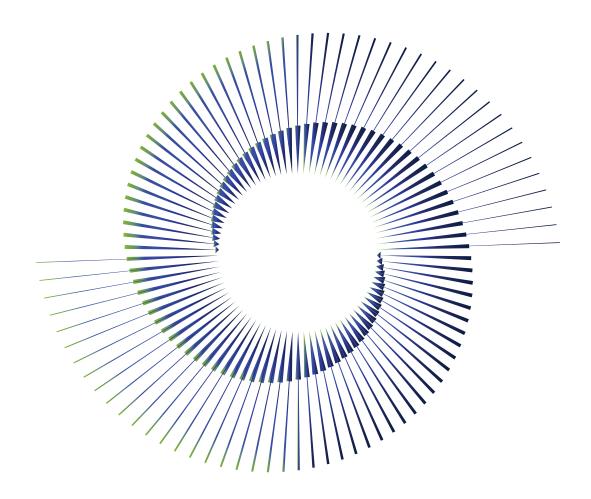
# **Deloitte.**

# ROBIN HOOD Monitor Institute by Deloitte



## Re-Designing the Grind: Brief on Engaging Gen Z

Supporting Gen Z in the Workforce



# THIS DOCUMENT

This brief focuses on solutions to more effectively engage and support Gen Z with barriers in NYC as they navigate the workforce.

It shares the outputs from extensive desk research and conversations with 40+ individuals—from program staff at workforce development (WFD) nonprofits, to employers of Gen Z, to low-income Gen Z in NYC. It was initially written to prepare a community of workforce development organizations for a workshop held in March 2024 focused on challenges and emergent solutions.

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#### CONTEXT ON THE COMMUNITY OF PRACTICE

Our Community of Practice (CoP) is designed around a shared question: how to support and engage NYC Gen Z in the workforce. The work as a community kicked off in January 2024 and extended through May 2024. The organizations in the CoP were all workforce development nonprofits in NYC who serve young people experiencing barriers to access jobs that provide opportunities for economic mobility. The group was brought together by the Robin Hood Foundation.

A collaboration between Monitor Institute by Deloitte and the Robin Hood Foundation



# **UNDERSTANDING GEN Z**

Gen Z are approaching work differently. Deepening our understanding of what they value and the barriers they experience is a critical starting point for evolving programs to engage them effectively.

1

#### WHAT THEY VALUE AT WORK

Research conducted in 2023 on what Gen Z values in the workplace found that across 14,000+ respondents **they valued work-life balance**, **flexible work environments**, **compensation**, **work that aligns with their values**, **and growth**. Gen Z puts an emphasis on what their 9-5 enables them to do outside work. In fact, **only 49% of them say work is central to their identity**, as opposed to 65% of millennials.<sup>1</sup>

- The top concern for Gen Z was the cost of living (35% of respondents), followed by unemployment (22%), climate change (21%), mental health (19%), and crime and safety (17%). From the focus groups, cost of living was the top concern, with others expressing the need for mental health supports and a safe commute to their place of work.
- When asked about the greatest motivator to stay in a role, they led with compensation, but also noted benefits and work life balance. When asked what would make them leave a role, they selected lack of "fast enough" growth opportunities.
- Team culture and opportunities for connection are also very important to Gen Z. In the broader survey, respondents named in-person interactions as one of the greatest drivers of day-to-day wellbeing, despite expressing a desire for "virtual first" work.

WHAT MATTERS MOST IN A JOB?



- Positive Work Culture
- Competitive
   Compensation +
   Benefits
- Good Work-Life Balance
- Opportunity to Learn New Skills



#### BARRIERS THEY'RE EXPERIENCING

**Gen Z entered the workforce at a difficult time,** with the COVID-19 pandemic, rapid shifts in technology, social upheaval connected to addressing longstanding racial injustices, and a housing affordability crisis in NYC. According to research done by the NYC government in 2021, 1 in 6 New Yorkers age 16-24 were out of school and out of work (OSOW), a 23% increase relative to prepandemic levels.<sup>2</sup> Gen Z individuals we spoke with felt a real sense of anxiety about being able to "set myself up for the life I want" with most stating they believe it will require holding multiple jobs.

- Not all sub-groups of young New Yorkers have seen the same recovery from the pandemic—in particular young, **Black men** have seen the starkest drop in labor force participation rate (LFPR) relative to pre-pandemic figures with 26% of them not in the labor force (unemployed, not looking for a job) or in school as of 2023.<sup>2</sup>
- 80% of OSOW New Yorkers are estimated to only have a high school degree or equivalent or lower, limiting the job opportunities and professional networks available to them.<sup>3</sup>
- Even for those who are employed, the need for financial resources is acute. According to the MIT living wage project, a living wage for one adult in NYC is \$33 dollars per hour, while the minimum wage is less than half that at \$16 dollars per hour.<sup>4</sup> Further, 55% of individuals who have a high school degree/equivalent or lower, make at or below minimum wage.<sup>5</sup> For Gen Z looking at entry level jobs, this reality is very distressing.

Use one word to describe your workforce experience...

Challenging

**Interesting** 

Stressful

**Overwhelming** 

Unsure

Inclusive "



Gen Z are shaking things up. Knowing where to reach them and getting a glimpse of what they wish employers and managers knew is a helpful starting point to meeting them where they are.

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#### WHERE TO REACH THEM

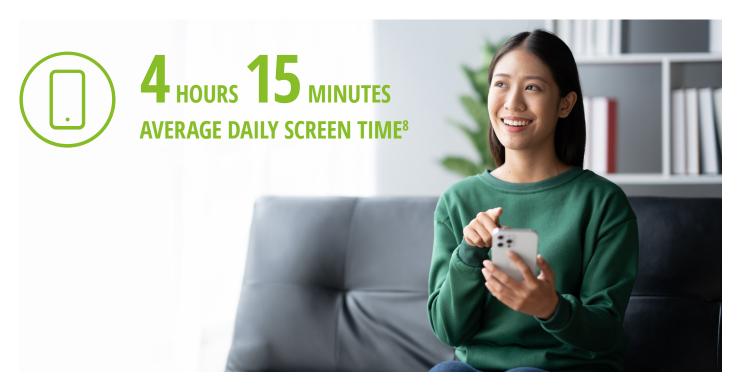
**Gen Z are engaging with the world around them differently** than older generations. They socialize differently, communicate differently, and have different expectations for interactions. The Pew Research Center found that **social media is the #1 place Gen Z go for information** with 95% of Gen Z using YouTube, 67% on TikTok, and 62% on Instagram. However, when it comes to applying for a job they **apply through traditional channels like LinkedIn, Indeed, company websites, or connections.** 

- Though Gen Z spend a lot of time on social media, **NYC Gen Z increasingly name connections as the top way to find a role.** Part of the motivation for this is the recognition that online jobs have notoriously low response rates. In general, engaging them through local 'influencers' or people in their network is more effective.
- Other Gen Z used social media adjacent platforms like LinkedIn to find roles but go directly to websites, brick-and-mortar stores, or try and connect with someone ahead of applying. They don't like sending applications "into the online abyss."
- Gen Z are most likely to engage with content that is concise, customized, and visually engaging, with a preference for texts and social media outreach over email.<sup>7</sup>

FOCUS GROUP RESPONSES



- LinkedIn
- Handshake
- Indeed
- Where my friends work
- Mentor in the field



#### WHAT THEY WISH WE KNEW

We asked what they wished we knew about their experience navigating the workforce.

Good pay isn't enough if the job burns you out."

"Give us more opportunities."

"I have a side hustle because **I want something different for my life.** I want to give my kids better lives."

**"We work just as hard** as everyone else it just looks different."

"I don't want us [Gen Z] to change. I want us to keep going until we're actually heard. It's not 'Oh you kids'—no, we're the future."

"Talk to us, not about us."

"Having one job won't get you the 'American dream'. Many of us have 2-4 jobs and side hustles to make ends meet."

# GEN Z ARE EXPERIENCING COMPOUNDING CHALLENGES

Nationwide 64% live paycheck-to-paycheck and 55% are in the labor force.<sup>9,5</sup>

Only 50% of people age 18-24 in NYC are in the labor force.<sup>2\*</sup>

Of all groups in NYC, young Black men are most likely to be OSOW.<sup>2</sup>



\*This includes individuals who are in school or training programs who make up nearly half this number.

# **CORE CHALLENGES**

We spoke with 40+ people—from low-income Gen Z in NYC to employers, workforce development organizations and field experts. We heard the challenges below again and again as we asked about the unique needs of supporting the newest members of the workforce.

1

### Not Seeing Eye-to-Eye: Different Expectations

- **For Professionalism:** Gen Z have different standards for professional dress, timeliness, and communication in the workplace. Navigating this disconnect is frustrating for employers and for Gen Z.
- For an Entry-Level Job: These jobs are not "fun, flexible, or going to earn six figures"; the reality of the effort-to-reward ratio can be demotivating.
- For Career Trajectory: Gen Z expect rapid growth, in part fueled by social media, and are quick to leave roles that don't meet their expectations.¹ One study found that Gen Z are switching jobs 134% more today than in 2019, compared to Millennials who switched 24% more and Boomers who switched 4% less.¹0
- For the Role Work Plays in Your Life: Work is less core to Gen Z's identity, and they often view the workplace as a two-way street, which can be perceived as entitled by employers. When asked what they admire most in their peers and when looking at a new employer, the top characteristic Gen Z cited was good work-life balance.<sup>1</sup>

A job is a business transaction—what are you giving me and what am I giving you?"

There's **no such thing as an entry level.** They
don't understand the idea
of going up the career
ladder."

2

#### Desire for Immediate Gratification to Meet Immediate Needs

• Gen Z wants a great job—now. There's a sense of unwillingness to "put in the time" or be patient. What appears on the surface as a lack of patience or stubborn desire for certainty around promotion pathways, stems from an urgency to meet immediate, usually financial, needs. One study found that Gen Z are more likely than any other generation to work multiple jobs, with 25% of them currently doing so.<sup>11</sup>

11

With opportunities that start with a lower pay.

The now is too pressing - 'okay, but I need the money now'."

#### **Lack of Trust in Traditional Avenues for Success**

Gen Z are skeptical of traditional career pathways. They see Millennials that took those routes but failed to achieve financial freedom and flexibility. So, they don't believe it will work. They are also quick to distrust information. Conversely, testimonials from those they know or those they admire are very compelling. In fact, 87% of Gen Z reported that their friends and family's social media is their top news source.<sup>1</sup>

11

Gen Z know a degree doesn't equate to doing a job well. They want to be paid for their skills."

4

#### **Deficit of 'Durable' Skills**

In the wake of the pandemic and long shut-downs in NYC, employers and WFD organizations have noted a significant decline in the social-emotional or 'durable' skills, particularly in younger Gen Z. For those who started careers during the pandemic, managing setbacks and building comfort engaging with colleagues is challenging. More broadly, 56% of Gen Z believe it's impossible to have the uncomfortable conversation to ask for a raise. Often, they would rather find a new job than negotiate at their current one, with 23% of them planning to leave to get a higher salary in the next year. These deficits are particularly acute given that durable, interpersonal skills are expected to grow in importance over the coming decade.<sup>12</sup>

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They saw us millennials go to college, and **for what? To be in debt in jobs we don't like.** They don't want that."

#### The way they comment.

The conversational skills aren't there, some are shy others are too comfortable."

5

#### I Make Money Moves: What's In It For Me?

Gen Z are blunt about their desire to make more money and prioritize growth and wellbeing. They don't shy away from sharing that with organizations or leaving a job if they don't see a raise or a promotion coming. In a study of 14,000+ professionals, the top reason Gen Z plan to leave was higher pay.¹ For Gen Z the conversation around money and career trajectory is authentic and honest. For employers and managers, it can come off as off-putting, transactional, or entitled.

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[Gen Z] Within 6 months or 1-year you've learned everything you can. You should leverage that and get a better title."

Show me the money'. We hear that all day."



## Getting What You Need, Not What You Want: Pitching a Job That's Not The Dream

Many of the things Gen Z values—flexibility, personal growth trajectory, purpose-driven work, work-life balance, personal relationships, and strong compensation—are not characteristics of entry-level jobs, especially for those facing the greatest barriers. A study conducted by Hofstra University found that just under 55% of New Yorkers whose highest degree is high school or equivalent earn the minimum wage. Sa Gen Z become clearer on their post-program job prospects, they can feel demotivated if it won't provide the hoped-for windfall. Balancing the reality of the jobs they can get with their aspirations can be very challenging, and frustrating, for WFD organizations.

The whole priority is to get the 9-5 job, **but these jobs aren't as exciting to** young people."

Many roles aren't flexible in when and how you work.

Programs have to set expectations to model that."

7

#### **Anxiety Around a Long-Term Path to Success**

Gen Z have access to more information than any other generation entering the workforce. They often apply to 100 jobs to get three responses. The path to success feels long and confusing. In a remote or hybrid work environment, they have also struggled to find mentorship and peer guidance. These challenges have created decision paralysis for some and pushed others in frequent job-hopping with the hope that if they "just keep swiping" the dream job could be just around the corner.

• Joining and staying in the workforce has taken a toll on Gen Z's mental health. A study conducted by the World Health Organization found that 52% of Gen Z met the criteria for burnout and 36% feel exhausted or low energy at work.¹ Amongst the NYC Gen Z we spoke to, they noted the start of their careers have been "confusing" and "challenging" with many anchoring on a skill, dream job, or side hustle as the solution to building the "better life they want for themselves."

11

They're at home, not having coffee at the office. There's **no path for organic mentorship** without the coffee.

If you can show [Gen Z] different paths, then you get buy-in."

8

## Jumping Off a Cliff: Navigating What Comes After Programs

In programs, Gen Z are often supported by some combination of mentors, staff, peer cohorts, and have structure to guide them. Entering the workforce, looking for a role, and navigating the first year can feel like the rug was pulled under them. Further, experts posit that those who are justice- or traumaimpacted need continued supports to enable them to show up consistently to work. To maintain their progress, Gen Z often need continued support, either from a supportive employer or from a program, but this can create additional programmatic burden.

11

Real life happens. With supportive care in the interim, they could stay in the role they worked so hard to get."

It's critical to accept and support people through failure. You can't expect them to not be triggered by things in a new environment"

# SPECTRUM OF SUPPORTS

Across organizations, there are a wide range of supports offered to support Gen Z in the workforce. The challenges an organization experiences—and the solutions to meet the shifting needs—are likely to vary in part depending on the types of programs they run. As a tool to help name solutions and get specific on how common challenges are showing up, we've included a spectrum of supports below.

### **Spectrum of Workforce Supports & Upskilling**

A range of supports that serve different functions but have all been found to improve outcomes for individuals.<sup>13</sup>

#### **Additional Wraparound Supports**

Supports focused on preparing individuals to be ready to enter the workforce by giving them a foundation of stability.





#### **THOUGHT STARTERS...**

- What kinds of programs/supports does your organization engage Gen Z in?
- If you had to pick two of these that are most representative of the work you do with Gen Z, which two would you pick?
- What programs/supports don't make sense for you to provide?

# **DESIGN PRINCIPLES**

While the challenges facing organizations working to support Gen Z are significant, there are promising solutions for engaging this group. These ideas informed the eight preliminary design principles included below. More broadly, they reflect practices that can set organizations up for success in engaging Gen Z.

THERE IS NO 'ONE-SIZE
FITS ALL' TO ENGAGING
GEN Z INDIVIDUALS WITH
BARRIERS, BUT THERE
ARE SOME PRINCIPLES
THAT CAN BUILD A
SOLID FOUNDATION FOR
EFFECTIVE PROGRAMS.

#### **Lead with Results**

To set expectations and create buy-in, being clear up front about what Gen Z individuals can expect to get out of the program goes a long way.

#### **Build Community**

Creating a sense of community and connection invokes social norms and can improve persistence, builds social skills needed for the workplace, can enable individuals to be vulnerable about the challenges they're facing with peers as well as staff.

## Bring Both Support and Honesty

Having high support and high honesty environments enables staff at WFD organizations to set expectations and give honest feedback without alienating Gen Zers.

#### **Listen Often**

Gen Zers want to be heard. Both for feedback on what they need, but also to make space for the challenges they're dealing with in and outside of the workforce. Listening was noted as a primary way to build trust, in particular for those facing the greatest barriers.

#### Engage Gen Z in Decision-Making

Make space for Gen Z to take ownership over their program. It helps them build the muscle to make career choices that build self-efficacy and chart careers more aligned with their values.

#### **Embed Transparency**

Gen Z are a no BS generation. Feeling they aren't getting the full story quickly leads to disengagement. Being transparent up front can be an asset by establishing expectations for what Gen Z can expect.

#### **Focus on Durable Skills**

To set Gen Z up for success after programs end, it's critical to teach them durable skills (i.e., engaging in difficult conversations, managing competing priorities). Gen Z also enjoy building skills that will make them more independent.

## Acknowledge the World as It Is

Entry level jobs aren't usually 'the dream.' Acknowledging the reality of the workplace, preparing Gen Z for their bosses' expectations, and helping them learn how to advocate for themselves is critical to job retention.

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