

Healthcare Systems & Services Practice

Addressing the unprecedented behavioral-health challenges facing Generation Z

A series of consumer surveys and interviews conducted by McKinsey finds Gen Zers reporting the least positive life outlook, including lower levels of emotional and social well-being than older generations.

The article is a collaborative effort by Erica Coe, Jenny Cordina, Kana Enomoto, Raelyn Jacobson, Sharon Mei, and Nikhil Seshan, representing views of the McKinsey's Healthcare Systems & Services and Public & Social Sector Practices.



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Nearly two years after the COVID-19 pandemic began in the United States, Gen Zers, ranging from middle school students to early professionals, are reporting higher rates of anxiety, depression, and distress than any other age group.¹ The mental-health challenges among this generation are so concerning that US surgeon general Vivek Murthy issued a public health advisory on December 7, 2021, to address the “youth mental health crisis” exacerbated by the COVID-19 pandemic.²

A series of consumer surveys and interviews conducted by McKinsey indicate stark differences among generations, with Gen Z reporting the least positive life outlook, including lower levels of emotional and social well-being than older generations. One in four Gen Z respondents reported feeling more emotionally distressed (25 percent), almost double the levels reported by millennial and

Gen X respondents (13 percent each), and more than triple the levels reported by baby boomer respondents (8 percent).³ And the COVID-19 pandemic has only amplified this challenge (see sidebar, “The disproportionate impact of the COVID-19 pandemic”). While consumer surveys are, of course, subjective and Gen Z is not the only generation to experience distress, employers, educators, and public health leaders may want to consider the sentiment of this emerging generation as they plan for the future.

In our sample, Gen Z respondents were more likely to report having been diagnosed with a behavioral-health condition (for example, mental or substance use disorder) than either Gen Xers or baby boomers.⁴ Gen Z respondents were also two to three times more likely than other generations to report thinking about, planning, or attempting suicide in the 12-month period spanning late 2019 to late 2020.

The disproportionate impact of the COVID-19 pandemic

While Gen Z is less vulnerable to the physical impacts of the COVID-19 pandemic, they bear unique burdens due to their life stage, including emotional stress and grief from the pandemic, high rates of job loss and unemployment, and educational challenges from remote or interrupted learning. The effects of the pandemic may be especially felt by recent college

graduates, many of whom have encountered difficulties finding jobs, had their previously secured job offers rescinded, or were unable to apply to graduate school due to the timing of the lockdowns in March 2020. In April 2020, workers aged 18 to 24 faced 27 percent unemployment, with 13 percent of this segment ceasing to look for work. While employment has largely recovered,

this segment has exited the workforce at twice the rate of other age groups since the start of the pandemic.¹ The inequitable impact of the pandemic by race extends to Gen Z employment as well, where Black, Hispanic/Latino, and Asian American and Pacific Islander (AAPI) workers aged 18 to 24 faced up to 1.8 times the unemployment rates of their White counterparts.²

¹“Achieving an inclusive US economic recovery,” McKinsey, February 3, 2021.

² McKinsey analysis of the US Census Bureau Current Population Survey as of November 2020.

¹ Ages for Generation Z can vary, with some analysis including ages as young as nine. In this article, we focus on those between the ages of 16 and 24, and define millennials as 25 to 40; Ramin Mojtabai and Mark Olfson, “National trends in mental health care for US adolescents,” *JAMA Psychiatry*, March 25, 2020, Volume 77, Number 7; Martin Seligman, *The Optimistic Child: A Revolutionary Approach to Raising Resilient Children*, Boston, MA: Mariner Books, 2007; Gen Z respondents are 1.5 times as likely to report having felt anxious or depressed, compared with the average respondent, according to the McKinsey Consumer Health Insights Survey, conducted in June 2021—a nationally representative survey of 2,906 responses, including 316 Gen Z responses.

² *Protecting youth mental health: US surgeon general’s advisory*, Office of the Surgeon General, December 7, 2021.

³ These research efforts have been focused on Gen Zers between the ages of 16 and 24 when compared with samples of millennials (aged 25 to 40), Gen Xers (aged 41 to 56), and baby boomers (aged 57 to 76).

⁴ Gen Z respondents were 1.4 to 2.3 times more likely to report that they had been diagnosed with a mental-health condition and 1.9 to 4.1 times more likely to be diagnosed with a substance-use disorder than both Gen Xers and baby boomers. Based on the McKinsey Consumer Behavioral Health Survey conducted in November–December 2020—a nationally representative survey of 1,523 responses, including an oversample of Gen Z respondents (aged 16 to 24, n = 874).

Gen Z also reported more unmet social needs than any other generation.⁵ Fifty-eight percent of Gen Z reported two or more unmet social needs, compared with 16 percent of people from older generations. These perceived unmet social needs, including income, employment, education, food, housing, transportation, social support, and safety, are associated with higher self-reported rates of behavioral-health conditions. As indicated in a recent nationwide survey, people with poor mental health were two times as likely to report an unmet basic need as those with good mental health, and four times as likely to have three or more unmet basic needs.⁶

As these young adults work to develop their resilience, Gen Zers may seek out the holistic approach to health

they have come to expect, which includes physical health, behavioral health, and social needs, as future students, employees, and customers.

Characteristics of Gen Z consumers in the healthcare ecosystem

Gen Z's specific needs suggest that improving their behavioral healthcare will require stakeholders to increase access and deliver appropriate, timely services.

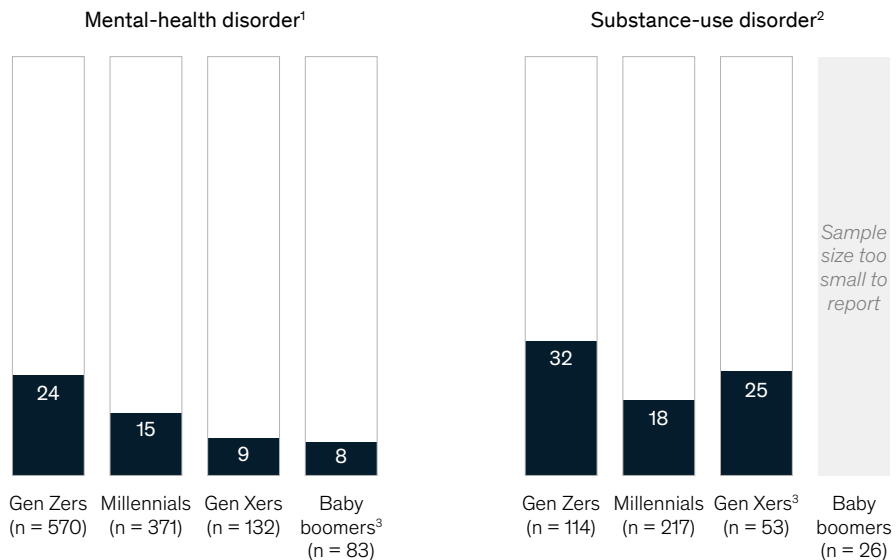
Gen Z is less likely to seek help

Gen Z respondents were more likely to report having a behavioral-health diagnosis but less likely to report seeking treatment compared with other generations (Exhibit 1). For instance, Gen Z

Exhibit 1

Gen Z respondents with a self-reported behavioral-health diagnosis were less likely than those from older generations to report seeking treatment.

Share of respondents reporting they did not seek treatment for behavioral-health diagnosis, %



Note: Gen Z, 16–24 years old; millennial, 25–40 years old; Gen X, 41–56 years old; baby boomer, 57–76 years old.
¹Eg, attention-deficit-hyperactivity-disorder, anxiety, autism spectrum disorder, bipolar disorder, depression, eating disorder, obsessive-compulsive disorder, post-traumatic stress disorder, schizophrenia, other compulsive disorders.
²Only respondents aged ≥21 were surveyed.
³Small sample size, results directional.
 Source: 2020 Healthcare Consumer Behavioral Health Survey, Nov 30–Dec 18

⁵Also referred to as social determinants of health or social needs, including income, employment, education, food, housing, transportation, social support, and safety. These basic needs, if unmet, can negatively affect health. In addition, factors such as race, ethnicity, gender and sexual orientation, disability, and age can influence health status.
⁶2019 McKinsey Social Determinants of Health Survey, n = 2,010, where respondents included those with Medicare or Medicaid coverage, individuals with coverage through the individual market who had household incomes below 250 percent of the federal poverty level, and individuals who were uninsured and had household income below 250 percent of the federal poverty level.

is 1.6 to 1.8 times more likely to report not seeking treatment for a behavioral-health condition than millennials. There are several factors that may account for Gen Z's lack of seeking help: developmental stage, disengagement from their healthcare, perceived affordability, and stigma associated with mental or substance use disorders within their families and communities.⁷

reported that they feel less in control of their health and lifespan, are less health-conscious, and are less proactive about maintaining good health. One-third of Gen Z respondents fell into the least engaged segment, who reported the lowest motivation to improve their health and the least comfort talking about behavioral-health challenges with doctors.⁸

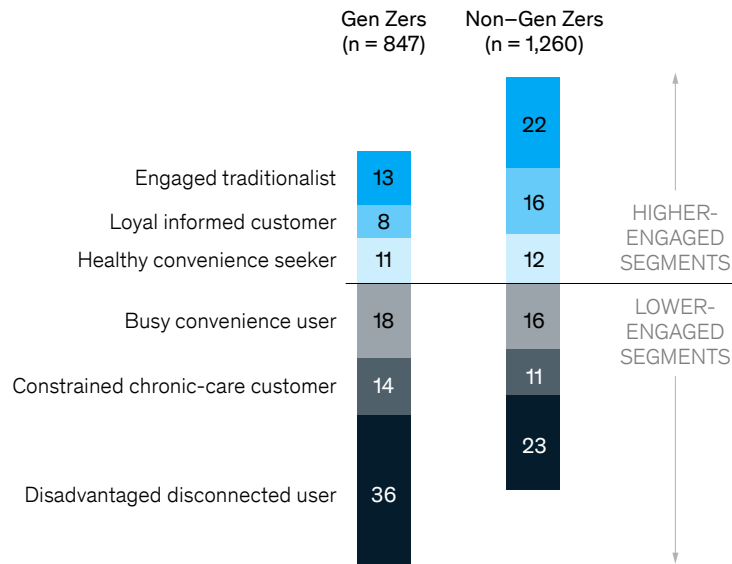
Gen Z respondents identified as less engaged in their healthcare than other respondents (Exhibit 2). About two-thirds of Gen Z respondents fell into lower engagement segments of healthcare consumers, compared with one-half of respondents from other generations. Gen Z and other people in these less engaged segments

Another driver for Gen Z's reduced help-seeking may be the perceived affordability of mental-health services. One out of four Gen Z respondents said they could not afford mental-health services, which had the lowest perceived affordability of all services surveyed.⁹ Across the board, Americans with mental and substance use disorders bear a

Exhibit 2

Gen Z respondents report falling into less-engaged segments of healthcare consumers, compared with older generations.

Representation in healthcare segments,
% of respondents



Source: 2020 Healthcare Consumer Behavioral Health Survey, Nov 30–Dec 18

⁷ Before age 25, the human brain is not fully developed. Awareness of long-term consequences and the ability to curb impulsive behavior are some of the last functions to mature. Thus, adolescents and young adults, across generations and not just Gen Z, may be less likely to engage in activities such as routine or preventive healthcare. For more, see *Investing in the health and well-being of young adults*, Institute of Medicine and National Research Council, 2015.

⁸ Disadvantaged, disconnected users are more resigned to their health and less engaged and active in improving it. They value convenience but are often not engaged digitally.

⁹ Services surveyed include healthcare, health insurance, internet services, necessary transportation, financial services, housing, and nutritious food.

disproportionate share of out-of-pocket healthcare costs for a range of reasons, including the fact that many behavioral-health providers do not accept insurance.¹⁰ “I found the perfect therapist for me but I couldn’t afford her, even with insurance,” said one Gen Z respondent. “The absolute biggest barrier to gaining mental-health treatment has been financial,” added another.

In addition, stigma associated with mental and substance use disorders and a lack of family support may be a substantial barrier in seeking mental healthcare. Many Gen Zers rely on parents for transportation or health insurance and may fear interacting with their parents about mental-health topics. This factor is particularly relevant for communities of color, who report perceiving a higher level of stigma associated with behavioral-health conditions.¹¹ Children of immigrants also may internalize guilt because of their parents’ sacrifices or may have behavioral-health concerns minimized by their parents, who may state or think their children “have it much easier” than they did growing up.¹²

Gen Z relies on emergency care, social media, and digital tools when they do seek help

When they do seek support for behavioral-health issues, Gen Z may not be turning to regular outpatient mental-health services and instead may rely on emergency care, social media, and digital tools.

Gen Zers rely on acute sites of care more often than older generations, with Gen Z respondents one to four times more likely to report using the ER, and two to three times more likely to report using crisis services or behavioral-health urgent care in the past 12 months. Gen Z also makes up nearly

three-quarters of Crisis Text Line’s users.¹³ One Gen Z respondent expressed her frustration, saying, “Seems [like the] only option is an emergency room visit, otherwise I have to wait weeks to see a psychiatrist.”

Almost one in four Gen Zers also reported that it is “extremely” or “very” challenging to get help during a behavioral-health crisis. This lack of access is concerning for a generation two to three times more likely to report seeking treatment in the past 12 months for suicidal ideation or attempted suicide, than any other generation.

Many Gen Zers also indicated their first step in managing behavioral-health challenges was going to TikTok or Reddit for advice from other young people, following therapists on Instagram, or downloading relevant apps. This reliance on social media may be due, in part, to the provider shortages in many parts of the country: 64 percent of counties in the United States have a shortage of mental-health providers. Furthermore, 56 percent of counties in the United States are without a psychiatrist (corresponding to 9 percent of the total population), and 73 percent of counties are without a child and adolescent psychiatrist (corresponding to 19 percent of the total population).¹⁴

Gen Z is less satisfied with the behavioral-health services they receive

Gen Zers say the behavioral healthcare system overall is not meeting their expectations—Gen Zers who received behavioral healthcare were less likely to report being satisfied with the services they received than other generations. For example, compared with older generations, Gen Z reports lower satisfaction with behavioral-health services received through outpatient counseling/therapy

¹⁰ Erica Coe, Kana Enomoto, and Sharon Mei, “How affordable is mental healthcare? The long-term impact on financial health,” McKinsey, October 8, 2021.

¹¹ *Mental health: Culture, race, and ethnicity; A supplement to mental health; A report of the surgeon general*, US Department of Health and Human Services, August 2001: A 1998 study cited in the supplement found that only 12 percent of Asians would mention their mental-health problems to a friend or relative (compared with 25 percent of Whites), only 4 percent of Asians would seek help from a psychiatrist or specialist (compared with 26 percent of Whites), and only 3 percent of Asians would seek help from a physician (compared with 13 percent of Whites).

¹² *Mental Health America*, “To be the child of an immigrant,” blog entry by Kenna Chick, accessed December 1, 2021.

¹³ *Everybody hurts 2020: What 48 million messages say about the state of mental health in America*, Crisis Text Line, February 10, 2020.

¹⁴ Oleg Bestsennyy, Greg Gilbert, Alex Harris, and Jennifer Rost, “Telehealth: A quarter-trillion-dollar post-COVID-19 reality?,” McKinsey, July 9, 2021; Vulnerable Populations dashboard, McKinsey’s Center for Societal Benefit through Healthcare, accessed December 1, 2021.

In creating and improving behavioral-health tools, it is crucial to employ a user-centered design approach to develop functionality and experiences that Gen Zers actually want.

(3.7 out of 5.0 for Gen Z, compared with 4.1 for Gen X) or intensive outpatient (3.1 for Gen Z, compared with 3.8 for older generations).¹⁵ One Gen Z respondent said, “Struggling to find a psychologist whom I was comfortable with and cared enough to remember my name and what we did the week before” was the most significant barrier to care. Another said, “I have trust issues and find it difficult to talk with therapists about my problems. I also had a very bad experience with a therapist, which made this problem worse.”

Although we have seen high penetration of telehealth in psychiatry (share of telehealth outpatient and office visits claims were at 50 percent in February 2021),¹⁶ Gen Z has the lowest satisfaction with tele-behavioral health (Gen Z rates their satisfaction with telehealth at a 3.8 out of 5.0, compared with older generations, who rate it 4.1) and digital app/tools (3.5 out of 5.0 for Gen Z, compared with 4.0 for older generations).¹⁷ Around telehealth, Gen Zers cited reasons for dissatisfaction such as telehealth therapy feeling “less official” or “less professional,” as well as more difficult to form a trusting

connection with a therapist. For apps, Gen Z respondents noted a lack of personalization, as well as a lack of diversity—both in terms of the racial and ethnic diversity of the stories they presented, and in the problems that the apps offered tools to address. In creating and improving behavioral-health tools, it is crucial to employ a user-centered design approach to develop functionality and experiences that Gen Zers actually want.

Gen Z cares about diversity when choosing a healthcare provider

Racial and ethnic diversity in the behavioral-health workforce is also important. According to McKinsey’s COVID-19 Consumer Survey, racial and ethnic minority respondents reported valuing racial and ethnic diversity when choosing a physician, citing their physician’s race more frequently than White respondents as a consideration.¹⁸ Because Gen Z cares deeply about diversity, there are opportunities to integrate care and early intervention by offering a more racially and ethnically diverse behavioral-health workforce and culturally relevant digital tools.¹⁹

¹⁵ Mean differences are significantly different, at a 90 percent confidence level.

¹⁶ Vulnerable Populations: Data Over Time Database, McKinsey Center for Societal Benefit through Healthcare, April 2021.

¹⁷ Mean differences are significantly different, at a 90 percent confidence level.

¹⁸ Thirteen percent of Black respondents, 9 percent of Asian respondents, and 8 percent of Hispanic/Latino respondents cited their physician’s race when selecting the physicians that they see, compared with 4 percent of Whites.

¹⁹ According to surveys conducted by the Pew Research Center, most Gen Zers see the country’s growing racial and ethnic diversity as a good thing: Ruth Igielnik and Kim Parker, “On the cusp of adulthood and facing an uncertain future: What we know about Gen Z so far,” Pew Research Center, May 14, 2020.

Potential stakeholder actions to address the needs of Generation Z

In our article “Unlocking whole person care through behavioral health,” we outline six potential actions integral to improving the quality of care and experience for millions with behavioral-health conditions.²⁰ Many of those levers apply to Gen Z, but further tailoring is needed to best meet the needs of this emerging generation. Promising areas to explore could include the emerging role of digital and telehealth; the need for stronger community-based response to behavioral-health crises; better meeting the needs of Gen Z where they live, work, and go to school; promoting mental-health literacy; investing in behavioral health at parity with physical health; and supporting a holistic approach that embraces behavioral, physical, and social aspects of health.

Need for action now

Gen Z is our next generation of leaders, activists, and politicians; many of them have already taken on adult responsibilities as they start climate movements, lead social justice marches, and drive companies to align more closely with their values. Healthcare leaders, educators, and employers all have a role to play in supporting the behavioral health of Gen Z. By taking a tailored, generational approach to designing messages, products, and services, stakeholders can meaningfully improve the behavioral health of Gen Z and help them achieve their full potential. This investment could be viewed as a down payment on our future that will bear social and economic returns for years to come.

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²⁰Erica Coe, Kana Enomoto, Carlos Pardo Martin, and Nikhil Seshan, “Unlocking whole person care through behavioral health,” McKinsey, February 24, 2021.