

McKinsey Explainers

What is Gen Z?

Generation Z comprises people born between 1996 and 2010. This generation's identity has been shaped by the digital age, climate anxiety, a shifting financial landscape, and COVID-19.



Gen Z is currently the second-youngest generation, with millennials before and Generation Alpha after. Like every generation, Gen Z's behaviors are shaped by how they grew up. Young people today have come of age in the shadow of climate doom, pandemic lockdowns, and fears of economic collapse. The first Gen Zers were born when the internet had just achieved widespread use. They're called "digital natives"—the first generation to grow up with the internet as a part of daily life. The generation spans a wide range: the oldest Gen Zers have jobs and mortgages, while the youngest are still preteens. Globally, Gen Z is growing fast: Gen Zers will make up a quarter of the population of the Asia–Pacific region by 2025. Read on to understand what makes Gen Z tick.

What is a generation?

No doubt you're already familiar with the concept of generation within families. Your grandparents, parents, children, and children's children all make up a distinct generation in relation to you. But each of them also belongs to a diffuse category of their peers, grouped together based on when they were born and what they experience during their lives. Social scientists have studied generations—in theory and more practically—for millennia. More recently, thinkers like August Comte have argued that generational change is the engine behind social change. More specifically, each generation entering into a new life stage at more or less the same time is the pulse that creates the history of a society.

Specific major-scale events can also shape the outlook of a generation and are often reflected in how they're named. The Lost Generation, for example, is named for the malaise and disillusionment experienced by people who lived through World War I. Later, the Greatest Generation was named for the heroic sacrifice many made during World War II. Their children, born soon after the war ended, are called baby boomers; their outlook, in turn, was colored by the Vietnam War and the social upheavals of the 1960s. More recently, millennials' worldviews have been shaped by the September 11 attacks and the proliferation of the internet.

Of course, these are generalizations: every so-called generation comprises a multitude of unique individuals with their own opinions, values, behaviors, and plans for the future. Some social scientists even believe that the practice of studying generations can obfuscate what motivates people on an individual level. Generational theory should be understood with this caveat, and used only as a way of thinking about society, rather than the gospel truth.

What is unique about Gen Z?

While there are substantive differences within the cohort known as Gen Z, there are a few commonalities its members share.

As the first real digital natives, Gen Zers—speaking generally—are *extremely online*. Gen Zers are known for working, shopping, dating, and making friends online; in Asia, Gen Zers spend six or more hours per day on their phones.

Digital natives often turn to the internet when looking for any kind of information, including news and reviews prior to making a purchase. They flit between sites, apps, and social media feeds, each one forming a different part of their online ecosystem. Having grown up with social media, Gen Zers curate their online selves more carefully than those in prior generations have, and they are more likely to turn to trends of anonymity, more personalized feeds, and a smaller online presence, even as they voraciously consume media online.

Video-sharing social media sites have seen a meteoric rise as Gen Z comes of age. TikTok currently rules trends, feelings, and culture for Gen Zers, who make up 60 percent of the app's one billion-plus users. Gen Zers flock to corners of the internet where they can discuss their passions and interests with those who share them—from gaming to K-pop—bonding with both people they know in real life and ones they've only met online.

Gen Z also faces an unprecedented *behavioral health* crisis: US Gen Zers surveyed by McKinsey report the least positive outlook and the highest

prevalence of mental illness of any generation, and European respondents report struggling with self-stigma. This pessimism is fueled by growing global unrest, wars and disruptions, financial crises, and educational interruptions due to the COVID-19 pandemic. Feelings of “climate anxiety” are also widely reported: many Gen Zers report that they think about the fate of the planet on a daily basis.

They are already seeing decreased economic opportunity and don’t assume a social safety net will be there to catch them as pensions shrink, saving for retirement gets more difficult, and the older population grows. Already, 58 percent of Gen Zers in a recent McKinsey survey reported not having a basic social need met—the largest percentage by far of any generation.

But Gen Zers also report a more nuanced perspective around the stigma of mental illness than other generations. European Gen Zers seem less inclined to discriminate against people with mental illness (although they do stigmatize themselves).

However, Gen Z is also generally known for its *idealism*—they’re part of a new wave of “inclusive consumers” and socially progressive dreamers. Generally speaking, Gen Zers believe in doing their part to help stop the intensification of climate change and to establish greater equity for all. More than any other generation, Gen Z collectively demands purpose and accountability, the creation of more opportunities for people of diverse and underrepresented backgrounds, and rigorous sustainable and green practices.

How are Gen Zers different from millennials?

Those on the cusp of Gen Z and millennial—people who were born shortly before the turn of the millennium—are sometimes referred to as “Zillennials” or “Zennials.” That includes older Gen Zers who’ve been in the workforce for a few years and young millennials who identify more with Gen Z.

However, Gen Z generally has its own formative experiences distinct from those of most millennials.

Here are some ways American Gen Zers differ from their older counterparts:

- They are generally more pragmatic, with both complicated idealism and worries for the future. Gen Zers dream of personal career fulfillment but expect economic struggles.
- They have less positive life outlooks, with lower levels of emotional and social well-being than older generations.
- They are more interested in belonging to an inclusive, supportive community.
- They are more individualistic, with a stronger sense of personal expression.
- They are more politically and socially active, advocating for what they believe on social media.

What are Gen Z’s values?

Gen Zers generally have strong values related to racial justice and sustainability. Mobilizations like the Global Climate March, led by Gen Z activist Greta Thunberg, thrive on the activism of young people.

Climate change is one of the issues Gen Zers care about most. They frequently call for reform on personal, public, and global scales to prevent future catastrophe. Many Gen Zers describe themselves as environmentally conscious, and the majority of Gen Z expects to see sustainability commitments from companies and organizations.

Gen Z is also living in a time marked by rapidly rising inflation and financial woes. Rising student loan debt also plagues many members of this generation.

What are Gen Z fashion trends?

Gen Z loves expressive clothes, wants to stand out rather than fit in, and has an ever-changing style—what was in a month ago might already be out today. Their trend-chasing habits are

supported by fast-fashion retailers supplying accessible ways to switch it up. One Gen Z staple shop, Chinese fast-fashion giant Shein, adds 6,000 new products to its website per day. This may seem at odds with the generation's values of sustainability, but the speed at which Gen Z trends change and their desire for unique style can sometimes overcome their eco-scruples.

Gen Zers also love thrifting and vintage styles—which are much more in line with their calls for circular fashion. Both '90s and y2k-style clothes have seen a major comeback, including fast-fashion dupes and clothes dug out of closets and thrift stores. Fashion resale has experienced massive growth thanks to Gen Z resellers and influencers, and it's normal for a Gen Z wardrobe to be a mix of cheap fast fashion and treasured vintage pieces.

What do Gen Z shoppers want?

The internet has changed retail forever and shaped the tastes of digital natives. Here's how:

- Consumption is about access rather than ownership—Gen Zers subscribe to streaming platforms instead of buying films or music. This trend extends even to services like car shares or luxury-clothing rentals.
- Gen Zers accept their tastes might change, and they are more likely to spend on experiences that enrich their day-to-day lives than millennials, who are more likely to splurge on luxury.
- Members of this generation care about ease of use: mobile pay, app-based services, and simple online transactions are important, and brands have found major success by restructuring to suit Gen Z tastes.
- Gen Zers like brick-and-mortar stores more than millennials do but still want a great online shopping experience. Some brands have even found success through online-first launches, often supported by Gen Z consumers.

- Ads are everywhere; Gen Zers experience brands “at every moment” as they move through their digital and physical worlds.

And as a generation committed to its values, Gen Z expects the same of its retailers—Gen Zers often choose brands that have a strong story or purpose, as well as those committed to green practices. In one McKinsey study, 73 percent of Gen Z reported trying to purchase from companies they consider ethical, and nine out of ten believe that companies have a responsibility to address environmental and social issues. However, they can tell when a brand is just paying lip service and isn't backing up diversity or sustainability claims with real change.

Many Gen Zers throughout Asia see the internet as the first place to go when researching new products to purchase; in the United States, 40 percent of Gen Zers admit to being influenced online, often by the brands featured in the videos they watch. Members filter a lot of information, from influencers, family, and friends, to decide where and how they want to spend.

For more in-depth exploration of these topics, see McKinsey's Generation Z collection. Learn more about Gen Z insights by subscribing to our newsletter—and check out entry-level job opportunities if you're interested in working at McKinsey.

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