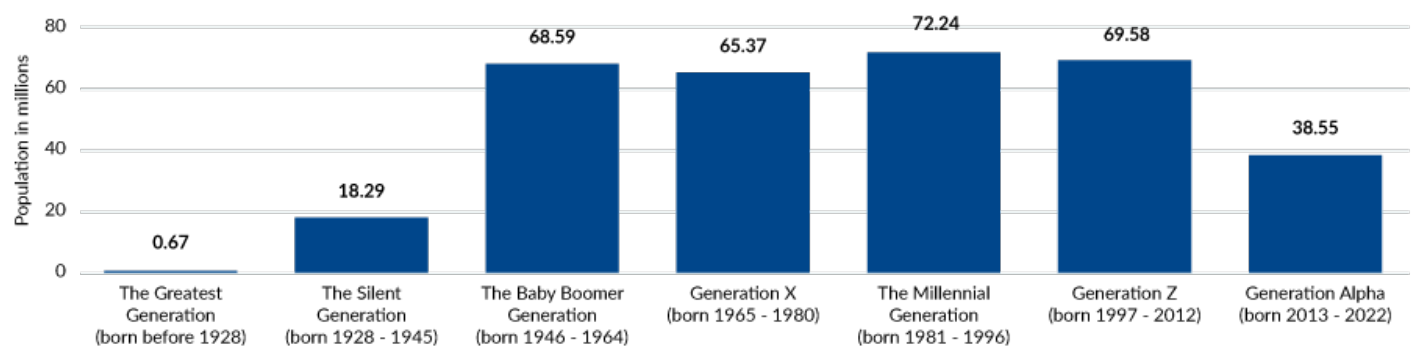


Why Gen Z is optimistic about retirement

Planning for retirement has become increasingly complex. Individuals have been forced to take on more personal responsibility for their future due to the elimination of pension plans, rising health care expenses, and the anticipated increase in longevity. However, recent studies show that Generation Z is the most optimistic — even the recent ups and downs in the economy.

Generation Z is defined as individuals who were born between 1997 and 2012. This cohort is currently between the ages of 14 and 29 and represents approximately 21% of the US population.¹ Generation Z is the most racially and ethnically diverse of all of the generation groups, and believe in an American Dream that includes retirement. The thoughts of having a career, owning a home, and reaching other personal milestones are very present.

Resident population in the United States in 2024, by generation



Source: [statista.com](https://www.statista.com)

A study reported by Morningstar suggested that Generation Z is the most optimistic about retiring at or before age 65. Individuals in the study believed they had a 69% chance of retiring. A prior study in 2019 showed that only 31% of Millennials, 18% of Generation X, and 11% of baby boomers believed they would retire before age 65.²

With the oldest members of Generation Z turning 29 this year, many have entered the workforce and started careers. Although life has not provided them with as many experiences as their parents or grandparents, their beliefs should not be discounted because they are young. Members of Generation Z have witnessed tragedy and unique challenges that put them in touch with reality.

- School shootings that suggest a more threatened society
- Increased anxiety due to bullying and social media

- Rising education cost that may make college unachievable
- Increasing stress due to rising student loan debt and limited job options
- Record market volatility during the Great Recession of 2008 and a global pandemic
- Record unemployment for their parents and grandparents in 2008 and 2020

What makes the Generation Z cohort different and more hopeful?

What makes the Generation Z cohort different and more hopeful? According to generational expert Dr. Candace Steele Flippin, it may be due to their upbringing. Generation Z'ers are the children of Generations X and Y who tended to let their children figure things out; whereas Generations X and Y were raised by Baby Boomers who took more of a helicopter parenting approach and guided more of their children's decision making. Their "can do" attitude may also come from growing up watching young dot-com entrepreneurs change how business is done and create an extraordinary amount of wealth.³

Generation Z is also the first full generation to grow up with access to information through the internet and social media. They not only value learning, they have always had quick access to information to help them gain understanding. Such access and knowledge provide them with a sense of confidence that prior generations may not have experienced.

According to Dr. Steele Flippin, Generation Z values faith and happiness more than baby boomers, Generations X, and Y. Generation Z also places greater value on work-life balance and has more significant concerns about going into debt. Their differing values may also influence how they view retirement.

The Morningstar study suggested that Generation Z has a much different view of retirement lifestyle. Its members also place a non-financial value on work. According to the study, 60% of Generation Z wants to continue working, including without pay, in retirement. However, past studies have shown that only 25% of Generation X, 34% of Generation Y, and 25% of Baby Boomers share this vision.

How can we help?

Every generation should want the one that follows it to make progress. Generation Z's optimism may be what is needed to help overcome retirement challenges in a rapidly changing world. However, members of this group still need help.

Although Generation Z values education and has a wealth of information at its fingertips, many of its members struggle to understand where or how to begin learning about personal finance. This group has little experience with budgeting, investing, and planning. They are not alone as only 30% of the population is financially literate. Many of them did not grow up in an environment where financial literacy was part of a school curriculum. In addition, many have not had or witnessed interactions with a financial advisor.

The good news is Generation Z appears to be open to conversations about retirement. According to the

same Morningstar study, 50% of Generation Z'ers have had conversations with their parents about retirement. In addition, 23% of them have conversations frequently. The data suggest that members of Generation Z are having retirement conversations more frequently than members of Generation X, Generation Y, and Baby Boomers.

This generation appears to be very curious, and we should help them convert their curiosity into solid financial plans that can lead to success. If you have not already done so, you can help by doing the following:

- Initiate a non-threatening financial conversation with the young people you know. Financial conversations can be difficult, especially if younger people think you are telling them what to do. Instead, share the lessons you have learned and the advice you would give your younger self.
- Share newspaper clippings, podcasts, and books you think are helpful. Find information they can digest quickly, so they do not become overwhelmed and disengage. Also, offer them the option of discussing them with you.
- Introduce them to your financial advisor. If your privacy is an issue, you and your advisor can explain the benefits of your relationship without going into details about your net worth. The purpose of the conversation is for them to learn where and how to start the conversation.
- Encourage them to contribute to retirement accounts sooner rather than later. Compound growth in an investment account produces great benefit over time.

Mesirow has provided financial advice to individuals and families for 89 years. We are here to help every generation reach their financial goals.

Published February 2026

1. <https://www.statista.com/statistics/797321/us-population-by-generation/>

2. Generation Z Insights How the Next Generation of Investors Approaches Retirement, Saving, and More, Morningstar 2020. <https://www.morningstar.com/lp/generation-z-insights>

3. <https://candacesteeleflippin.com/>

Mesirow does not provide legal or tax advice. Past performance is not indicative of future results. The views expressed above are as of the date given, may change as market or other conditions change, and may differ from views expressed by other Mesirow associates. This is not a solicitation to buy or sell the securities mentioned. Do not use this information as the sole basis for investment decisions, it is not intended as advice designed to meet the particular needs of an individual investor. Information herein has been obtained from sources which Mesirow believes to be reliable, we do not guarantee its accuracy and

such information may be incomplete and/or condensed. All opinions and estimates included herein are subject to change without notice. This communication may contain privileged and/or confidential information. It is intended solely for the use of the addressee. If you are not the intended recipient, you are strictly prohibited from disclosing, copying, distributing or using any of the information. If you receive this communication in error, please contact the sender immediately and destroy the material in its entirety, whether electronic or hard copy. This material is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security.

Mesirow refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries and affiliates. The Mesirow name and logo are registered service marks of Mesirow Financial Holdings, Inc. ©2026, Mesirow Financial Holdings, Inc. All rights reserved. Any opinions expressed are subject to change without notice. Past performance is not indicative of future results. Advisory Fees are described in Mesirow Financial Investment Management, Inc.'s Form ADV Part 2A. Advisory services offered through Mesirow Financial Investment Management, Inc. an SEC registered investment advisor. Securities offered by Mesirow Financial, Inc. member FINRA and SIPC.