

# MEETING THE NEEDS OF MILLENNIALS AND GEN Zs IN THE NEW WORLD OF WORK

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Millennials are the workforce's largest demographic, with Gen Zs entering the workforce right behind them. We're talking about the most educated and diverse generation in U.S. history, yet they earn significantly less than – and are significantly behind in wealth expectations compared to – Baby Boomers at the same age.<sup>1,2</sup> After the turmoil of the last two-plus years, what do these younger workers need to help them thrive at work and home, and, for many, successfully navigate the blurred boundary between the two?

To answer that question, Bright Horizons Workforce Consulting asked a nationally representative sample of Millennials and Gen Zs about their relationship to work, their career and life aspirations, and their desired workplace benefits.



# INTRODUCTION

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Life expectancies and careers are getting longer. There are now more generations in the workforce at once and there is more opportunity for younger generations to pursue education, family, and career growth plans that do not necessarily follow linear paths. For employers looking to attract and retain young talent, flexible views on when and where work is done, clear upward mobility, professional on-the-job training, and child care will lure those who left the workforce during the COVID-19 pandemic back to traditional work. For those who have stayed in the workforce, the reshuffling and resignations are not over yet – more than half of Millennials and Gen Zs are looking to change jobs, including those who already made moves since 2020. Burnout is still rampant, with 75% of frontline workers feeling burnt out in the past year and 64% of Millennials and Gen Zs overall experiencing burnout. People and their relationships to work have changed. **The key now is to meet people where they are and provide support for where they are going.**

The good news for employers is that Millennials and Gen Zs, while looking for flexibility in both their physical space and their total rewards, are not giving up on the need for physical roots, including the dream of home ownership. **For employers that can't or don't want to provide location-based flexibility, like remote or hybrid work, there is an opportunity to still provide flexibility through workplace benefits** that will help employees grow their families (*however they define family*) and their careers. This is especially true in the areas of education, growth, and development – people value learning and growth both personally and for their family.

Flexibility, trust, and learning are not new concepts. Decades of research have demonstrated that autonomy (having control over one's work), competence (ability to demonstrate and grow one's knowledge), and relatedness (positive relationships with others) are the primary determinants to workplace satisfaction, intrinsic motivation, and engagement. **Listening to the unique and changing needs of employees and supporting their need for flexibility, growth, and interpersonal relationships is not just being responsive to the hot topics of the day, it is proven to be critical for highly effective organizations.**<sup>3</sup>

# WHO ARE MILLENNIALS AND GEN Zs?

The oldest Millennials turned 42 in 2022. Gen Zs included in this survey are 18-25.

**Most Millennials and Gen Zs are caregivers.** More than half (62%) of those surveyed have caregiving responsibility for at least one person, including 50% who care for children and 27% who care for a person who is elderly or disabled. Most of those surveyed care for a pet (79%). Even non-pet owners think of a pet as a member of the family – something 87% of the survey sample agreed with.

Half of the survey participants are married (44%) or previously married (7%). More than half of Millennials are currently (48%) or previously (16%) married compared to 7% of Gen Zs who are married. Forty-five percent of unmarried Millennials and 60% of unmarried Gen Zs have a goal to get married.

A little more than half (54%) of Millennials and 22% of Gen Zs are parents and more than a third (35%) of parents are planning to add to their families. For Millennials and Gen Zs not planning to add to their families, **one in ten (11%) cite concerns over child care as a reason.** As so few employers offer child care benefits, there is a huge opportunity to attract and retain younger employees and encourage growing families. **In fact, Millennial and Gen Z workers are significantly more likely to say they are planning to have a first or additional child if they work for companies that offer on-site child care (55% vs. 36%)<sup>4</sup> or child care subsidies/reimbursements (57% vs 36%).<sup>5</sup>**

## WHERE ARE THEY NOW?

After years of turmoil, where are Millennials and Gen Zs in the workforce?

### Physically

**Despite stories of the Great Reshuffle and Great Resignation, currently employed Millennials and Gen Zs actually remained overwhelming loyal, with 76% at the same employer as they were in March 2020.** About half of working Millennials and Gen Zs are in non-frontline office/desk roles (52%) and about half (48%) are in frontline/people-facing roles. More specifically, working Millennials and Gen Zs are employed in:

- ▶ **Office/Desk Positions (52%)**
- ▶ **Student-, Customer-, and Patient-Facing Positions (26%)**
- ▶ **Manufacturing/Warehouse Positions (11%)**
- ▶ **Construction Positions (7%)**
- ▶ **Delivery Positions (4%)**

Job shuffling didn't impact all industries equally. Sixty-nine percent of those with customer-, student-, and patient-facing roles are with the same employer as they were in March 2020, significantly lower than the overall retention rate, indicating greater risk of flight for frontline workers. Career trajectory also makes a difference in loyalty. Entry-level (42%) and associate (35%) employees were significantly more likely to have made moves than managers (13%), directors (10%), and above. For the people who changed employers since March 2020, primary reasons included needing a change (35%), low salary/compensation (28%), lack of professional development/growth (26%), or laid off/fired/furloughed (19%).

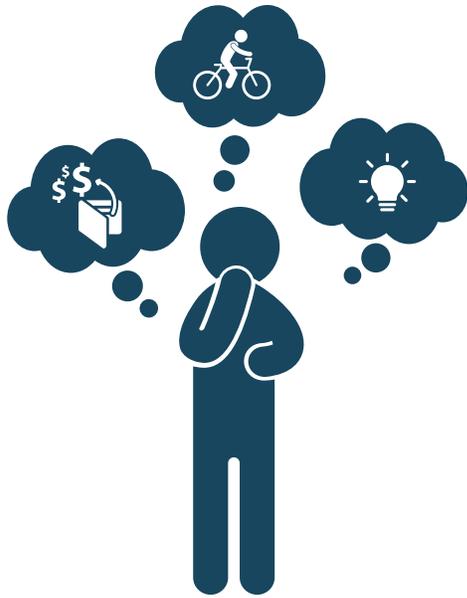
**Notably, 1 in 5 Millennials said they just didn't have the motivation to change jobs,** which may speak to mental health and stress issues addressed later in this report – and potential future movement when things stabilize. **Over half of Millennials and Gen Zs are still thinking about quitting their jobs (56%), including those who have recently made moves.** An additional 20% who are not currently thinking about quitting their jobs still aspire to take a break from the workforce entirely someday.

While stories of a work-from-anywhere-at-anytime lifestyle may have been catchy pandemic headlines, **working Millennials (90%) and Gen Zs (82%) overwhelmingly reported they would rather set roots and own a home than live a lifestyle where they are not tied down (10% of Millennials; 18% of Gen Zs).**

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“It would be great to work for an organization that not only compensates its employees well **but also values them as people.**”

- Survey Participant



MORE THAN **TWO-THIRDS** of Millennials and Gen Zs reported feeling stressed about their

**FINANCIAL (86%)**

**PHYSICAL (76%)**

**MENTAL (66%)**

well-being in the past month.

## Mentally

**The past year has been rough at work for Millennials and Gen Zs. The majority of both age groups (70%) have felt stressed about their career advancement and growth in the past month.** A majority of Millennials and Gen Zs (64%) report feeling burnt out in the past year, with frontline workers (75%) more likely to report burn out than non-frontline (55%). More than two-thirds of Millennials and Gen Zs reported feeling stressed about their financial (86%), physical (76%), and mental (66%) well-being in the past month. While both Gen Zs and Millennials report missing work in the last year due to their mental well-being (13%), Gen Zs are more likely (25% vs. 11%) to do so.

### **They're not just worried about themselves.**

In the last month, they also felt stressed about their parents' physical (68%), mental (62%), and financial (53%) well-being. Even those who are not yet part of the "sandwich generation" with direct caregiving responsibilities are feeling the pressure of aging parents.

“ I want more options for learning new skills and moving within a company both for career development **and to avoid burnout.**”

**Overall, fewer than half of Millennials and Gen Zs (45%) report having everything they need to achieve their goals at work and home.** Speaking to their lagging wealth expectations and income – money/finances are the overwhelming reason why. Furthermore, not all of these goals are the same – some desire marriage and children, others desire a home purchase, and others are looking to further their education. Many want all three. Financially supporting workers in their pursuits is not one-size-fits-all.

## The Existing Benefits That Matter

A majority of Millennials and Gen Zs report having health insurance (73%), a set number of vacation days (64%), paid sick time (58%), and a 401(k)/retirement plan with match (51%) through work. Many also report life insurance (44%) as a benefit, rounding out the top five. Of the benefits they have, Millennials and GenZs selected the top benefits that kept them at their organizations since March 2020. Notably, **Gen Zs were more likely to rank colleagues (30%) in their top five reasons for staying and Millennials were more likely to choose their amount of vacation time (31%)**. For both groups, salary (37%Z; 48%M) and work/life balance (39% for both) were top reasons for staying.

**Parents (N= 506) had different considerations for staying with their employer than employees who don't have children.** Notably, for parents who have child care on-site, 35% selected it as a top-five reason for staying with their employer going forward (third behind health insurance and vacation), and 28% of parents with children under the age of six selected it as a reason they've stayed since March 2020. For parents who have child care subsidies/reimbursements, 32% selected it as a top-five reason for staying with their employer going forward and 22% selected it as a reason for staying since March 2020. **An exit question for anyone not currently in the workforce, and therefore not eligible for the full survey, found 1 in 10 would return to for child care.**

“ **I wish I could coexist.** Being the best employee and the best mother instead of constantly juggling. ”

Child care benefits go a long way to supporting parents at work: **In the past year, more than half (55%) of parents of children under six and more than 1 in 3 (37%) parents of children over 6 reported having missed work due to a lack of child care.**

### PARENTS WHO HAVE CHILD CARE



SELECTED IT AS A **TOP-FIVE REASON**  
FOR **STAYING WITH THEIR EMPLOYER**

# THE IMPORTANCE (AND STRESS) OF LEARNING AND GROWING

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Millennials and Gen Zs show a strong affinity for education and professional growth – for themselves and their loved ones – but it’s also stressing them out.

**A majority of working Gen Zs (65%) felt stressed in the past month about their level of educational attainment, significantly more than Millennials who also feel stressed about their education (43%).** Forty-two percent of younger workers **who have not yet received a first degree (AA or BA/BS) aspire to do so**, and for those who have a bachelor’s, **40% would like to earn an advanced degree.**

College degrees are expensive, and stress around student loan debt increases with the number of degrees earned. Half of the Millennials (53%) and 40% of the Gen Zs surveyed have earned a bachelor’s degree or higher thus far.<sup>6</sup> Thirty-six percent of those with associate degrees/some college reported feeling stress about student loans in the past month compared to 41% of those with bachelor’s degrees, 44% of those with master’s degrees, and 61% of doctorate degree holders. It does not appear that the increased wages that typically come from higher degrees offset concerns about student loan debt. For Millennials and Gen Zs in relationships, their spouse/partner’s educational attainment (33%) and student loans (25%) have also caused stress in the past month.

“ I owe six figures for a four-year degree. It’s keeping me from almost everything **I REALLY want to achieve in life.** ”

Career advancement and growth aspirations, both upward and outward, are highly individualized and vary by generation. Half of Millennials and one-third of Gen Zs are people managers; however, Gen Zs are significantly less interested in managing others (29%) than Millennials (40%). **While a majority of both groups desire to grow upward in their career, Millennials are significantly more likely to report a desire for upward growth (72%) compared to Gen Zs (63%).** Even if they’re not looking to climb the corporate ladder, opportunities to learn and develop skills are key to younger workers.

**On top of everything else, parents have the added stress of their child's educational development (71%), social-emotional development (76%), and their college education pursuits (48%).** Parents of older children (13+), in particular, are stressed about college admissions 63%. Two-thirds of parents with children under 6 are stressed about paying for child care; 38% of parents with children over six are stressed about paying for primary/secondary schooling; and 58% of parents of children 13+ are stressed about paying for college.

**To achieve their education goals, Millennials and Gen Zs need support from their employers:** in the form of time (20%), upfront tuition payments (19%), and tuition reimbursement (16%). For parents, nearly one-third (31%) stated they also need child care to achieve their education goals. The path to the next career step, degree, or certification milestone is unique for everyone, as is the support they need to get there.

“ **It'd help a lot if my employer paid off my student loans.**

It's not worth it to work hard for many years and have nothing to show for it but a paid off student loan. ”

## THE VALUE OF INDIVIDUALITY AND FLEXIBILITY

With Millennials (and Gen Zs behind them) poised to become the majority of the workforce and the reshuffling far from over, how do organizations compete for their talent? Winning them over starts by treating them as individuals and trusting that they know what's best, for their well-being both at home and work.

“ I think flexibility is important...I wish I could work flexible hours to be able to **pick my child up after school.** ”

**Unsurprisingly, Millennials and Gen Zs want to keep and expand the flexibility they currently have – but location-based flexibility is not the only way to attract and retain younger employees.** Millennials and Gen Zs answered an open-ended question about flexibility at work broadly. The responses converged around common themes: **(1)** A need for autonomy, including setting one's own schedule and work location while taking personal priorities and emergencies into consideration; **(2)** Being able to both work and enjoy life (work-life integration); **(3)** The ability to meet their personal needs and those of their children and families without being penalized or punished at work.

People are staying at jobs for standard benefits like salary/compensation, health insurance, and paid time off; however, when participants selected the top five benefits they wish their employer offered, the results spoke to the individuality of Millennials and Gen Zs. People are looking for and need different types of support at different periods in their lives. A few examples:

“ I wish vacation time could be longer considering you give most of your life to your job. ”

- ▶ **Unlimited paid time off tops the list of desired benefits for 43% of participants while another 11% already have it.** Given that most Millennials and Gen Zs value spending their earnings on experiences (76%) vs. (24%), a need for more time to spend with friends, family, and interests is not surprising.
- ▶ **Pet insurance is also important.** Most Millennials and Gen Zs have at least one pet and even non-pet owners think of a pet as a member of the family. Of those who do not already have pet insurance, nearly one in ten pet owners overall (9%) and 12% of dog owners would like to have the benefit. Less than 2% of Millennials and Gen Zs reported their employer provides pet care assistance and just 6% reported their employer offers pet insurance.
- ▶ **Elder care is essential** for employees with caregiving responsibilities – 8% of Millennials and Gen Zs want elder care benefits from their employer (a number that is likely to grow once their parents begin to need extra help). Only 2% reported their employer offers this benefit.

**Parents want and need a variety of different care benefits.** Nearly one in four (23%) parents of children under 6 want on-site child care if they don't already have it; 27% want child care subsidies or reimbursements, the second most requested benefit after unlimited paid time off. One in ten (10%) parents with children under 13 want before- or after-school care if they don't already have it. For parents of older children, 17% want their employer to offer college savings benefits and 9% want college application assistance. Fewer than 5% of Millennial and Gen Z parents reported their companies provide care benefits for older children such as before- and after-school care, tutoring, and college application assistance. Numbers are not much higher for early childhood care: 6% of parents say they have access to emergency or full-time on-site child care, and 7% of parents report subsidies/reimbursements for child care. **The lack of care benefits reported indicates a prime opportunity for employers to differentiate themselves as employers of choice for young parents through offering child care, care subsidies, and even college coaching benefits.**

**Everyone has different needs at different times in their lives. Not only are employee benefits important – the ability for employees to select what they need, when they need it is key. Millennials and Gen Zs want flexibility in selecting benefits (62%).**

Specifically, 41% want some set benefits and the ability to choose others that work for them, while 21% want a bank of money they can allocate to the benefits they want. Currently, only 9% reported having a flexible bank. Why is flexibility important? One reason is that many people under the age of 26 can still use a parent's health insurance, rather than going on an employer plan. Similarly, employees who have partners or spouses only need to use one of their employer's health plans. The partner/spouse who leaves their health insurance (a costly benefit for employers) unused could re-allocate that money to other benefits that better align with the needs of their family.

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**Those surveyed put it best when it comes to expressing what they need:**

- ▶ Because every person and every lifestyle is different, it makes sense that benefits should be individualized, as well. Employees and their families have different obstacles, goals, challenges, and impediments – they need flexibility.
- ▶ I know myself better than anyone.
- ▶ Flexible benefits allow me to use other treatments like chiropractic services and massage versus more traditional modalities.
- ▶ Every employee should get a say in at least some of the benefits they choose from.
- ▶ Everyone is different; there shouldn't only be cookie-cutter options.
- ▶ I can't see the future, so having some flexibility would be a good thing.
- ▶ I wish I had more flexibility to be able to use our benefits in the best way for my family. Everyone's wants and needs are different in life.
- ▶ I'd like to drop benefits I don't use in favor of better benefits that I do use.
- ▶ I'm single with no children. Most benefits are focused on helping families. Example, I would like insurance for myself and two dogs, whereas a person with a family of five (and no pets) would want insurance that covers them.

# SUPPORTING MILLENNIALS AND GEN Zs NOW & IN THE FUTURE

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Flexible benefits address needs across generations, cultures, socio-economic classes, education levels, industry, gender, age, and more. They show employees that their employer understands, values, and respects their diverse needs, and can give employers a greater return on investment (ROI). Permitting employees to flexibly choose from existing benefits is a start; however, investing in adding critical benefits that most survey participants reported they don't yet have access to, including: additional/unlimited time off, child care, elder/adult care, student loan assistance, and even pet care, will provide comprehensive options to meet employees' life needs and differentiate an employer as a great place to work. These benefits also alleviate stress and support employees in bringing their best selves to work and home.

Treating employees as unique individuals by supplying customizable care and education benefits while also trusting them to use their benefits to do what is best for them, their families, and their career development can help boost employee loyalty – and their company's bottom line.

## ABOUT THE SURVEY

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In partnership with Qualtrics, Bright Horizons Workforce Consulting surveyed a nationally representative sample of 1,003 Millennial and Gen Z workers about their relationship to work, career and life aspirations, and opinions on workplace benefits. To be included in the survey, participants had to be U.S. residents between the ages of 18 and 42 (through April 1980 birthdays) and employed full- or part-time. Full-time students were not included. The survey was conducted online in April and May 2022.

Quotas were put in place to match the distribution of age groups, geographic location, and race/ethnicities to the U.S. population. Many Gen Zs are full-time students and were excluded from the survey (for context, 74% of the Gen Zs who exited the survey were full-time students). The representative sample includes 905 Millennials (460 > 37 years old and 445 between 25-36 years old) and 98 Gen Zs. The sample was designed to equal parts male and female, with 1% of the sample identifying as non-binary or other identity.



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#### Endnotes

<sup>1</sup> Ana Hernández Kent, Lowell R. Ricketts, "Millennials are catching up in terms of generational wealth," StLouisFed.org, March 29, 2021

<sup>2</sup> Megan Leonhardt, "Millennials earn 20% less than baby boomers did—Despite being better educated" CNBC.com, November 5, 2019

<sup>3</sup> Edward L. Deci, Anja H. Olafsen, Richard M. Ryan, "Self-Determination Theory in Work Organizations: The State of a Science" Annual Review of Organizational Psychology and Organizational Behavior, 2017

<sup>4</sup> A chi-square test of independence showed that there was significant relationship between on-site child care and child planning,  $\chi^2(1, N = 1,003) = 8.35, p < .01$ .

<sup>5</sup> A chi-square test of independence showed that there was significant relationship between child care subsidies/reimbursements and child planning,  $\chi^2(1, N = 1,003) = 8.35, p < .01$ .

<sup>6</sup> Nationally, around 54% of people 25 and older hold bachelor's degrees or above.