

From Now to Next: Gen Z's Tech-Driven Transformation

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Executive Summary: Gen Z Changemakers



Executive Summary: Gen Z Changemakers

By 2030, Generation Z (Gen Z) will make up 30% of the workforce, entering a new stage of life where they have increasingly significant spending power. At Harlem Capital, we are conscious that Gen Z marks the most racially and socially diverse generation yet, and we believe that understanding their values is imperative for making the most impactful investments that appeal to them.

Therefore, as investors in the next generation of workers at enterprise-scale companies, we must keep the mindsets and preferences of Gen Z towards work and technology top of mind. This report aims to map out the broader implications of these preferences through spotlighting relevant research, with the goal of finding the next enterprise-scale tool that works to empower this emerging generation as they take on the workforce.



Methodology



Methodology

1. Map out Gen Z as a generation by observing key demographic data
2. Research Gen Z from 2022-2024, largely observing trends across their attitudes towards work and technology
3. Look at most utilized tools among Gen Z and observe key trends
4. Synthesize information and deliver 5 investment drivers for the future of Gen Z





State of Gen Z: Key Investment Opportunities



Key Investment Opportunities

1. **Business-In-A-Box Solutions:** Engage Gen Z's urge to take initiative and seize independence.
2. **Consumer Fintech Products:** Turn existing assets into financial uncertainty amidst Gen Z's financial wellness concerns.
3. **AI Copilots:** Turn existing workflows more efficient to encourage adoption while mitigating risk of role replacement from AI.
4. **Consolidated Search Tools:** Digest large quantities of information for easier decision-making within Gen Z's need to seek out multiple sources at once.

Research Spotlight: Gen Z views entrepreneurship as the ideal pathway to achieve financial stability

These themes of Gen Z having clear desires translates to their interest in self-driven work powered by creativity. A rise in entrepreneurial and self-starter behavior among Gen Z can be attributed to a greater need for financial security, especially directly feeling the enduring effects of the pandemic.

50%

of Gen Zs aspire to **start their own business**

- 44% aspire to work in creative arts and media
- 28% aspire to work in a STEM related field

69%

of Gen Zs have learned about entrepreneurship through “**videos or self-directed research**”

72%

of Gen Zs were considering a **side hustle**, out of all generations most likely to consider side hustle for financial stability.

Gen Z prioritizes financial security and see being their own bosses as a direct line to finding this fulfillment.



Invest in **Business-In-A-Box** solutions that engage Gen Z's urge to take initiative and seize independence

Trends

- Fears about AI taking over their jobs
- Greater entrepreneurial spirit, seeing influencers succeed in being their own business
- Willing to teach themselves and not put off by learning curve
- Drawn to self-service solutions instead of traditional human-led customer service



Gen Z has grown up in an age where it was highly encouraged to take initiative and be accountable for their own success. Across a variety of factors, they now search for solutions that **encourage entrepreneurship** and allow them to own their personal growth.



Invest in **Business-In-A-Box** solutions that engage Gen Z's urge to take initiative and seize independence.

What to look for in the next big **Business-In-A-Box** product?

- Breaks down barrier to entry (specifically, legal and regulatory barriers)
- Customizable solutions that allow for flexibility in hours and level of experience
- Long-term relationship building capacity, not one-time connections
- Connect these entrepreneurs with customers that aren't easily accessible

Priority Industries for Gen Z

- **Med Spas:** Gen Z splurges extensively on beauty, spending \$2,000 per year on beauty products. As the trend of Nurse Practitioners and other health professionals leaving to start their own practices continue, this is an area ripe for investment
- **Content Creation / Media and Entertainment:** 57% of Gen Z aspire to be influencers, and 33% desire to go into Media and Entertainment. However, these are highly aspirational paths for them that battle with their aims of a job that provides stability. So, facilitating paths to becoming personal entrepreneurs in this field (ex: freelancing) to decrease the associated job risk can be impactful



- This all-in-one content creator management product has been adopted by a wide variety of Gen Z creators as well as utilized by Gen Z fans, offering not only a link-in-bio solution but also ways to message fans with merchandise and manage financial transactions.

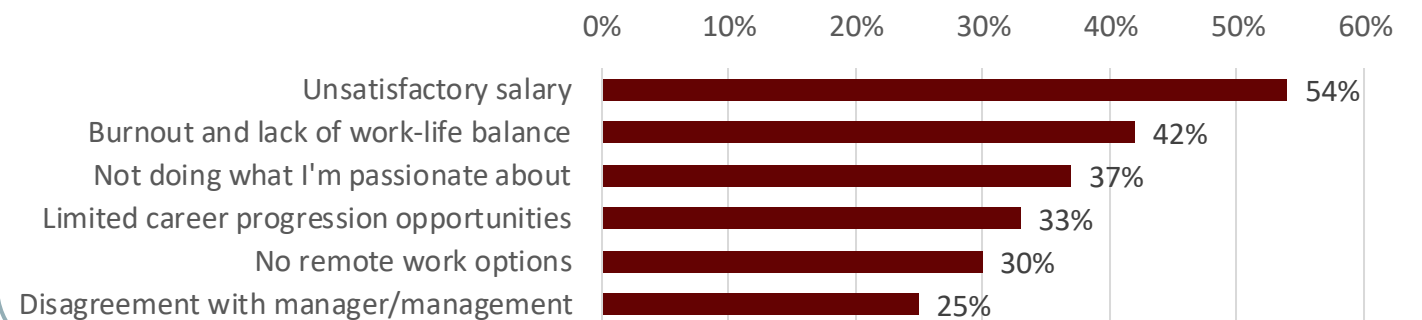
Research Spotlight: Financial stability from work is seen as the necessary avenue to a fulfilling and comfortable lifestyle

Growing up in the times of financial crises such as the 2008 financial crisis and the pandemic, Gen Z has seen the potential consequences of an unexpected economic shock. This has made them prioritize financial security from work.

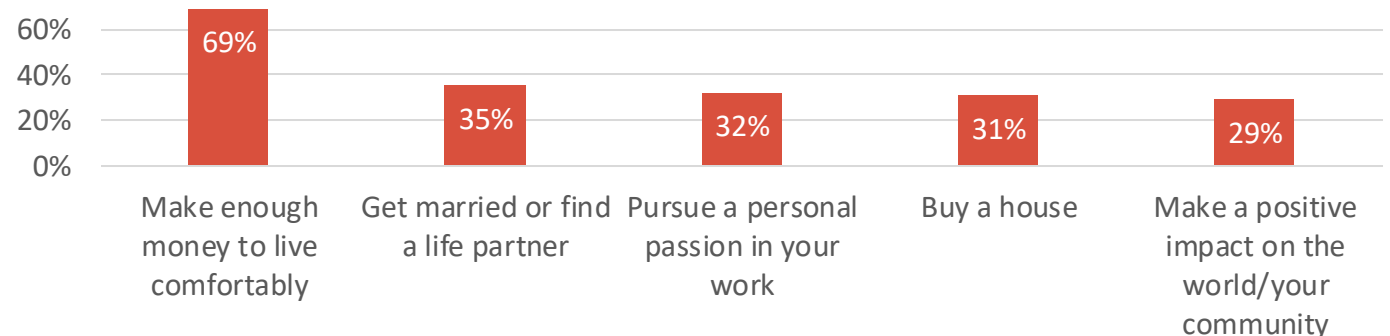
- The main reason Gen Z would quit their job is due to an **unsatisfactory salary, burnout, and passion.**
- This clearly ties into their values for the future, prioritizing making **enough money to live comfortably** and **life fulfillment** such as getting married and pursuing passion in work.
- Contrary to popular messaging that Gen Z prioritizes social issues, this **falls to the side** in comparison to desiring personal fulfillment (9% vs 49%)

Gen Z views work as method to gain satisfactory financial security, a necessary step to live a comfortable and fulfilling life.

Main Reasons Gen Z Would Quit their Job



Gen Z's Top Hopes and Aspirations for the Future



Amidst worry about financial wellness, invest in **fintech products** that turn existing assets into greater financial certainty

Trends

- Discounts driving the majority of their purchases
- Fear of financial woes being top of mind
- Cancelling subscriptions due to costs being too high



Already wary of their financial futures, Gen Z needs to see the **immediate value of a tool** before taking the leap to adopt it. They prioritize the “What’s in it for me?” when thinking about new tools, immediately weighing the financial costs. But once they see value, they will splurge.

Amidst worry about financial wellness, invest in **fintech products** that turn existing assets into greater financial certainty

What to look for in the next big fintech solution for Gen Z?

- Solutions that easily integrate into existing spending habits of valuing experiences (dining out, traveling, etc.)
- Lower subscription rates and instead take rates when using
- Can quickly realize value, not something that has long investment horizons



BILT Rewards

- Popularity and great adoption amongst Gen Z early card holders
- Due to ability to turn a payment that they already have to make (rent) to something that offers return
- The ease in this solution is a key trait to look out for, Gen Z doesn't feel as if they have to make any sacrifices to remain financially healthy

Research Spotlight: Skilled Gen Z employees will be your AI champions, to the extent that it doesn't threaten their role

Gen Z frequently engages with Generative AI and understands well its capabilities. AI has served as a an asset for them at work, becoming key champions of AI tools before their older managers. However, this expertise is not always viewed as positive - it has led them to be fearful of its capabilities, replacing their roles at work.

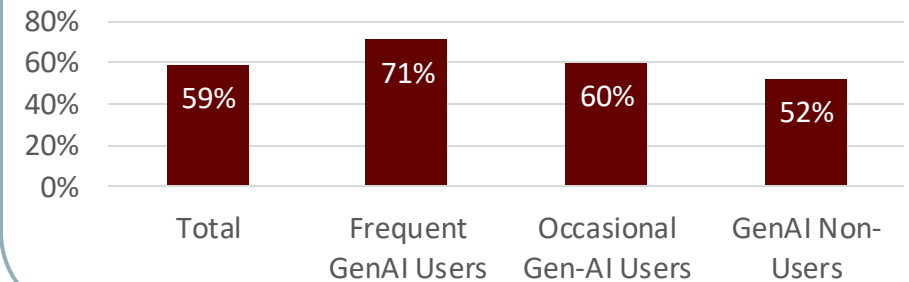
Gen Z AI Usage

- Turn to ChatGPT instead of Google for answers
- Learning about AI is a tool to bridge generational gaps – Gen Zs are becoming mentors to older generation
- Nearly six in 10 Gen Zs (59%) and millennials (57%) say that the prevalence of GenAI will require them to reskill and will impact their career decisions

85%

Of Gen Zs stated they have used AI tools at work not provided by their employer

Percentage of Gen Z who believe that GenAI-driven automation will cause the elimination of jobs



Gen Z will be the champion to spread new AI tools in the workplace – as long as they don't see it as a threat to their role.



Invest in AI copilots that make existing workflows more efficient

Trends

- Highly fearful of how older members want tools that replace Gen Z workers
- Most proficient demographic at using and championing AI in the workplace
- Prioritization of work-life balance



With increasing fear about their jobs being at risk due to AI, Gen Z will be most likely to champion tools that **make their existing workflows faster rather than replace their existing workflows**, proving their indispensability to their managers.

Invest in AI copilots that make existing workflows more efficient

What to look for in the next big AI copilot for Gen Z adoption?

- Easy to learn and troubleshoot, not too technical
- Incentivizes referrals of other employees onto the platform to compound growth
- Enhances, not replaces workflows

Untapped Workflows for Reform

The areas ready for AI copilots are ones that currently require frequent references back onto large data sets

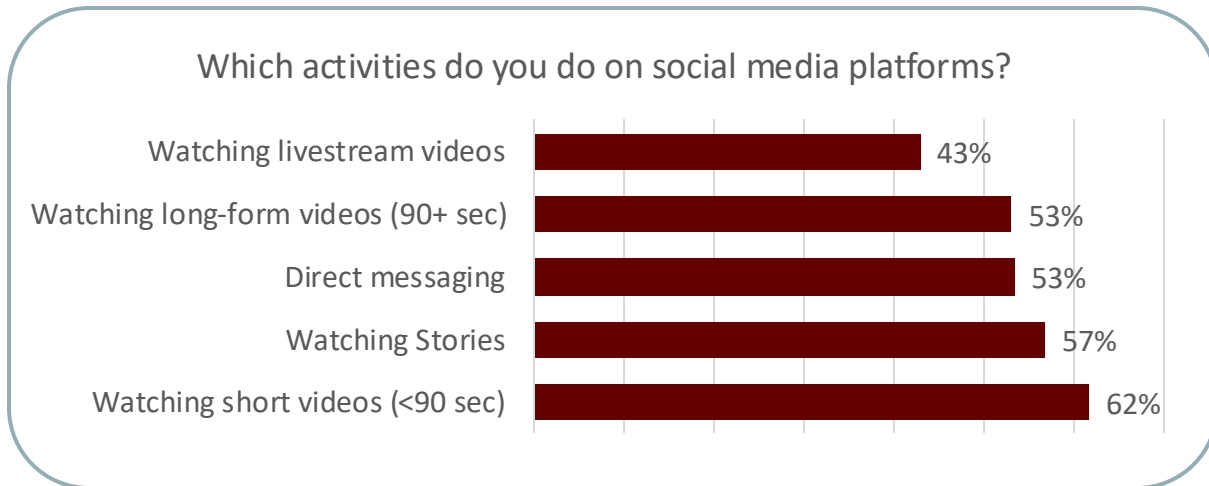
- **Financial Data Analysis** → Make more informed decisions
- **Research and Development** → Searching within large consumer datasets
- **Inventory Management** → Greater product forecasting ability and management



- So far, copilots have been adopted primarily amongst programmers
- GitHub Copilot clearly follows the criteria above in enhancing the workflow for a developer, which is why it's so easy for Gen Z programmers to adopt and use regularly

Research Spotlight: A strong multitasking mindset driven by limited attention spans leads Gen Z to crave efficiency

With their limited attention spans, Gen Z have become efficient multitaskers across platforms. Especially due to their attraction towards short-form video content, authenticity is highly prioritized, and more calculated/produced content is much less appealing to them.



8 in 10

Gen Zs say they multitask while watching video content

54%

of Gen Z say simultaneous viewing of multiple videos aids in enhancing their focus

- The rise of “sludge” video content, where multiple videos are presented side by side, shows further the appeal towards having multiple forms of content at once

Gen Z is able to handle high amounts of information from multiple sources at once, as long as it’s through their existing channels. This will lead them to value solutions that are efficient, especially those that can make multitasking at work easier.



Invest in **consolidated search tools** that digest large quantities of information for easier decision-making

Trends

- Primarily gain news from social media and existing channels
- Trust is important, follow recommendations from family and friends above all
- Able to work through multiple pieces of information at once (multi-screening)



Gen Z responds the most to accessible information from a trusted source. This in combination with affordability means that they value the **intersection of inexpensive access to information on existing channels**, something they are constantly seeking out across multiple sources at once.

Invest in **consolidated search tools** that digest large quantities of information for easier decision-making

What to look for in the next consolidated search tool for Gen Z?

- Integrations with existing software to pull data from existing sources
- A sense of familiarity with existing tools such as a chat feature (ChatGPT) or data recommendations (social media)

Industries Where Information Search is Still Fragmented

- **Real Estate:** Buying/renting a home, investing in homes, all on separate platforms
- **Automotive Purchases:** Need to go to individual dealerships to explore cars and find service options
- **Financial Investing and Planning:** Personal finance is still barely taught in schools and information comes from fragmented fintech providers hard to trust
- **Travel:** Information is still stuck across multiple different platforms, no all-in-one solution



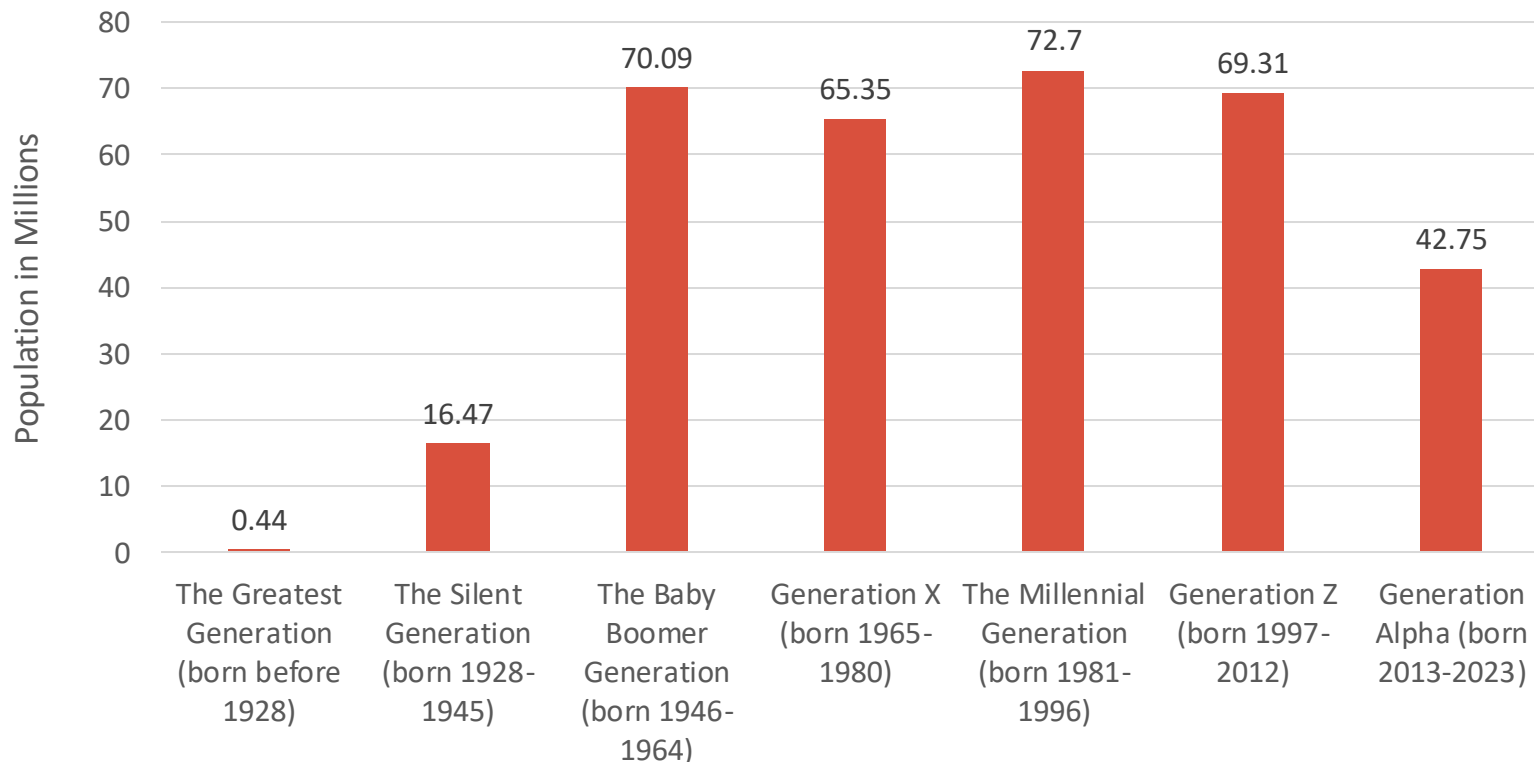
Appendix



Demographic Information

Gen Z is defined by those born between 1997-2012, who as of 2024 are ages 12-27.

Population in the US in 2023 by Generation



Breakdown by Race

- White – 51%
- Hispanic – 25%
- Black – 15%
- Asian – 6%
- Two or more races – 5%
- American Indian – 2%



Key Trends Across Research

1. Gen Z seeks **purpose** and searches for purpose through their work.
2. They seek **relationships** in their work, especially when facilitated by technology.
3. Gen Z is self driven towards pursuing **efficiency** – they value any process that can be made more efficient as quickly as possible.
4. They are highly **price sensitive** and worried about their financial health.
5. There's a strong push towards the **digitization of communities**, turning in-person relationships into an online context.



Gen Z at Work

The overall message surrounding Gen Z in the workplace has come with a negative undertone.

A survey of 966 business leaders in August 2024 found

75%

Of companies report some or all of the college graduates they hired this year were unsatisfactory

9 in 10

Hiring managers say recent college graduates should undergo etiquette training

55%

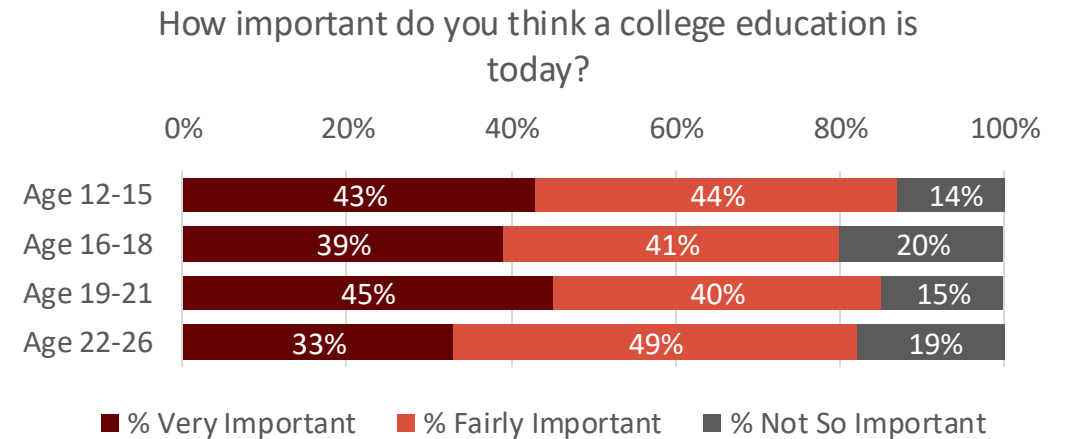
Of hiring managers believe Gen Z lacks work ethic

What could be the root cause of this? Is it generational divides or is it misalignment of priorities for what is desired from work?

Gen Z still values higher education, and aims to receive return on their investment through their future careers

Contrary to messaging that college is losing its value, Gen Z still largely believes in the importance of a college education. A potential reason for this is their desired careers – most of which require a college degree.

- More Gen Z's than millennials see the value of college as a **smart investment**
 - **Youngest Gen Z's** are more likely to view as important
- **Female, Democratic, and Black** Gen Zers are more likely to view college education as important
- Top jobs desired by Gen Z are **business person (14%), doctor (12%), and engineer (9%)**
 - While these practical jobs are desired, it works in contrast with their aspirations – 57% of Gen Z aspire to become influencers



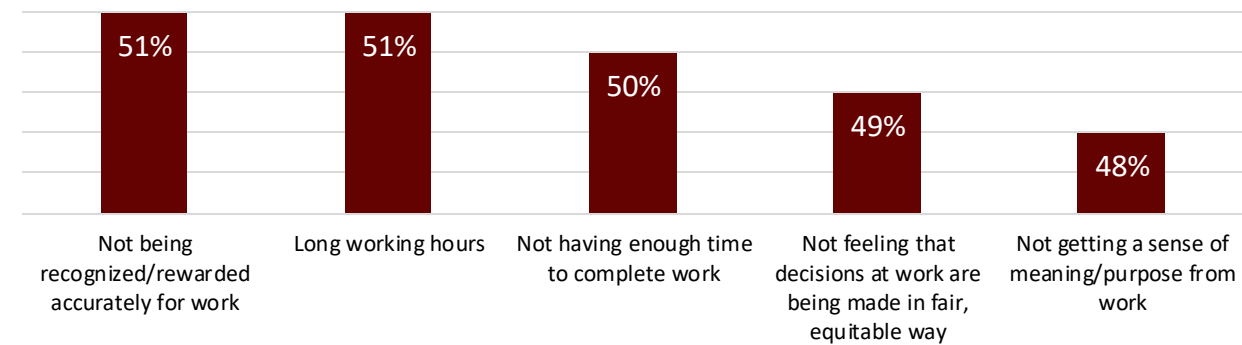
There will be a continued rise in high-skilled employees in search of making their expensive college degrees worthwhile in the workplace, desiring high ROI on their costly investment.

Relationships at work are increasingly desired amidst stress about their financial futures

There has been frequent messaging surrounding Gen Z already feeling burnt out and stressed at work. When diving further into the reasoning behind this burnout, it primarily lies in both financial concerns and not feeling recognized for their work.

- 50% of Gen Z cited their **long-term financial futures** and 45% of Gen Z cited their **day-to-day finances** as top factors contributing to their stress levels
- Nearly 2/3 of Gen Z employees prefer to work in **hybrid environment**, and Gen Zers are less likely than other generations to prefer **exclusively remote work** – showing their value for onsite culture building

Top Aspects of Job that Contributes to Feelings of Anxiety or Stress for Gen Z



There is a flexibility desired in Gen Z's approaches to work that is less present in older generations. Relationships are what sustain their continued drive to work in times of burnout from financial instability.

Gen Z and Technology

Gen Z has grown up with technology and relies on it for a variety of different uses. However, there is a clear distinction between being tech savvy and tech native, and there's a gap for Gen Z with proficiency in social media in comparison to other technological tools.

365

Average minutes spent on a phone a day, in comparison with Millennials (276 min)

56%

Of Gen Z receive minimal to no digital skills education

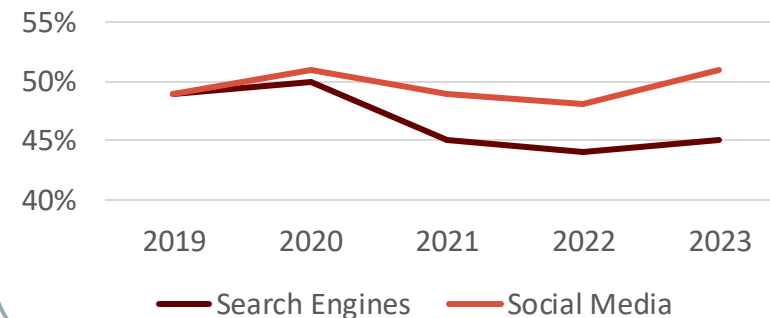
20%

Of Gen Z feel tech shame when experiencing a digital issue, compared to only 4% of workers over 40

51%

Of Gen Z employees believe their education has not prepared them to enter the workforce

Gen Z Usage of Social Media + Search Engines to Look Up Brand Information Online



Social media is main source of information

How can new enterprise technology company work to gain Gen Z early adopters amidst this technology skills gap?



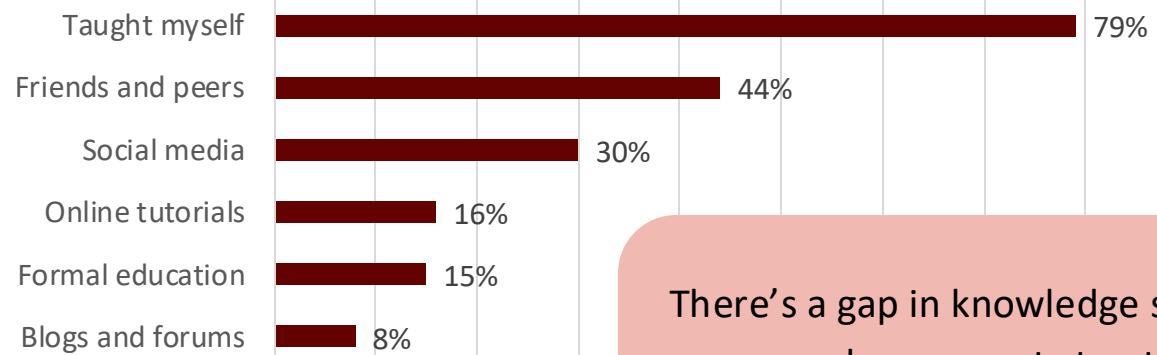
Largely self-taught in their AI usage, Gen Z desires a quick learning curve

As further illustrating the lack of true technological proficiency, Gen Z has been largely self-taught in their AI usage, showing their strong individual drive in the pursuit of efficiency. This has led to a greater demand for self service options in customer service solutions, showing their stronger desire to solve issues on their own if companies can't fulfill that need.

38%

Of Gen Z and millennial customers say they're likely to give up on resolving a customer service issue if it can't be resolved in self-service

Gen Z: How have you learned to use generative AI tools?



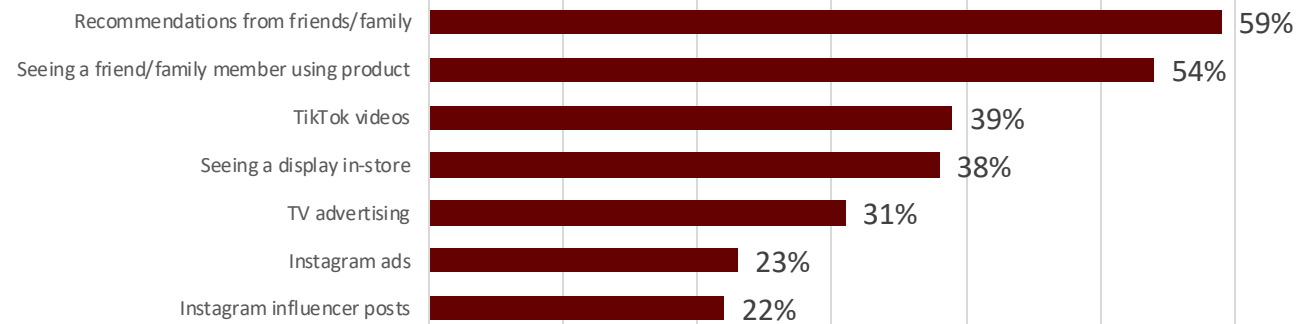
There's a gap in knowledge surrounding AI usage, and no current structure in place to teach effective AI usage. Being so self-driven, they demand quick learning curves.

Trust must be built on social media platforms, the primary source of discovering new information

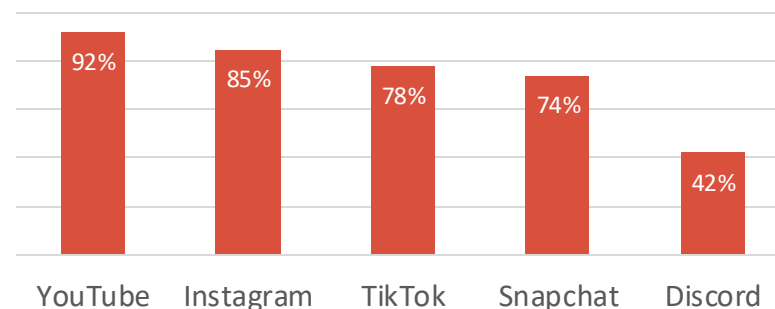
Gen Z accesses new information through social media, with preferences for recommendations from those most familiar to them.

- 50% of Gen Z uses **social media as a daily source of news**, in comparison to 45% of millennials
- **Video-based media** platforms are most popular amongst Gen Z (YouTube and TikTok), especially due to how they are cutting back on subscriptions for financial stability
- 61% deem social media ads as **not trustworthy**
- **Discounts** are main drivers of purchases from social media

Most influential ad channels among female-presenting Gen Z



Social media app usage among Gen Z in the US



The main mode of information dissemination for Gen Z is through building trust on social platforms, sparking their purchasing behaviors.



When examining popular apps amongst Gen Z, it's clear they value the digitization of in-person communities

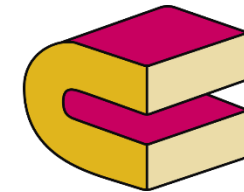
These apps have experienced great popularity growth in recent years amongst Gen Z, a key commonality being their community focus.



Running



Social Gatherings



Claim

New Brands



Sidechat

Shared Campus



Spotify®

Music

There is always a desire to take aspects of in-person relationships into the digital realm. The new wave of Gen Z apps will find what interests haven't yet been digitized.

Let's change the face
of entrepreneurship, together.