



Gen Z and Investing: Social Media, Crypto, FOMO, and Family

MAY 2023

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Summary

Gen Z investors are a growing force of digitally savvy stakeholders who are making their entrance into the financial markets. They are attracted to investing by the wide dissemination of financial information on social media and other online platforms; the increasing ability to invest with small amounts, often on investing apps designed for their generation; the prevalence and popularity of cryptocurrency; the fear of missing out (FOMO) on a key opportunity to make money; and the substantial influence and assistance from their parents and other family members.

Many Gen Zs do not yet invest, largely due to income constraints and the challenge of meeting expenses, as well as a lack of education and knowledge about financial topics and limited familial influence.

This brief examines attitudes and behaviors around investing among two U.S. Gen Z segments—those with and those without any investment accounts—and compares the investing segment with their investing millennial and Gen X counterparts. The brief also describes Gen Z investors in selected other countries, namely Canada, the United Kingdom, and China.

This brief is based on data from a November/December 2022 online survey of 2,872 Gen Zs (ages 18 – 25 at the time of the survey), millennials (ages 26 – 41), and Gen X investors (42 – 57) across the U.S., Canada, the U.K., and China. U.S. respondents account for just over half the total sample. The findings describe U.S. respondents, except where otherwise specified.

U.S. Gen Z: The Basics

Perhaps surprisingly, most U.S. Gen Zs ages 18 to 25 do invest.

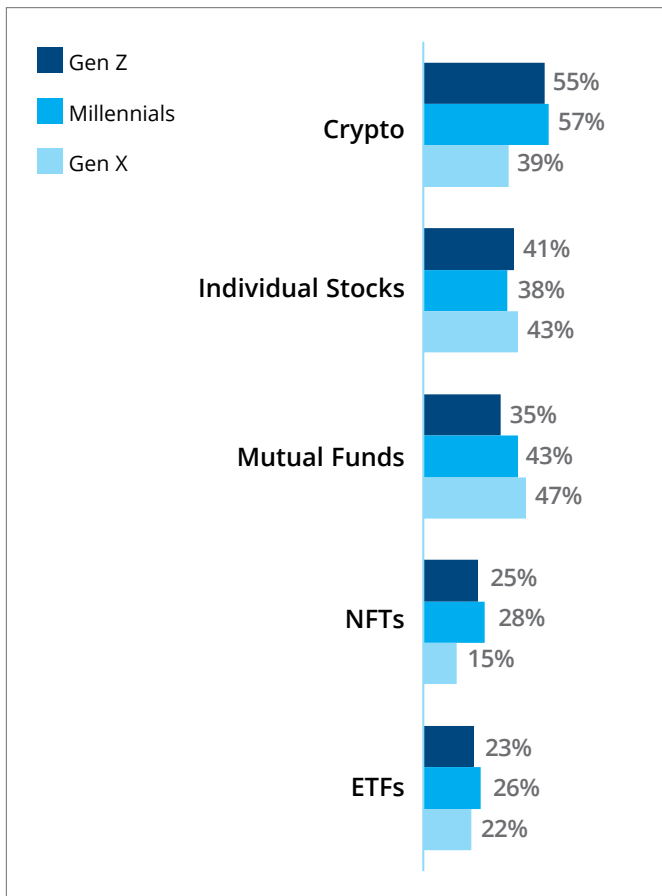
Close to six in ten, (56 percent) of U.S. Gen Zs ages 18 to 25 report owning at least some investments. Two in ten (19 percent) are currently invested in cryptocurrency and/or non-fungible tokens (NFTs) only.

Canada has the highest percentage of Gen Z investors versus non-investors among the nations covered by this study. Nearly three-quarters (74 percent) of Canadian Gen Zs ages 18 to 25 say they own at least one investment, compared to 56 percent in the U.S., 49 percent in the U.K., and 57 percent in China.

While U.S. Gen Z investors own a variety of investments, cryptocurrency is most common.

U.S. Gen Z investors 18 and over primarily invest in *cryptocurrency* (55 percent), *individual stocks* (41 percent), and *mutual funds* (35 percent) (see Figure 1). They are less likely to use mutual funds as compared to their older counterparts, and, along with millennials, are more likely to invest in crypto and NFTs than are Gen X investors (see Figure 1).

Figure 1. Current Investments



U.S. Gen Z investors over 18 invest a median amount of \$4,000, though some subgroups invest less than others. Gen Z women have less invested than men (\$3,000 vs. \$5,000 median), and Gen Z people of color have less invested than white investors (\$2,000 vs. \$5,000 median).

Who are the Gen Z investors?

U.S. Gen Z investors are predominantly male, slightly older, and more likely to have a college degree. They also have higher household income. Racial/ethnic differences between investors and non-investors are limited (see Figure 2).

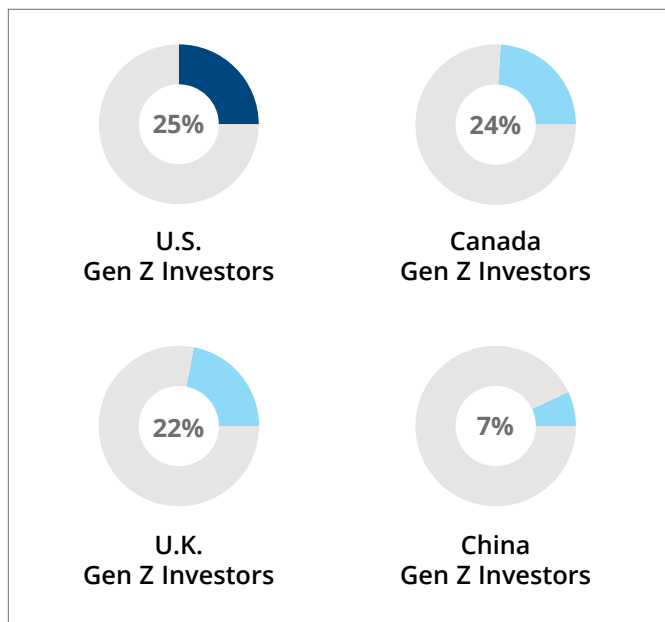
Figure 2. U.S. Gen Z Investor and Non-Investor Demographics

	Investor	Non-Investor
Gender (identified as)		
Men	58%	40%
Women	41%	58%
Age		
18-19	20%	26%
20-22	45%	34%
23-25	34%	40%
Education		
High School or less	23%	39%
Attending college/some college	35%	37%
College grad or more	42%	24%
Household Income		
<\$30,000	16%	43%
\$30,000-\$75,000	33%	33%
\$75,000+	51%	24%
Race		
White	71%	72%
Non-white	29%	28%
Hispanic/Latino		
Yes	24%	26%
No	76%	74%

Many U.S. Gen Z investors began investing at a young age.

One-quarter (25 percent) of U.S. Gen Z investors began investing **before they were 18**. Starting to invest at a young age is common not only in the U.S., but also in Canada (24 percent) and the U.K. (22 percent). In contrast, only 7 percent of Gen Z investors in China started to invest before the age of 18.

Figure 3. Started Investing Before the Age of 18 Across the Globe



Investing Goals and Challenges

Gen Z investors prioritize planning-oriented financial goals, like saving for unexpected expenses and retirement; in contrast, Gen Z non-investors' goals focus on immediate needs.

When non-investing Gen Zs are asked to think about their overall financial goals and choose their top three, they tend to focus on day-to-day goals:

- ▶ *being able to pay monthly bills* (63 percent);
- ▶ *not living paycheck-to-paycheck* (63 percent); and
- ▶ *having enough money to travel/vacation* (61 percent).

Conversely, Gen Z investors are more likely to have planning-oriented financial goals, such as building an emergency fund and saving for retirement (though both groups are keen to see the world and take advantage of vacation time). Their top three financial goals are:

- ▶ *having enough money to travel/vacation* (62 percent);
- ▶ *saving for unexpected expenses* (55 percent); and
- ▶ *being able to retire when they choose and live comfortably* (51 percent).

Even though retirement may be many years in the future, investing Gen Zs are thinking about it as a goal now.

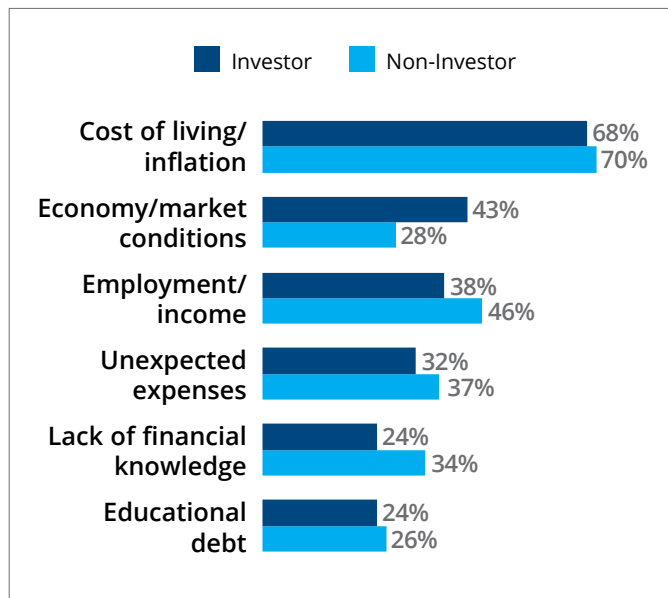
Investing Gen Zs' top financial goal varies across the globe. U.S. and Chinese Gen Zs most frequently say they want to have money to travel/vacation, Canadian Gen Zs are most concerned with paying monthly bills, and U.K. Gen Zs prioritize buying a home.

Being financially independent is also a goal for U.S. Gen Z investors over 18. U.S. Gen Z investors rank *having a source of income outside of my job* higher than non-investors (47 percent versus 35 percent). Millennial investors are also likely to cite this as a goal (44 percent), while Gen X investors are less likely to do so (33 percent).

Both Gen Z investors and non-investors say the top challenge in meeting their financial goals is the rising cost of living/inflation.

Beyond this top concern, however, differences emerge. Gen Z non-investors are more likely than investors to cite *employment/income* and *lack of financial knowledge* as challenges to meeting their financial goals, while investors are more likely than non-investors to cite economic and market conditions (see Figure 4).

Figure 4. Top Challenges to Meeting Financial Goals



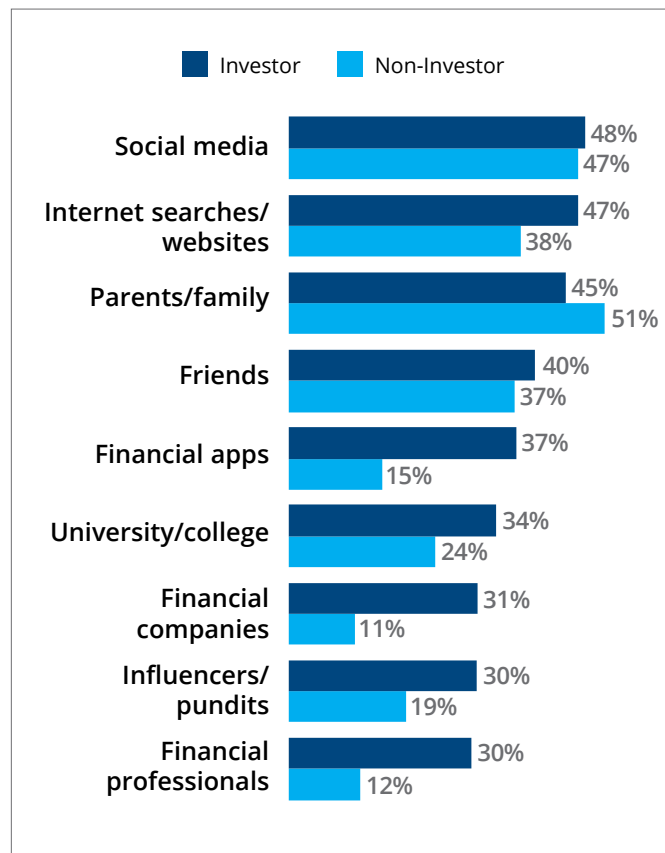
Information Sources for Financial Topics

Gen Z investors use a variety of resources to learn about investing and financial topics; online resources and personal connections dominate.

With many resources at their disposal, Gen Z investors learn about investing and finances primarily through *social media* (48 percent), *internet searches* (47 percent), *parents/family* (45 percent), and *friends* (40 percent). Non-investors lean on similar sources for financial information; however, parents/family are more prominent, with more than half (51 percent) of U.S. Gen Z non-investors relying on their parents/family as a top resource (see Figure 5).

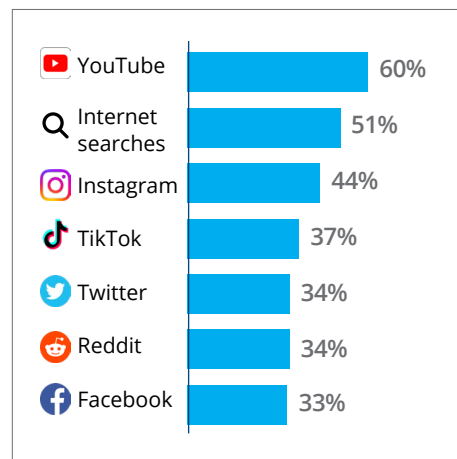
While top sources of financial information are similar across U.S. Gen Z investors and non-investors alike, these two groups differ in the range of resources they use to stay informed. Gen Z investors are more likely than non-investors to use a wide range of resources when learning about financial topics. The majority of Gen Z investors (60 percent) use **four or more resources** to stay informed about financial topics, compared to only four in ten (41 percent) Gen Z non-investors.

Figure 5. Sources of Information Gen Zs Use to Learn About Investing and Financial Topics



Taking a closer look at how Gen Z investors ages 18 and older use online resources, YouTube is the top source (60 percent of those who use online resources). Other key online sources include internet searches, Instagram, TikTok, Twitter, Reddit, and Facebook (see Figure 6).

Figure 6. Top Sites Gen Z Investors Use to Learn About Financial Topics and Investing



Gen Z investors are more reliant on social media and family for financial information, while millennials and Gen X investors are more likely to leverage financial companies and professionals, along with internet searches.

When it comes to preferred information sources about investing and financial topics, each generation the study examined exhibits distinct characteristics (see Figure 7):

- ▶ The top financial information sources for Gen Z investors are social media, internet searches, and parents/family.
- ▶ For millennial investors, the top three sources of information about investing and financial topics are internet searches, social media, and financial professionals.
- ▶ And for Gen X investors, the top three sources are internet searches, financial companies, and financial professionals.

While Gen Zs 18 and older widely use social media to learn about financial topics, it is not the source with the highest level of trust. Parents and family are the most trusted resource.

Both investors (27 percent) and, especially, non-investors (38 percent) rank *parents/family* as their **most trusted resource** for learning about financial topics. Gen Z investors also trust *financial professionals* and *financial companies* significantly more than their non-investing peers. *Social media* falls much further behind when it comes to trust (see Figure 8). It seems that while Gen Z is very comfortable using social media as a common resource, they also have a healthy skepticism when evaluating the credibility of what they see and hear there.

Figure 7. Top Sources of Information Used to Learn About Investing and Financial Topics, by Generation

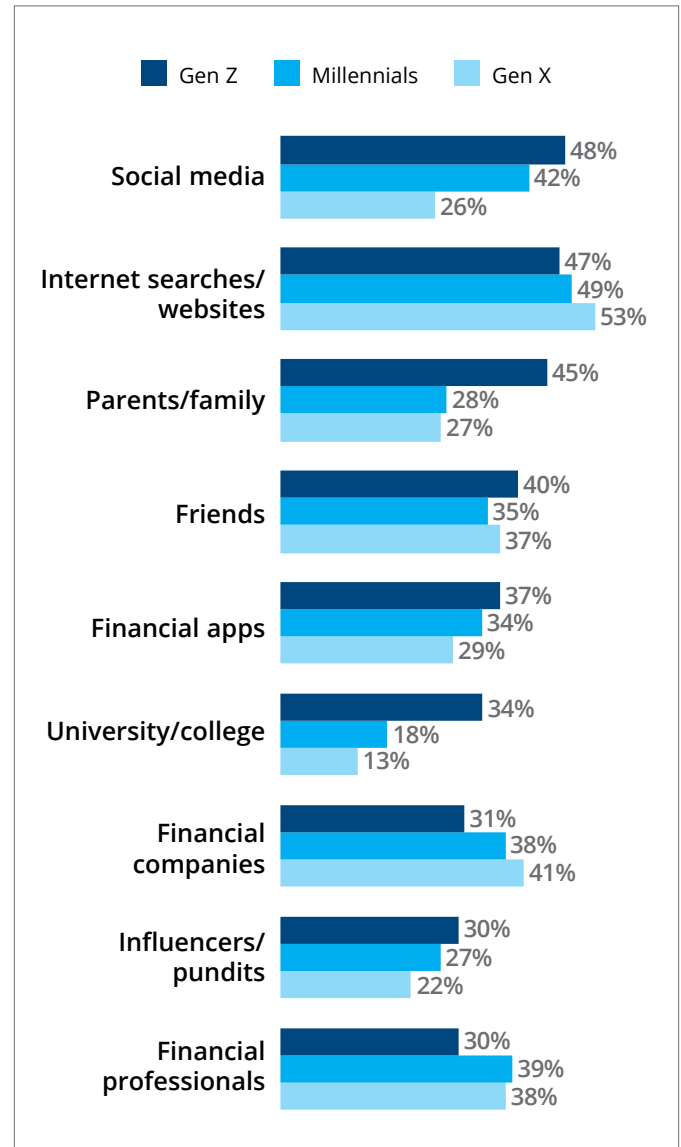
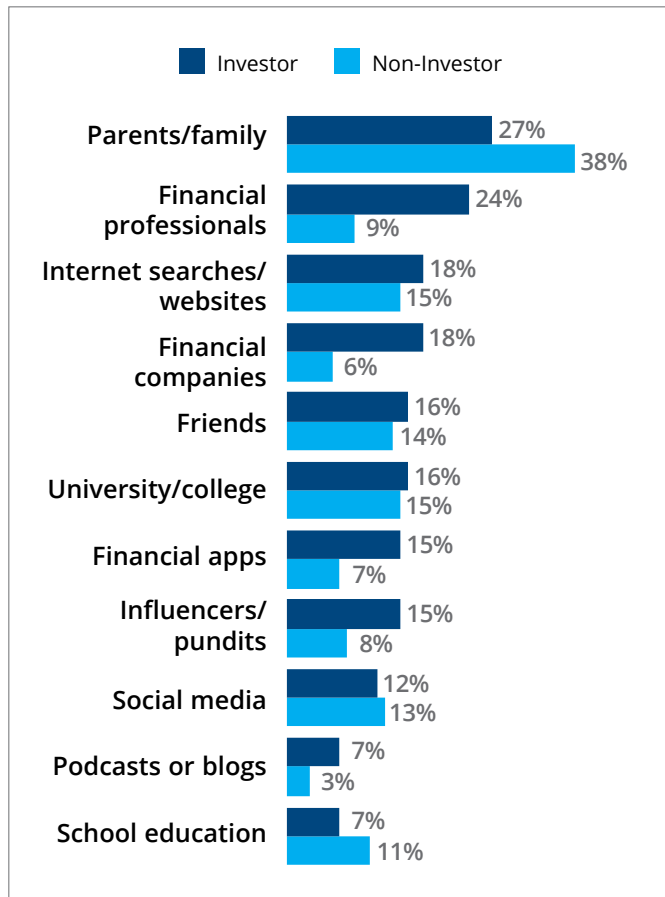


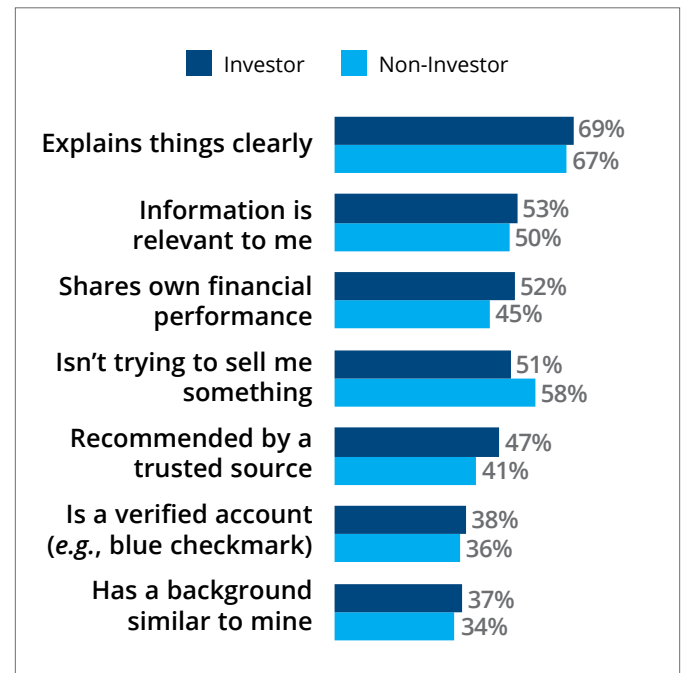
Figure 8. Sources of Financial Information That Gen Zs Trust the Most (Selected as a Top 3 Trusted Source)



When deciding what online financial information sources to trust, Gen Z investors value those that provide clear explanations.

When online, Gen Z investors tend to trust sources that provide clear explanations, information relevant to their situations, and commentators who share their own personal financial performance. Further, Gen Z investors appear to respond to reassurances that they are not being sold something (see Figure 9). Clear explanations are also key to building trust among Gen Z non-investors, but they are more skeptical and more likely to stress their aversion to sales pitches when deciding which online resources to trust.

Figure 9. How Gen Zs Decide Whom and What to Trust Online



Learning about investing through formal education matters.

Gen Z non-investors 18 and over are nearly twice as likely to have had **no formal education about financial topics or investing** than their investing counterparts. This difference is primarily found in *university/college*, where Gen Z investors are more likely to have had financial education (42 percent of investors versus 19 percent of non-investors), though the difference is also seen in education from *employers and professional bodies*. While it is possible that having formal education in college and elsewhere leads to investing, it is also possible that an existing interest in investing drives Gen Zs to seek out more formal education after high school. Interestingly, there is little difference in the amount of education on financial topics Gen Z investors receive versus non-investors before college (see Figure 10).

Close to four in ten Gen Zs 18 and over have received formal education on financial topics or investing before college/university. While that may not seem particularly high, it is an improvement over previous generations. Gen Z investors are more likely to have had formal

financial education in high school compared to millennial or Gen X investors. It seems an opportunity exists to build on this trend of earlier financial education as a potential way to prepare for investing.

Figure 10. Formal Education About Financial Topics

Have you ever had any formal education or classes about financial topics or investing? (select all that apply)	Gen Z Non-Investor	Gen Z Investor	Millennial Investor	Gen X Investor
Yes, in school	39%	38%	24%	15%
Yes, in university/college	19%	42%	37%	31%
Yes, from professional body/industry association	4%	16%	20%	15%
Yes, from my employer	5%	14%	21%	15%
Yes, other	3%	3%	6%	7%
No	42%	23%	31%	42%

Barriers and Motivators to Investing

Barriers to investing are largely related to income and expenses, though lack of knowledge is also a key factor.

The most common reasons Gen Zs cite for **not investing** are:

- ▶ *I don't have enough savings* (65 percent);
- ▶ *not enough income/living from paycheck-to-paycheck* (64 percent);
- ▶ *I don't have enough knowledge about investing* (56 percent); and
- ▶ *I am focused on other expenses* (51 percent).

While three of these reasons are likely tied to income and possibly debt, a lack of knowledge also keeps large numbers of young people out of the markets.

One essential “on ramp” to investing for U.S. Gen Z is the ability to start small.

There are several factors that motivate U.S. Gen Zs to take the investing plunge. *The ability to start investing with small amounts* and *their own curiosity* are the two most commonly mentioned factors that influence the decision to invest. This could be due in part to the prevalence of investing/financial apps that allow users to invest smaller amounts.

Obtaining money to invest and *ease of opening an investment account* are also important factors in investing for Gen Z, as is the influence of a *parent/family member* (see Figure 11).

Figure 11. Factors That Influenced Decision to Invest

Major Factor in Decision to Invest (4 or 5 on a 5-point scale)	U.S. Gen Z Investor
Ability to start investing with small amounts	67%
Curiosity/own interest	65%
Obtained money to invest	57%
Parent/family member	54%
Ease of opening account	53%
Promotional incentive (cash, crypto, stock)	45%
Friends/colleagues	44%
Fear of missing out (FOMO) on opportunity to grow money	41%
Social media influencer/pundit	37%
Teacher/professor	31%
Online discussion board	31%
Advertisement/push notification	30%
My employer	29%

Interestingly, almost half (45 percent) of U.S. Gen Z investors were motivated to start investing based on a promotional incentive, such as cash, crypto, or stock.

The top factors that influence decisions to start investing vary somewhat across the U.S., Canada, the U.K., and China. Similar to U.S. Gen Zs, the ability to invest small amounts is a top motivator to start investing among U.K. Gen Zs (56 percent). In Canada, curiosity is the key driver motivating Gen Zs (71 percent), while among Chinese Gen Zs, obtaining money to invest (72 percent) is the most common reason to start investing.

The widespread availability and popularity of crypto may also have motivated many U.S. Gen Z investors to start investing.

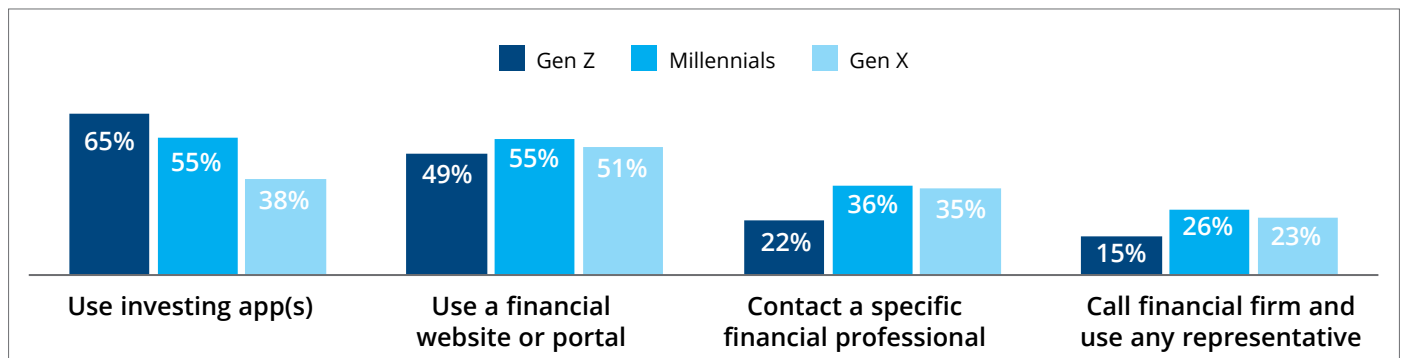
Gen Z investors are most likely to have started by investing in *crypto* (44 percent), followed by *individual stocks* (32 percent) and *mutual funds* (21 percent). Gen Z investors report a median amount of \$1,000 currently invested in crypto, which is one-fourth of their median total investment of \$4,000.

Gen Z is also impacted by the availability and influence of digital apps.

As mentioned earlier, investing apps may present lower barriers to entry and help Gen Zs invest with smaller amounts. The majority of Gen Z investors use investing apps to manage their investments and make trades, and Gen Z investors are much more likely to use these apps than are millennial or Gen X investors (see Figure 12).

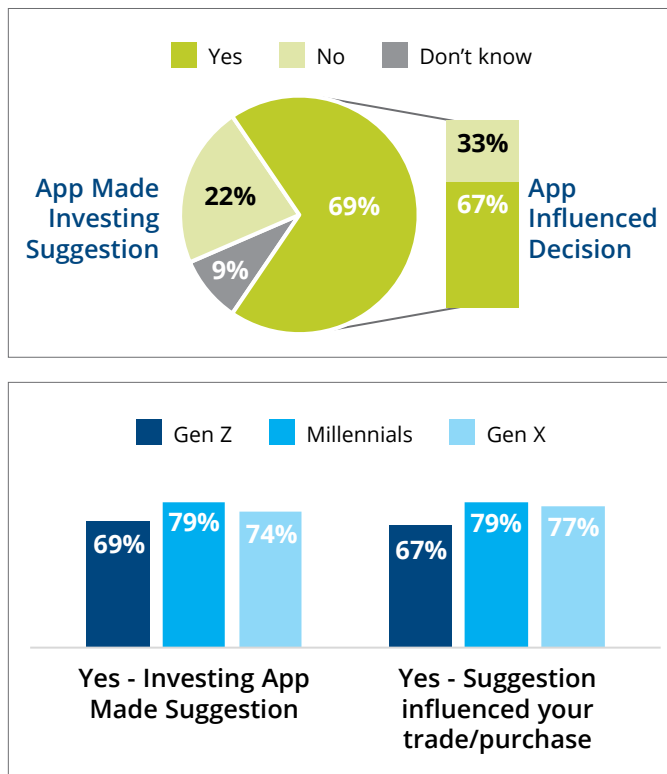
When asked *how they typically manage their investments or make trades*, 65 percent of Gen Zs use *investing apps*, while only 55 percent of millennials and 38 percent of Gen X investors use such apps.

Figure 12. Resources Used for Managing Investments or Making Trades



When we asked Gen Z investors *if their financial apps ever make suggestions or provide information about a particular investment*, 69 percent said yes. Of those who have received suggestions from an app, 67 percent said *the suggestions influenced them to make a particular investment, trade, or purchase* (see Figure 13).

Figure 13. Investing App Suggestions and Influences Among Gen Z



While fewer millennial and Gen X investors use investing apps (relative to Gen Z investors), among those who do use these apps, more than three quarters indicated that the app made a suggestion (79 percent of millennials, 74 percent of Gen X) and a similar proportion say an app suggestion influenced a decision to trade (79 percent of millennials, 77 percent of Gen X).

Fear of missing out (FOMO) plays a role in Gen Z investment decisions.

Half of Gen Z investors (50 percent) say they have made an investment driven by FOMO. Of those who have, they are most likely to say the investment was *crypto* (57 percent), *individual stocks* (32 percent), or *meme stocks* (28 percent).

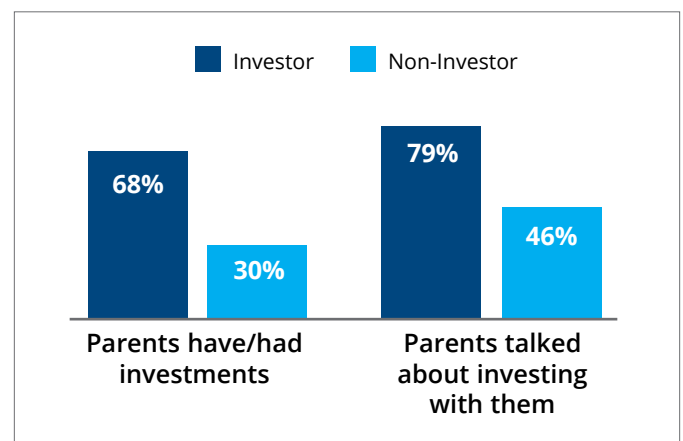
Investing due to FOMO is most common in China, where 66 percent of Gen Z investors say they have made a FOMO-driven investment compared to 50 percent in the U.S., 46 percent in Canada, and 55 percent in the U.K.

Family Dynamics and Gen Z Investing

Parents of Gen Z investors exert influence through their own behavior, through financial discussions with their children, and through direct financial transfers.

Gen Z investors are more than twice as likely to have *parents with investments* (68 percent versus 30 percent of non-investors). Gen Zs who invest are also more likely to have parents who *talked with them about investing* (79 percent versus 46 percent of non-investors) (see Figure 14). In fact, 47 percent of Gen Z investors have parents who talked to them about investing before they were 18.

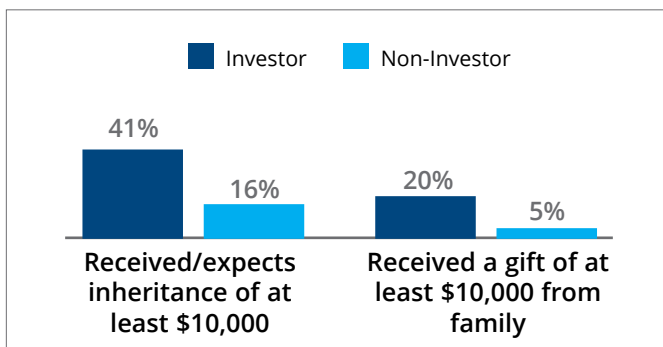
Figure 14. Gen Zs' Parent Behaviors



While only 30 percent of Gen Z non-investors' *parents have/had investments*, almost half (46 percent) of non-investors' parents/family did *talk to them about investing*. As described previously, other factors may be preventing Gen Z non-investors from investing.

Actual monetary assistance from family also impacts likelihood to invest. Gen Z investors are much more likely to have received or expect to *receive an inheritance* from family of at least \$10,000 (41 percent versus 16 percent of non-investors). Gen Z investors are also more likely to report *receiving a gift* of at least \$10,000 from family (20 percent versus 5 percent of non-investors) (see Figure 15).

Figure 15. Gen Z Received/Expects Inheritance or Received Gift of at Least \$10,000 From Family



In China, 75 percent of Gen Z investors have received or expect to receive an inheritance equivalent to \$10,000 or more. This is a considerably higher proportion than Gen Z investors in the U.S. (41 percent), Canada (39 percent), and the U.K. (40 percent).

Investing Attitudes and Confidence

Gen Z investors are confident in their futures and their ability to reach their financial goals.

They are **risk-takers**, with almost half (46 percent) willing to take *substantial or above-average financial risks*.

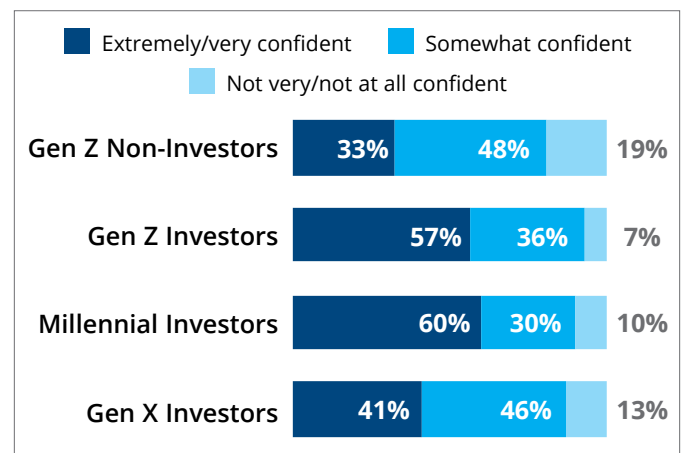
A few underlying themes may help to explain **why Gen Z investors are risk-takers**:

1. They are fairly confident in their knowledge about investing. Almost half (48 percent) say that *they know more about investing than their parents*, and one in three (33 percent) are extremely or very confident in their ability to make investing decisions.

2. As previously discussed, their fear of missing out (FOMO) may prompt them to take investment risks.
3. They feel their generation is faced with uniquely challenging economic circumstances and so may deem it necessary to take risks to be able to succeed financially. Close to half (44 percent) of Gen Z investors agree that *the economic circumstances facing their generation are more challenging than those of prior generations*.
4. They have youth on their side. They have longer time horizons, so they can afford to take more risks and tolerate losses compared to older investors.
5. Most (78 percent) Gen Z investors have no financial dependents, potentially giving them the freedom to take on more risk.

Gen Z investors are significantly more confident than Gen Z non-investors *in their ability to reach their financial goals* (57 percent versus 33 percent). They are also more confident than Gen X investors (see Figure 16).

Figure 16. Confidence in Reaching Financial Goals



For Gen Z, there seems to be a correlation between gambling and investing, and particularly high-risk investing.

Perhaps related to a risk-taking mentality, Gen Z investors are **more likely to gamble** than are non-investors. Six in ten (61 percent) Gen Z investors gamble online or in-person, compared to only three in ten (29 percent) non-investors. Gen Z investors with a high financial risk tolerance are more likely to be **frequent**

gamblers. Nearly half of Gen Z investors (45 percent) who have a high risk tolerance gamble at least monthly (versus 30 percent of investors with an average or low risk tolerance).

Among Gen Z investors, propensity for **gambling is also associated with more risky investments.** Gen

Z investors who are frequent gamblers are more likely than non-gamblers to be invested in *crypto* (70 percent versus 44 percent), *NFTs* (38 percent versus 17 percent), and *options or derivatives* (13 percent versus 2 percent). They are more likely to *invest on margin* (40 percent versus 11 percent).



Gen Z: Canada

Canadian Gen Z investors have many similarities with their neighbors to the south, especially when it comes to sources of information, family dynamics, and digital influences. However, there are some distinct differences.

Gen Z: The Basics

- ▶ **What do they invest in?** Canadian Gen Zs are most likely to own investments in *crypto* (57 percent), *mutual funds* (45 percent), and *individual stocks* (41 percent).
- ▶ **When did they begin investing?** One in four (24 percent) of Canadian Gen Z investors began investing before they were 18, compared to 12 percent of Canadian millennials and only 9 percent of Canadian Gen X investors.
- ▶ **How much do they invest?** Canadian Gen Z investors invest a median of \$9,000 CAD (\$6,750 USD), a much higher level than their U.S. and U.K. counterparts.

Investing Goals and Challenges

The **top financial goals** for Canadian Gen Z investors are *being able to pay monthly bills* (55 percent) and *having enough money to travel/vacation* (55 percent).

Four in ten (42 percent) Gen Z investors rank *having a source of income outside of my job* as a key financial goal, indicating a desire for independence from the workplace. Canadian millennials (27 percent) and Gen X investors (26 percent) are far less inclined to be seeking a source of income outside of their jobs.

The **number-one challenge** to meeting their financial goals is *cost of living/inflation* for both Canadian Gen Z investors (77 percent) and non-investors (74 percent).

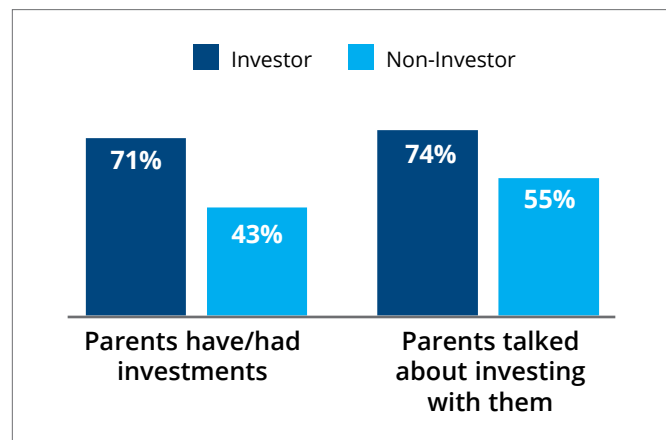
Information Sources

Social media (53 percent), *internet searches* (47 percent), *parents/family* (47 percent), and *friends* (44 percent) are the top four ways that Canadian Gen Z investors learn about investing. The top five online channels they use to learn about investing or other financial topics are *YouTube* (46 percent), *internet searches* (43 percent), *Instagram* (43 percent), *Reddit* (39 percent), and *TikTok* (24 percent).

Family Dynamics

Canadian and U.S. Gen Zs have similar family dynamics. The majority of Canadian Gen Z investors (71 percent) have parents who are/were investors and who talked about investing with their children (74 percent) (see Figure 17).

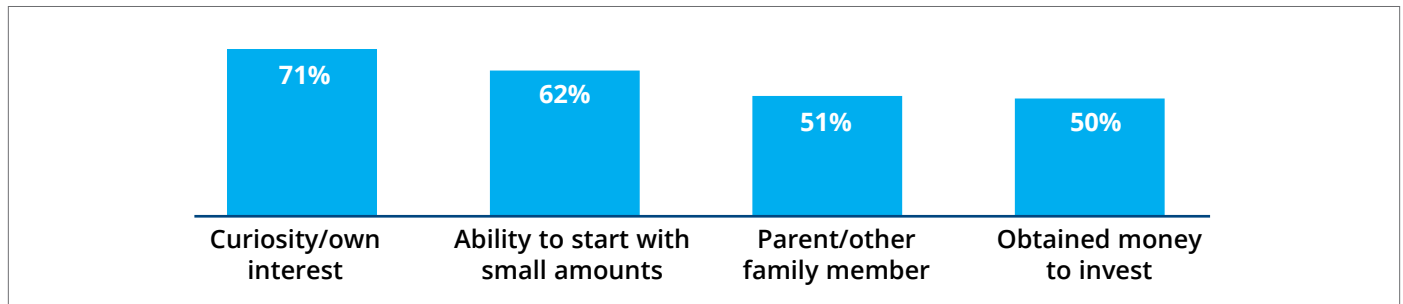
Figure 17. Canadian Gen Zs' Parent Behaviors



Factors Motivating Canadian Gen Z Investors to Start Investing

Curiosity is the top motivation to start investing among Canadian Gen Z investors. Canadian Gen Z investors are more likely than their counterparts in the U.S., the U.K., and China to start investing because of curiosity (see Figure 18). As with their U.S. counterparts, *being able to start investing with small amounts* is also an important motivation, with over six in ten Canadian Gen Zs indicating this as a top reason they started to invest.

Figure 18. Top Motivations for Investing Among Canadian Gen Z Investors



When it comes to how they manage their investments and make trades, Canadian Gen Z investors use *investing apps* (55 percent) and *financial websites/portals* (50 percent) most often.

Investing Attitudes and Confidence

Canadian Gen Z investors are confident in their futures and *ability to reach their financial goals* (44 percent extremely/very confident). They are risk-takers, with almost half (48 percent) willing to take substantial/above-average risks to reach their financial goals.



Gen Z: United Kingdom

U.K. Gen Z investors are quite like those in the U.S. and Canada except for a few distinguishing differences when it comes to their financial goals and confidence in their future.

Gen Z: The Basics

- ▶ **What do they invest in?** U.K. Gen Z investors tend to be more focused on crypto. Half (50 percent) own crypto. Individual company stock (26 percent) is the second most likely owned investment by a considerable distance.
- ▶ **When did they begin investing?** About two in ten (22 percent) Gen Z investors began investing before they were 18, compared to 5 percent of millennials and only 3 percent of Gen X investors.
- ▶ **How much do they invest?** U.K. Gen Z investors tend to have a smaller amount invested than those in other countries covered by this study—a median of £1,367 (\$1,667 USD).

Investing Goals and Challenges

Similar to their cohorts in the U.S., Canada, and China, *having enough money to travel/vacation* is a top-3 financial goal among U.K. Gen Z investors, but that is where the similarities end. U.K. Gen Z investors are unique in indicating *buying a home* and *having a source of income outside of their job* as top financial goals.

- ▶ *Buy a home* (48 percent)
- ▶ *Have enough money to travel/vacation* (46 percent)
- ▶ *Have a source of income outside of their job* (45 percent)

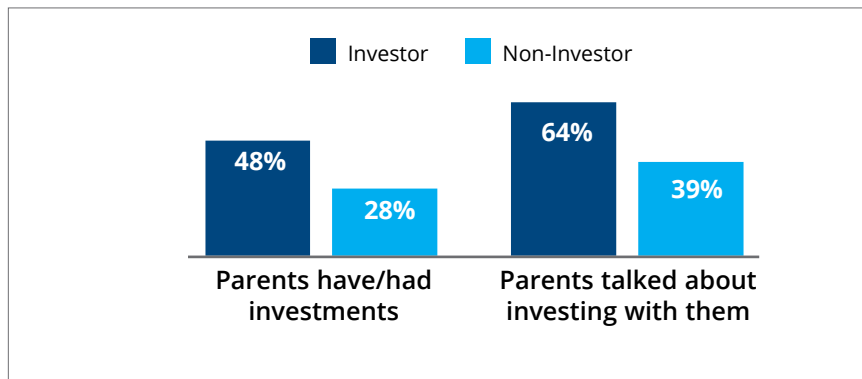
Information Sources

Social media (44 percent), internet searches (36 percent), friends (31 percent), and parents/family (29 percent) are the top four ways that U.K. Gen Z investors learn about investing. The top five online channels they use to learn about financial topics are internet searches (45 percent), money savings experts/Martin Lewis (35 percent), YouTube (35 percent), TikTok (30 percent), and Twitter (28 percent).

Family Dynamics

U.K. Gen Z investors have the lowest percentage of parent investors (among the countries covered by this study). Fewer than half (48 percent) said their parents are/were investors. Despite this, 64 percent of U.K. Gen Z investors report that their parents talked with them about investing (see Figure 19).

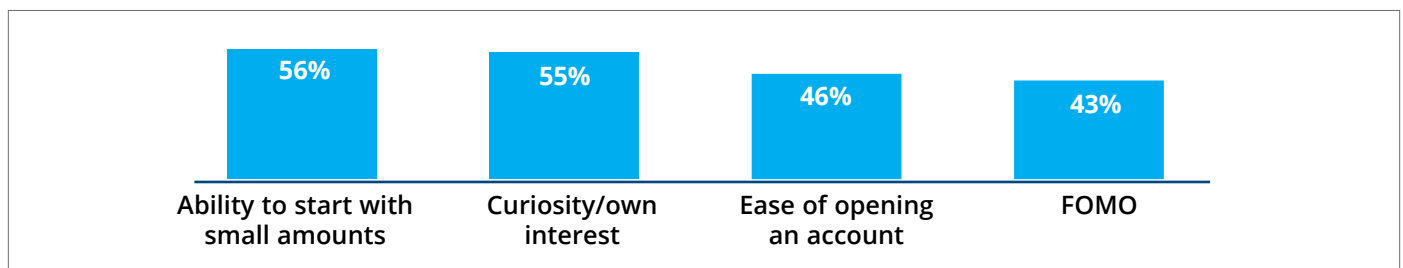
Figure 19. U.K. Gen Zs' Parent Behaviors



Factors Motivating U.K. Gen Z Investors to Start Investing

The ability to start investing with small amounts and their own curiosity were the top two catalysts to begin investing among U.K. Gen Z investors (see Figure 20). FOMO and the ease of opening an account were also important motivators.

Figure 20. Top Motivations for Investing Among Gen Z Investors in the U.K.



Investing Attitudes and Confidence

In comparison to Gen Zs from the U.S., Canada, and China, U.K. Gen Zs **are the least confident in their future** and their ability to reach their financial goals. Only 30 percent of investors and 19 percent of non-investors are extremely/very confident.

This finding is reinforced by the fact that one in four (26 percent) U.K. Gen Z investors believe they will **retire over the age of 70**, compared to only 4 percent in China, 7 percent in Canada, and 10 percent in the U.S.



Gen Z: China

The most dramatic differences are found between Gen Z investors in China and Gen Zs in the U.S., Canada, and the U.K. These differences may be attributed, in part, to restrictions on cryptocurrency transactions in China.

Gen Z: The Basics

- ▶ **What do they invest in?** Gen Z investors in China are most likely to invest in *mutual funds* (54 percent), *wealth management products issued by commercial banks* (41 percent), and *individual stocks* (32 percent).
- ▶ **When did they begin investing?** Only 7 percent of Chinese Gen Z investors began investing under the age of 18—a much lower proportion compared to Gen Z investors in the U.S. (25 percent), Canada (24 percent), and the U.K. (22 percent).
- ▶ **How much do they invest?** Chinese Gen Z investors tend to have a much higher amount invested than those in the other countries covered by this study—a median of ¥120,000 (\$18,000 USD).

Investing Goals and Challenges

Like their peers in the U.S., Chinese Gen Z investors prioritize money for *travel/vacation* above all other financial goals. Their top three goals are:

- ▶ *Having enough money to travel/vacation* (53 percent)
- ▶ *Having sufficient savings to pay for unexpected expenses* (44 percent)
- ▶ *Saving enough to retire when I want to and live comfortably as long as I need to* (37 percent)

The top two challenges in meeting financial goals for both investors and non-investors are *cost of living/inflation* (59 percent of investors, 44 percent of non-investors) and the *economy/market conditions* (53 percent of investors, 44 percent of non-investors).

Information Sources

The top ways that Chinese Gen Z investors learn about investing differ from those of Gen Z investors from the U.S., Canada, and the U.K. They use *financial apps* (55 percent), *financial professionals* (45 percent), *financial companies* (44 percent), *social media* (41 percent), and *internet searches* (39 percent) most often. They are

much less likely than U.S. (45 percent), Canadian (47 percent), and U.K. (29 percent) Gen Zs to leverage their parents as a source to learn about investing (17 percent).

The most popular social media and internet sites for financial topics among Chinese Gen Zs are predominantly China-based: *WeiBo* (52 percent), *WeChat* (49 percent), *Bilibili* (46 percent), *TikTok* (46 percent), *Little Red Book* (44 percent), and *Zhihu* (35 percent).

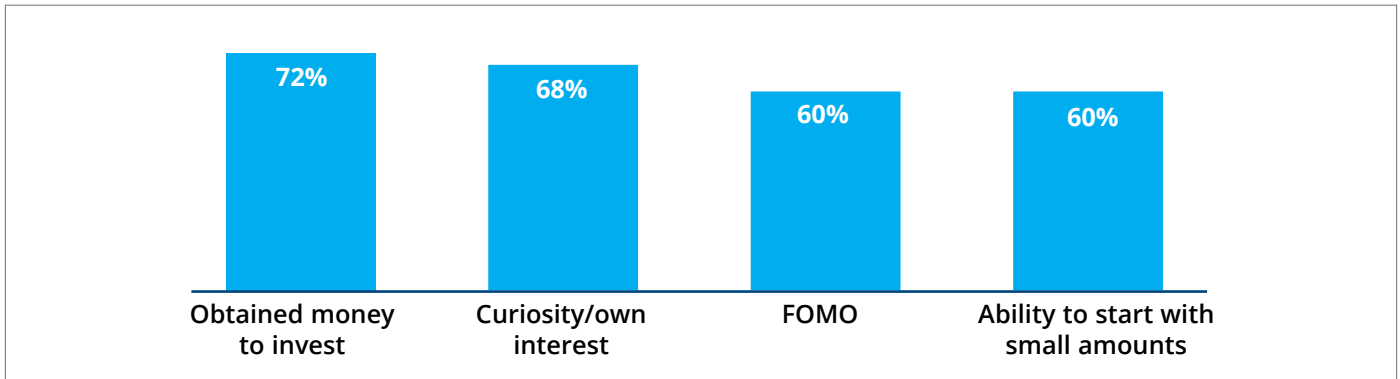
Family Dynamics

Most Chinese Gen Z investors (61 percent) have parents who are/were investors and who talk to them about investing (79 percent). Interestingly, four in ten (39 percent) Chinese Gen Z investors have received a gift equivalent to \$10,000 USD or more from their family (versus 8 percent of Chinese Gen Z non-investors). Three in four (75 percent) have received or expect to receive an inheritance worth \$10,000 USD or more (versus 63 percent of Chinese Gen Z non-investors).

Factors Motivating Chinese Gen Z Investors to Start Investing

Obtaining money to invest is the key catalyst to investing among Chinese Gen Z investors (72 percent). Chinese Gen Z investors (60 percent) are more likely than their counterparts in the U.S. (41 percent), Canada (41 percent), and the U.K. (43 percent) to be motivated to start investing by the fear of missing out (FOMO) on an opportunity to make money (see Figure 21).

Figure 21. Top Motivations for Investing Among Chinese Gen Z Investors



Investing Attitudes and Confidence

Compared to Gen Zs in the other countries this study examined, Chinese Gen Zs are the **most confident in their future** and *ability to reach their financial goals*. More than half (59 percent) of investors (and even 41 percent of non-investors) are *extremely/very confident* in reaching their financial goals. Similarly, four in ten Chinese Gen Z investors (43 percent) are *extremely/very confident* in their ability to make decisions about investing.

Like Gen Z investors in the other countries this study examined, Chinese Gen Z investors are risk-takers, with 46 percent *willing to take substantial/above-average risks* to reach their financial goals.

Almost one-third (30 percent) of Chinese Gen Z investors expect to retire before age 60. These numbers are significantly lower in Canada (22 percent) and the U.K. (17 percent), though similar to Gen Z investors in the U.S. (29 percent).

Conclusions

Gen Zs 18 and older are investing at a fairly high rate. This is likely due to a number of factors, including opportunities to invest small amounts of money through investing apps and fractional shares; the popularity of and access to new ways to invest, like cryptocurrency; and easy and near-constant access to social media sources of information.

However, as with any generation, Gen Zs 18 and over have a segment that is investing and a segment that is not. While the dividing line between these two segments is likely drawn by employment and income, there are other factors that prevent potential investment. Having parents who invest and talk about investing, and who potentially contribute financially through gifts or inheritance, is a key factor in the likelihood to invest. In addition, investing knowledge, potentially acquired through formal education after high school, could help close the information gap and prompt non-investors to start investing.

There seems to be a connection between an increase in formal education around financial topics, starting in high school, and the fact that Gen Zs are more likely to start investing at an early age. Continuing to support and encourage formal education, and on an equal basis in communities of color and low-income communities, could help level the playing field and encourage investing within these communities. Education could also help Gen Zs understand different types of investments and the risks they hold, and how to avoid making decisions based on peer pressure or perceived trendiness.

Methodology

The total sample size for this study is 2,872, comprising Gen Z (ages 18–25) investors and non-investors, as well as millennial and Gen X investors in the U.S., Canada, U.K., and China as outlined below.

Generation	Group	U.S.	Canada	U.K.	China	Total
Gen Z (18–25 years old)	Non-Investor	448	101	113	100	762
	Investor	500	115	110	109	834
Millennial (26–41 years old)	Investor	310	113	109	103	635
Gen X (42–57 years old)	Investor	311	114	114	102	641

Data were collected in November and December 2022, and respondents were obtained using a combination of Schlesinger’s proprietary online panel and social media advertising on TikTok and Instagram. Individuals agreed to participate and were compensated for completing surveys.

While Gen Z are defined as those born between 1997 and 2012, for the purposes of this study, we sampled only those ages 18 to 25. Millennials are those born between 1981 and 1996 (ages 26 to 41 at the time of the survey). Gen X are those born between 1965 and 1980 (ages 42 to 57 at the time of the survey).

Within each generation, U.S. participants were sampled to be balanced to the population on age, region, race/ethnicity, and gender (based on the American Community Survey’s five-year rolling average). In addition, the results in the U.S. and the U.K. are balanced on income. For the U.K., participants were sampled to be balanced on gender, age, race, and income (for Gen Z). For Canada and China, participants were sampled to be balanced on age and gender. While quotas were set for investors and non-investors, termination data was captured to generate population estimates for the total population’s proportion of investors and non-investors.

As in all survey research, there are possible sources of error, such as sampling, coverage, non-response, and measurement, that could affect the results.

Figures may not always sum to 100 percent due to rounding.

More information about the study, including the questionnaire, can be obtained by contacting the FINRA Investor Education Foundation (Gary.Mottola@finra.org) and CFA Institute (Ryan.Munson@cfainstitute.org).

The research was sponsored by the FINRA Investor Education Foundation and CFA Institute. The research was executed in partnership with Zeldis Research Associates.