to make is that **any assertion about generations should be considered carefully**. Cohort names are often used as a more exciting version of age brackets, but the term 'Millennial' carries a lot more implicit baggage than '27-42-year-olds'. When we use cohort names rather than age groups, we are making a subliminal statement that we believe what we are describing is a characteristic which is an enduring feature of the generation under question. When used

widely they also suggest a level of uniformity of thought among the group which is rarely accurate.

The report also confirms that **generational analysis is not easy**. Conducting rigorous generational analysis is difficult as it relies on the availability and analysis of long-term data. One of the important findings here is that the evidence required to prove many of the statements that are made about Generation Z is missing – often because the issues that are said to matter to young people now were not considered important ten or twenty years ago. However, **generational analysis is worth the effort**. Where we can see generational differences, they help us to understand what is going on now – but they also shine a light on how change happens in our society and unlock our ability to plan for the future.

“Cohort names are often used as a more exciting version of age brackets, but the term 'Millennial' carries a lot more implicit baggage than '27-42-year-olds'”



### What is generational analysis?

There is a deceptively simple idea at the heart of generational analysis: what if the circumstances and times we grew up in shape our attitudes and values, in a way that lasts throughout our lives?

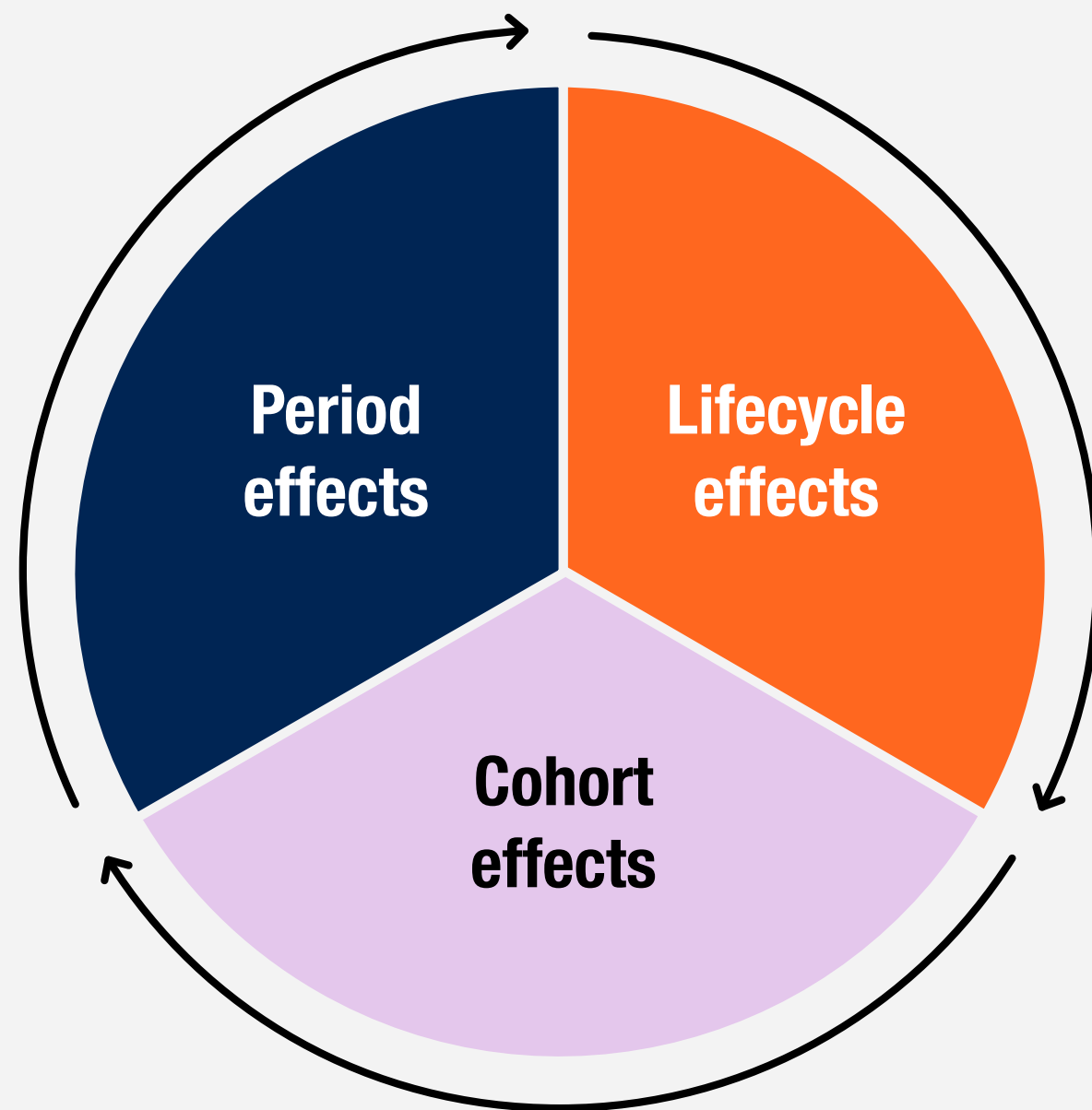
This approach meets an important analytical need in social and market research. Many of the categories we use to understand people as consumers and citizens are timeless. For example, when we talk about women, those in social grades DE, or people aged 18-24, we are referring to a category that is assumed to be the same whether the data is from 2022, 2002 – or even 1962. Using generational labels in analysis is a way we can capture the *Zeitgeist* of the very different eras in which successive cohorts in the UK grew up, forming their preferences, attitudes and values.

For instance, the Millennial generation coming of age during the 2008 financial crash has had long-lasting

impacts on their financial prospects (such as earnings and likelihood of home ownership),<sup>6</sup> but also on how they interact with brands and how others in society view them. However, there are also significant pitfalls; many myths and misconceptions about generational cohorts exist, based on inaccurate reading of data, or mistaking other factors at play for generational drivers of difference. Arriving at a true understanding of the extent to which the way an entire cross-section of the population thinks and behaves has been shaped by the circumstances of their first two decades of life is more complicated than it first appears: beyond defining meaningful cohorts, it requires long-term data, asking the same questions in the same way – and ideally to the same people. While generational analysis has been around for decades, the abundance of data in recent years makes it an increasingly viable approach in a wider range of circumstances. In this report, we examine the extent to which this growing data pool supports the existence of the new kids on the generational block: Generation Z.

**“ To meet the claim that 40% of consumers are Gen Z, we would need to count all people around the world from birth to age 25 ”**

Fig. 1 – There are three drivers of generational differences



When faced with a difference between generational cohorts we tend to consider why this is the case through three lenses.

**Period effects:** attitudes of all cohorts change in a similar way over the same period of time.

**Lifecycle effects:** people’s attitudes change as they age, driven by life stages or events.

**Cohort effects:** a cohort has different views and these stay different over time.

Many of the misperceptions we see arise from people mistaking a period or lifecycle effect for a true cohort effect. Identifying what is a true cohort effect is key to understanding how a generation’s views are different and may remain different as they age.

“ Identifying what is a true cohort effect is key to understanding how a generation’s views are different and may remain different as they age ”

## Generational analysis has always been accompanied by generational overclaim

Gen Z will account for 40 percent of all consumers by 2020. The teens of today are set to influence nearly \$4 billion in spending in just a few short years. Here's what marketers need to know.

Gen Z, the portion of the US population born around 1996 through roughly 2010, makes up for 40 percent of the number of US consumers and by 2026, Generation Z will surpass Millennials as the largest consumer base in the US. So brands need to get to know them.

Source: <https://www.globenewswire.com/news-release/2018/05/08/1498624/0/en/MNI-Targeted-Media-Releases-Data-to-Help-Marketers-Win-Gen-Z-ers.html>

Even the earliest practitioners of generational analysis<sup>7</sup> noted the danger that this novel way of looking at data might be misinterpreted (even wilfully), resulting in overclaim and spurious stories about the supposed characteristics of different generations.

Last decade, Ipsos took on many of these claims in the 'Millennial Myths and Realities' report. However, as the focus moves from Millennials to Generation Z, we are at risk of repeating the mistakes of the previous generation. For instance: an often-repeated claim has been made that Gen Z account for 40% of all consumers. This is clearly at odds with the fact that in many advanced economies, ageing populations mean the number of younger people is shrinking. **To meet the claim that 40% of consumers are Gen Z, we would need to count all people around the world from birth to age 25:** not only are 1-year-olds unlikely consumers, in addition, as Gen Z will need to end (a proposed cut-off is age 10), they are not even members of this cohort.

## Meet the generations

■ **Pre-War:** born before  
**1945**

■ **Baby Boomers:** born  
**1945 – 1965**

■ **Gen X:** born  
**1966 – 1979**

■ **Millennials:** born  
**1980 – 1995**

■ **Gen Z:** born  
**1996 – 2012?**

■ **Gen Alpha:** born after  
**2012?**

The consensus view in the UK is that there are six key generations in the adult population, ranging from the eldest 'Pre-War' generation, down to 'Generation Alpha', the temporary label applied to people likely aged under ten at present.

Ipsos definitions are provided here. Different organisations can vary in where precisely they draw the lines:<sup>8</sup> Millennials can start a few years earlier or end a few years later, for instance.

But, to get lost in the margins is to miss the wider analytical point that people's views can differ dependent on the economic, cultural and political environment in which they grew up.

## Baby Boomers

Top trumps



**Born: 1945-1965**

**23%** Of the population\*

**13%** Have a mortgage

**69%** Have savings

**63%** Identify as members of their generation unprompted

**33%** Identify strongly with their cohort label

**44%** Have a great deal of interest in politics

**43%** Feel closer to one political party

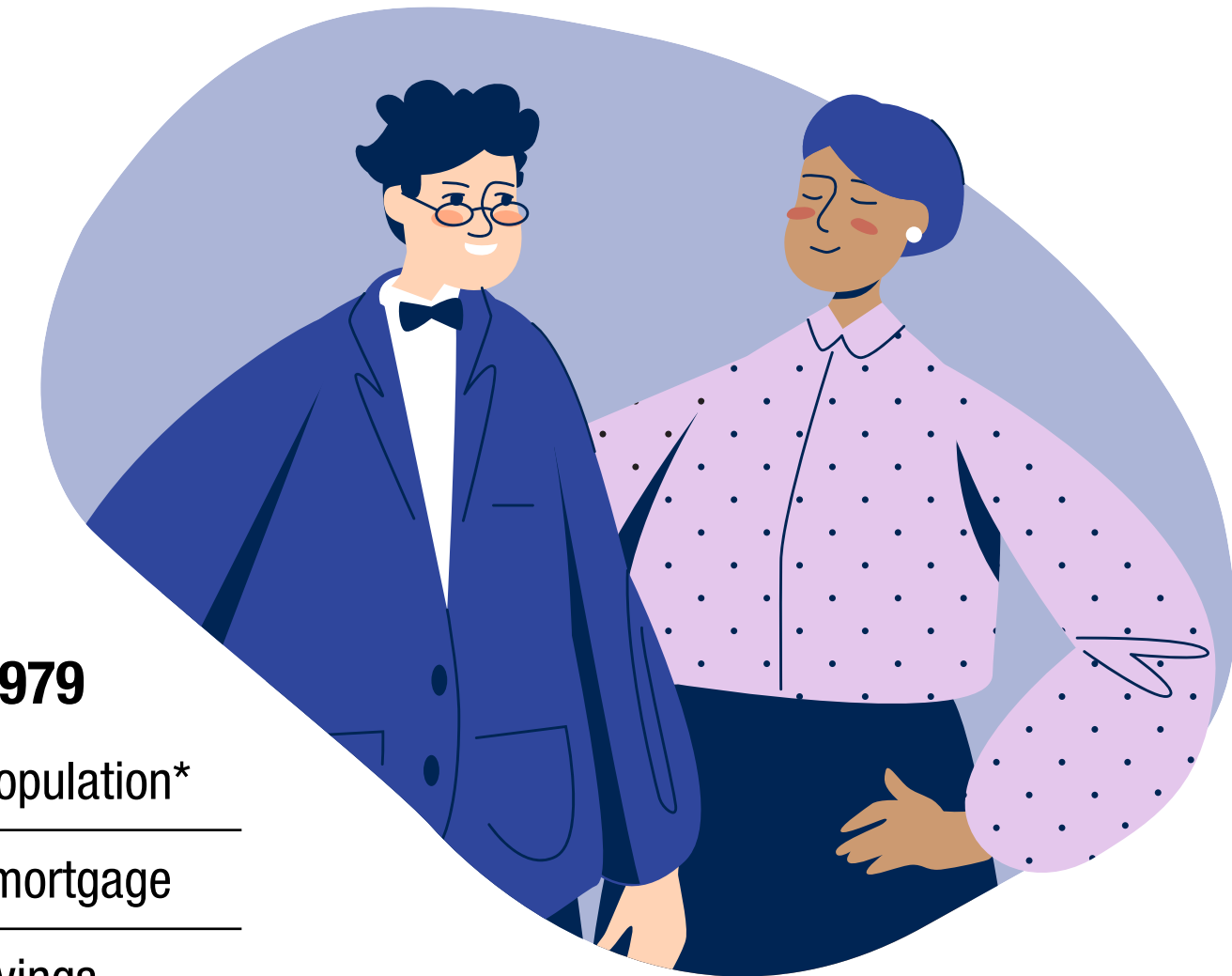
**16%** Would rather have grown up at the time their parents were children

**32%** Feel guilty about their impact on the environment

\*Calculated from 2021 Census data for England and Wales  
Source: <https://www.nomisweb.co.uk/datasets/c2021ts007>

## Gen X

Top trumps



**Born: 1966-1979**

**18%** Of the population\*

**45%** Have a mortgage

**65%** Have savings

**37%** Identify as members of their generation unprompted

**29%** Identify strongly with their cohort label

**39%** Have a great deal of interest in politics

**31%** Feel closer to one political party

**27%** Would rather have grown up at the time their parents were children

**41%** Feel guilty about their impact on the environment

\*Calculated from 2021 Census data for England and Wales  
Source: <https://www.nomisweb.co.uk/datasets/c2021ts007>

## Millennials

Top trumps



**Born: 1980-1995**

**22%** Of the population\*

**42%** Have a mortgage

**67%** Have savings

**40%** Identify as members of their generation unprompted

**50%** Identify strongly with their cohort label

**31%** Have a great deal of interest in politics

**25%** Feel closer to one political party

**49%** Would rather have grown up at the time their parents were children

**58%** Feel guilty about their impact on the environment

\*Calculated from 2021 Census data for England and Wales  
Source: <https://www.nomisweb.co.uk/datasets/c2021ts007>

## Gen Z

Top trumps



**Born: 1996-2012?**

**20%** Of the population\*

**14%** Have a mortgage

**60%** Have savings

**35%** Identify as members of their generation unprompted

**49%** Identify strongly with their cohort label

**26%** Have a great deal of interest in politics

**25%** Feel closer to one political party

**50%** Would rather have grown up at the time their parents were children

**54%** Feel guilty about their impact on the environment

\*Calculated from 2021 Census data for England and Wales  
Source: <https://www.nomisweb.co.uk/datasets/c2021ts007>



## Does Generation Z exist?

Known as the TikTok generation, Generation Z have started appearing in surveys in large enough numbers (and for long enough) for us to draw tentative conclusions about whether they exist as a distinct cohort. In this report, we will examine the evidence across finance, values, and politics to answer this question and uncover the differences and similarities that outline the characteristics of the UK's youngest generation.

**“ To get lost in the margins is to miss the wider analytical point that people’s views can differ dependent on the economic, cultural and political environment in which they grew up ”**



# HOW FAR DO GENERATIONS EXIST?





## Chapter 2

# How far do generations exist?

Generational terms are a strong currency. Public awareness of these labels is high: just one in twenty-five people have not heard of at least one generational cohort in the UK, while two thirds say they are aware of the Baby Boomer and Millennial generations. Gen Z – the focus of our report – are in fact less well known, with 40% saying they are aware of the group. However, following the example of the Millennials we can expect this to rise over time.

## What is the demographic evidence for generations?

In seeking to tie cohorts to observable trends in the population, the most logical approach is to look at times when the birth rate is rising ('booms') and falling ('busts') – the number of peers in your generation is an

important factor in shaping its experiences. As a result, in countries like the US and UK, as well as most of Europe, the generational framework is predicated on the impact of the Second World War. The 'baby boom' after the war has dictated the size of most of these countries' populations, with reverberations over the following 75 years. But even within countries with similar wartime experiences we see variations. For instance, the US post-war baby boom resembles a flat mountaintop, with an elevated birth-rate throughout the fifties.

By contrast in the UK, there are two clearly-defined sharp peaks – one immediately post-war and another which reached its zenith in 1964 (the number of babies born in England and Wales that year – 875,972 – is still the highest number for any year recorded). This means the 'Baby Boomer' generation in the UK contains two separate booms, each of which we could expect to have different views. Although, does this mean Baby Boomers are the only real generation? While Gen X

**“ In countries like the US and UK, as well as most of Europe, the generational framework is predicated on the impact of the Second World War ”**

can claim to be the 'baby bust' cohort, Millennials and Gen Z are less tied to demographic trends.

**Do people think generations exist?**

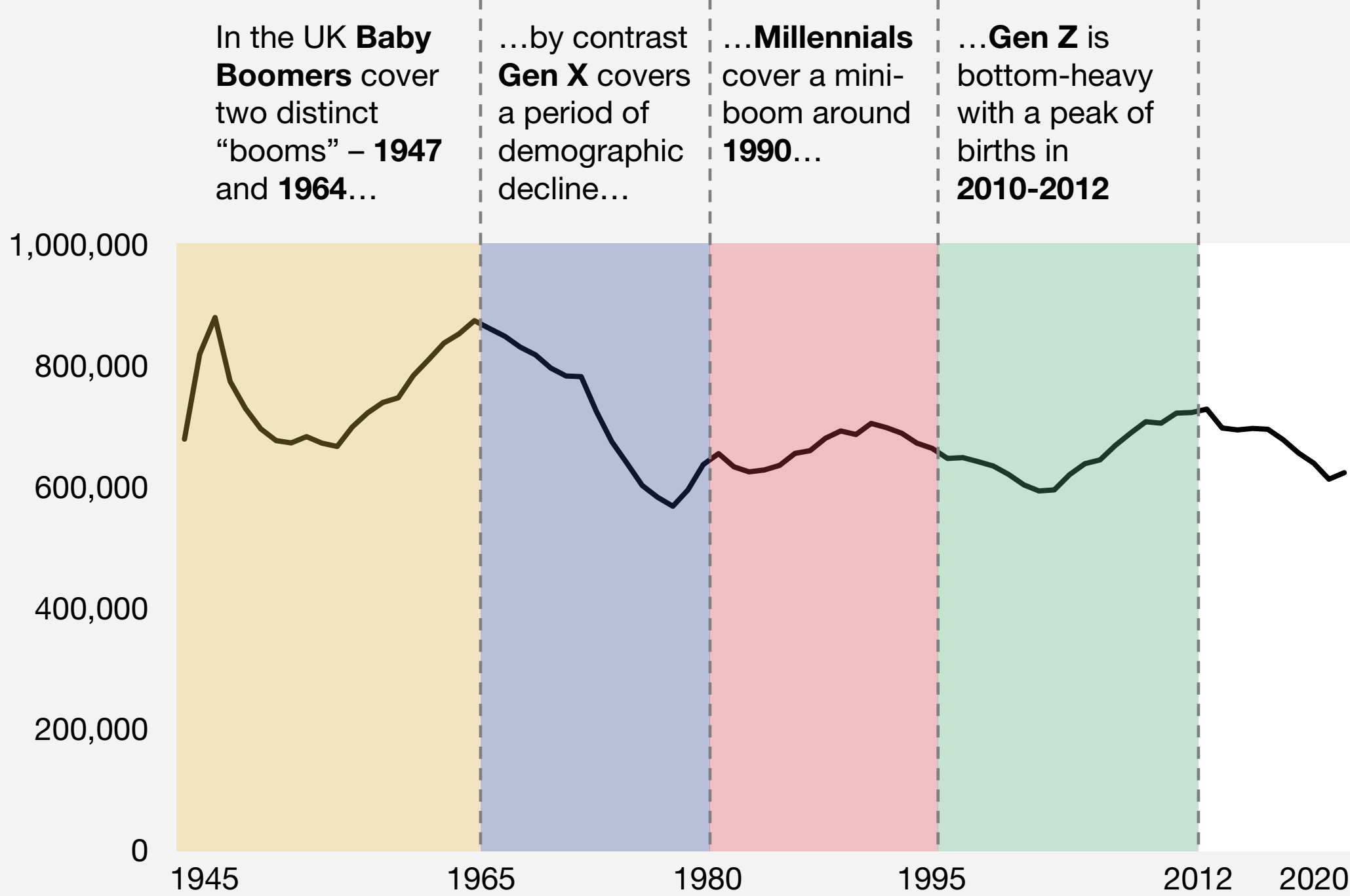
Perhaps more important than building categories around empirically-visible macro forces is understanding the extent to which these cohorts exist in UK culture. New polling identifies the extent to which people are aware of different generational groups, as well as the strength of belonging they feel within their cohort.

**Which generations exist in the public imagination?**

Baby Boomers and Millennials have the widest name recognition. The UK public are clearly aware of generational groups: Baby Boomers and Millennials have the widest currency, but at least four in ten have heard of each of the key cohorts in the country.

**Fig. 2 – Baby Boomers are the demographic anchor**

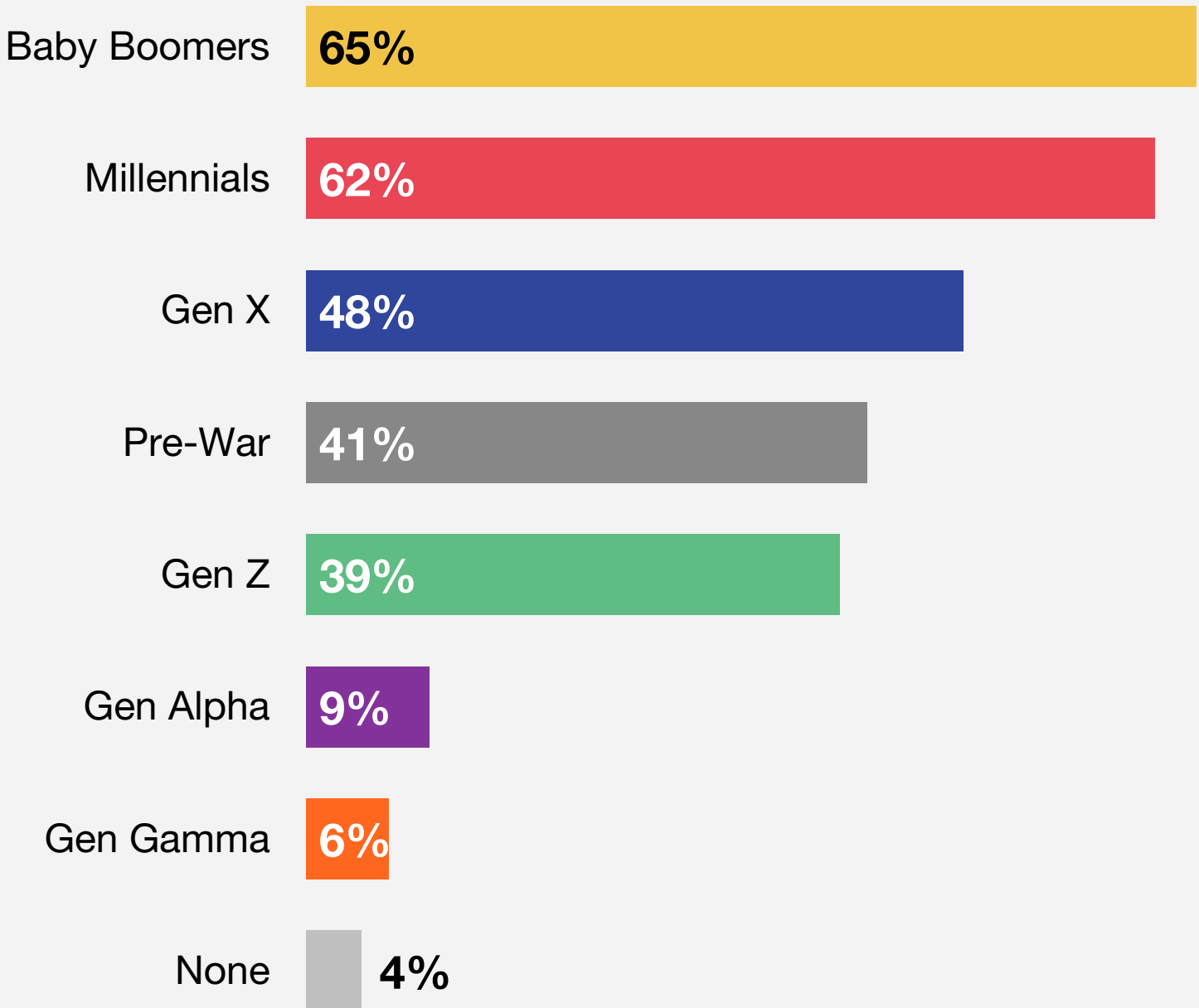
Live births, England and Wales



Source: ONS <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/livebirths/datasets/birthsummarytables>

**Fig. 3 – Which generations exist in the public imagination?**

Which of the following generations, if any, had you heard of before this interview? % who have heard of each generation



Source: Ipsos  
Base: 2,246 Online British adults aged 16-75, 21st-22nd September 2022

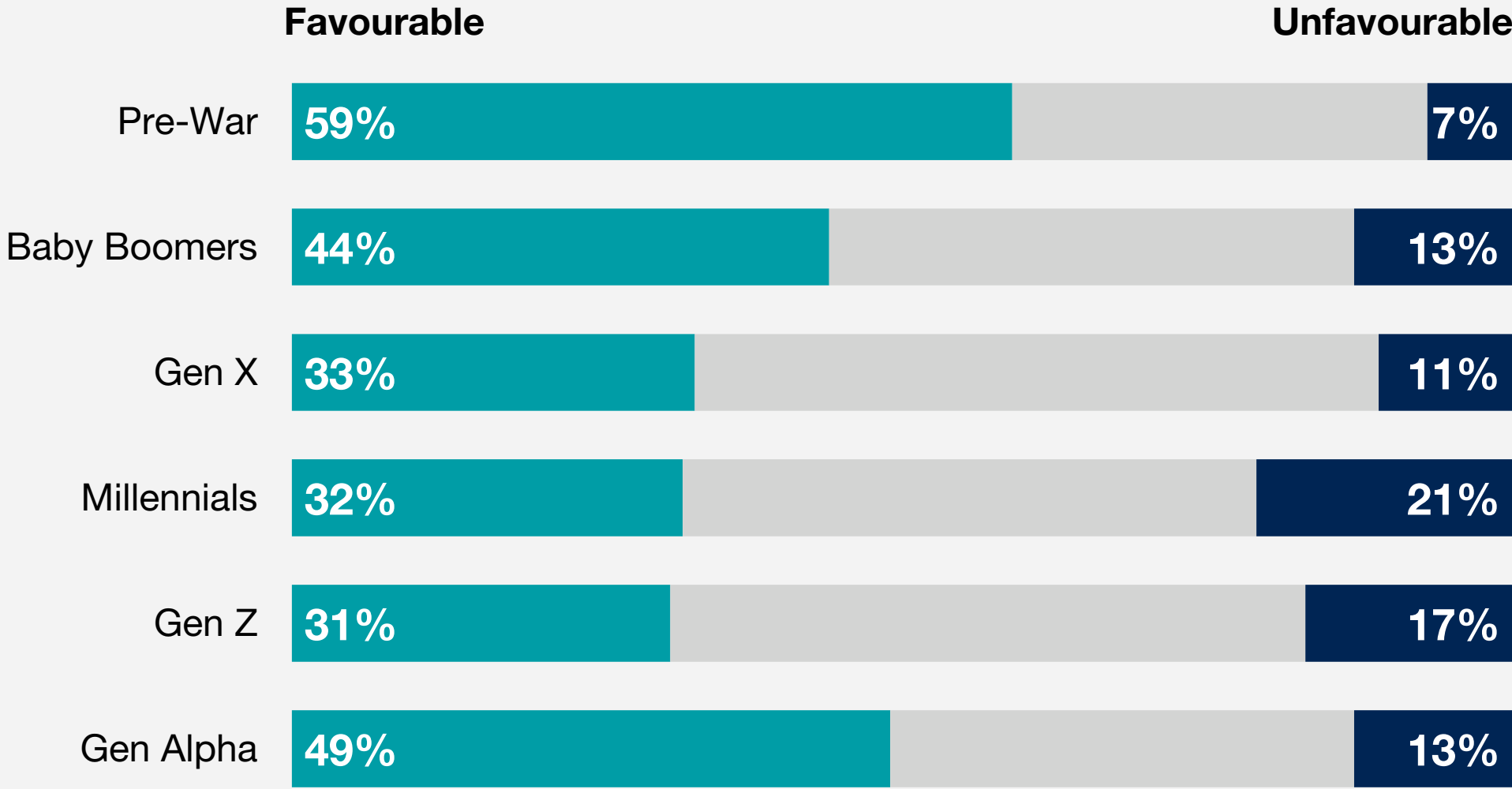
Just four per cent say they have not heard of any generations, and only one in twenty claimed to have heard of our 'red herring' (i.e. made up) generation, Generation Gamma.

Name recognition is higher within each generation too: 85% of Baby Boomers have heard of their generation and 49% of Gen Xers say the same for Gen X, as do 52% of Gen Z. Just Millennials buck the trend, being no more likely than average to have heard of their own generation (64%).

**“ Baby Boomers and Millennials have the widest currency, but at least 40% have heard of each of the key cohorts in the country ”**

**Fig. 4 – Oldest and youngest cohorts have the best image**

Favourability towards generational cohorts in the UK



Source: Ipsos  
Base: 2,246 Online British adults aged 16-75, 21st-22nd September 2022

Among those in the population who have heard of each cohort, all have a mostly positive reputation, which suggests that the generational framing is not contributing to intergenerational strife as far as we thought: even 'snowflake' Millennials and Gen Z are viewed favourably overall. Gen Z, Millennials and Gen X are all viewed positively by a third of the UK public, while Baby Boomers enjoy a slightly higher rating of 44% favourability. We see an unsurprising pattern of preference for the very young and the very old. 'Generation Alpha' (comprised of the under 10s) and the Pre-War generation (those 78 and over) are viewed most favourably.

Once young people reach their teenage years, however, it is open season: as in past iterations of our generational research we have found that people tend to hold the most negative stereotypes about younger people,<sup>9</sup> regardless of the generational cohort they are in.

By some margin, people are most likely to say that Gen Z are not prepared to work hard to get ahead in life and are too easily offended by the things people say – as well as being self-centred. However, we also see some positive traits for the youth: Gen Z are considered to be most open to people from different backgrounds and also most willing to make big lifestyle changes to reduce their carbon emissions.

Other stereotypes hold true: Baby Boomers are seen to have the greatest influence over policymaking and have benefitted the most from spending on public services.

### Fig. 5 – The tradition of hating on young people continues

Please read each of the following statements, and for each, please select the generation you think the statement most closely describes...

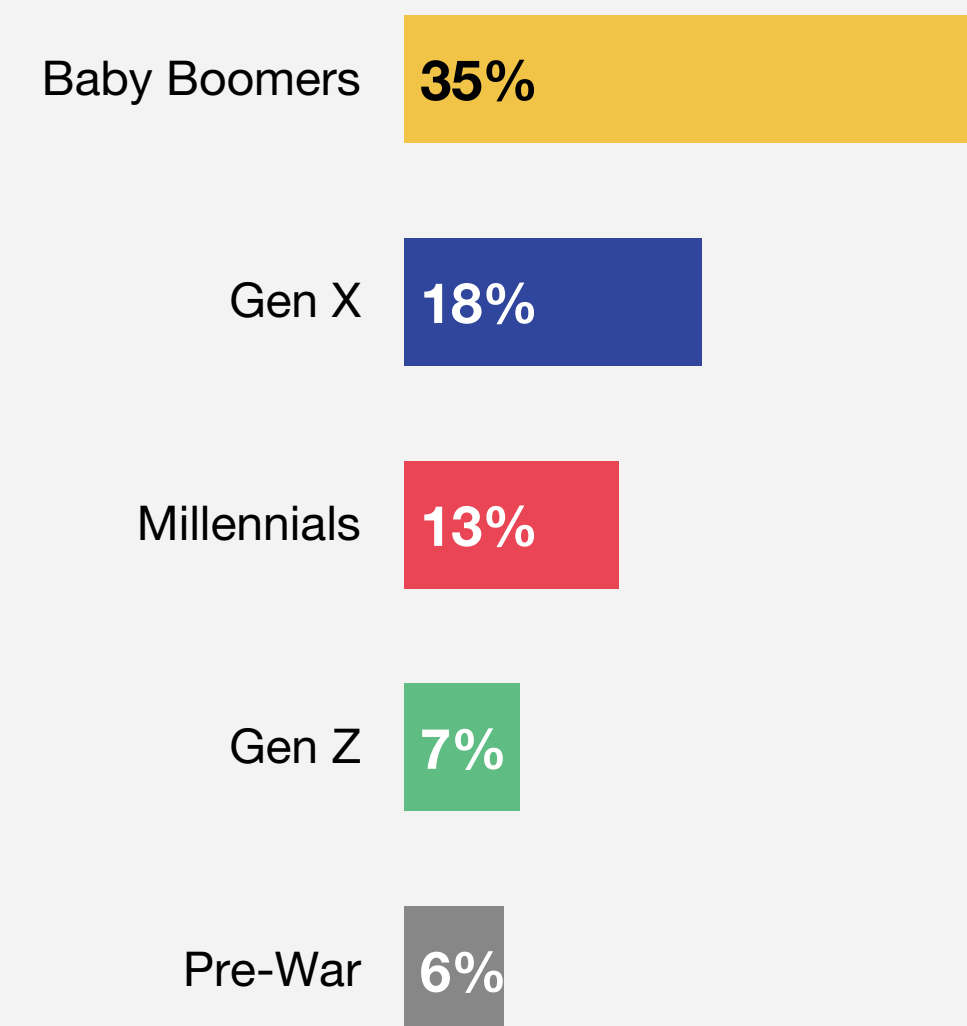
	Baby Boomers	Gen X	Millennials	Gen Z
Has the greatest influence over decisions made by the UK government	26%	18%	12%	5%
Have benefitted the most from spending on public services	23%	12%	11%	8%
Values career advancement over having a good work-life balance	13%	18%	26%	8%
Willing to pay higher taxes to fund more spending on government benefits	13%	13%	14%	7%
Too easily offended by things other people say	8%	7%	16%	38%
Not prepared to work hard to get ahead in life	5%	6%	13%	38%
Financially insecure	7%	7%	20%	31%
Self-centred	10%	8%	17%	31%
Willing to make significant lifestyle changes to reduce carbon emissions	8%	11%	19%	29%
Open to people from different backgrounds and lifestyles	7%	10%	21%	28%

Source: Ipsos

Base: 2,246 Online British adults aged 16-75, 21st-22nd September 2022

### Fig. 6 – Perceptions of Boomer privilege are also widespread

Which of the following generations, if any, would you say will have had the best quality of life over their lifetime? Proportion who think each generation will have had the best quality of life



Source: Ipsos

Base: 2,246 Online British adults aged 16-75, 21st-22nd September 2022

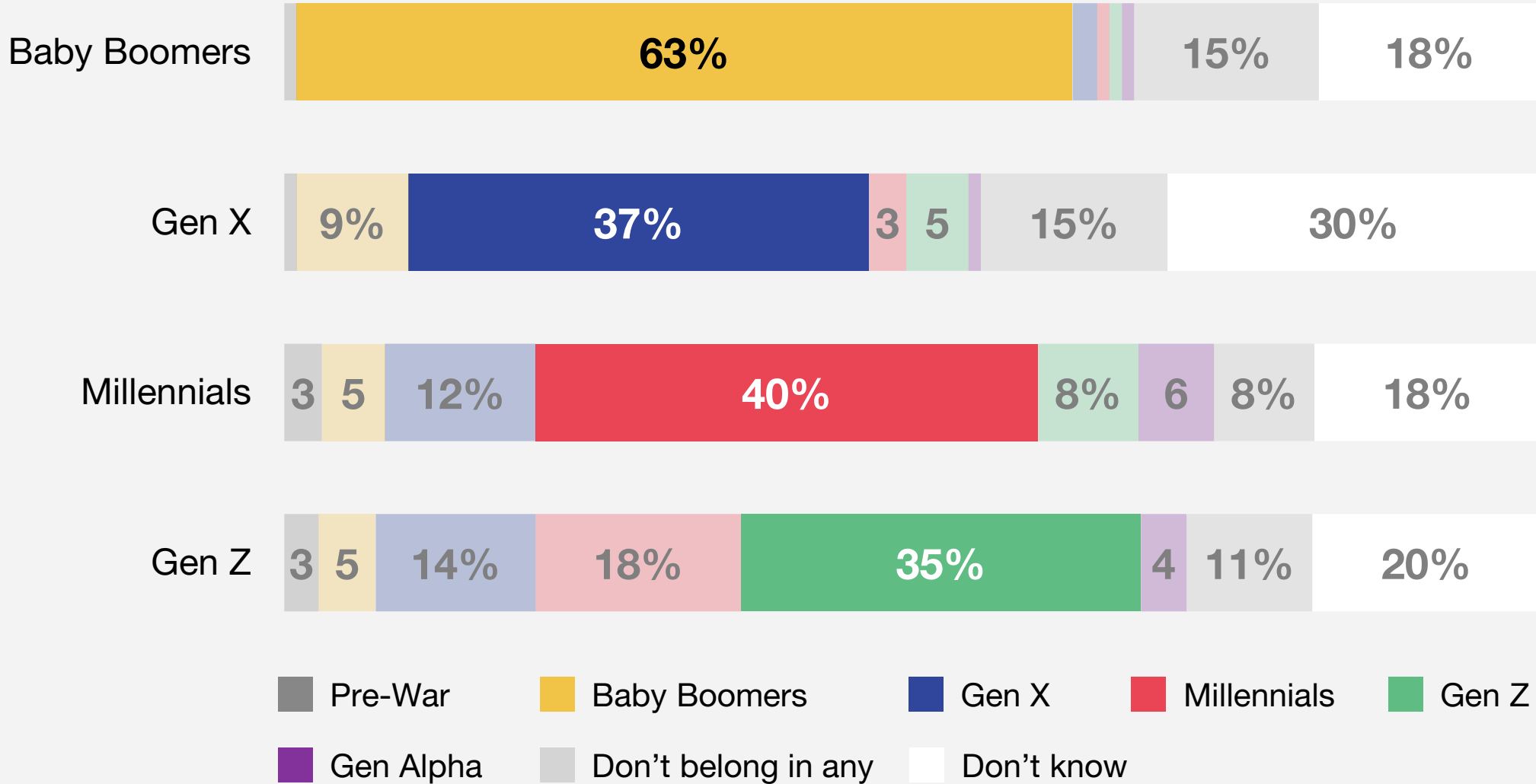
**Baby Boomers are seen as likely to have had the best quality of life over their lifetimes.** They are twice as likely to be selected as the generation who have had the best quality of life than the next-nearest cohort, Generation X, and five times more likely to be selected than Generation Z. This perception holds true across most generations: 51% of Baby Boomers feel they will have had the best quality of life, and 39% of Gen X and 25% of Millennials agree. Just 16% of Gen Z agree, however, this cohort still thinks older groups will have it better: 23% say Gen X will have had the best quality of life and 19% say the same about Millennials – compared with 16% who feel this will be experienced by their own generation.

**A third of Gen Z are aware they belong to this cohort unprompted.** This is similar to Gen X and Millennials, but lower than the Baby Boomers. We also see more significant bleed across cohorts for Gen Z: almost one in five consider themselves Millennials, compared with just eight per cent of Millennials who think they are Gen Z.

**This data suggests one obvious conclusion: that cohort identities settle over time.** But we can also draw a more significant conclusion – that younger generations buy into the approach more. Even if they are not right, both Gen Z and Millennials are more likely to put themselves into a cohort. Around three in ten of these generations say they do not know which cohort they are in or do not believe they fit into one, compared with close to half of Generation X and over a third of the Baby Boomers.

**Fig. 7 – Gen Z has the weakest identity**

And which of these generational groups do you think you personally belong in? (Unprompted)



Source: Ipsos  
 Base: 2,246 Online British adults aged 16-75, 21st-22nd September 2022

**Peak Generation Z is at 22.**

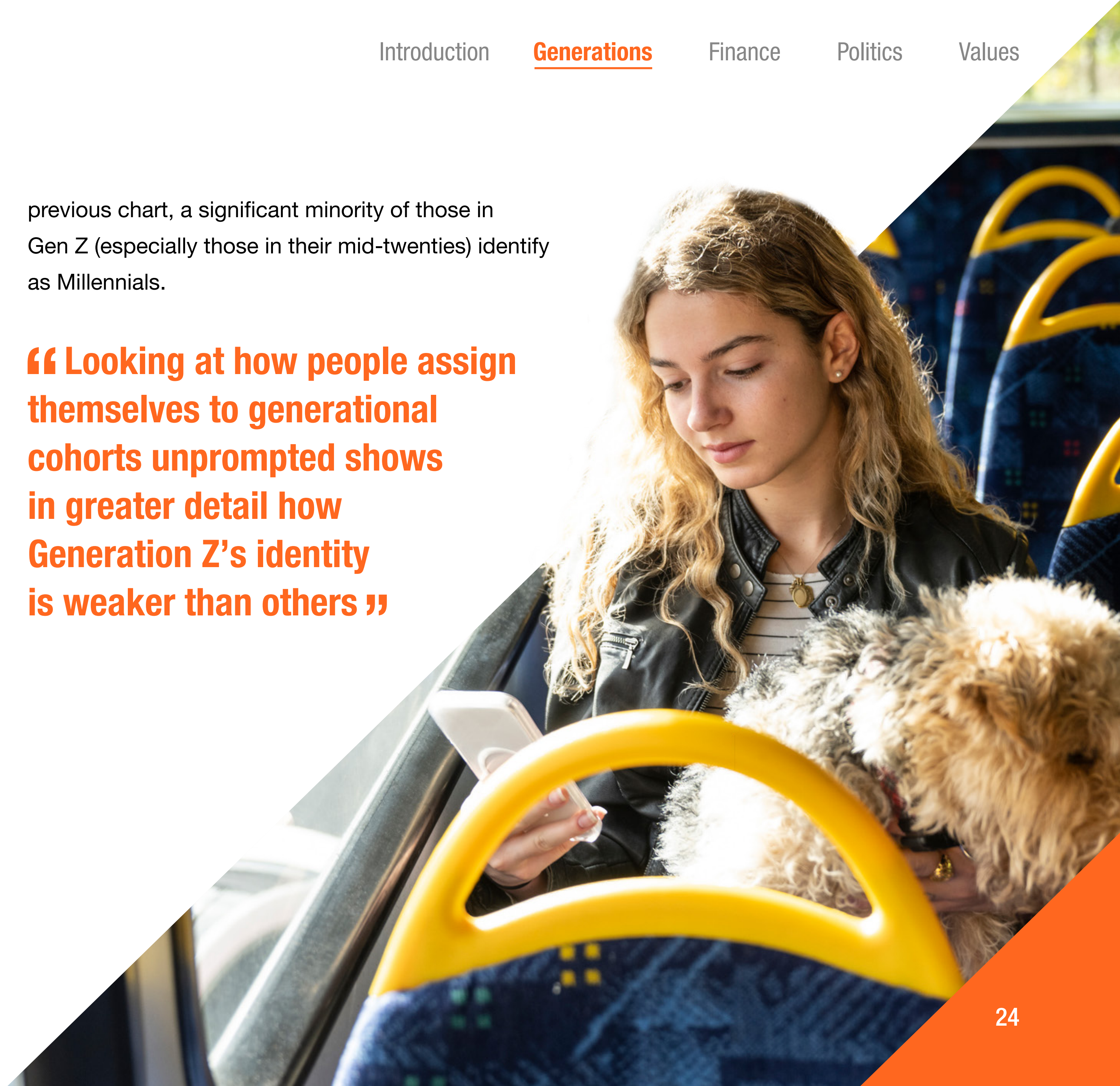
Looking at how people assign themselves to generational cohorts unprompted shows in greater detail how Generation Z's identity is weaker than others. The chart overleaf shows a 5-year rolling average of the number of people in a new survey who assign themselves to each generation.

Within the 16-26 age bracket there are significant numbers of **Generation Z** members who put themselves in the Millennial and Generation X cohorts. The modal age for identification in Generation Z is 22 and identification as a member of this cohort drops off sharply in the late twenties: very few people over 30 put themselves into this category.

This contrasts strongly with the **Millennial** cohort, whose trend line resembles a large mountain with its foothills deep within the Gen Z age bracket and its peak at 32 years of age. As was shown on the

previous chart, a significant minority of those in Gen Z (especially those in their mid-twenties) identify as Millennials.

“Looking at how people assign themselves to generational cohorts unprompted shows in greater detail how Generation Z's identity is weaker than others”





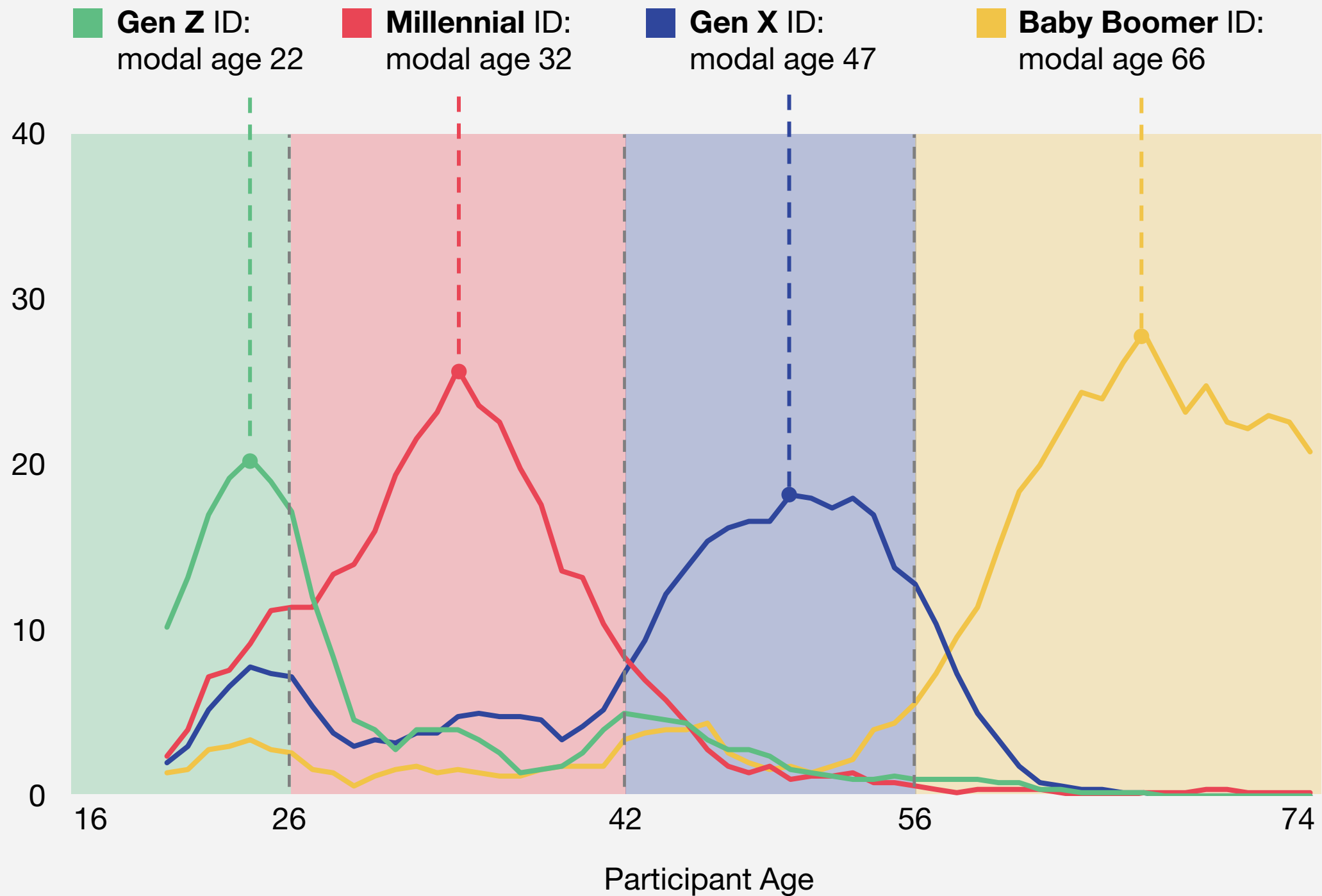
There is less crossover in the older age cohorts. A small number of people in the **Generation X** bracket over 42 think they are Millennials, instead there are more cases of younger people thinking that they are Generation X members (a possible explanation is the similar names of Generations Z and X), but the peak age for Gen X identification is 47. As the earlier chart suggests, **Baby Boomers** are the most clearly defined: the modal age of someone who thinks they are a Boomer is 66, and only a very small number of people aged over 60 identify as anything but a Boomer.

**But while Gen Z and Millennials have lower awareness, they have stronger group cohesion.**

**We see a tension in generational cohesion: the cohorts with higher awareness have a lower sense of identity.** This tells us that all groups have some form of cohesion or identity: for Boomers it is broad but shallow, while in younger generations their cohort label

**Fig. 8 – We see a clearer separation among older cohorts**

Self-identification with generational cohort by single year of age, 5-year moving average



Source: Ipsos  
 Base: 2,246 Online British adults aged 16-75, 21st-22nd September 2022

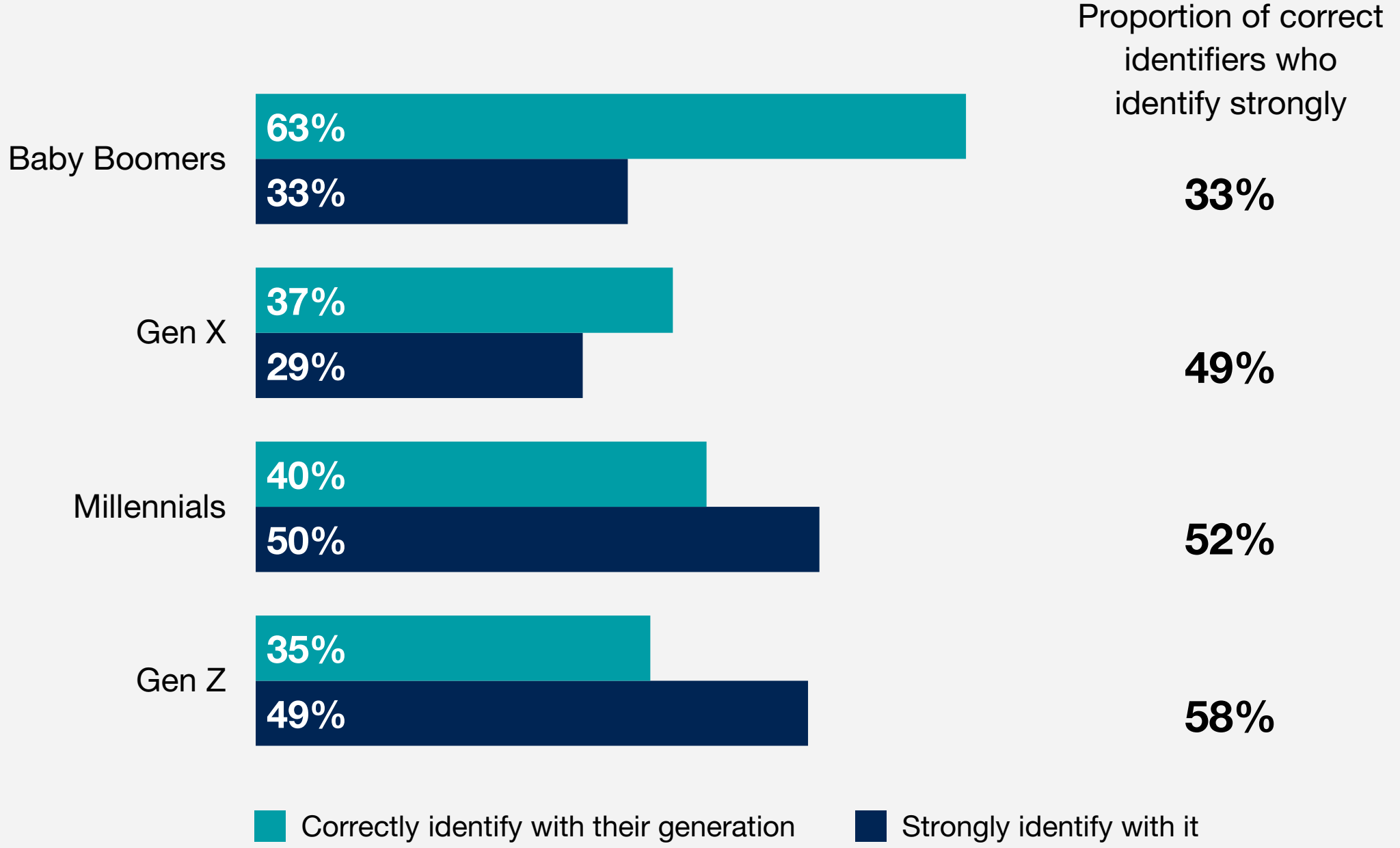
is felt more strongly, but by a smaller subset of people that age.

**Gen Z and Millennials are less likely to place themselves in their correct cohort.** Four in ten Millennials and just over a third of Gen Z knew their generational place. Yet their sense of generational identity was stronger, with half of both cohorts saying they identified strongly or fairly strongly with their group, (rising to almost six in ten among self-aware Gen Z).

By contrast, Baby Boomers had the highest self-awareness, but weaker identification. Almost two thirds of Boomers knew they were part of this generation, but just a third felt a strong identification with the label. Gen X fell between the two, with lower awareness and a weaker sense of identity (although the small group of self-aware Gen X show a much higher level of identification).

**Fig. 9 – But while Gen Z and Millennials have lower awareness, they have stronger group cohesion**

Which of these generational groups do you think you personally belong in?  
How strongly, if at all, do you identify with being a member of this generation?



Source: Ipsos  
Base: 2,246 Online British adults aged 16-75, 21st-22nd September 2022

### So what?

Our data suggests that generational cohorts are a well-known approach to segmenting the public; use of these terms is common in conversation in the UK and people's views are informed by the common stereotypes that exist about younger people (delicate, self-centred), those in middle age (work-focussed) and older people (influential and recipients of state support). What is perhaps most surprising is that all generations are viewed favourably overall by society: despite common complaints in the media about 'snowflake' young people, and the exasperation with older people summed up in phrases such as "Okay, Boomer", the data suggests that these labels do not promote more harm than good.

However, self-identification and strength of feeling are weaker. While Baby Boomers are the most aware of their place in the generational ladder, the extent to which they identify as a Boomer is low. For other generations,

cohort identity is held strongly, but by a smaller slice of the overall population (especially for Gen X).

This tells us that an approach that uses generational labels to address people as consumers holds some merit. People will recognise most of the terms and may also have some idea about what is meant by each label. But what cannot be assumed is that consumers themselves will identify as a member of their cohort, or share the characteristics ascribed to each. Baby Boomers will have the greatest sense of being part of a wider cohort of people but are unlikely to see this as a key part of their identity. And among younger groups, an approach based on exciting generational identity will resonate with only a subsection of the overall target.

**“ An approach that uses generational labels to address people as consumers holds some merit ”**



# THE GEN Z APPROACH TO MONEY



## Chapter 3

## The Gen Z approach to money

### At a glance

In finance we see one of the biggest differences between Gen Z and Millennials: the amount of influence this area has on how the generation is perceived. We explored earlier that key associations with Gen Z are tied to stereotypes around ease to offence and work; and while financial insecurity was another key feature, new research in this chapter shows that this perception is shared with the Millennials' current view. Perhaps as a result, **we find that Gen Z are less likely to consider themselves low income than Millennials, and at a younger age** – although they are still the cohort most likely to see themselves as low income.

Data from Ipsos' Financial Research Survey (FRS), one of the largest and longest running financial

surveys, supports this perspective: it places Gen Z's household income closer to the average, compared with Millennial households at a similar point in their lives. While average household incomes are always highest among the middle-aged and lower among younger and older people, compared with Gen Z, **Millennial incomes were notably lower than average in the years before 2008.**

**However, we also see clear similarities: Gen Z are, like Millennials, far less likely to hold mortgages at a younger age.** Yet the most striking finding is about the Baby Boomer generation, of whom just 13% are still paying for a house.

**Whatever the future looks like, Gen Z are likely to face it with a pension.** In one of the clearest examples of a period effect, both Millennials and Gen Z are far more likely to be enrolled in a personal pension than Gen X were at a similar age (due to the UK

**“ Gen Z are, like Millennials, far less likely to hold mortgages at a younger age ”**

Government's auto-enrolment policy). Indeed, a third of Gen Z already have a pension at the tender age of 26.

**On financial values, Gen Z seem slightly more reticent to the idea of borrowing than Millennials.**

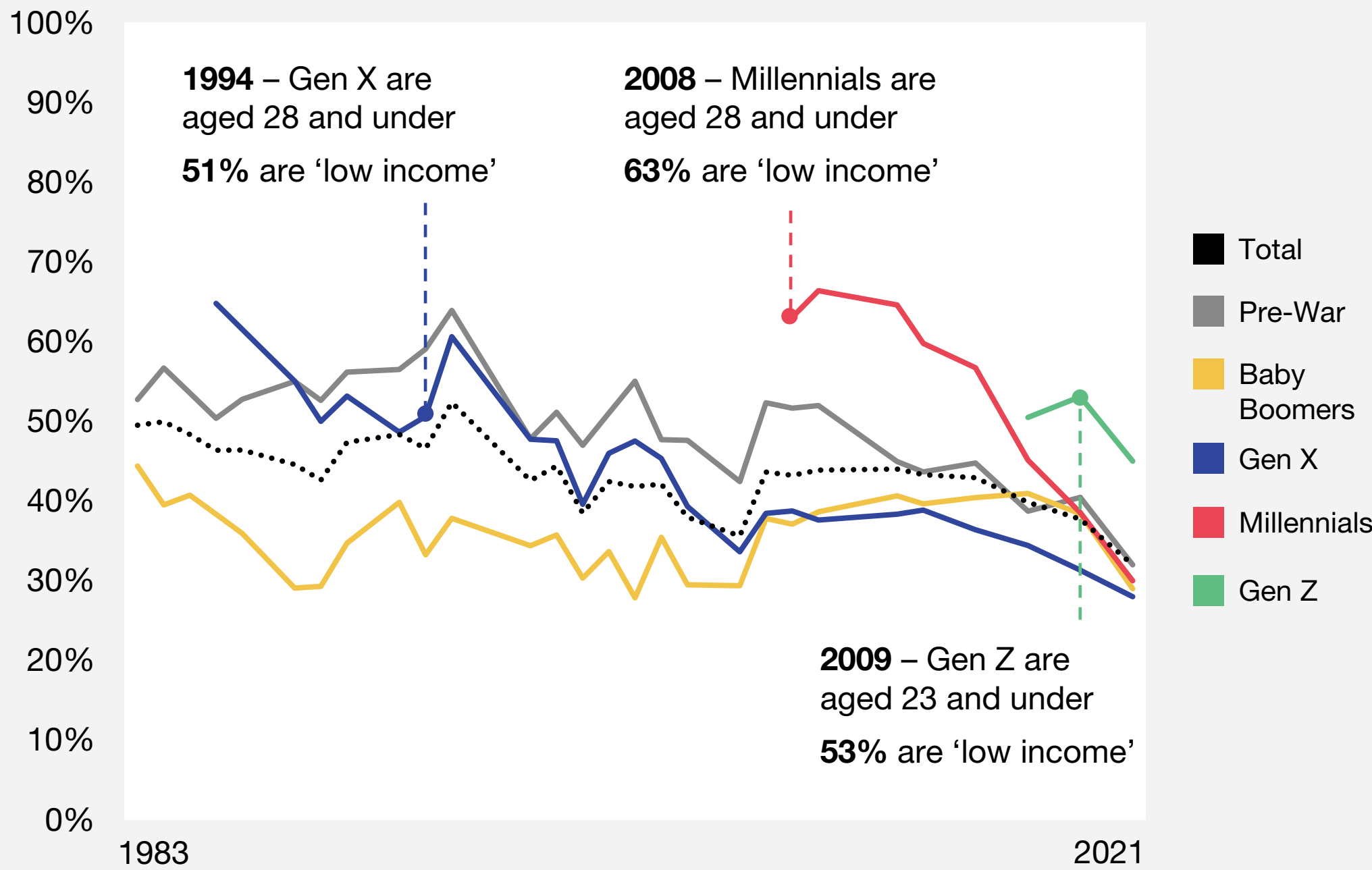
Rates of savings are somewhat higher among the younger generation and attitudes are slightly more anti-borrowing.

However, this must be balanced with **their behaviour, which shows little difference with Millennials.** Both generations are also notably similar on credit card use and multiple current account holding behaviours.

**Fig. 10 – Gen Z are feeling (slightly) less out of pocket than Millennials were, at a younger age**

Among which group would you place yourself in terms of income?

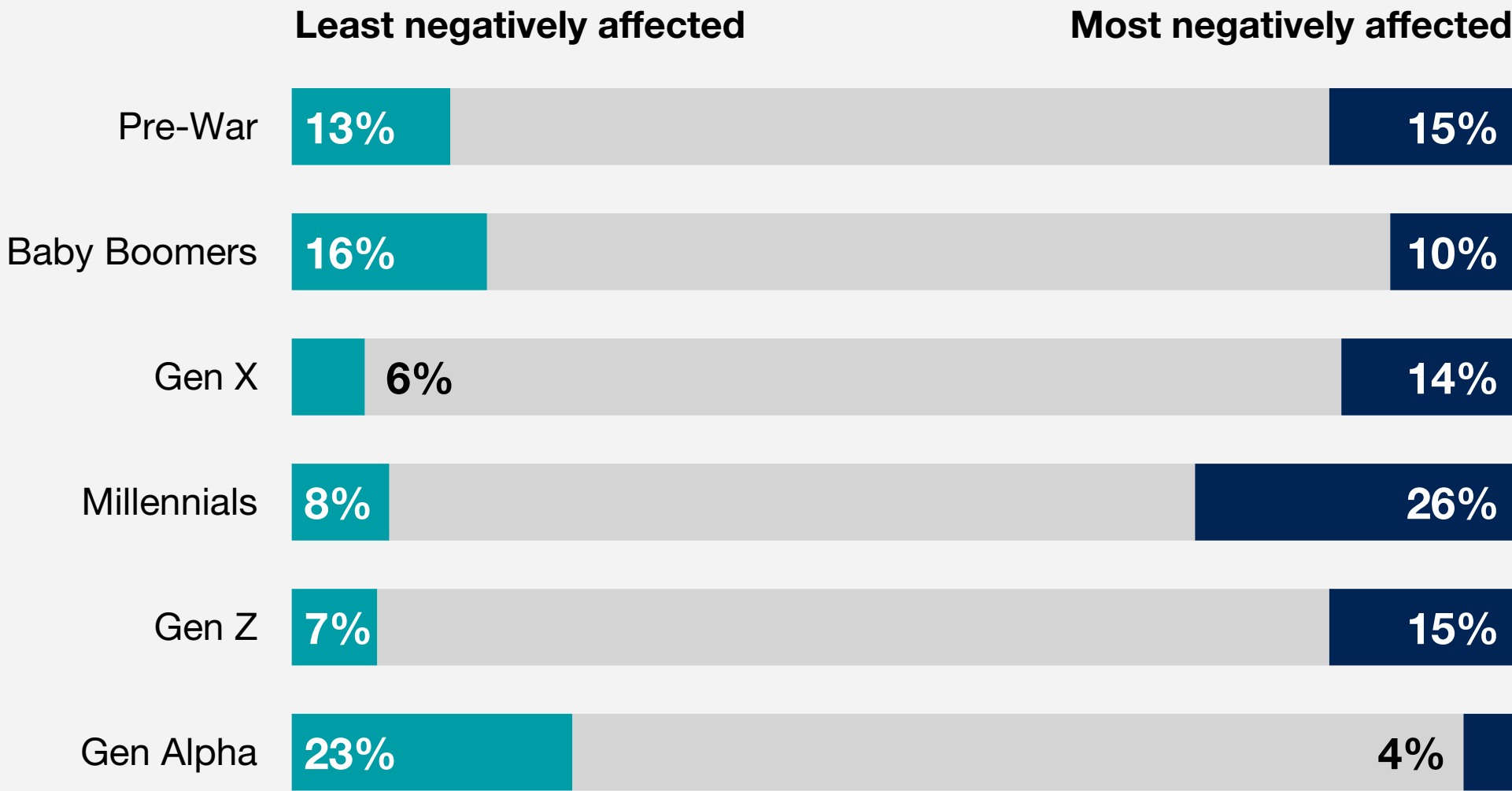
% low income



Source: © Copyright National Centre for Social Research 1986-2020  
Source 2021: Ipsos KnowledgePanel UK. 5,169 UK adults aged 18+, interviewed online, 16-22 September 2021  
Base: c.3,000 adults per year. Each data point represents >150 participants

**Fig. 11 – Millennials’ hard-up reputation continues**

Which generation is most/least negatively affected by rising costs of living?



Source: Ipsos  
Base: 2,246 Online British adults aged 16-75, 21st-22nd September 2022

Millennials are seen as being the most negatively affected by rising cost of living pressures by quite some distance: 26% of the population say this is the case, far ahead of Gen Z and the Pre-War generation on 15%.

This includes 38% of Millennials themselves, while Generations X and Z are both as likely to see Millennials as being the most negatively affected as they are to vote for their own generation.

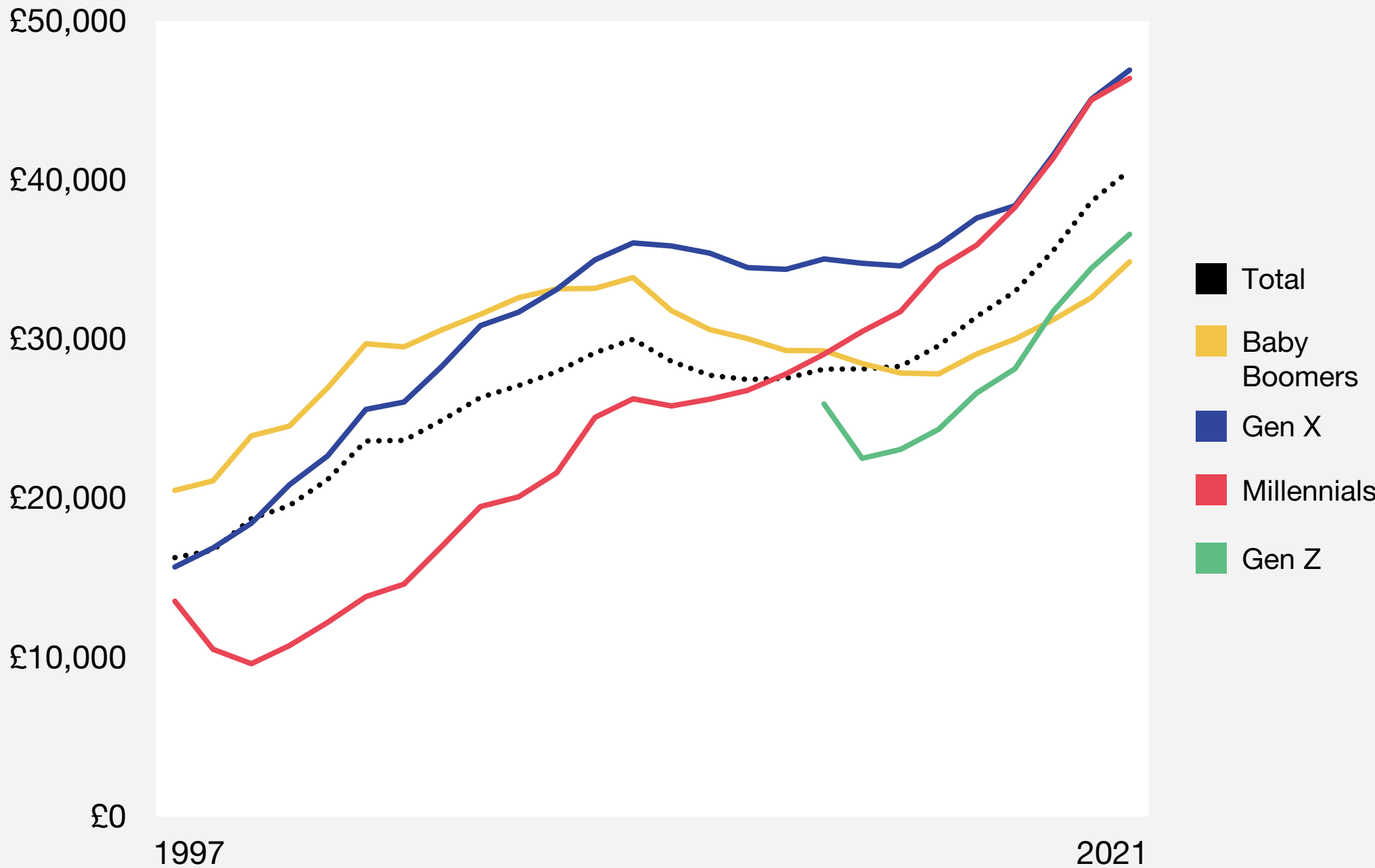
There may be truth to this perception: many Millennials will be facing the rising cost of living with young children and large mortgages. But their careers and income are likely to be better established and higher than those of Generation Z.

**Gen Z may have a different path to Millennials on household income.** Data from our Financial Research Survey (FRS) on imputed average household incomes shows the core lifecycle effect at play: those in middle age earn most. Gen X replaced Baby Boomers as the highest-earning in the mid-2000s, and they are on the cusp of being replaced by Millennials.

It also shows a clear period effect of flat incomes from after the 2008 recession until the second half of the 2010s for Gen X – while Millennials were able to maintain some upwards progress. The impact of the pandemic years (rising wages, furlough) also feeds through by increasing average incomes.

**Fig. 12 – Financial Research Survey data sheds further light on these perceptions**

Imputed average household income (unadjusted)



**Source:** Ipsos UK Financial Research Survey (FRS)  
**Base:** Representative sample of c.60,000 GB adults aged 16+ per year  
**NB:** Methodological change due to Covid-19 (Online only weighting applied from Sep 2020 onwards)

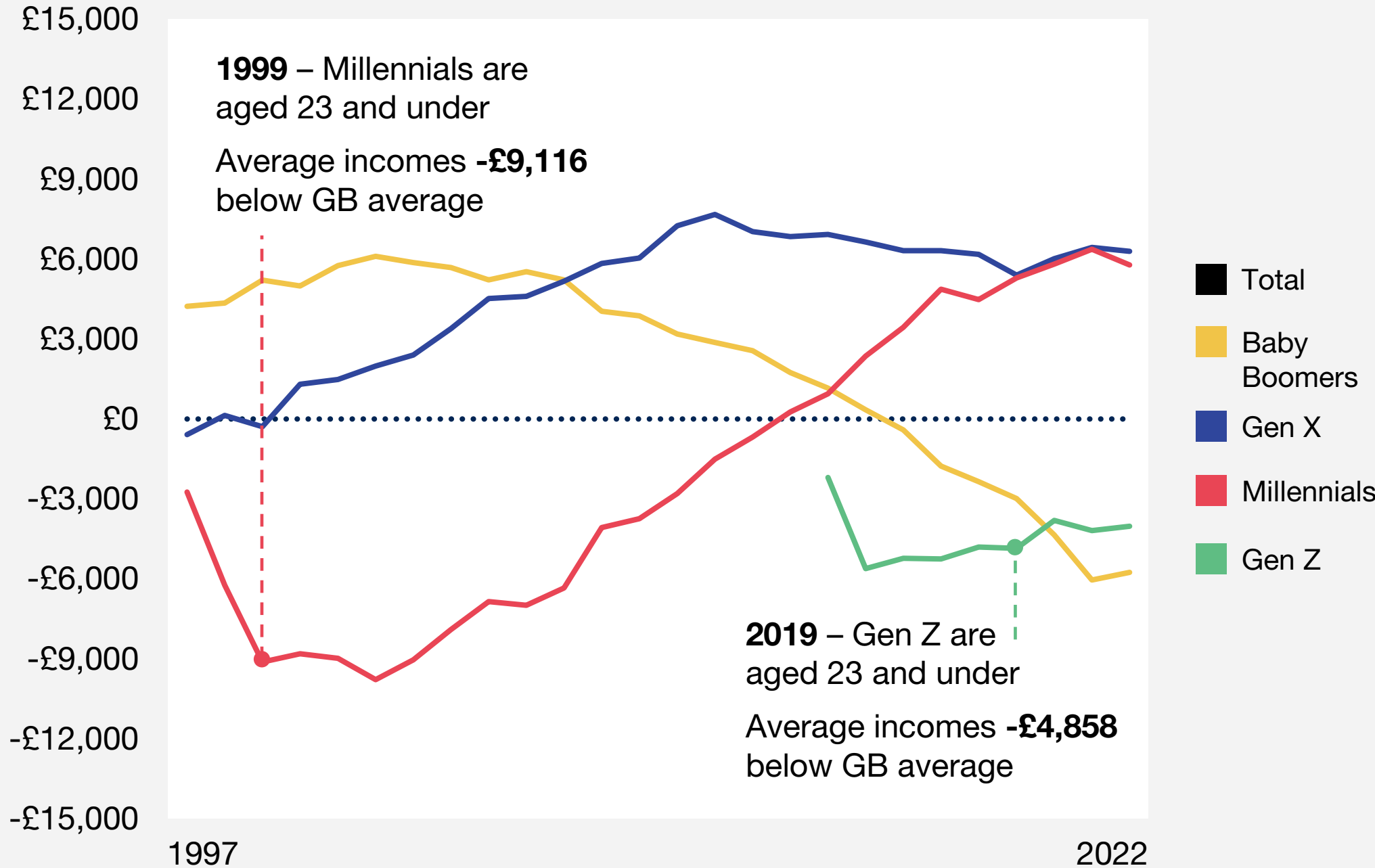


However, generational differences are more noticeable looking at the distance each generation is from the average in each year (see figure 13): this reveals that **in the early 2000s Millennial households were much poorer relative to the average, compared with Gen Z households in the past few years.** Incomes started rising in 2002 and rose continuously for 15 years, but, there was a great deal of distance to cover.

Gen Z start as the poorest generation, like any other, but their relative position appears stronger compared with Millennials at a similar age.

**Fig. 13 – Generation Z household incomes appear closer to the national average than Millennials at a comparable age**

Imputed average household income by generation, distance from average (unadjusted figures)



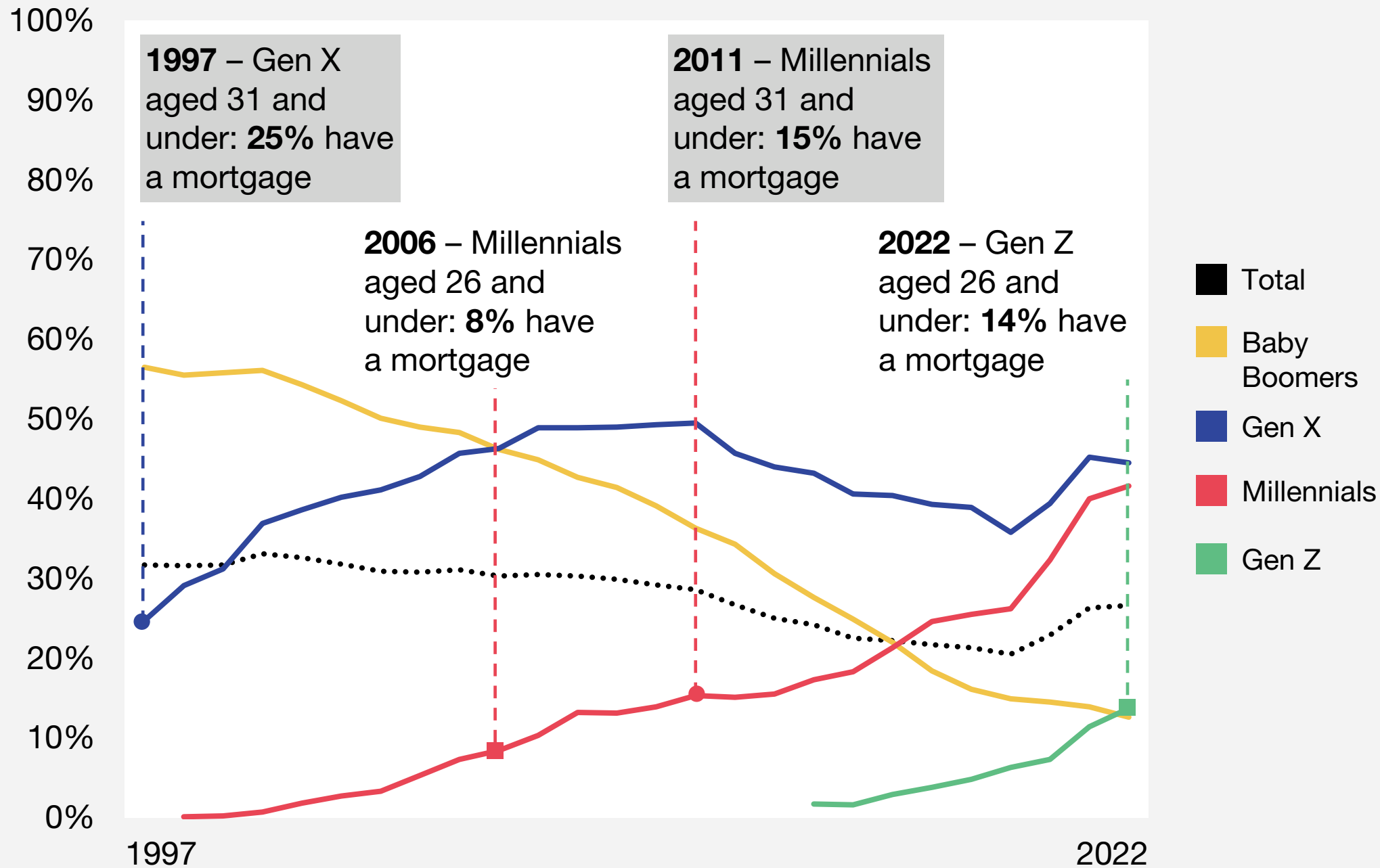
Source: Ipsos UK Financial Research Survey (FRS)  
 Base: Representative sample of c.60,000 GB adults aged 16+ per year  
 NB: Methodological change due to Covid-19 (Online only weighting applied from Sep 2020 onwards)

**Home ownership is an area of similarity between Gen Z and Millennials. In 2022, Generation Z are as likely to have a mortgage as Baby Boomers.** This is a statement about the extent to which the Boomer generation have become owner-occupiers, rather than a rash of home ownership among the young. In 2000, close to six in ten Baby Boomers had a home loan – over the past two decades this has gently declined to 13% in 2022. As a corollary of home ownership this data gives new insight into which generations are currently paying for their home.

**Mortgage-holding has grown less common among younger generations.** This reconfirms the well-known fact that home ownership in the UK has fallen among younger generations. For instance, in 1997, when the oldest Gen X were 31, a quarter of that generation had a mortgage. By 2011, when Millennials first reached the same age, just 15% had a mortgage. As mortgages are long-term liabilities, the peak of repayments also gives

**Fig. 14 – Mortgage holding falls with each generation: but a slight pandemic spike for Gen Z**

% have a mortgage



Source: Ipsos UK Financial Research Survey (FRS)  
 Base: Representative sample of c.60,000 GB adults aged 16+ per year  
 NB: Methodological change due to Covid-19 (Online only weighting applied from Sep 2020 onwards)

a reliable measure of how many people own their own home: Gen X's peak (50% in 2011) is a little lower than the Baby Boomers (57% in 1997). Millennials have yet to reach their peak, but may not progress much further beyond the 2022 figure of 42%.

**While Generation Z show a similar pattern, mortgage-holding is a little higher:** in 2022 14% of the youngest generation have a mortgage – this compares with just 8% of Millennials in 2006. This may be tied to a period impact of the COVID-19 pandemic, which drove a spurt in home ownership: including a 9-point increase in mortgage-holding among Gen X and also accelerating Millennial home ownership. Generation Z's slight bump in home ownership may also be driven by government policy and the final phase of the era of low interest rates during the pandemic.

“ Gen Z show signs of somewhat different financial values to Millennials – but more similar behaviours ”

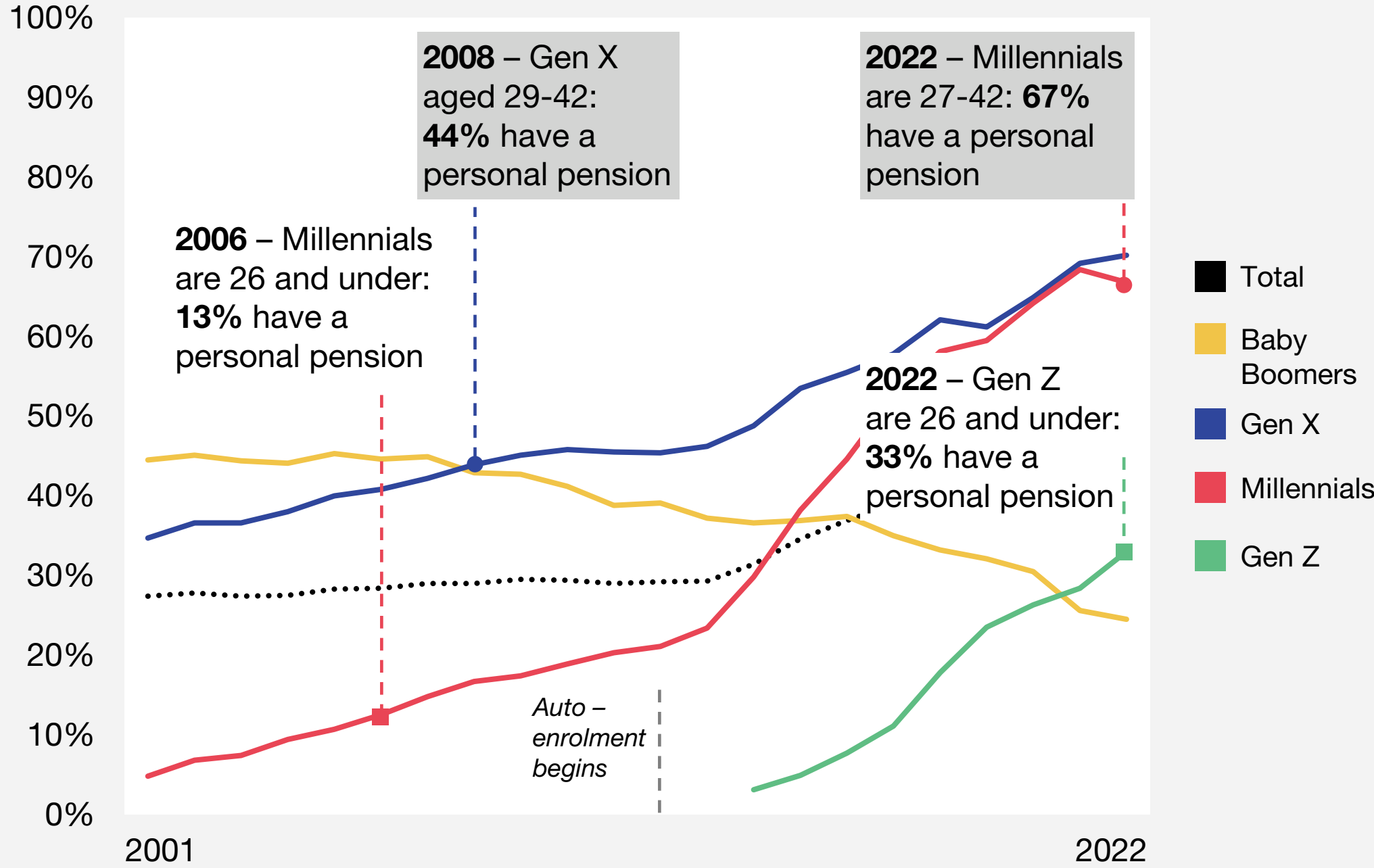
**Policy decisions have made Gen Z and Millennials more likely to hold pensions.** Pension saving rates are a good example of period effects reshaping this cohort’s financial planning. Typically, younger generations are the most hedonistic and least likely to consider their long-term futures – a well-evidenced life stage effect of being young and carefree.

However, our data shows that both Millennials and Gen Z are increasingly likely to have a personal pension. This is unlikely to be due to a change in values and orientation, instead it can be tied to a policy decision to implement pension auto-enrolment.

Since it was implemented in 2012 this policy has driven sign-up rates: among Millennials personal pension holding rose 31 percentage points in the first five years after the policy was implemented.

**Fig. 15 – Personal pension holding rates are much higher among Gen Z and Millennials**

% have a pension (workplace/personal)



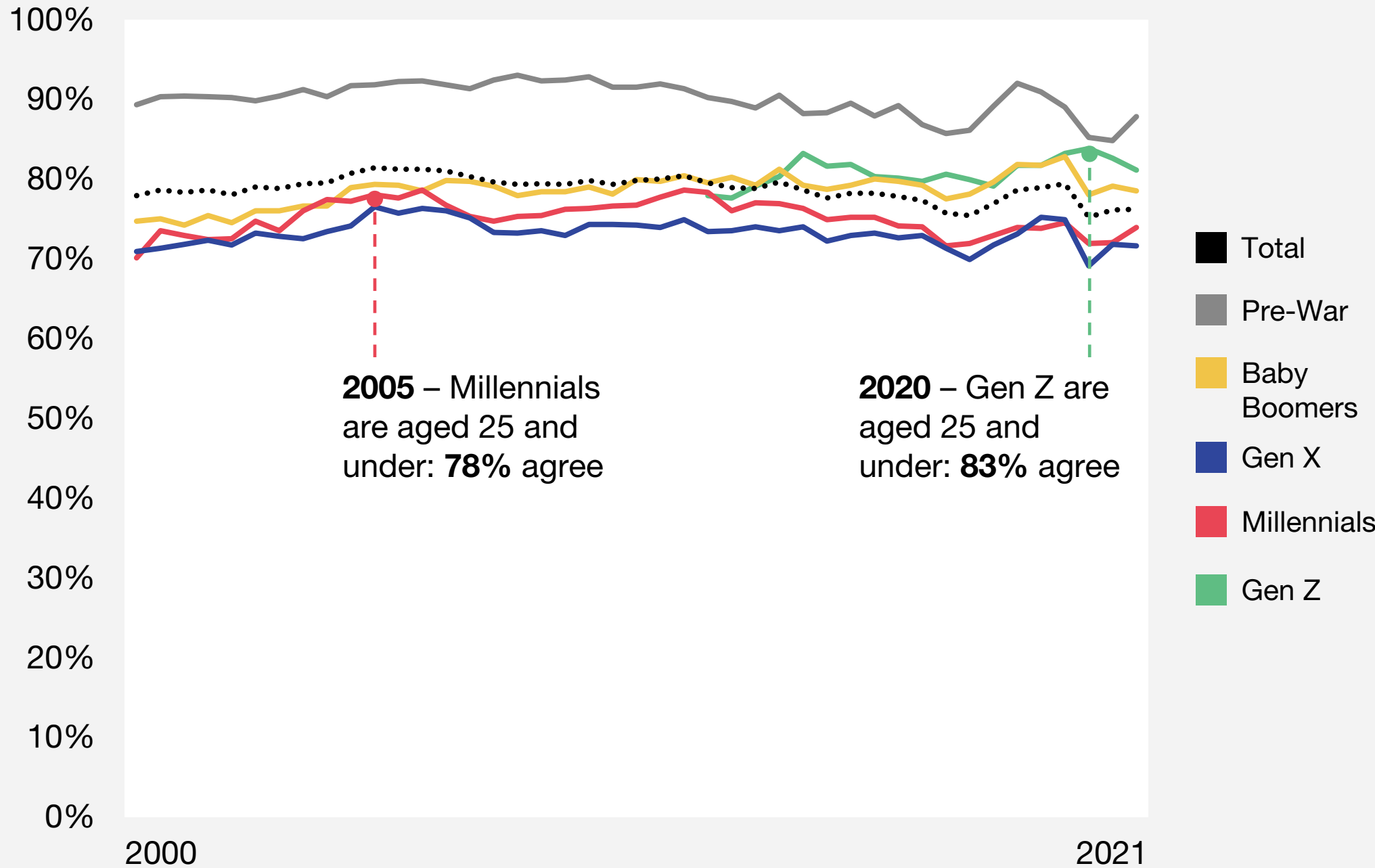
**Source:** Ipsos UK Financial Research Survey (FRS)  
**Base:** Representative sample of c.60,000 GB adults aged 16+ per year  
**NB:** Methodological change due to Covid-19 (Online only weighting applied from Sep 2020 onwards)

By 2022, when the Millennial generation reached 27-42, two thirds held a personal pension. This compares with less than half of Gen X in 2008, when they were a similar age and before the implementation of the policy (although it is worth noting that Gen X pension holding also rose by 17 percentage points from 2012-2018). The comparison with Gen Z is even clearer: in 2022, with the eldest Gen Z a comparatively sprightly 26, already a third of this generation hold a personal pension – compared with 13% of Millennials in 2006, when they were the same age.

While these figures do not tell us how much is being saved (and how well these pensions might support people in later life) it is clear that, whatever financial situations Gen Z face when they are older, they are likely to do so with a pension.

**Fig. 16 – Attitudes to borrowing are similar across generations**

'I hate to borrow – I would much rather save up in advance' % agree



Source: Ipsos UK Financial Research Survey (FRS)  
 Base: Representative sample of c.60,000 GB adults aged 16+ per year  
 NB: Methodological change due to Covid-19 (Online only weighting applied from Sep 2020 onwards)

## Gen Z financial values

### **Gen Z show signs of somewhat different financial values to Millennials – but more similar behaviours.**

Further review of their financial values reinforces this idea of a generation that is incrementally different – although exhibiting very similar behaviours.

The evidence from the Ipsos FRS study shows that Gen Z differ from Millennials on attitudes to saving in that they are slightly more anti-borrowing, as well as having a different mindset on how to save: Gen Z are less likely to say they only save for a specific purpose than Millennials were at the same stage in their lives.

Whether this means Gen Z are more likely to save for a rainy day, or more likely not to save at all is up for debate as the financial behaviours of these generations appear closely aligned:

- Gen Z appear slightly more likely to have savings: half had saved money at age 23, compared with four in ten Millennials
- Yet credit card ownership is following the same trajectory; by 26 a third of both generations had one
- And approaches to credit are similar, with both equally likely to pay their balance in full at age 26 – far above the proportion of Gen X who behaved in this way at the same age in 1999

The generations also match on multiple current account ownership – they are the most likely generations to have three or more current accounts, with this change being driven since 2015.

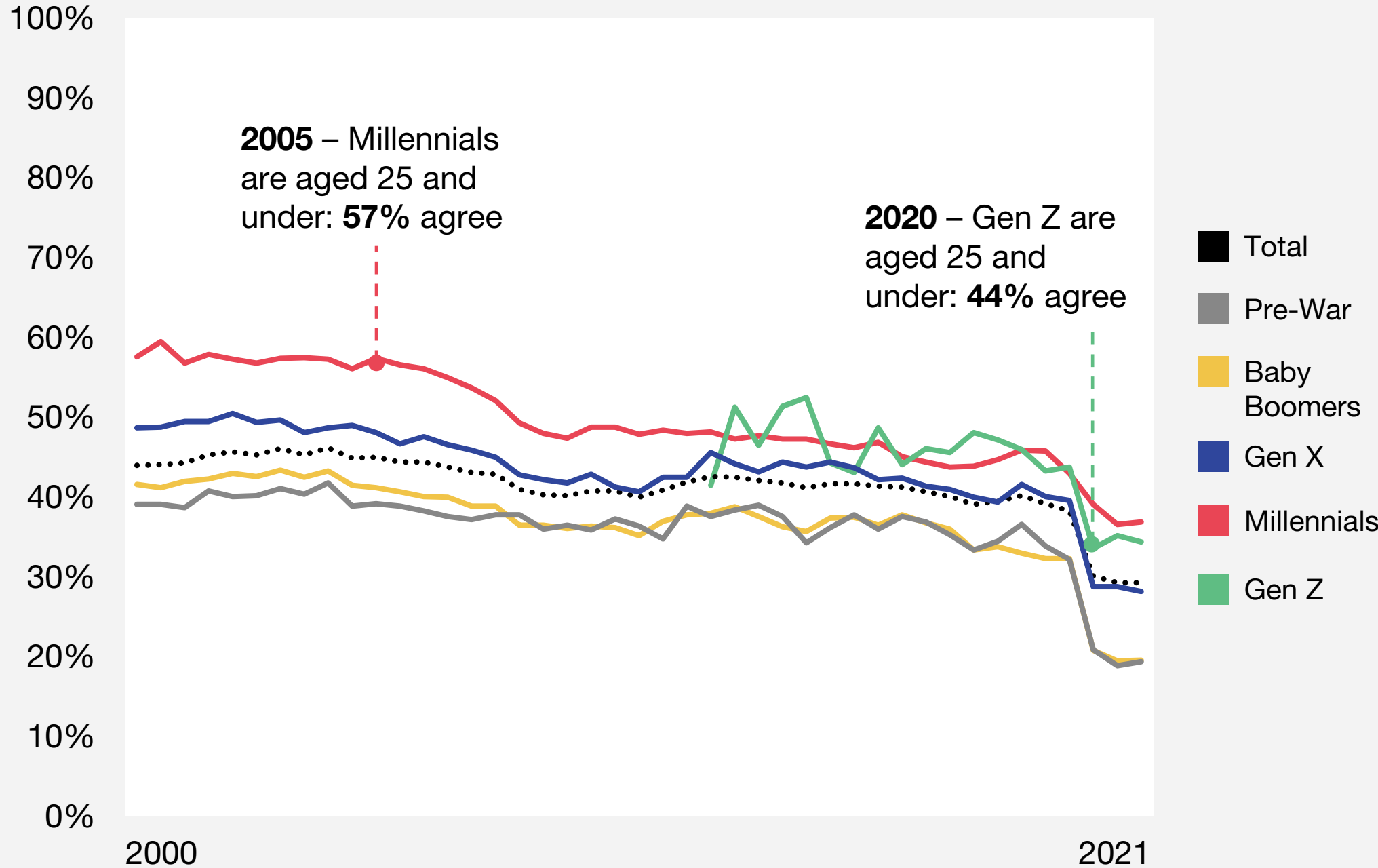
**Most people of all ages have a preference for saving in advance over borrowing, and this preference appears stable over time.** The notable cohort difference is between the Pre-War generation and all subsequent age groups.

There is a slight generational difference: Baby Boomers and Gen Z appear stably above the overall average view on this question, while Millennials and Gen X have long been below. As a result, there is a 7-point difference between Gen Z and Millennials on this question in late 2021, hinting at a minor attitudinal difference.

**Millennials and Gen Z differ in their approach to saving.** When they were aged 25 and under, almost six in ten Millennials said they saved for specific purposes only: a significantly higher level than other generations at the time.

**Fig. 17 – Gen Z have a more savings-oriented mentality**

'I only save for a specific purpose' % agree



**Source:** Ipsos UK Financial Research Survey (FRS)  
**Base:** Representative sample of c.60,000 GB adults aged 16+ per year  
**NB:** Methodological change due to Covid-19 (Online only weighting applied from Sep 2020 onwards)

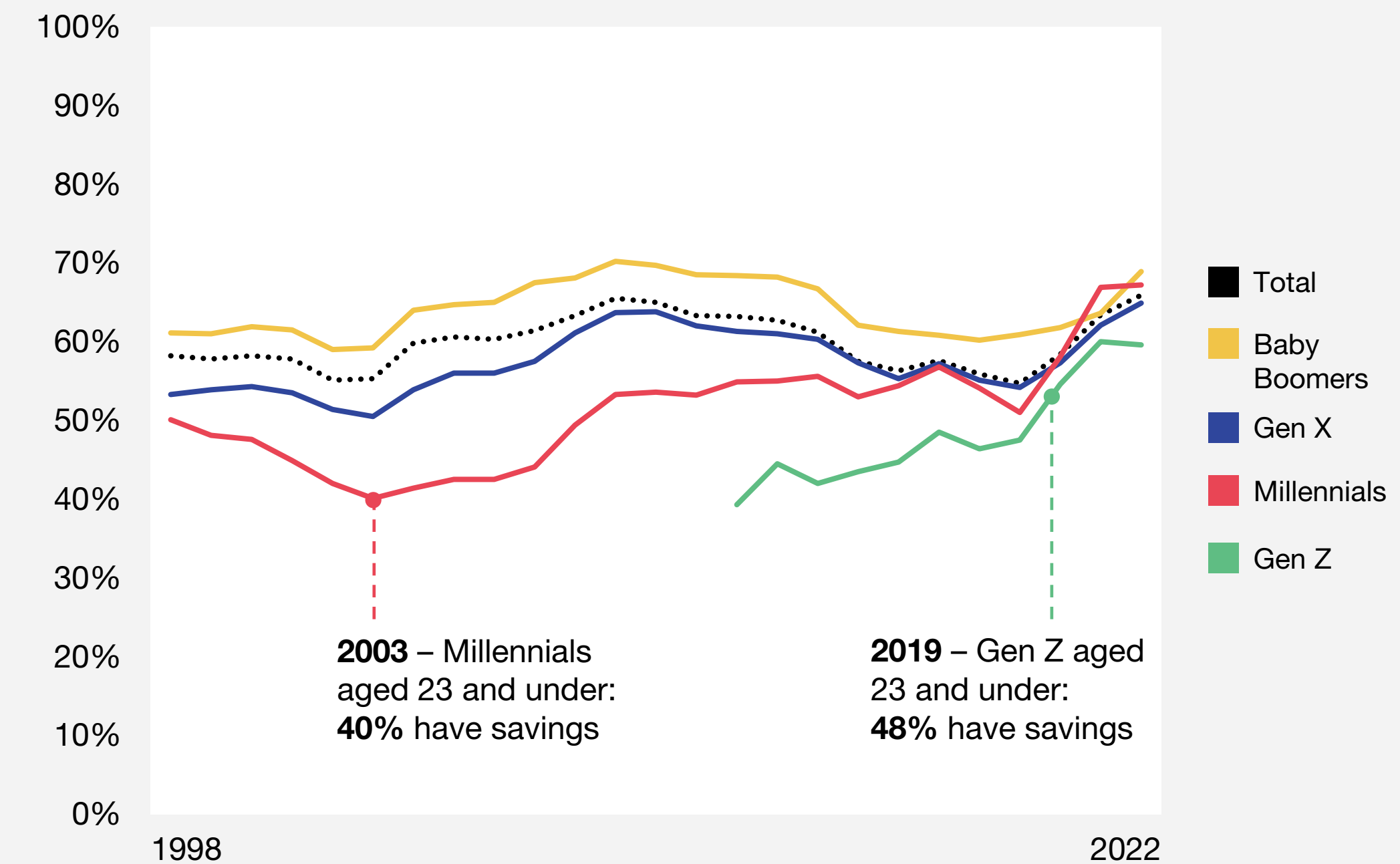
It is also higher than Gen Z immediately ahead of the pandemic; at this point the cohort was the same age, yet just 44% agreed. However, the pandemic has acted as a significant period effect: effecting a decline in this view across all generations (presumably in favour of a 'rainy day' mentality).

**This approach is correlated with a slightly higher likelihood of having savings.** In 2019, almost half of Gen Z reported having some savings, compared with four in ten Millennials in 2003 when they were the same age. The pandemic has acted as a significant period effect, whose impact has increased the proportion of the population with savings across the board. The overall proportion with savings rose from 55% in 2019 to 66% in 2022, and Millennials are now among the most likely to have savings.

Despite slight differences in approaches to saving and borrowing, other metrics of consumer behaviour

**Fig. 18 – Gen Z are somewhat more likely to have savings**

Proportion with savings



Source: Ipsos UK Financial Research Survey (FRS)

Base: Representative sample of c.60,000 GB adults aged 16+ per year

NB: Methodological change due to Covid-19 (Online only weighting applied from Sep 2020 onwards)



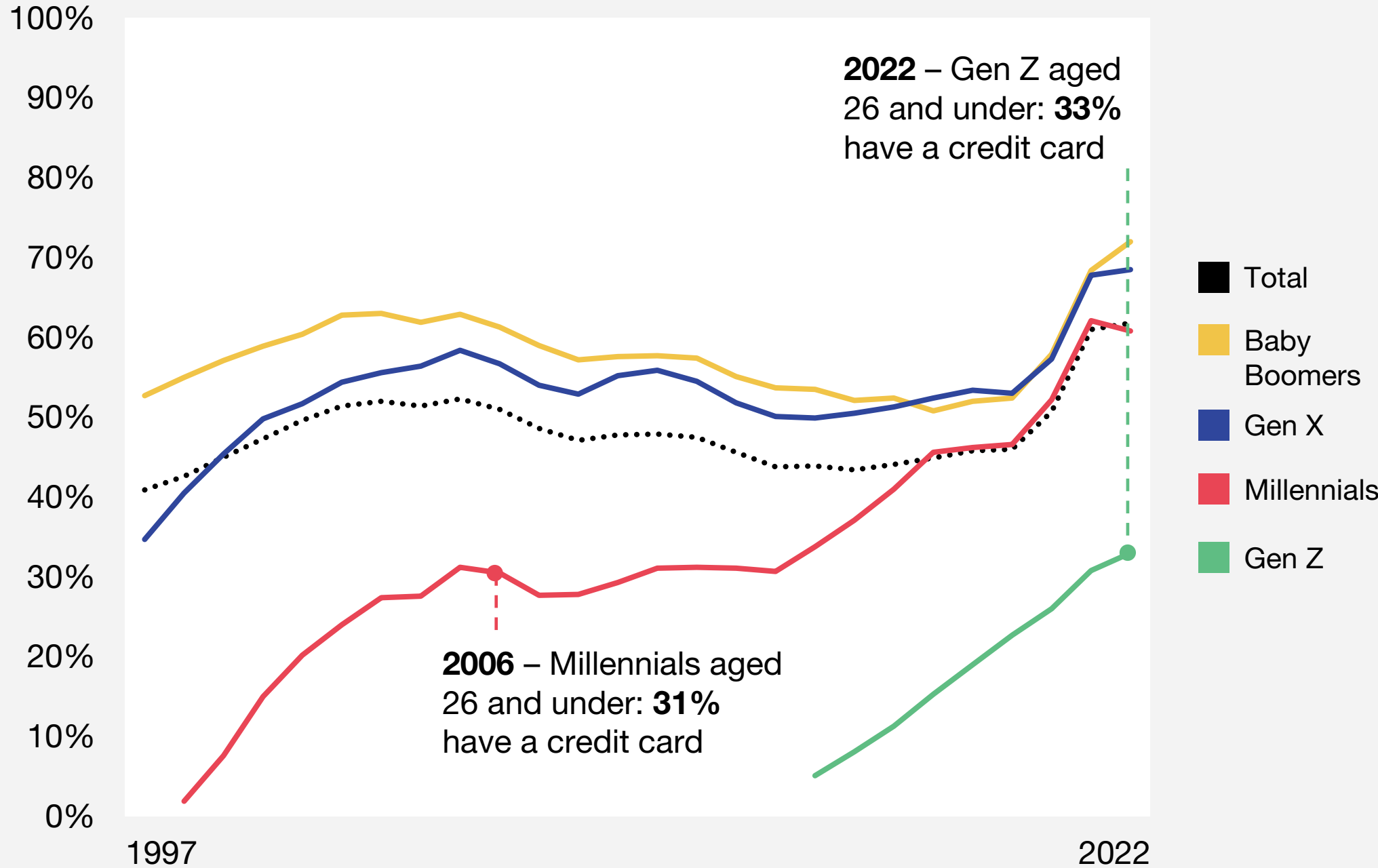
suggest there is less change than we think. Looking to credit card ownership, both Gen Z and Millennials are following a very similar path: by the time both generations reach 26, a third of each has at least one credit card account. The similarities persist overleaf, where we see both generations equally likely to repay credit card debt on time and similar in their use of multiple current accounts.

In addition to being equally likely to use credit cards at a similar age, Millennials and Gen Z show similar approaches to repayments: when each generation was aged 26 and under, four in ten said they repay in full each month. This contrasts strongly with Gen X: in 1999 a third said they did this, compared with half of Millennials in 2015 when they reached the same age.

Another area of similarity is the number of current accounts held. This shift to multiple accounts is too recent to allow true generational analysis, however,

**Fig. 19 – But limited change in behaviour around credit and debt**

Credit card account holding by generation



**Source:** Ipsos UK Financial Research Survey (FRS)  
**Base:** Representative sample of c.60,000 GB adults aged 16+ per year.  
**NB:** Methodological change due to Covid-19 (Online only weighting applied from Sep 2020 onwards)

### Fig. 20 – Gen Z and Millennials: peas in a pod

Credit and bank account behaviours across the generations

#### Proportion who pay their credit card bill in full each month

Millennials in 2015:  
Aged 20-35 **50%**

Millennials in 2006:  
Aged 26 and under **42%**

Gen Z in 2022:  
Aged 26 and under **42%**

Gen X in 1999:  
Aged 20-35 **35%**

#### Proportion with three or more current accounts, 2022

Millennials **30%**

Gen Z **26%**

Gen X **18%**

Baby Boomers **11%**

**Source:** Ipsos UK Financial Research Survey (FRS)  
**Base:** Representative sample of c.60,000 GB adults aged 16+ per year  
**NB:** Methodological change due to Covid-19 (Online only weighting applied from Sep 2020 onwards)

Millennials and Gen Z were similarly likely (and far ahead of older generations) to hold three or more current accounts in 2022.

#### What does it mean?

The biggest financial difference we discern between Millennials and Generation Z is that the latter seem to hold a greater feeling of affluence compared with Millennials when they were the same age. This has implications for their self-image, which will in turn affect their purchasing choices across a range of industries: financial services and luxury goods to name just two.

Our data suggests that Gen Z’s first years as an adult cohort have been an easier ride than that of Millennials around 2008, but, against an unstable economic backdrop there is no guarantee that this will continue. If the economy enters a large recession, this generation could find itself in a similar or worse position to Millennials, which would have long-term impacts on



their earning and saving potential. This opens the door to a greater level of dissatisfaction or disappointment, which governments will need to monitor closely. For companies, it may mean there is a greater opportunity for providing goods and services which help bridge the gap between this generation's aspirations and the reality of what they can afford.

The behavioural data on use of credit cards, savings and pension-holding reveals that despite value-based differences, the financial behaviour of Millennials and Generation Z is actually very similar, with both following the same trajectory on credit card holding – and both far more likely to hold personal pensions as the result of Government intervention. They are also similarly tech-savvy, suggesting that as far as financial services are concerned, there are likely to be more similarities than differences among all adults under 40.



# IS THERE A GEN Z POLITICS?

## Chapter 4

## Is there a Gen Z politics?

### Blair's babies?

Recent generations in the UK line up surprisingly well with changes in the political weather: the Millennial generation begins around the same time as Margaret Thatcher first took office as Prime Minister, and ends in the twilight of John Major's administration. Gen Z starts just ahead of the 1997 New Labour landslide and ends around the time that Gordon Brown lost the 2010 election.

An argument could be made that growing up under different political administrations has affected how these generations view different matters: here we explore the extent that they show differences in politics.

### At a glance

**We find less evidence for a specific Generation Z politics.** In common with all younger people, this generation appears more left-leaning and pro-redistribution – but even this must be caveated.

**Gen Z are more interested in politics than Millennials or Gen X were at a similar age.** It remains the case that the youngest generation are the most disengaged, however, the level of disengagement is lower than comparable cohorts.

**But they live in an environment which is simply more politicised.** Political interest and party affiliation rose generally in the aftermath of the Brexit referendum and General Elections of the second half of the 2010s.

**Gen Z and Millennials are party political kindred spirits.** Both are similarly closer to the Labour party

“Gen Z are a more politically engaged generation, at least compared with previous generations when they were also in their twenties”

and further from the Conservatives, obeying the age-based logic of UK politics.

**We see nuances in attitudes to redistribution, welfare, and the role of government.** Gen Z are least likely to want to increase taxes to pay for more spending on health, education, and social benefits – yet they are the most likely to agree that government should redistribute income from the rich to the poor.

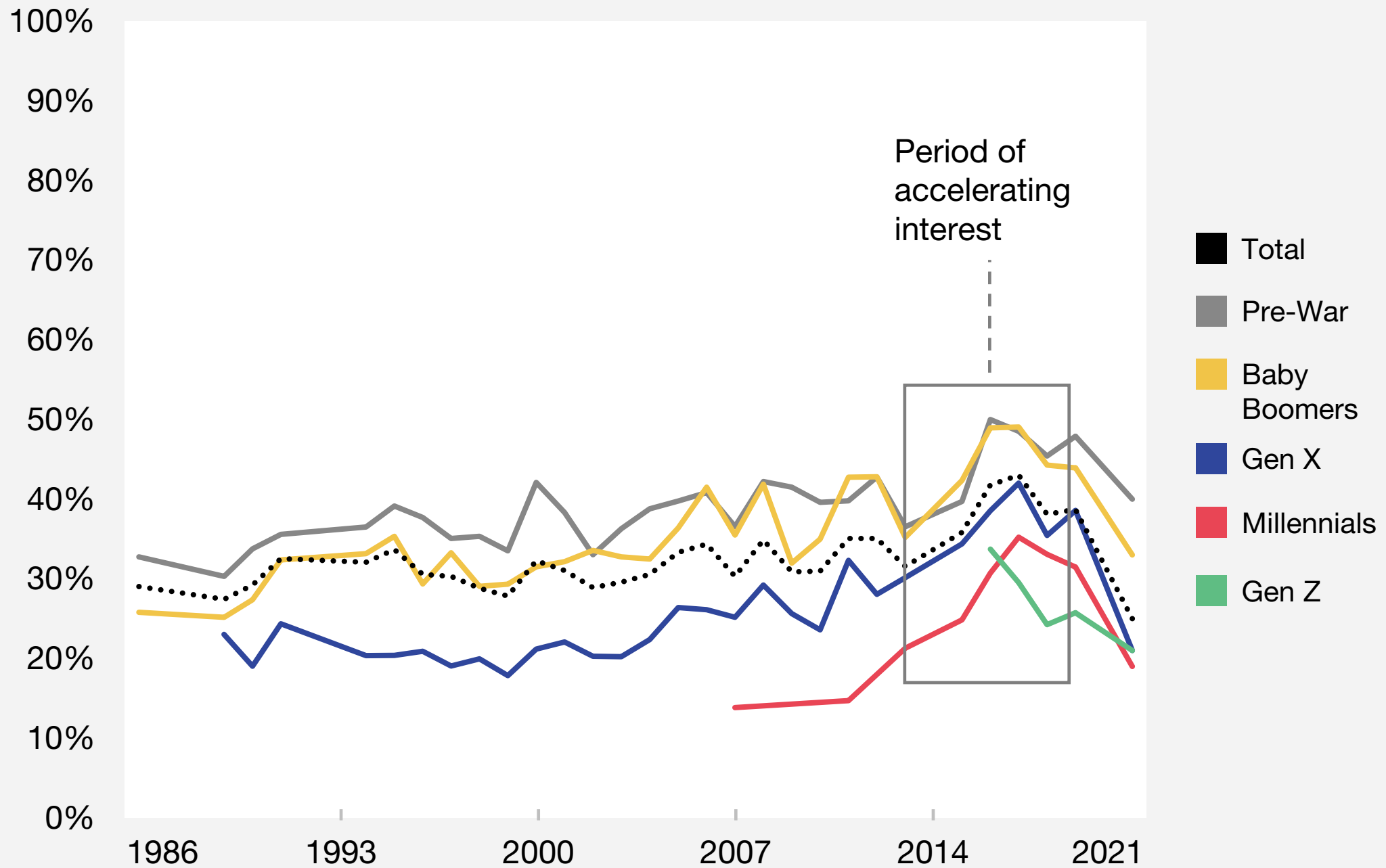
**Gen Z appear notably more pro-welfare than Millennials.** They are closest to Boomers on agreeing the government should spend more on welfare benefits for the poor, even if it means higher taxes – and far from Millennials.

**Are Gen Z the activist generation?**

It is often said that Gen Z are an activist generation who will overturn existing politics. But this assertion runs into one of the longest-established life stage

**Fig. 21 – As ever, older generations are more interested in politics than younger ones...**

How much interest do you generally have in what is going on in politics?  
% a great deal



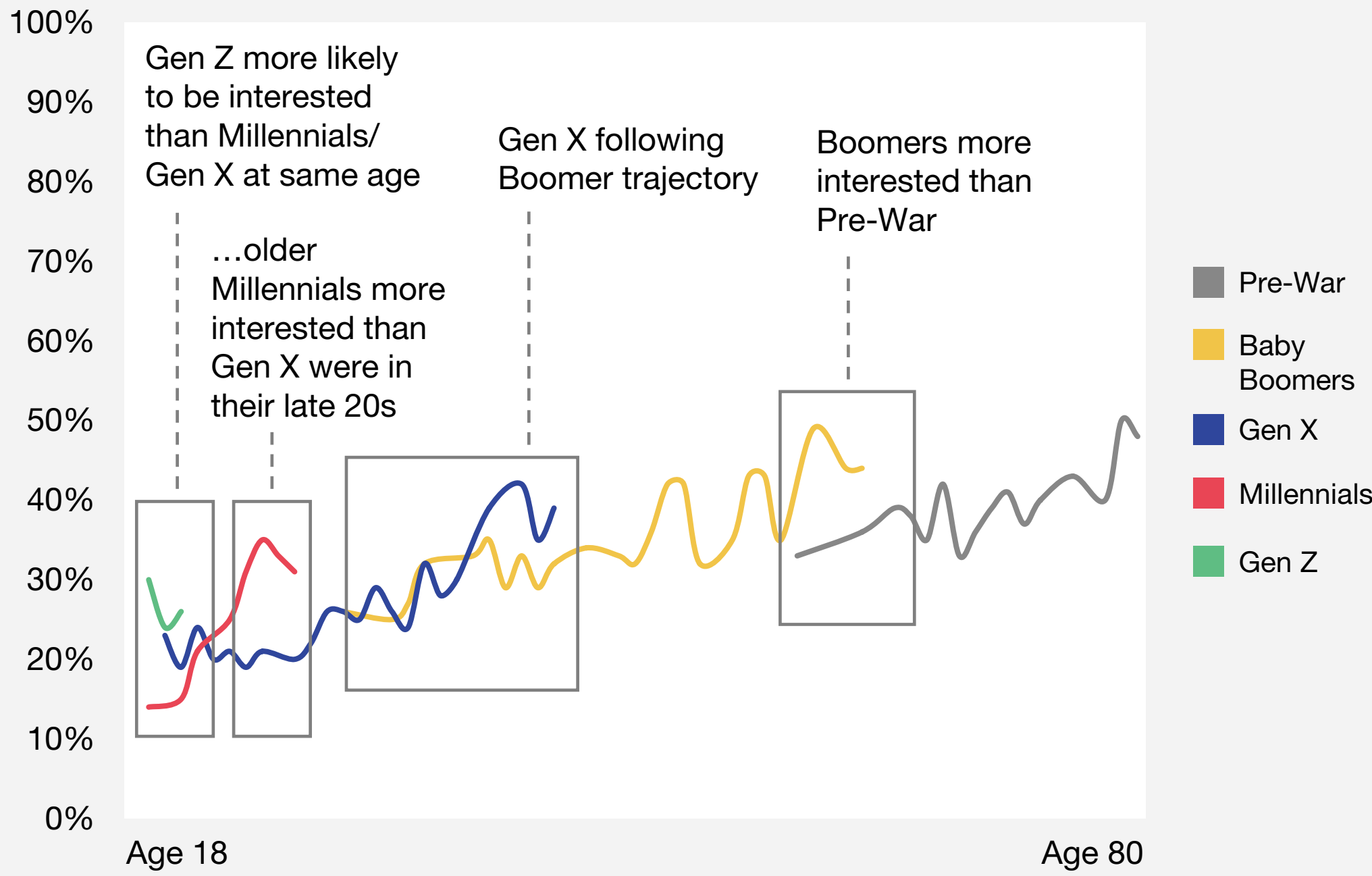
Source: © Copyright National Centre for Social Research 1986-2020  
Source 2021: Ipsos KnowledgePanel UK. 5,169 UK adults aged 18+, interviewed online, 16-22 September 2021  
Base: c.3,000 adults per year. Each data point represents >150 participants

effects in politics: younger people are always less engaged in politics than older people. Analysis of Nat Gen’s long-running British Social Attitudes survey shows this at work: between 1983 and 2010, the proportion of each cohort with a great deal of interest in politics stays level, with the generations ranking in order of age. But we see a strong period effect in the 2010s, which played host to referendums on the Alternative Vote, Scottish Independence and Brexit, as well as four General Elections. Political interest among all generations has risen in more recent years, particularly in the second half of the decade.

The overall effect of these forces is a partial reversal of the trend for younger generations to be less interested in politics: where we are able to compare the cohorts when they were at the same age, Baby Boomers are more likely to have a great deal of interest in politics than the Pre-War generation at a similar age, Millennials have more interest than Gen X, Gen Z are more

**Fig. 22 – ...but younger generations today are more interested in politics than those who went before**

How much interest do you generally have in what is going on in politics?  
 % interested by average generation age



Source: © Copyright National Centre for Social Research 1983-2020  
 Base: c.3,000 adults per year. Each data point represents >150 participants

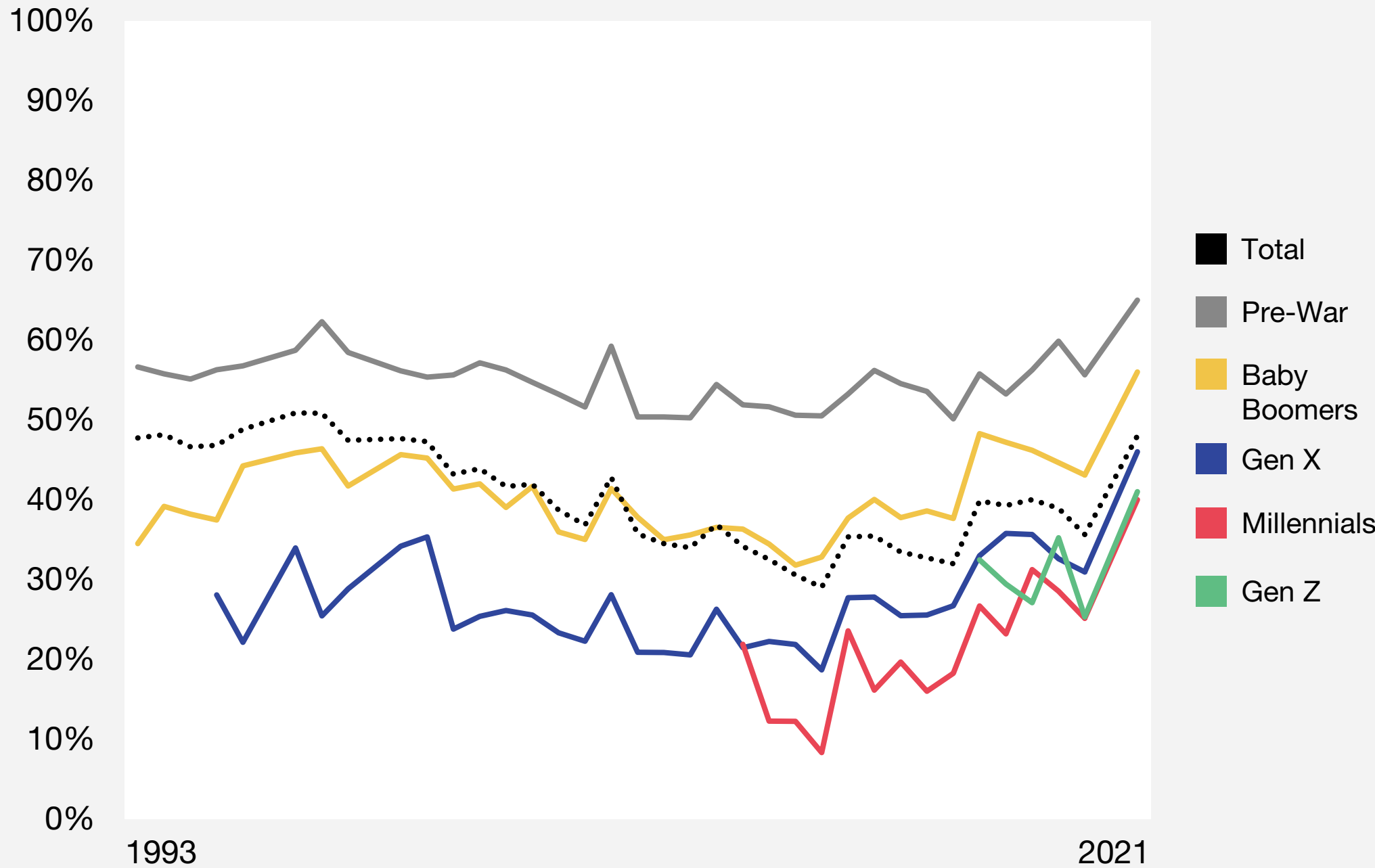
interested when we compare with Millennials. Gen X are the odd ones out here, closely following the level of political interest displayed by Baby Boomers when they were the same age.

The data, therefore, supports the statement that Gen Z are a more politically engaged generation, at least compared with previous generations when they were also in their twenties.

However, the context to this finding is important: all generations have become more engaged, likely as a result of the UK's politically tumultuous decade. Despite Gen Z's rising interest, they remain among the least political generations in Britain. As far as political interest is concerned, period and lifecycle effects are more likely to explain the patterns we see than a cohort effect of a more politicised youth.

**Fig. 23 – Gen Z remain among the biggest party poopers**

Generally speaking, do you think of yourself as a supporter of any one political party? % yes



Source: © Copyright National Centre for Social Research  
Source 2021: Ipsos KnowledgePanel UK. 5,169 UK adults aged 18+, interviewed online, 16-22 September 2021  
Base: c.3,000 adults per year. Each data point represents >150 participants



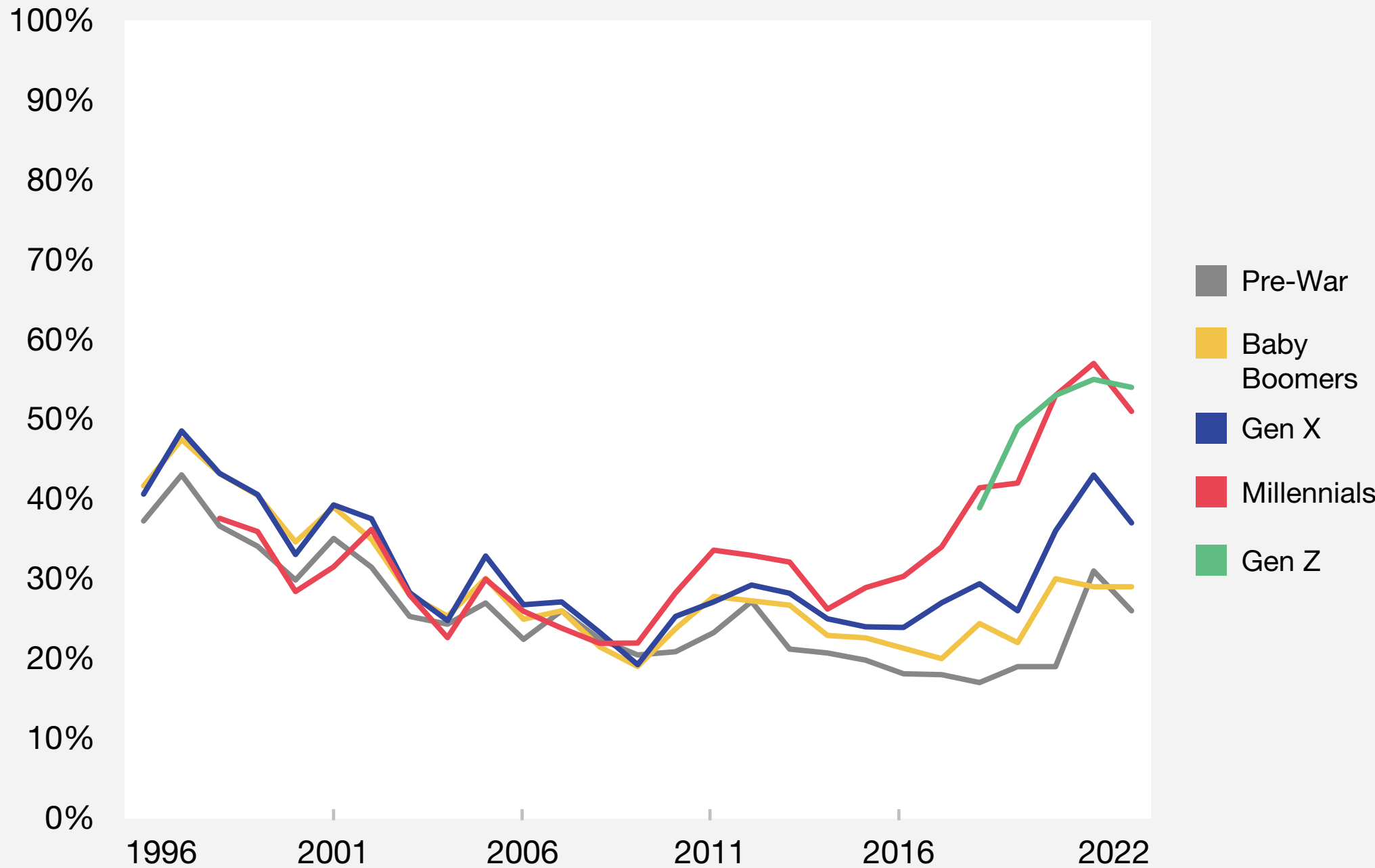
In addition to rising political engagement, there is evidence to suggest that support of political parties has been rising.

Gen Z remain among the least likely generation to say they feel close to any political party and despite affiliation rising across the board, younger generations remain the least likely to profess an identification.

However, when we compare with the late 2000s, all generations bar the Pre-War cohort have shown a notable increase and the generational lines on this question have also thinned, suggesting that the decline of party identification has been arrested over the last half decade. Voting patterns are driven by age, not generation. Age has long been an important factor in voting patterns: a quote to the effect that “Anyone who is not a liberal at twenty does not have a heart; anyone who is not a conservative at 35 doesn’t have a brain” has been attributed to various political thinkers since the nineteenth century.<sup>10</sup>

**Fig. 24 – Younger generations are now more likely to support Labour – but Gen Z are no different to Millennials**

How do you intend to vote in the General Election? Will you vote...  
% would vote Labour



Source: Ipsos Political Monitor aggregates

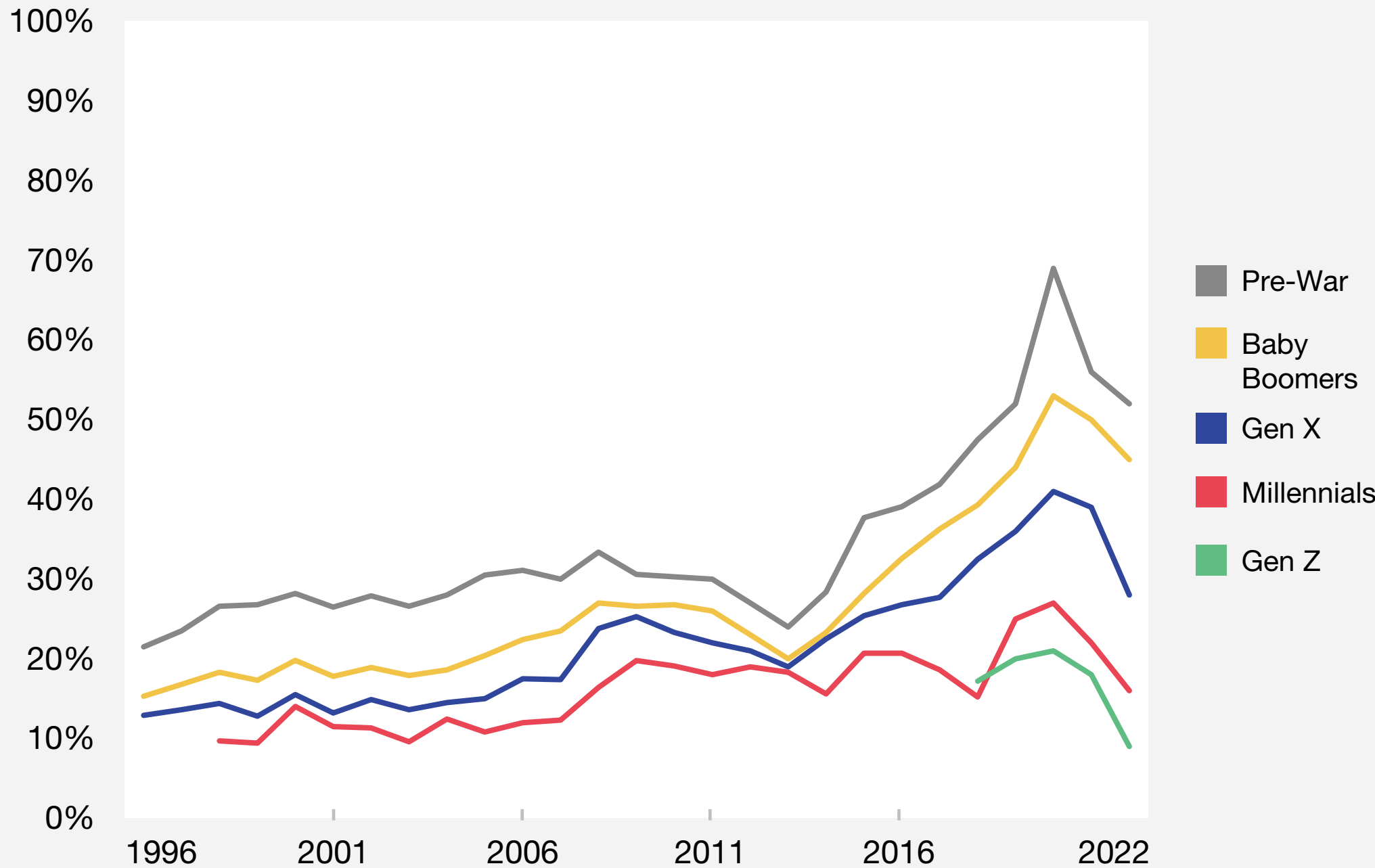
In the UK this relationship has become axiomatic, with recent general election voting split more strongly by age than by education, social class, or any other factor.

Generational analysis of Ipsos Political Monitor data confirms this. Before 2010, age stratification in voting was limited. In fact, at the 2010 election, David Cameron's Conservative Party garnered the same proportion of 18-24 votes as Gordon Brown's Labour Party, at around 30% apiece.<sup>11</sup> There was a gentle age pattern to Conservative support, with older voters more likely to vote for the party. For Labour by comparison, there was little in the way of generational (or age-related) patterns to voting intention.

However, since then wide gaps have opened: by 2021 there was a 38-point gap on likelihood to vote Conservative between the oldest and youngest cohorts, and a gap of 28 points for Labour voting.

**Fig. 25 – While Conservative age stratification has widened, there is only a small gap between Gen Z and Millennials**

How do you intend to vote in the General Election? Will you vote...  
% would vote Conservative



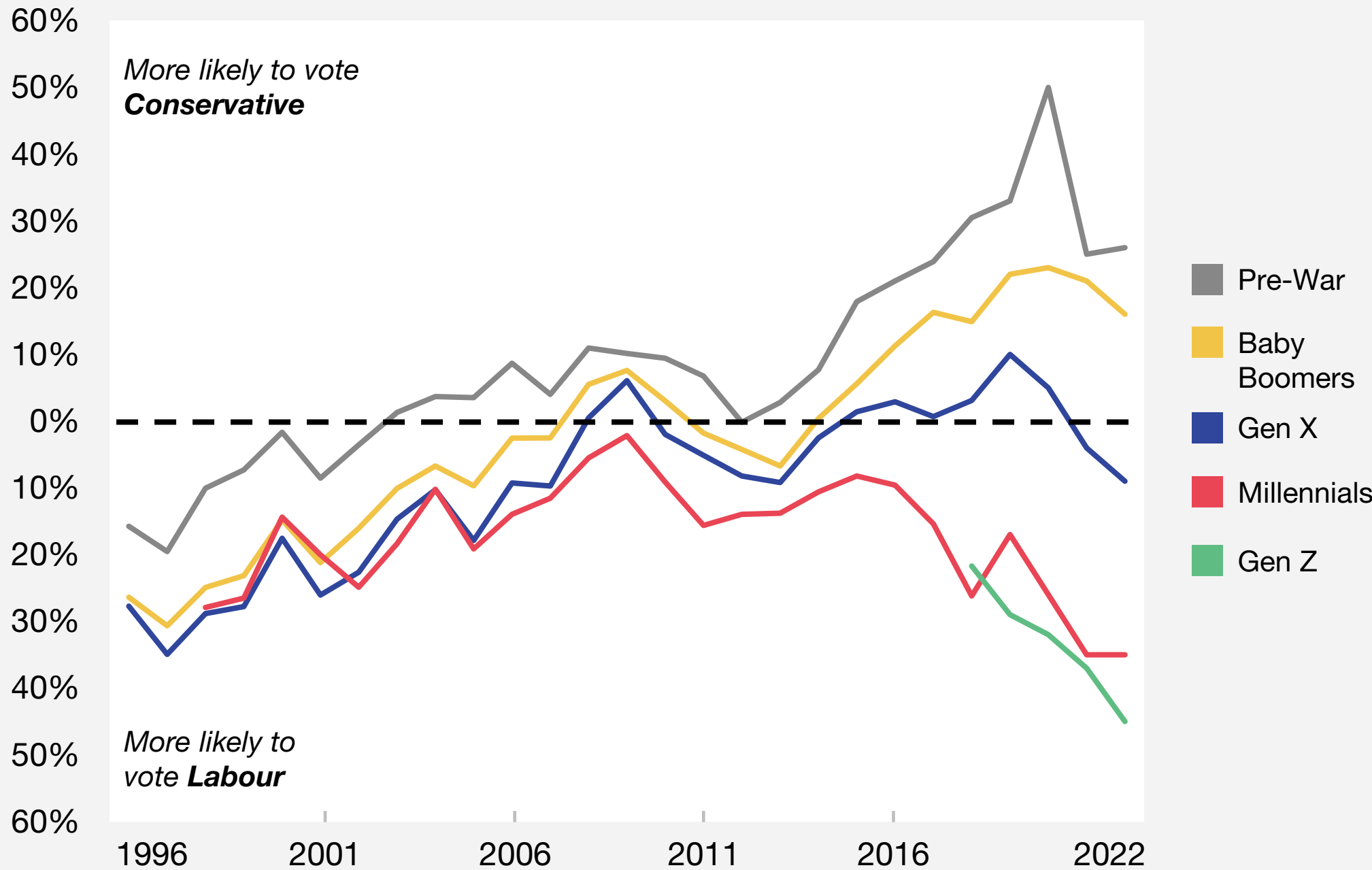
Source: Ipsos Political Monitor aggregates

As this has emerged quickly it is unlikely there is a generational effect at play – rather an exacerbation of a life stage effect: younger people are more likely to vote for a more left-wing party. As a result, Generation Z’s voting preferences are not especially distinguishable from Millennials (in the same way, Baby Boomers and the Pre-War generation are two of a kind).

This is best illustrated in the 'net Conservative' chart in figure 26: Baby Boomers and the Pre-War generation are clearly net Conservative, while Millennials and Generation Z fall into the net Labour camp. Generation X stand out as the electoral battleground as they occupy the middle ground of age. If current electoral patterns hold, they may become more likely to vote Conservative over time – or we may move to a new alignment where age is less important.

**Fig. 26 – Gen X are the generational swing voters**

Net Conservative (proportion voting Conservative, subtract proportion voting Labour)



Source: Ipsos Political Monitor aggregates

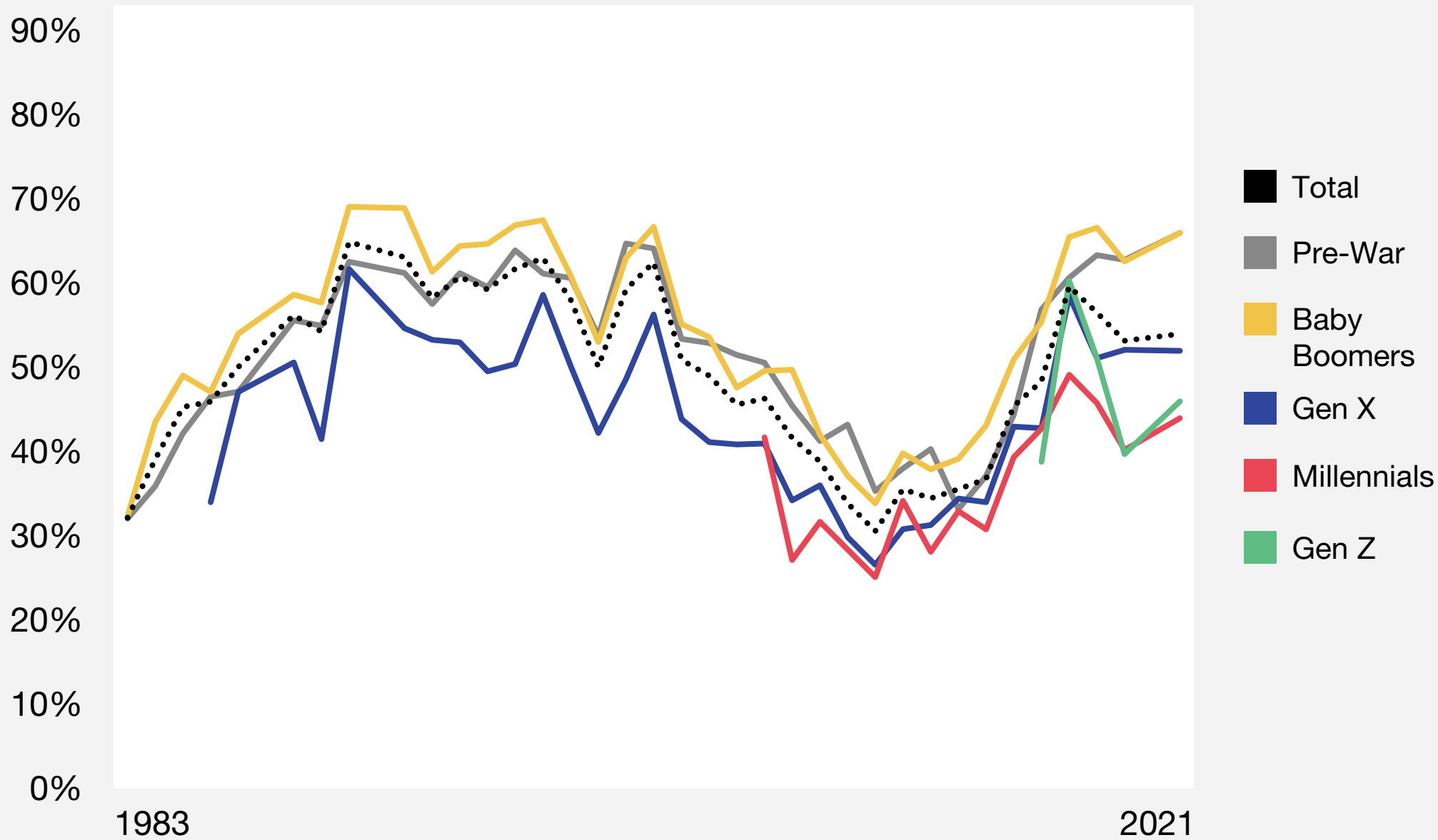
**Differences in Gen Z’s political preferences are slight, too.** If there is little sign of a unique Gen Z party political identity, where do they stand on economic choices and redistribution? Issues of welfare, redistribution and the extent of tax and spending have in the past shown important generational patterns: younger cohorts have typically been less keen on increased spending and also more hard-nosed when it comes to benefits. While some elements of this pattern appear to hold true for Generation Z, we see subtle but clear differences that show us how their views might be developing differently to the Millennials who went before them.

Figure 27 details responses to the question about whether the government should increase taxes to pay for more health, education and social benefits and is instructive as it shows both period and generational effects:

**Fig. 27 – Gen Z share the young persons’ slight hesitation around agreeing to more taxation**

Suppose the government had to choose between the three options on this card. Which do you think it should choose?

% increase taxes and spend more on health, education and social benefits



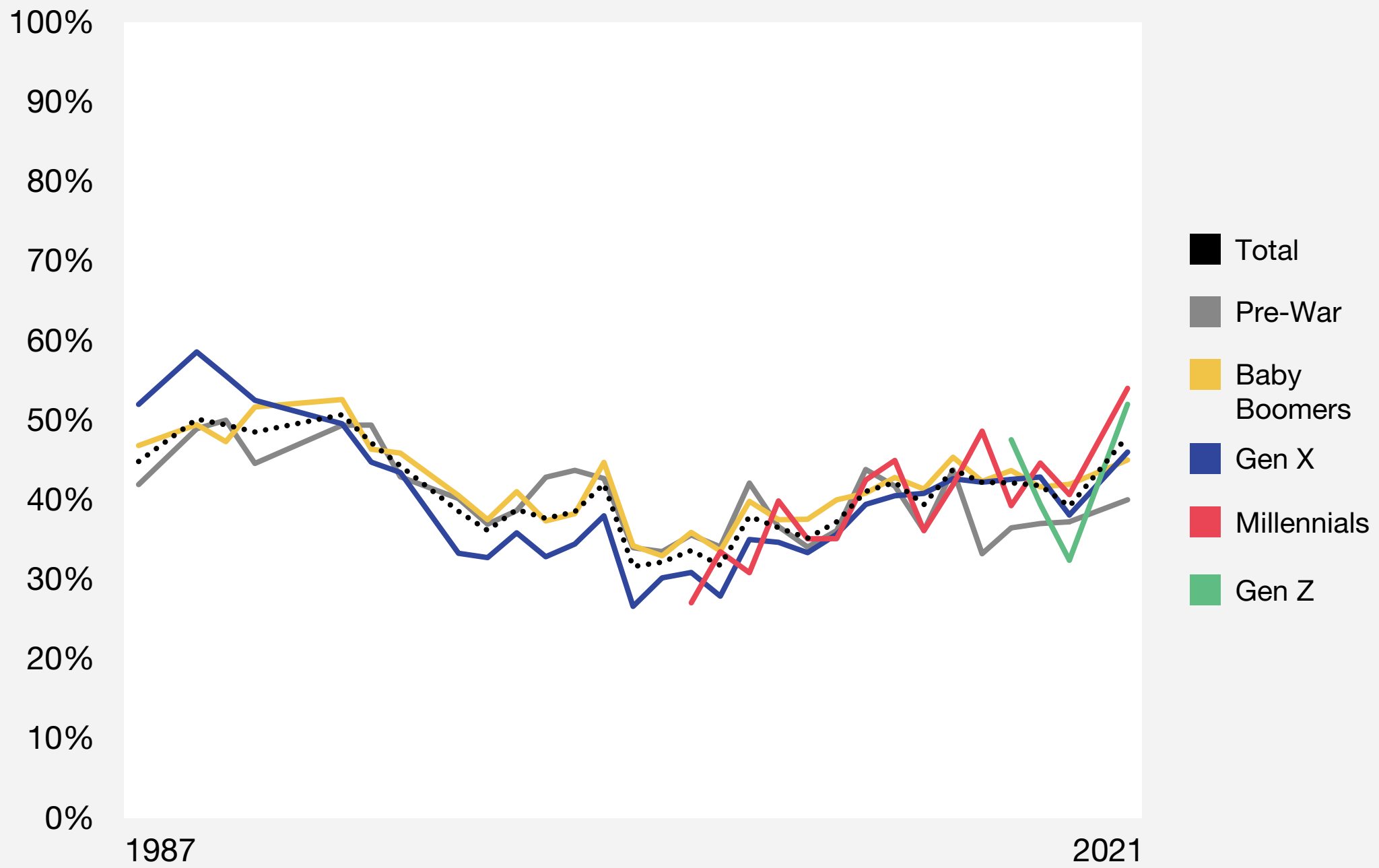
Source: © Copyright National Centre for Social Research 1983 – 2020  
 Source 2021: Ipsos KnowledgePanel UK. 5,169 UK adults aged 18+, interviewed online, 16-22 September 2021  
 Base: c.3,000 adults per year. Each data point represents >150 participants

- Public attitudes on government spending have been ‘thermostatic’ in relation to current policy – if a government is in favour of more spending, public attitudes have slowly shifted towards favouring restraint, and vice versa. We see this playing out through the gentle undulation of the views of all generations
- Yet there is also a cohort angle, as the ordering of generations remains static, with older generations more in favour than younger ones

Generation Z appear to move in lockstep with Millennials on this question: Ipsos data for 2021 puts less than half of both cohorts agreeing with this statement, versus an overall agreement score of 54%. Despite this, figure 28 shows that both generations are as supportive of the concept of redistribution as other generations. Although in 2021 a thin majority agree the government should redistribute incomes, this is not far

**Fig. 28 – But despite this they are no less likely to support redistribution**

‘Government should redistribute income from the better-off to those who are less well off’ % agree



Source: © Copyright National Centre for Social Research 1987 – 2020  
 Source 2021: Ipsos KnowledgePanel UK. 5,169 UK adults aged 18+, interviewed online, 16-22 September 2021  
 Base: c.3,000 adults per year. Each data point represents >150 participants

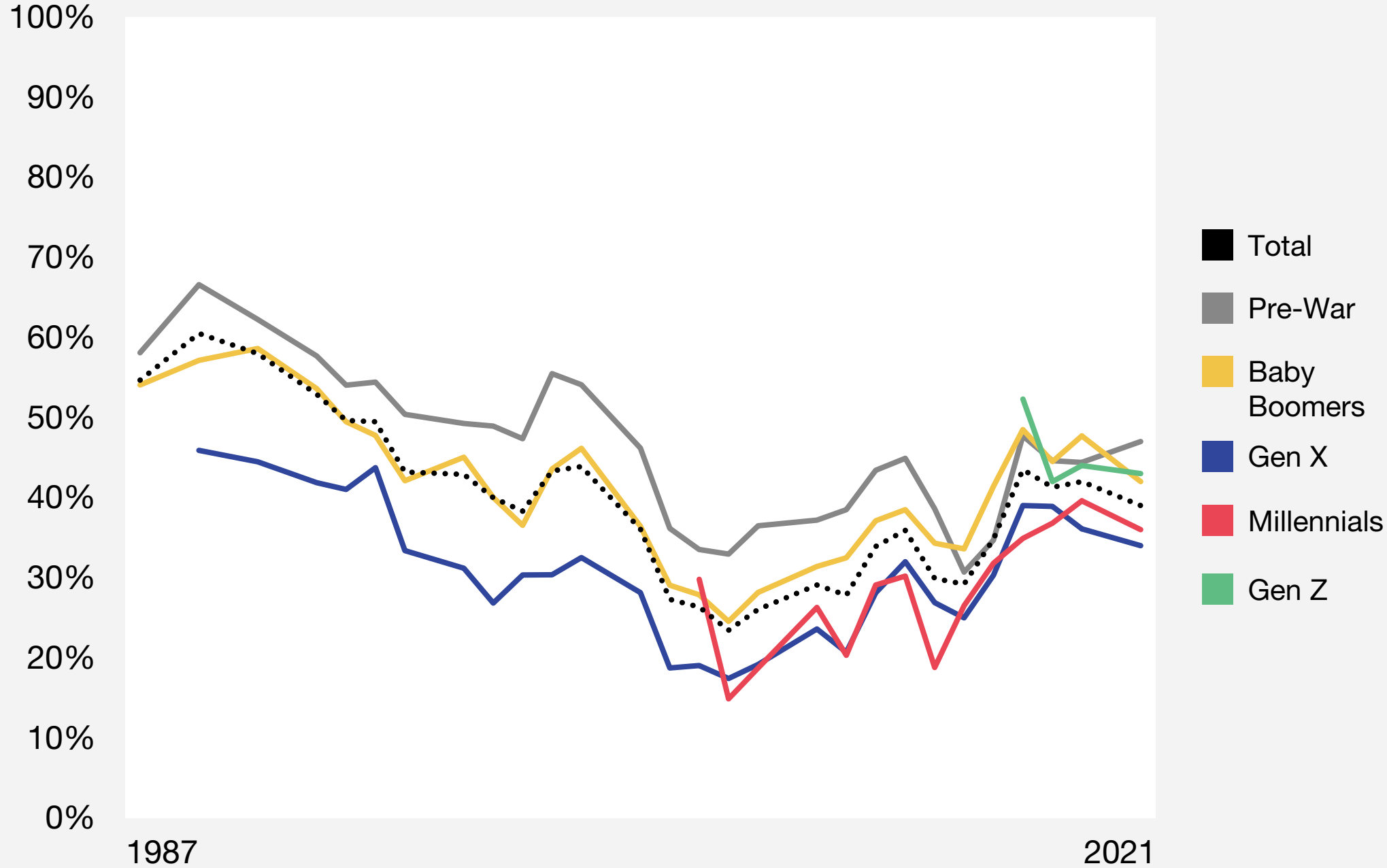
from the population average – and the long-term trend shows limited generational variation.

A long-running generational pattern detailed here is of younger generations being less likely to support spending on benefits for the poor – figure 29 shows Gen X and Millennials below Baby Boomers and the Pre-War generation on agreement with this statement.

However, Gen Z appear to buck this trend, lining up with the older generations on this question: in 2021, 43% agreed that government spending on welfare benefits for the poor should be increased, compared with 36% of Millennials and 34% of Gen X. This pattern appears durable and has been supported in every wave of the survey where Gen Z appear in sufficiently large numbers.

**Fig. 29 – But Gen Z appear different from Millennials in supporting welfare benefits for the poor**

'The government should spend more money on welfare benefits for the poor, even if it leads to higher taxes' % agree



Source: © Copyright National Centre for Social Research 1987 – 2020  
Source 2021: Ipsos KnowledgePanel UK. 5,169 UK adults aged 18+, interviewed online, 16-22 September 2021  
Base: c.3,000 adults per year. Each data point represents >150 participants

### So what?

We do not find evidence for specific Generation Z attitudes towards politics. There has long been a lifecycle effect in play in politics, with younger voters drawn to less conservative parties and policies, but, becoming more conservative as they age. In the UK, the strength of this age effect is such that voting choice differences between Millennials and Generation Z are extremely limited. For political parties, approaching people as 'Generation Z' or 'young people' is unhelpful as it implies their political choices are already made: in this view, Generation X is the true political battlefield. It may be more useful to think about people in terms of other categories, such as region, class or their values and beliefs.

Although they both fit firmly within the 'liberal' category, there are some nuances to views among Millennials and Generation Z when it comes to taxation and redistribution. We have long seen that younger cohorts

are less keen on higher taxes than older people, and this holds true even as the country overall has moved to a more pro-tax and spend position in the past ten years. While both generations hold views on redistribution that are similar, there are differences on who income should be redistributed to: Millennials and Generation X have long stood out as having a harder edge when it comes to welfare benefits for the poor. But, Generation Z do not follow this pattern, instead aligning up with older, more pro-welfare cohorts.



# GEN Z VALUES AND WORLDVIEW





## Chapter 5

## Gen Z values and worldview

### At a glance

**The concept of values lies at the heart of the logic of generational analysis: the deep-set views that shape our opinions and attitudes are established as we grow up, making them an important part of what makes generations different.**

When we start to consider generational values we see some of the biggest differences between Generation Z and older cohorts.

**Gen Z are notably more ‘liberal’:** they are less in support of censorship and the death penalty than Millennials at a comparable age. The first is a clear generational effect, while the latter reflects continuing drops in support for capital punishment in the UK.

Attitudes to crime and punishment are also different: Gen Z stand alone in being unlikely to support longer prison sentences for criminals.

Yet they are aligned with Millennials’ views on obedience to the law: less likely than older generations to agree people should comply with laws where the law is wrong. This gap appears to have widened over the pandemic.

**Gen Z are also less concerned about ‘traditional values’.** Compared with Millennials at a similar age, they are less likely to feel young people do not have enough respect for traditional British values.

**Gen Z do not appear to be a greener or more environmental generation.** The most striking pattern of recent years has been a rise in interest and concern about the environment among all ages. Gen Z are more into being seen as caring for the environment

than Millennials at a similar age. However, our data also shows that Generation Z's values remain flexible even now their outlook and worldview is being shaped by events.

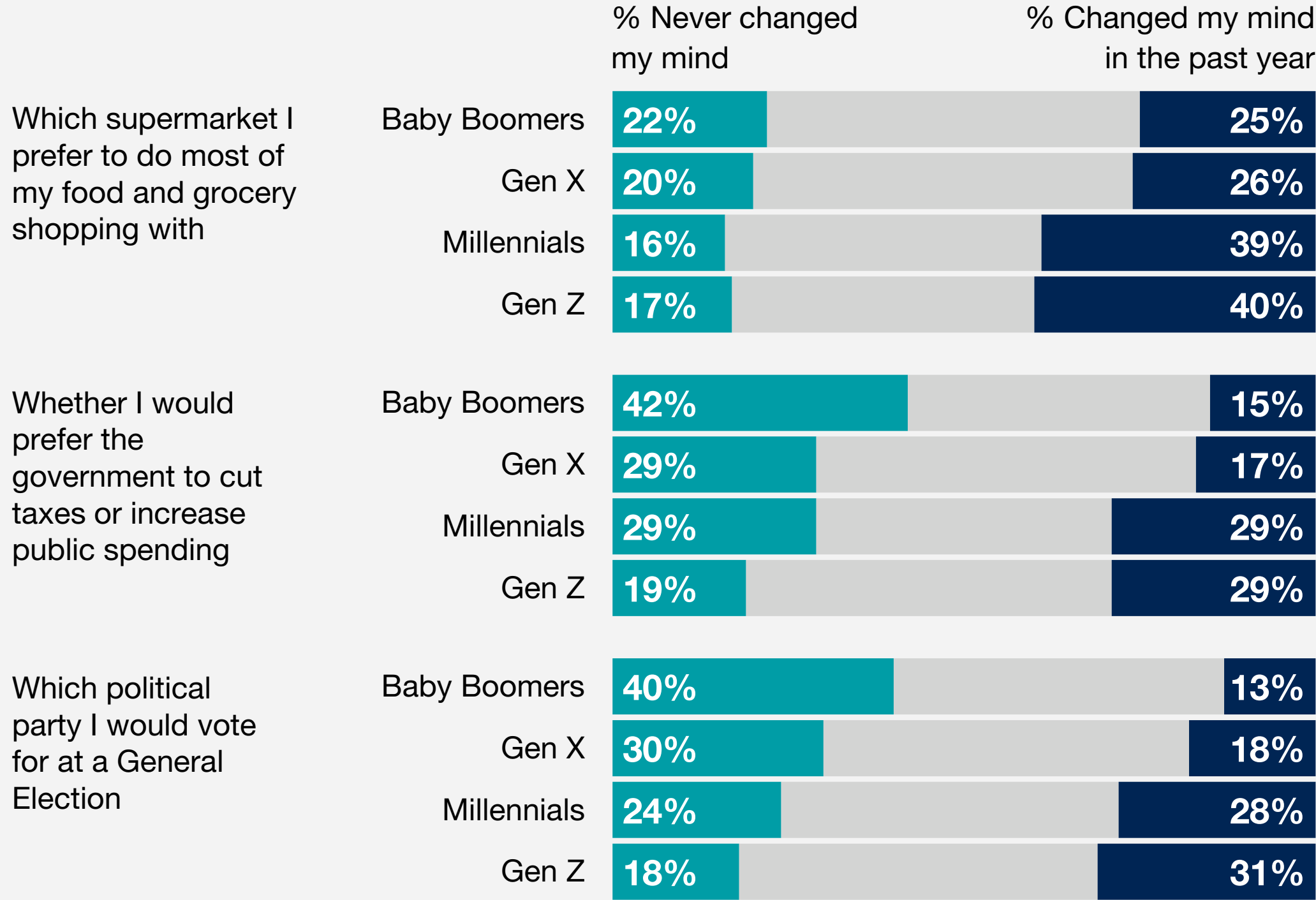
**A preface: Generation Z's values are the most plastic.** Our new research shows that Gen Z – being the youngest – remain more likely to have changed their views on a variety of topics, ranging from the most mundane to some of the biggest questions in life.

Figures 30.1 to 30.3 shows the proportion of each generation who say they have changed their mind in the last year on a set of topics, arrayed against the proportion who say they have never changed their mind.

Although the extent differs, the same pattern is clear: younger cohorts are more likely to have changed their minds recently.

**Fig. 30.1 – Changeability is a lifestage effect, not a generational one**

Thinking about the topics below, when would you say was the last time you changed your mind on each of them, if ever?



Source: Ipsos  
 Base: 2,246 Online British adults aged 16-75, 21st-22nd September 2022

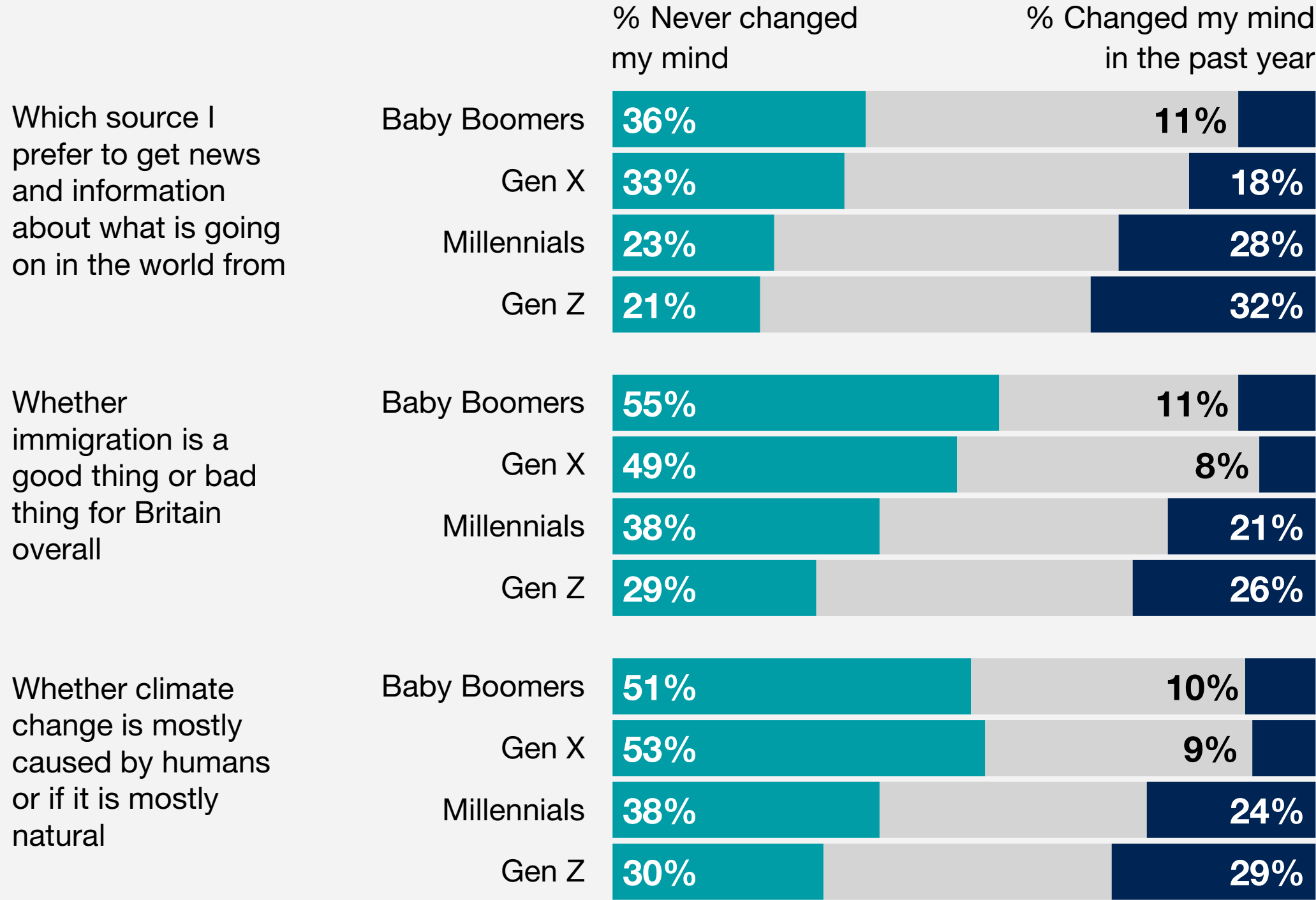
To take one example at the more frivolous end of our scale, four in ten of Generation Z and Millennials say they have changed their mind about their primary supermarket in the past year, while just one quarter say the same among Gen X and Baby Boomers.

Looking to the other end of the scale, over a fifth of Gen Z say they have changed their mind on whether there is a God in the past twelve months. Among Millennials this figure falls to around one in six – while among the two older generations the proportion who have changed their mind recently is in the low single digits. On this question we also see greater solidity in older generations’ opinions: while 44% of Gen Z say they have never changed their mind on the existence of an omnipotent being, half of Millennials and Gen X, as well as six in ten of the Baby Boomers, say the same.

This pattern is observable across the range of hot-button issues, including attitudes to the death

**Fig. 30.2 – Changeability is a lifestage effect, not a generational one**

Thinking about the topics below, when would you say was the last time you changed your mind on each of them, if ever?



Source: Ipsos  
 Base: 2,246 Online British adults aged 16-75, 21st-22nd September 2022

penalty, gay marriage and climate change – but also on topics like political party choice, media sources and tax and spending.

**This is highly unlikely to be a cohort effect:**

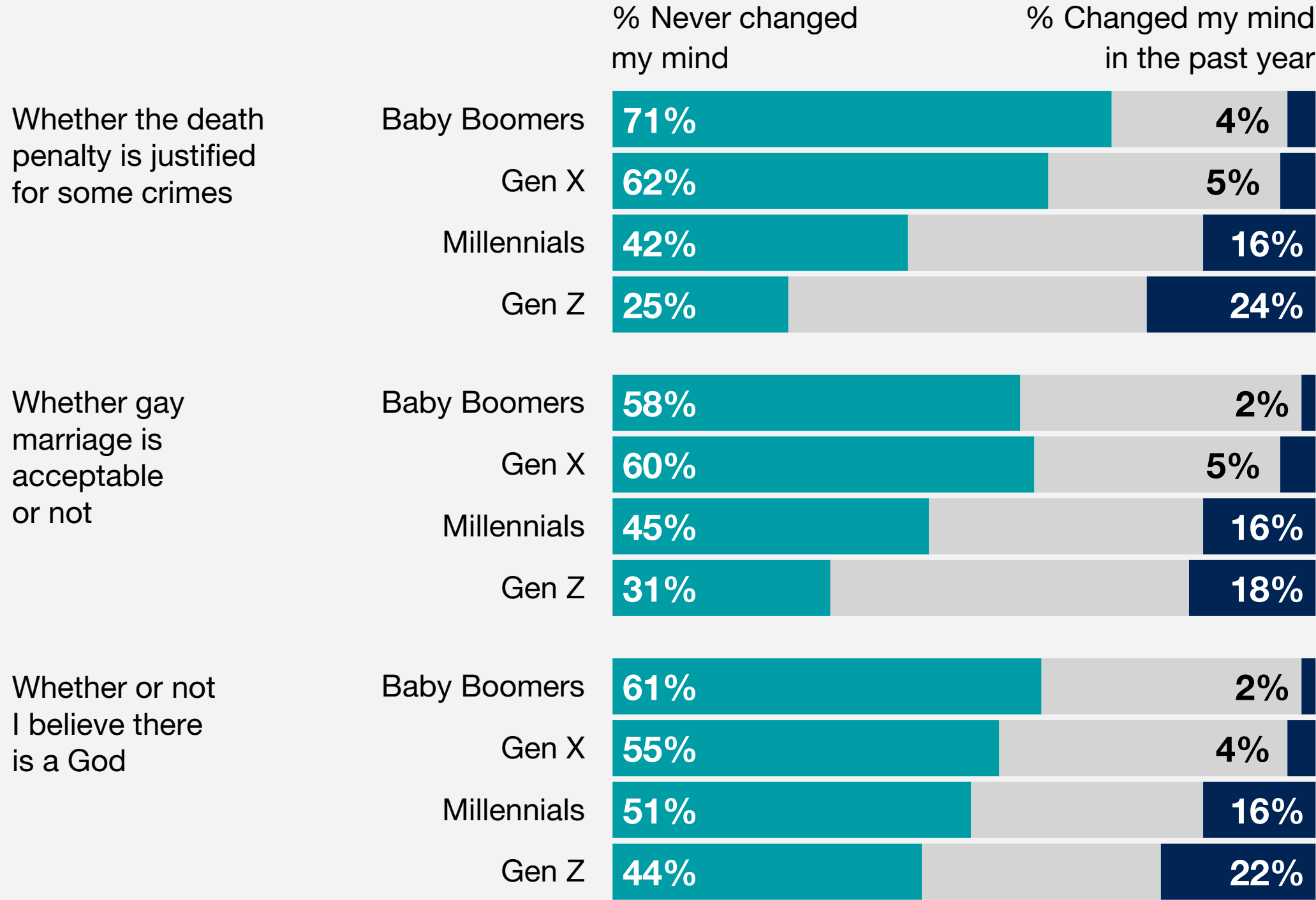
Generation Z cannot be considered a more changeable generation. A survey of any society, at any time, would probably reflect the fact that younger people change their minds more often. Instead, this serves to remind us that Generation Z’s views are still in flux to a greater extent than those of older generations.

**Generation Z: a more 'liberal' generation**

One common conception can be confirmed: across a broad range of values metrics, Generation Z emerge as the most liberal (in the American sense) generation – here we review attitudes to factors such as the death penalty, censorship and sentencing of criminals and find Gen Z at the liberal end of the spectrum in each case. However, the reasons behind why this is the case

**Fig. 30.3 – Changeability is a lifestage effect, not a generational one**

Thinking about the topics below, when would you say was the last time you changed your mind on each of them, if ever?



Source: Ipsos  
 Base: 2,246 Online British adults aged 16-75, 21st-22nd September 2022



vary between the different values examined here: in the case of media censorship, we see each generation building on the last to become less in favour; changes in views of the death penalty are driven by a societal shift; while we see the emergence of a novel values orientation for Generation Z on sentencing. Each of these trends is built on a different combination of life stage, period, and cohort effects, which we explore further in this chapter.

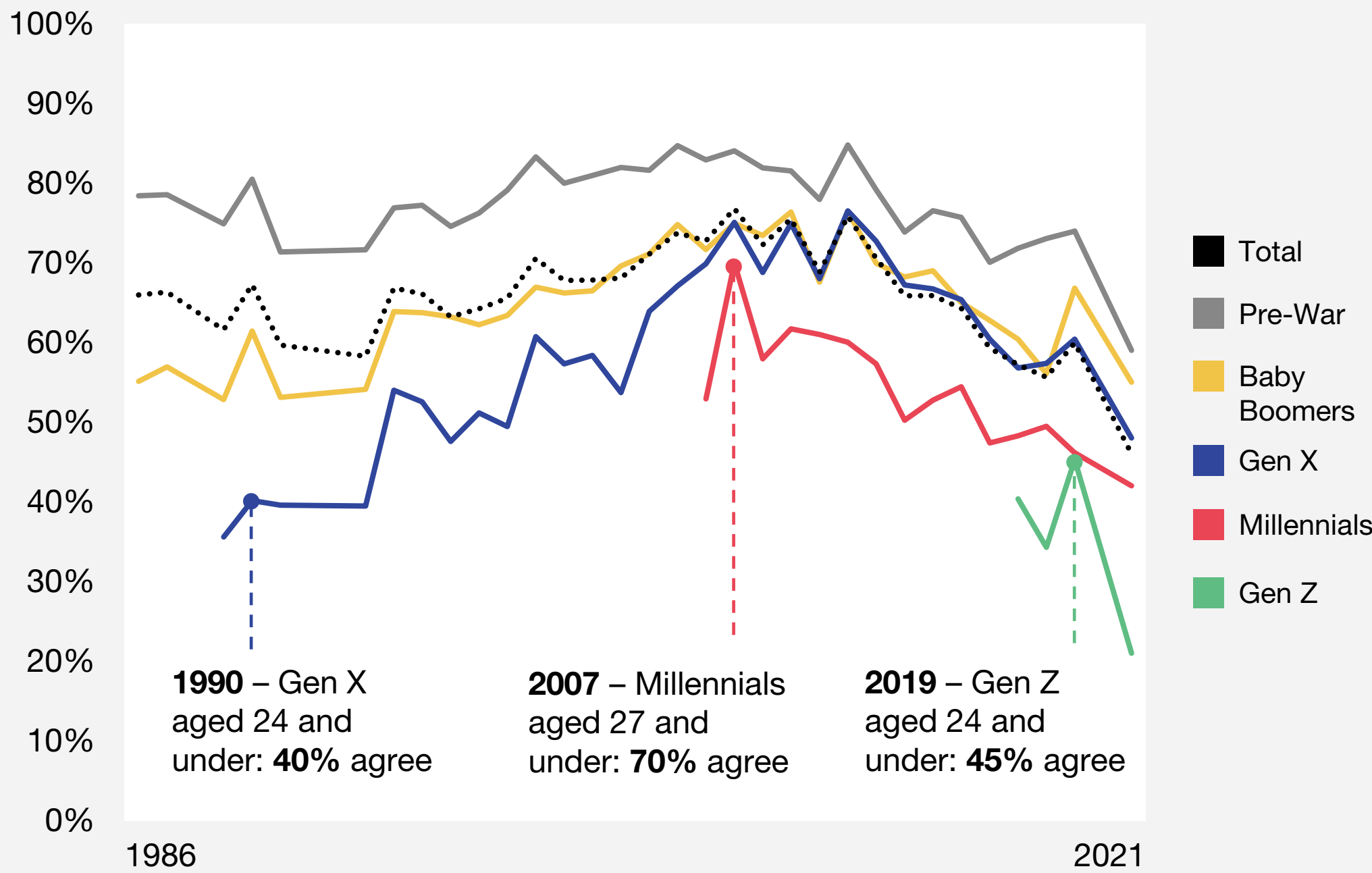
**“ One common conception can be confirmed: across a broad range of values metrics, Generation Z emerge as the most liberal ”**

**One 'meta' finding is the importance of tradition to Generation Z.** The British Social Attitudes survey has been exploring how far people think young people respect traditional British values since 1986. Where people are less likely to agree, this suggests that upholding these values is less important to them, hinting at a less tradition-bound outlook on life. There has been clear generational layering over the life of this question but also evidence of period effects, with the appeal of this statement rising in the 2000s. This means that Generation Z are far more liberal on this measure than Millennials were when they were a similar age.

Our research shows that overall, society has become less worried about young people's respect for traditional values: from a high point of 77% agreeing overall in 2007, this has fallen to 46% in 2021. Therefore, Gen Z are the most liberal generation of a society that is increasingly liberal on this measure.

**Fig. 31 – The importance of 'traditional values' is lower for Generation Z than Millennials**

'Young people today don't have enough respect for traditional British values'  
% agree



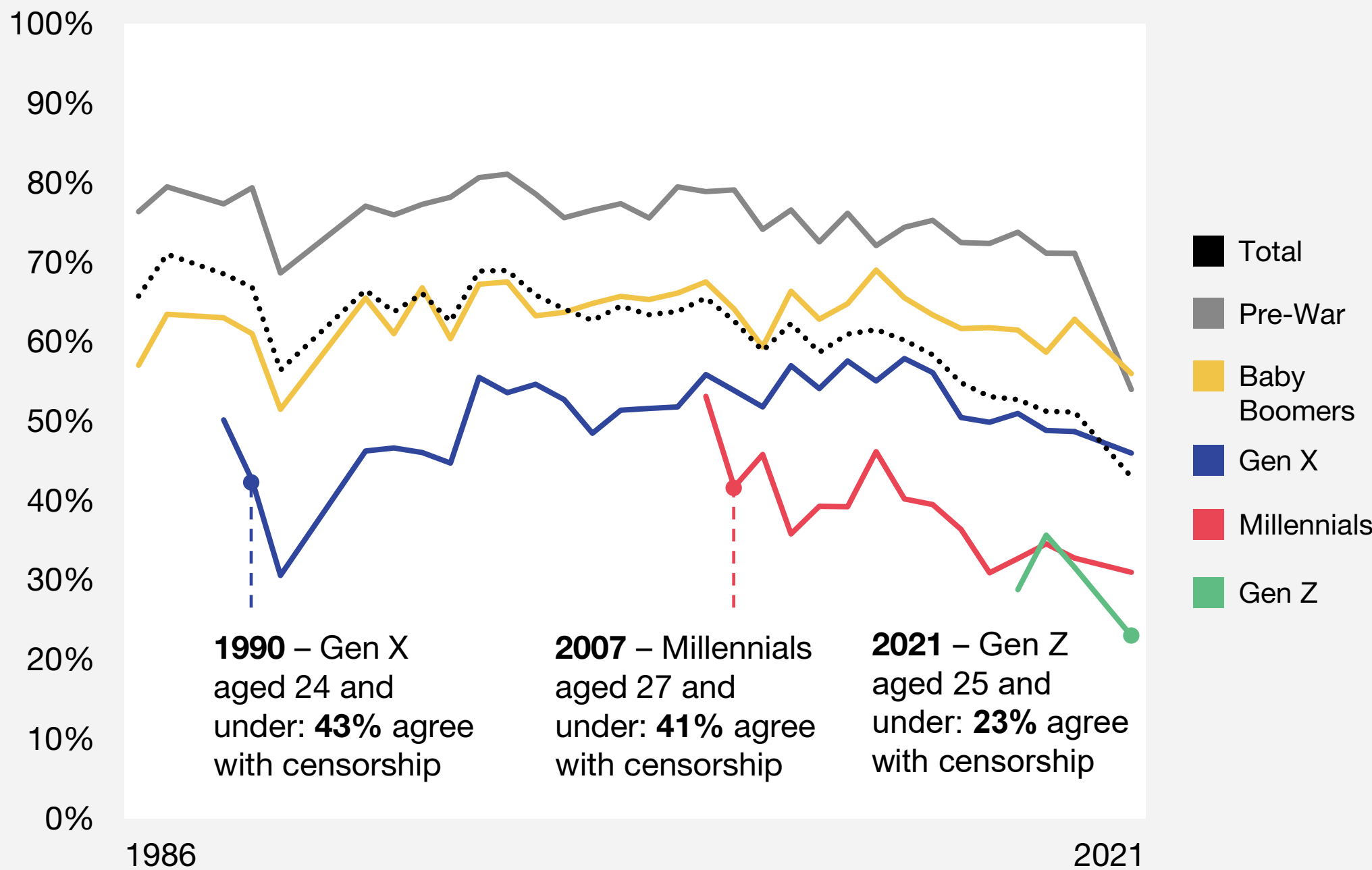
Source: © Copyright National Centre for Social Research 1987 – 2020  
Source 2021: Ipsos KnowledgePanel UK. 5,169 UK adults aged 18+, interviewed online, 16-22 September 2021  
Base: c.3,000 adults per year. Each data point represents >150 participants

In fact, it is Gen X who appear to have been furthest from the mainstream: in 1990 when 40% of this generation agreed, this placed them almost thirty points from an overall average of 67%.

The acceptability of censorship is another area where there is evidence of a social shift: between 1986 and 2009 views on this topic changed by just 4 percentage points. As a result, Gen X and Millennials were equally supportive at similar ages in 1990 and 2007. Since then however, attitudes have shifted: the gap between Millennials and other cohorts has widened. Generation Z have started at the most liberal position mapped out by Millennials and appear likely to move further still. This may be an example of a ratchet effect; whereby successive generations build on each other's movements to stretch social values in a certain direction. What was once considered liberal has become mainstream, so the new liberal position is even further from the starting point.

**Fig. 32 – Censorship – an example of the liberal ratchet**

'Censorship of films and magazines is necessary to uphold moral standards'  
% agree



Source: © Copyright National Centre for Social Research 1987 – 2020  
Source 2021: Ipsos KnowledgePanel UK. 5,169 UK adults aged 18+, interviewed online, 16-22 September 2021  
Base: c.3,000 adults per year. Each data point represents >150 participants

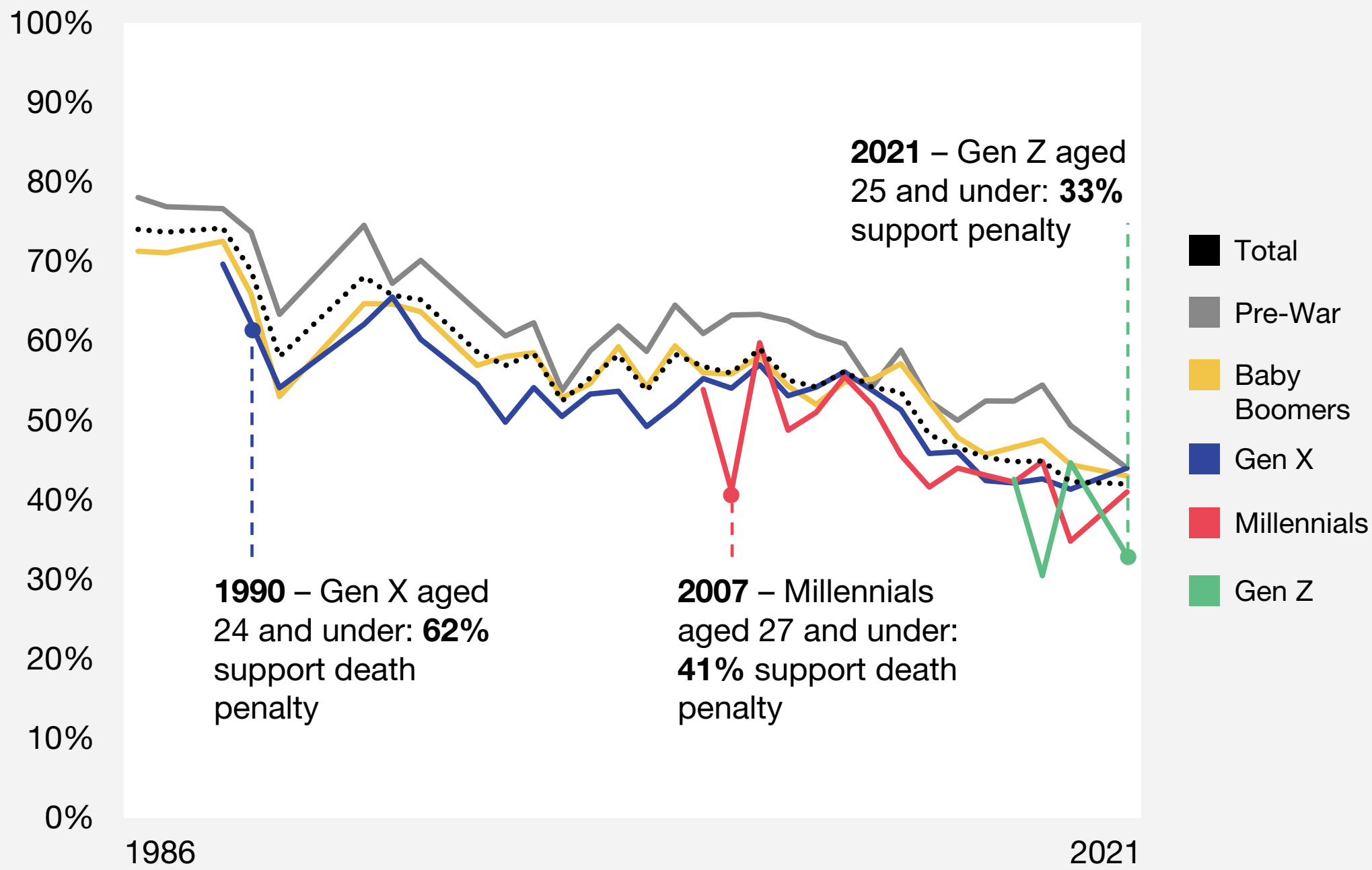
The proportion of the overall population who support the death penalty for some crimes has fallen from 74% in 1986 to 42% in 2021. Each youngest generation is less supportive than the one that came before it: 62% for Gen X in 1990, 41% for Millennials in 2007, 33% for Gen X in 2021. However, this has been driven by views changing across the board – the generational lines are mixed and close together, rather than separating into clear layers.

When it comes to views of prison sentencing, we see a facet of a unique Generation Z mindset. For most of the duration of this survey question, there has been limited evidence of generational effects – especially in the 2000s where there seems to have been close agreement between all generations that people who break the law should be given stiffer sentences. However, the Generation Z trend line appears much further from the other cohorts, suggesting a new generational effect is in play. Just four in ten agree

**Fig. 33 – Views on the death penalty have been changing across UK society**

'For some crimes, the death penalty is the most appropriate sentence'

% agree



Source: © Copyright National Centre for Social Research 1987 – 2020  
 Source 2021: Ipsos KnowledgePanel UK. 5,169 UK adults aged 18+, interviewed online, 16-22 September 2021  
 Base: c.3,000 adults per year. Each data point represents >150 participants



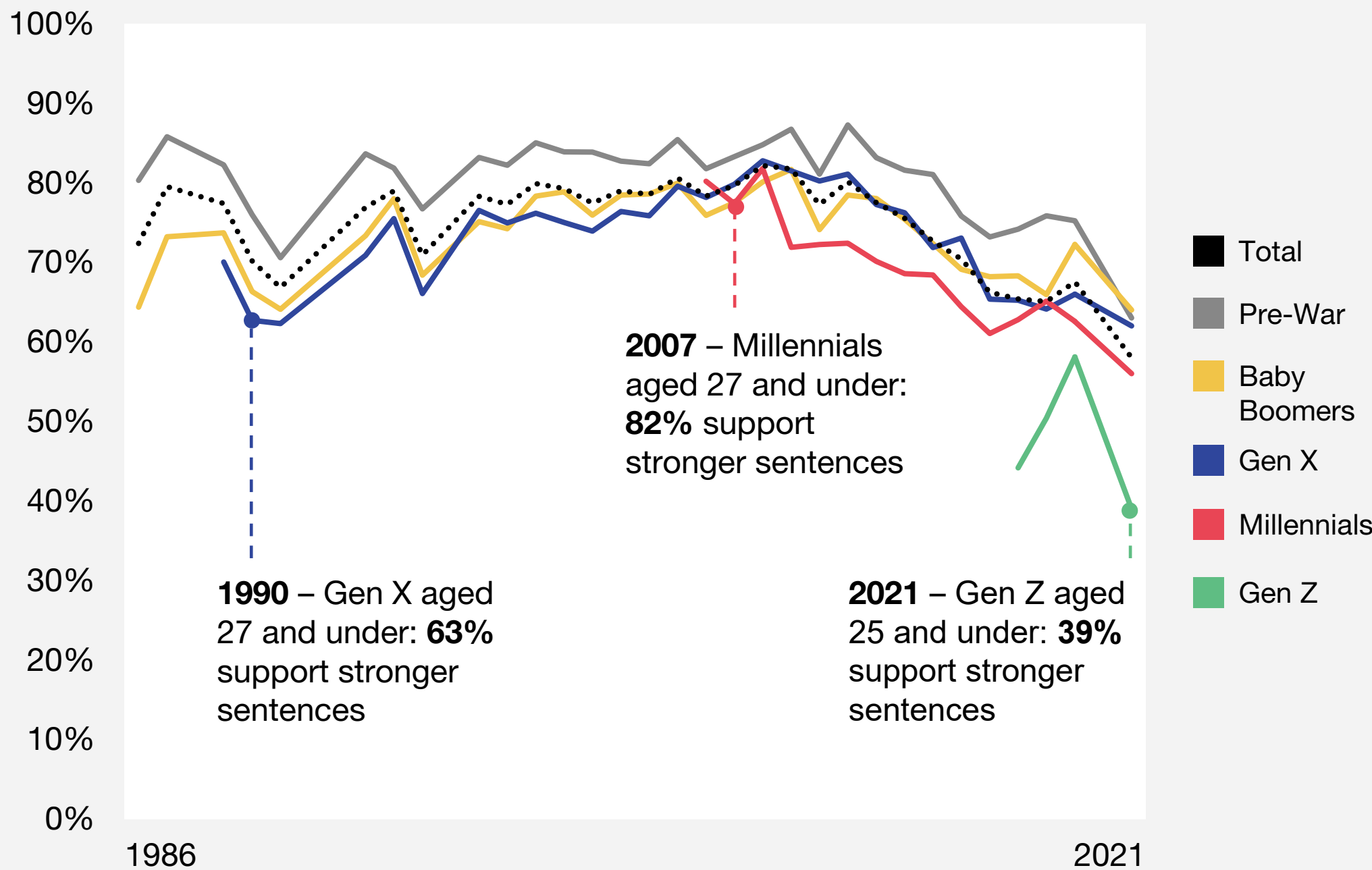
with this mindset, versus 63% of Gen X and 82% of Millennials when they were a similar age.

Some values do not change: between 1986 and 2021 roughly 40% of the British public agree that the law should always be obeyed. This figure does not appear to have shifted, even during the pandemic when laws began to dictate where people could go and who they could meet.

The youngest generation have always been the least enthused – looking at Gen X, Millennials and Gen Z when they were in their mid-twenties, we see the same proportion agreeing. Yet there is clearly a life cycle effect at work, as each generation begins to increase its agreement with the statement, contributing to the flat trendline we see over time.

Fig. 34 – A Generation Z view on crime and punishment?

'People who break the law should be given stiffer sentences' % agree

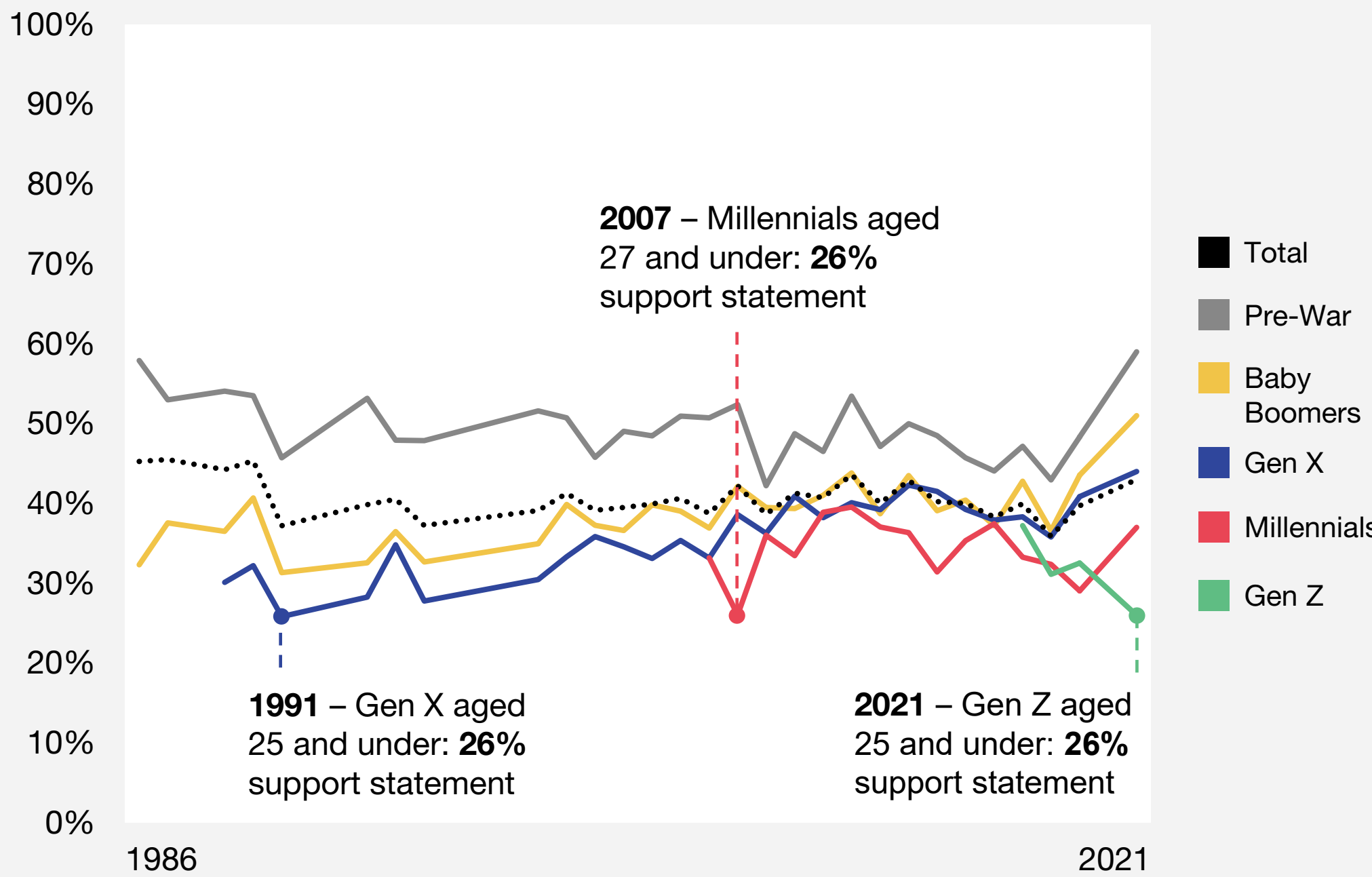


Source: © Copyright National Centre for Social Research 1987 – 2020  
Source 2021: Ipsos KnowledgePanel UK. 5,169 UK adults aged 18+, interviewed online, 16-22 September 2021  
Base: c.3,000 adults per year. Each data point represents >150 participants



Fig. 35 – But rebellion is a young person’s game

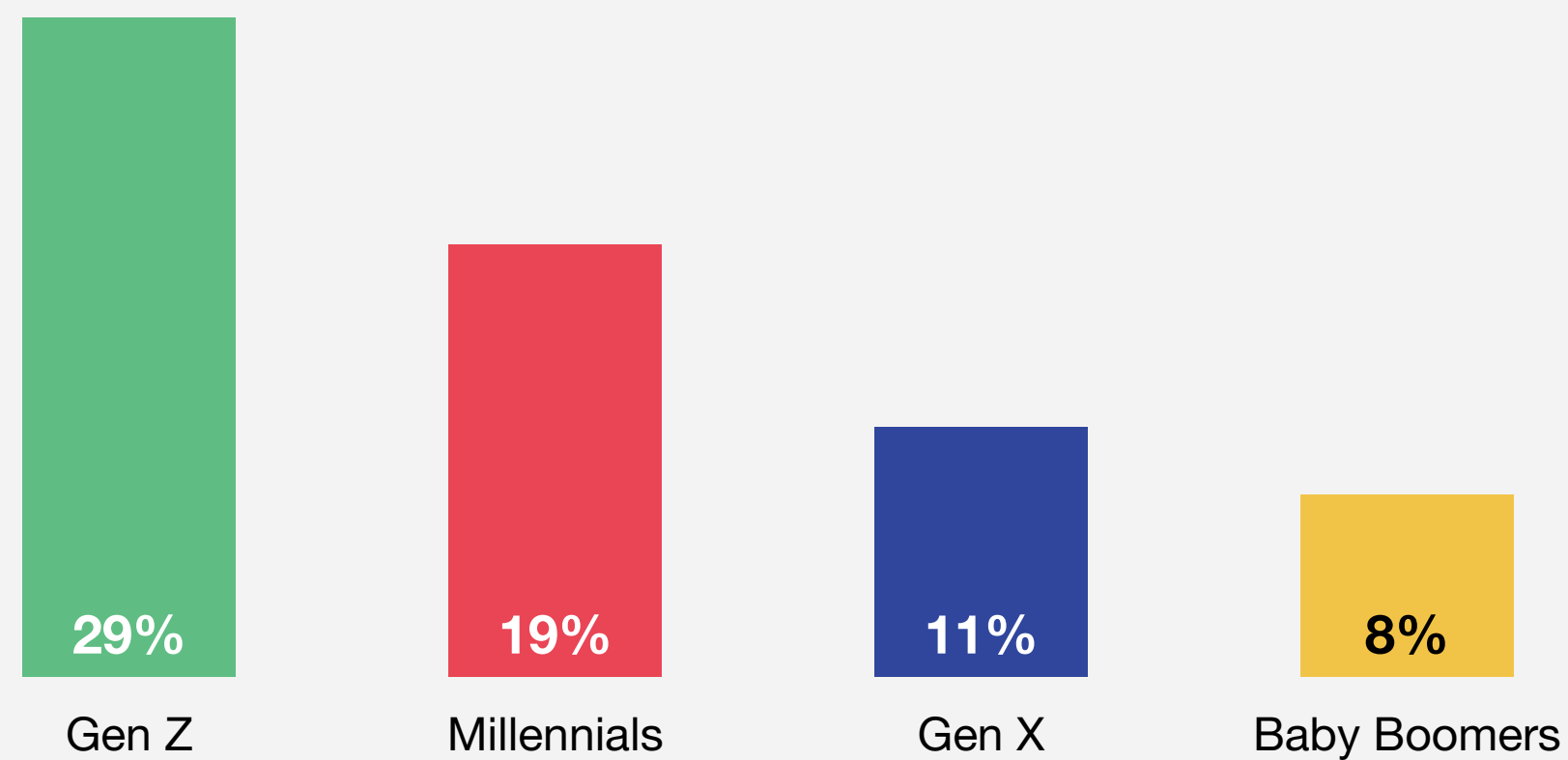
'The law should always be obeyed, even if a particular law is wrong' % agree



Source: © Copyright National Centre for Social Research 1987 – 2020  
 Source 2021: Ipsos KnowledgePanel UK. 5,169 UK adults aged 18+, interviewed online, 16-22 September 2021  
 Base: c.3,000 adults per year. Each data point represents >150 participants

### Fig. 36 – Who are the Greenest Generation?

% who feel that each generation is most likely to be willing to make significant lifestyle changes to reduce their carbon emissions



Source: Ipsos

Base: 2,246 Online British adults aged 16-75, 21st-22nd September 2022

Environmental concern is often touted as an area where Generation Z are different; the importance of young activists and the 'Fridays for Future' movement are cited as examples of this generation being more environmentally-minded than others. We find this perception in our data: Gen Z are considered most likely to be the ones who will make big life changes to reduce their emissions. It also appears to be important to self-perception: 45% of Generation Z members who are aware that they fit within this cohort feel they are the group most willing to make lifestyle changes for the environment. Yet finding evidence to support this assertion quickly runs into trouble. The data tends to suggest that (in the UK at least) generations are similarly likely to see climate change as a big concern, while this issue is too new an area of focus for long-term data to cast further light.

The data that does exist hints that caring about the environment was not something previous generations

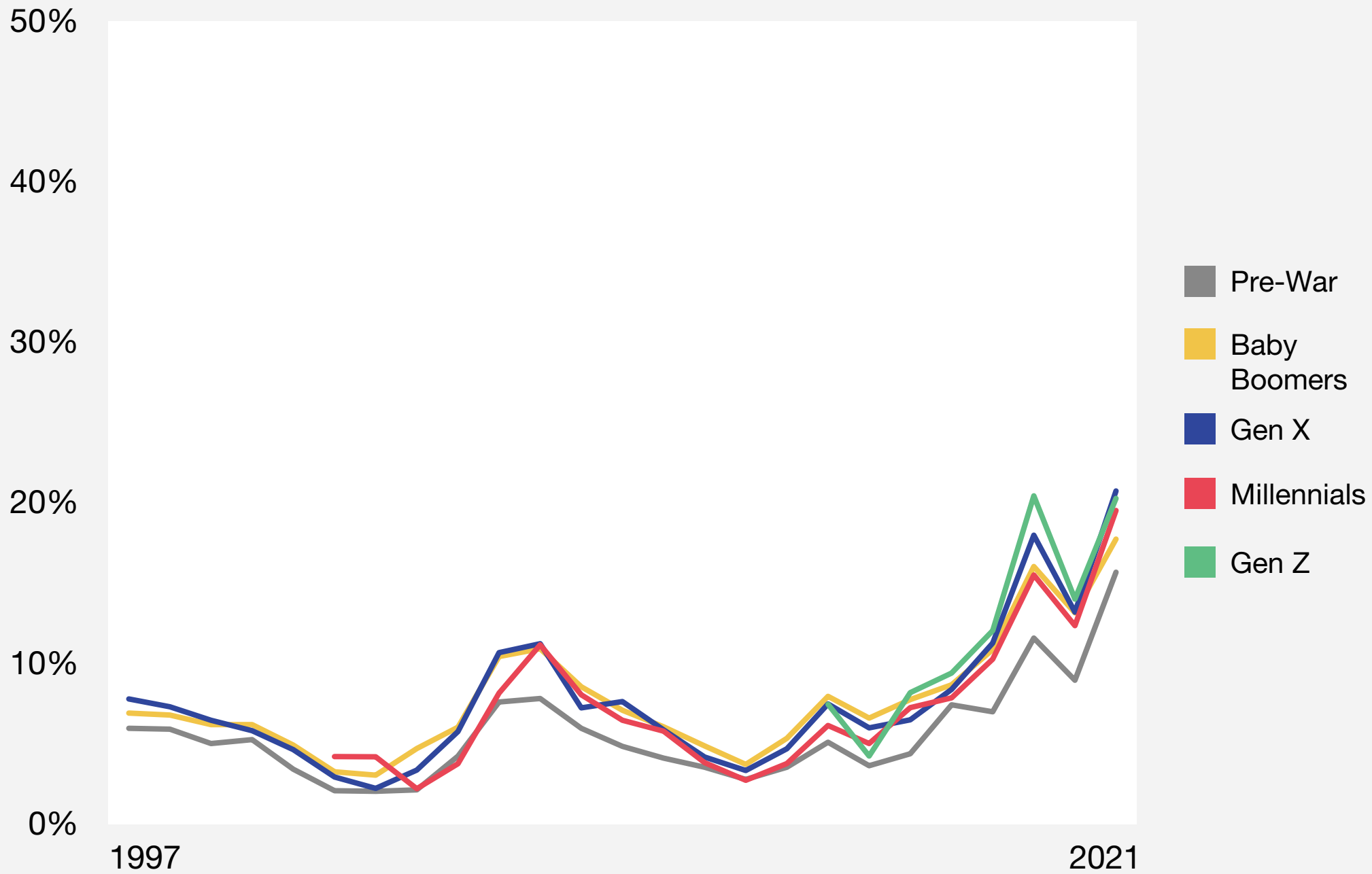
of younger people considered especially important, and we see in new polling that younger cohorts are more likely to feel guilty about their impact on the environment.

This suggests that while topline concern about climate change is similar across the generations, there may be more disagreement in what the right steps are to deal with the problem.

Analysis of the Ipsos Issues Index, a survey series which runs back to 1974, shows that the environment struggles for top billing against other issues of the day for all generations. While it is true that concern has risen in recent years, it is rarely a top concern. This answer hit the top of the list of Britons' worries in November 2021 at the time of the CoP conference in Glasgow – the first time it had reached this height since 1990.

**Fig. 37 – For all generations, climate change struggles for top of mind consideration**

What do you see as the main/other important issues facing Britain today?  
Pollution/environment/climate change



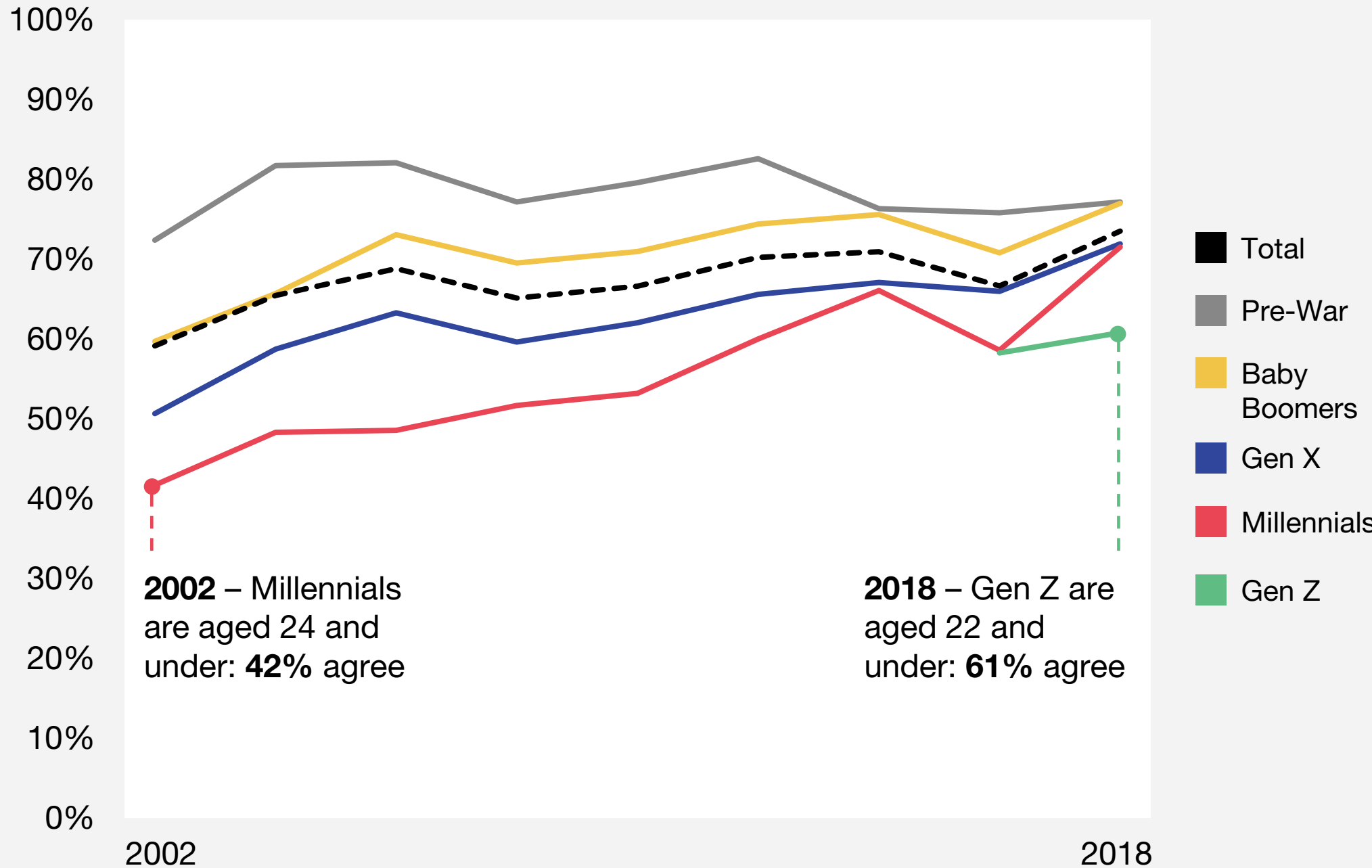
Source: Ipsos Issues Index  
Base: c.12,000 adults per year. Data was collected face-to-face until March 2020 and has been over telephone since then

So while it is correct to say Generation Z are more likely to mention the environment as an issue than Millennials at a similar age, they still see many other issues as more important.

Another angle is provided by the European Social Survey for the UK. This asks a question about self-identification with different personality types. One example is someone for whom looking after the environment is important: this reveals that the oldest generation has long identified most with this image and that, over the past twenty years, other generations have shifted to catch up. In 2002, when Millennials were 24 and under, 42% felt a nature-loving persona was a lot like them, making them the least likely to agree. By 2018, 61% of Generation Z said the same – significantly higher than Millennials in 2002, but, still the lowest score for any cohort and a similar distance from the average level.

Fig. 38 – Society has become more caring about nature and the environment

He/she strongly believes that people should care for nature. Looking after the environment is important to him/her

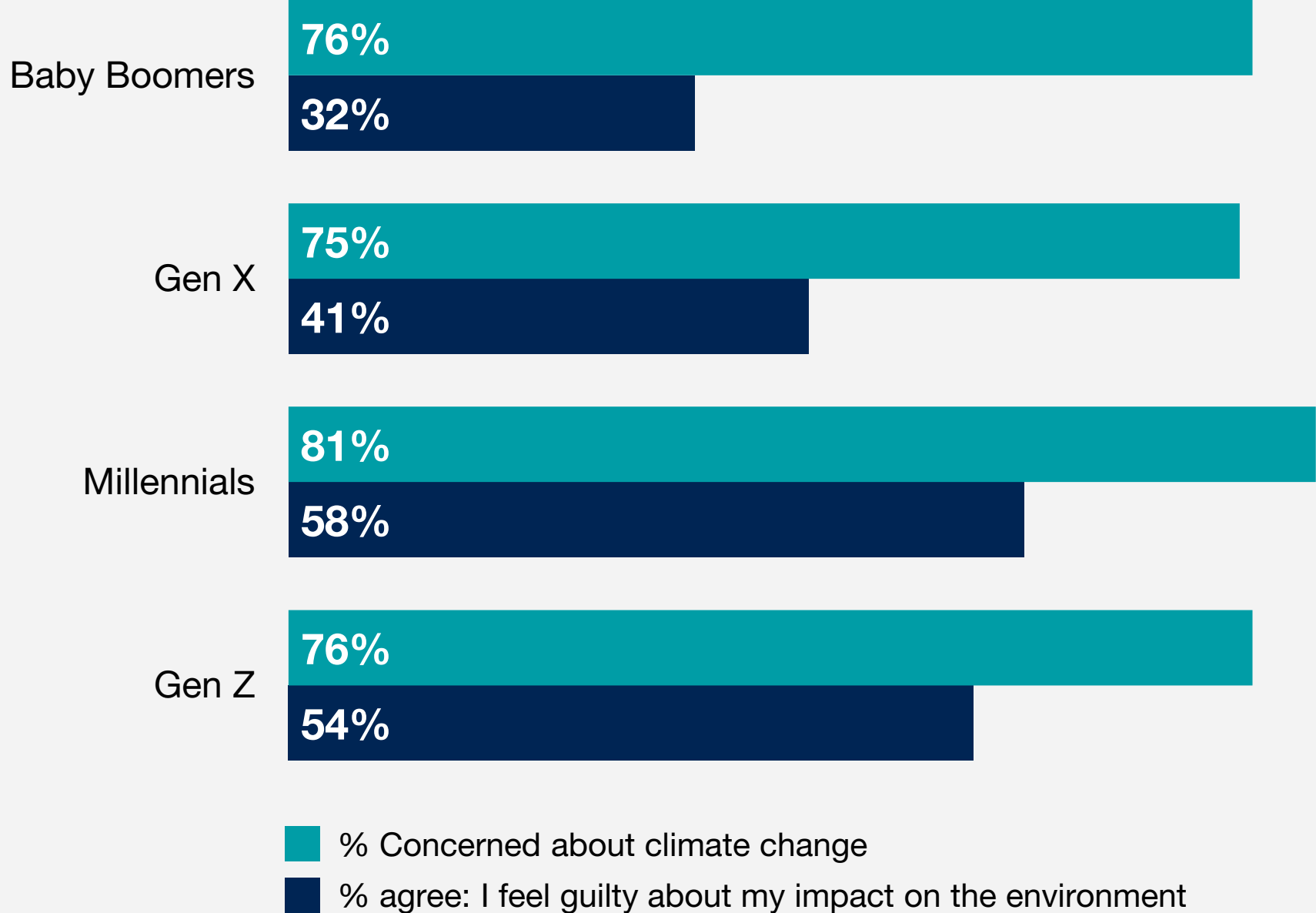


Source: European Social Survey 2002-2018

Yet underneath near-uniform levels of concern about the environment we see different emotional responses. While between three quarters to eight in ten of all generations say they are concerned about climate change, the proportion who feel guilty about their impact on the environment differs sharply. Gen Z and Millennials feel greater levels of *flygskam*: (a Swedish buzzword that translates as 'flight shame' encouraging people to stop flying to lower carbon emissions and take the train instead) over half feel guilty about the climate impact of their lives. This falls to a third of Baby Boomers – who are more likely to disagree that they feel guilty. These differing views point to a generational angle to climate action; although as in other areas, Gen Z and Millennials are close.

**Fig. 39 – Feelings of guilt are higher among the young**

Concern and guilt about the environment by generation



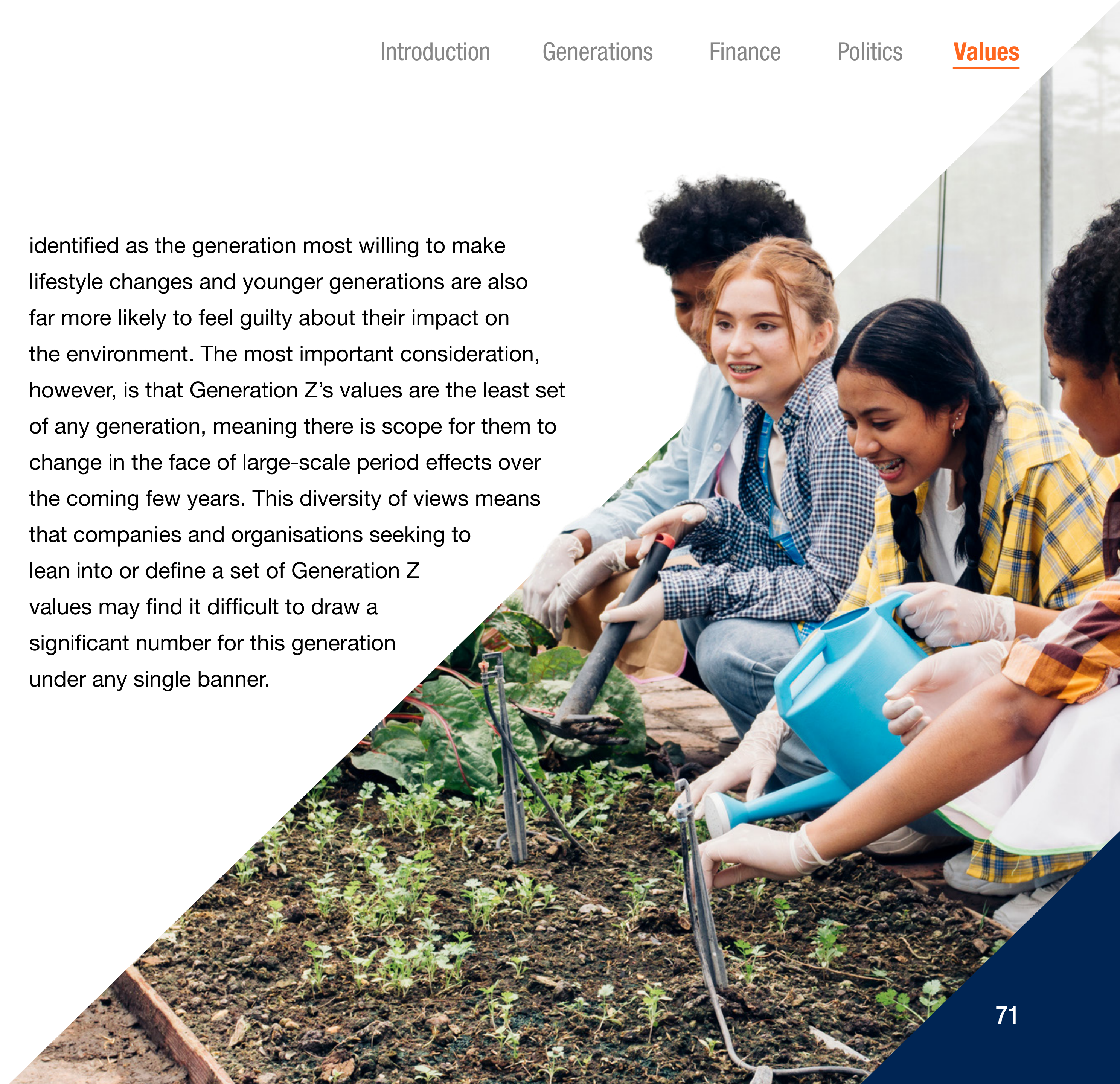
**Q:** How concerned, if at all, are you about climate change, sometimes referred to as 'global warming'?  
 To what extent do you agree or disagree with the following statement? I feel guilty about my impact on the environment  
**Source:** Ipsos  
**Base:** 2,246 Online British adults aged 16-75, 21st-22nd September 2022

### So what?

Generation Z appear to live up to their 'liberal' billing – they are less tied to tradition and their views on topics including the necessity of censorship, the death penalty and criminal justice are the most liberal of any generation. In some cases, such as the death penalty, this is due to the entirety of UK society moving in a more liberal direction, however, in others, especially on sentencing criminals, we see a uniquely liberal attitude emerging.

However, in one area where there is a lot of coverage – environmentalism – we find no evidence that Generation Z hold unique views, especially from Millennials. Society overall has become more likely to care about the environment, and few people of any age do not agree that it is a worry. Whilst there are differences on the types of action different generations might think are needed to meet the climate change challenge: Generation Z are the most likely to be

identified as the generation most willing to make lifestyle changes and younger generations are also far more likely to feel guilty about their impact on the environment. The most important consideration, however, is that Generation Z's values are the least set of any generation, meaning there is scope for them to change in the face of large-scale period effects over the coming few years. This diversity of views means that companies and organisations seeking to lean into or define a set of Generation Z values may find it difficult to draw a significant number for this generation under any single banner.



## The future of generations?

Our analysis concludes Generation Z does exist and provides an outline of how it might be possible to influence them.

We find they are most differentiated when it comes to some of their deep-set values: the assertion that they are more socially liberal appears to be genuine, especially when it comes to views of censorship, prison sentencing and the (lesser) importance of traditional values. We also see that they are more optimistic about their financial situation compared with Millennials when they were a similar age – whether this is warranted or not.

However, there are also many areas of similarity: our analysis shows that Gen Z has more commonalities than differences with older cohorts. We see this on some deep-held values where attitudes are shifting across society (for instance, on views of the death

penalty), and we also see this in our politics, which appear to be driven by age, rather than cohort differences. There is little evidence to suggest that this generation is greener than its predecessors either, although it is true that they are perceived as being most willing to make lifestyle changes by society generally.

Finally, there are areas where we simply lack the data to be able to tell. Our picture of Generation Z is necessarily incomplete. There are three main reasons for this:

- **This generation is still very young.** Depending on where you draw your generational lines in the sand, some may be just ten years old at this point. The type of evidence required to understand generational change relies on high quality surveys which tend to run with adult populations only, so we have at least six years until the entire generation emerges into our sight.

“**Generation Z’s values are the least set of any generation, meaning there is scope for them to change in the face of large-scale period effects over the coming few years**”



- **In some cases, we do not (and may never have) the data.** Whenever we establish long-running trends, the questions speak to the topics of concern at the time the survey was established. There are issues which are top of mind now, which would never have come to mind as topic areas as little as five to ten years ago. To take one example, questions which cover gender and sexual fluidity tend to show Generation Z as being the most open-minded.<sup>12</sup> However, these questions would rarely have featured in surveys in previous decades so we will never know how other generations felt about this when they were young.
- **There is still a lot of time for things to change.** Our data makes the rather obvious point that young people have the most plasticity in their values and behaviours, and this decreases over time. Many in Generation Z have changed their views more recently than older cohorts on topics ranging from

the banal to the spiritual. This should be a useful reminder that the character of this generation remains malleable and will remain as such for some time.

There is a clear role this type of approach can play in understanding our society by reminding us that history is important – like many other things, the era we grow up in is important in moulding our preferences, behaviours, and values. Used sensitively, and in areas where we have enough data to take the long view, generational analysis can nuance our understanding of the present and allow us to anticipate the future. Generation Z do exist – but there is still a long way to go in understanding who they are.

**“ This generation remains malleable and will remain as such for some time ”**

## End notes

1. <https://www.washingtonpost.com/opinions/2021/07/07/generation-labels-mean-nothing-retire-them/>
2. <https://www.ipsos.com/en-uk/millennial-myths-and-realities>
3. <https://www.bsa.natcen.ac.uk/>
4. <https://www.europeansocialsurvey.org/>
5. <https://www.ipsos.com/en-uk/financial-research-survey-frs>
6. <https://www.resolutionfoundation.org/press-releases/millennials-face-the-highest-lifetime-costs-of-their-first-time-properties-despite-historically-low-interest-rates/>
7. <https://journals.sagepub.com/doi/10.1177/002188638101700209>
8. <https://www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins/>
9. <https://www.ipsos.com/en-uk/millennials-are-most-derided-generation>
10. <https://quoteinvestigator.com/2014/02/24/heart-head/>
11. <https://www.ipsos.com/en-uk/how-britain-voted-2010>
12. <https://www.independent.co.uk/life-style/love-sex/gen-z-sexual-orientation-gay-b2196813.html>



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