



RESEARCH BRIEF

Adapting to Gen Z

A Higher Education Guide

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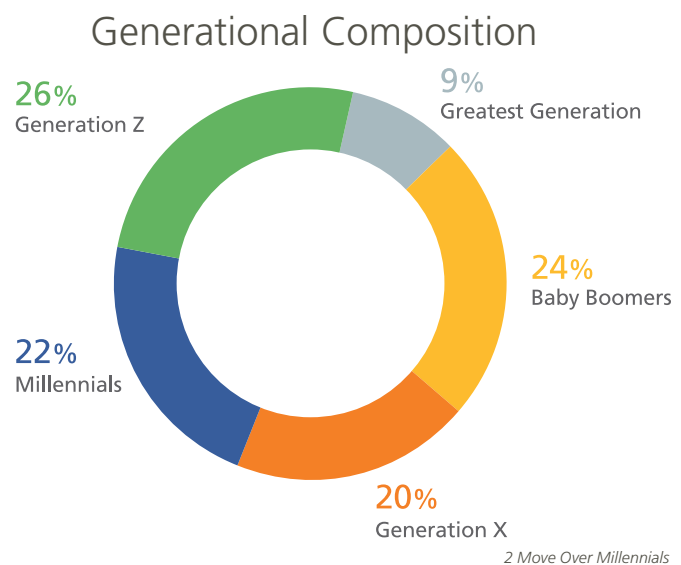
February 2018

The Millennials changed everything.

Being the first group of “digital natives,” these students ushered in the era of online forms, email advising, and student portals. As with previous generations, they forced colleges and universities to adapt, but to a greater degree and with more sweeping change than their predecessors.

Now that Gen Z has taken over as the new “traditional” college student, institutions may see them as little more than “Millennials on steroids.” However, this view would do injustice to a generation that, while also adept users of technology, diverge from Millennials in a number of areas that present both opportunities and challenges to higher education professionals.

Gen Z, those born between 1995 – 2010, currently make up 26 percent of the U.S. population, with that number growing to 33 percent by the year 2020.¹ Their numbers will dwarf those of Millennials (currently only 24 percent of the population).² With the youngest of this generation still ten years away from entering college, those schools that take action now to meet the needs of Gen Z will be well-positioned to serve waves of incoming students for years to come. Those that do not, however, will be missing the opportunity to educate the greatest influx of learners since the Baby Boomers.



The research regarding Gen Z as college students is still in its infancy, but we can learn much by striving to understand the defining events that shaped this generation, their love-hate relationship with technology, the value they place on education, and the misconceptions already being heaped upon them. Through this research, our goal is to provide higher education professionals with a starting point upon which to build effective communication and engagement strategies to allow this generation, our biggest and most diverse yet, to excel.

The Shaping of Gen Z

Every generation has been defined by those transformative events of the time: World War II shaped the Silent Generation, Baby Boomers had JFK, the Challenger Explosion affected Gen X, and Millennials grew up in the aftermath of 9/11.³

Generation Z had their own tumultuous events to navigate. Having been born to Gen X parents, an already wary group, Gen Z also had an economic meltdown, ever-growing global terrorism threats, a world almost always at war, and the crushing weight of an always-on social media presence with which to contend. The end result is a group that worries about job prospects, doesn't partake in risky behaviors, and worries about online safety and projecting the right image.¹

*If Millennials were **digital natives**,
Gen Z members are **digitally innate**.*

They were also born into a world that always had cell phones and the internet, thus information has been readily at their fingertips for as long as they could remember. If Millennials were digital natives, Gen Z members are digitally innate. Voracious consumers of online content, the internet is only too happy to keep up with this demand; of the online content that exists today, 90 percent was created just within the past two years.⁴ It's no wonder that Gen Z is also known as iGen.

The effects of these defining events and trends can be seen in the way Gen Z approaches life, what motivates them, and what they value. These areas alone show a dramatic shift from previous generations, and offer insight into what can be expected when interacting with these individuals.

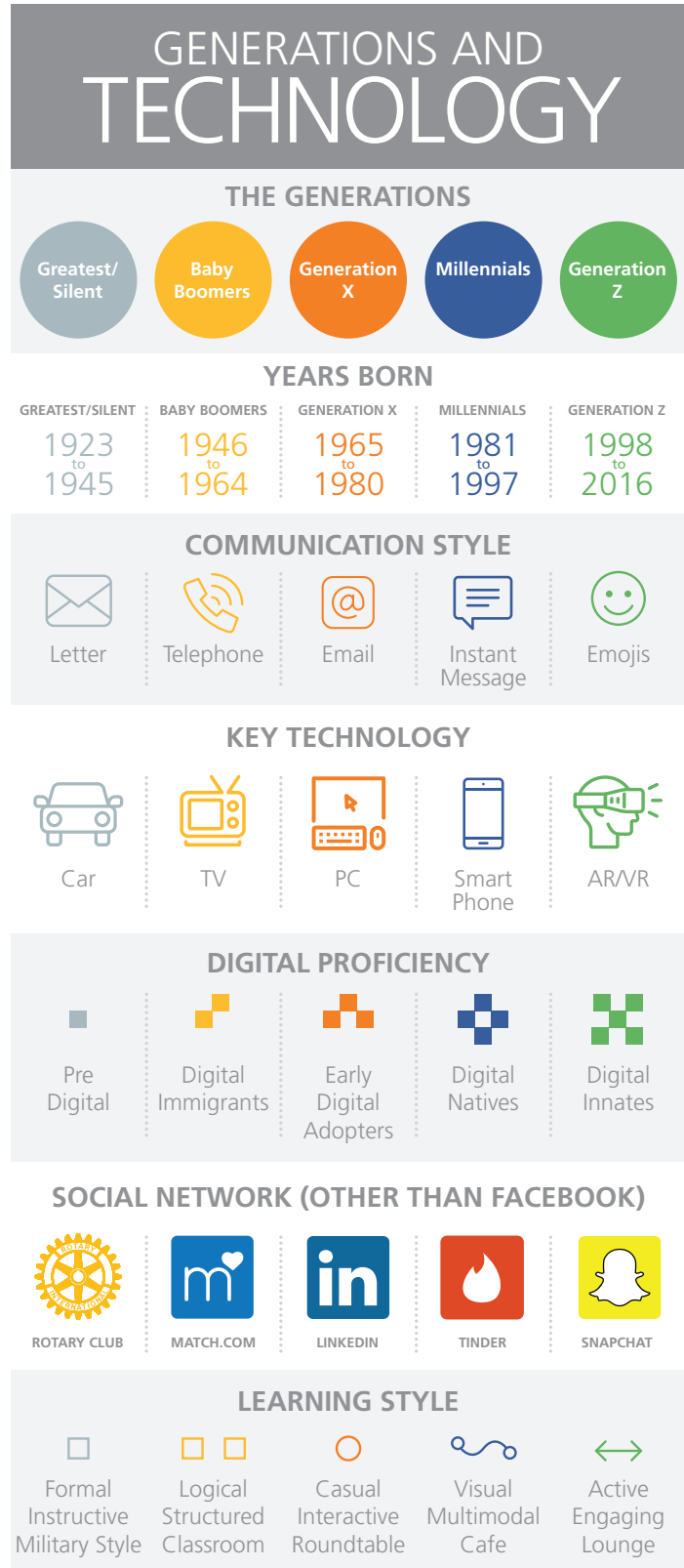
- **They do not expect anything to be handed to them.** They take responsibility for their personal success, whatever that may be. Their mentality is "If not me, then who?"¹
- **They are not into participation trophies.** Because high levels of unemployment and economic hardship have been a part of their formative years, they value skills above prizes. They will value stepping stones over gift cards.¹
- **They are pragmatic about money.** The Great Recession taught Gen Z to view their economic prospects within the greater context of banks, corporations, global markets, and issues of wealth and gender gaps. Millennials, by contrast, optimistically believed (67 percent) that most individuals could get themselves out of poverty.¹

Compulsory Technophiles

As we can see from the infographic, Gen Z is more connected than any other generation. However, they had no choice but to assume this position, having had access to technology from the day they were born. Such access has altered almost every facet of their daily lives, from communicating to studying to exercising.

- 100 percent are online at least one hour per day; 75 percent are online within one hour of waking up¹
- 1/3 send more than three thousand texts each month (almost 100 a day)¹
- 65 percent either dislike or somewhat like making voice calls¹
- 41 percent of time outside the classroom is spent in front of a screen¹
- 61-77 percent of Gen Z will be obese adults as a result of this screen-time preoccupation⁵

For as much as this generation finds themselves addicted to technology, they have seen the dangers that can come from the boundary-less world of the internet. Cyber bullying, identity theft, and catfishing are just a few of the perils these students consider every time they go online. It's not surprising, then, that 61 percent of Gen Z find it important for sites to offer secure storage and protection of personal data; 43 percent want clear terms and conditions, and 39 percent want to know what data is collected and for what purpose.⁶



8 Designing Digitally

Aside from security concerns, Gen Z also recognizes the self-imposed limits that are a result of technology overload. With so much readily available information, students no longer take the time to authenticate the source and think critically about the information being ingested. As one student lamented, “The ease of access to information has, I’ve noticed, almost deadened people’s curiosity and drive to question the things they hear or see, and they take the first thing they’re told.”¹

This inability to distinguish fact from fiction can create problems in a higher education setting. However, as we’ll soon examine, this also presents a unique opportunity for engagement between institution and student.

After watching their Millennial siblings expose everything in their personal lives for posterity on social media and suffer the consequences, Generation Z has grown up more cautious about leaving their digital footprint behind.⁷

Skeptical Scholars and Linked-In Learners

Gen Z has had a front-row ticket to the student debt discussion, and the subsequent questioning of the value of a degree. These thoughts weigh heavy on them as they consider the affordability of a degree: over 80 percent are concerned about college costs, with 17 percent ranking it as their top social concern.¹ These worries will factor greatly into where Gen Z chooses to enroll, favoring a more limited college experience that comes in under budget versus a pricey school with the bells and whistles of lazy rivers and luxury dorms.

Although this group is still young and their student loan borrowing habits are just beginning to emerge, we can already begin to see the opportunity to help these financially-aware students make informed borrowing choices. Consider the following:

- The average student loan balance for members of Gen Z is already at \$11,830, a number that is sure to climb as this group ages and enters/advances through college. They know they will need to take on student debt to attain their degree.⁹
- They have the highest amount of loans in deferment, though that is to be expected as many of them are still in school.⁹
- Despite their relatively low loan balance, in relation to other generations, they far surpass all age groups in the number of student loan delinquencies or defaults.⁹

	Silent Age 70+	Boomer Age 50–70	Gen X Age 35–49	Gen Y Age 21–34	Gen Z Age 18–20
Average number of student loans	1.9	2.8	3.5	4.4	2.6
Percentage of consumers with a student loan	1.3%	7.8%	17%	30.5%	36.1%
Percentage of consumers in deferment on all student loans	16%	18%	18%	26%	77%
Average student loan total balance	\$26,341	\$36,246	\$39,802	\$33,579	\$11,830
Percentage of balance 90+ days past due on loans in repayment	4%	6.5%	9.1%	9.7%	21.2%

9 The State of Student Loan Debt

We already know this group has the capacity and the desire to be good financial stewards, but this last statistic shows they do not yet have the knowledge or tools to do so. This presents financial aid and financial education advocates with a prime opportunity to teach and help Gen Z at a time when they need it most. Having greater access to financial education and loan counseling strategies will be important to this group of students.

Gen Z's wariness regarding economic and job security also influences the kind of learning these students crave. Rather than lecture halls, or authoritative pedagogy, Gen Z wants team-centered experiential learning that results in skills development. They know how to find information — they grew up on the information super highway! What they need is a guide to help them interpret, analyze, and apply information to prepare them for a highly competitive labor market. Higher education faculty and staff can provide the most help to these students by making each interaction an opportunity to co-learn and understand how each experience will prepare them for post-graduation application.

The Most Misunderstood Generation

While Gen Z does spend much of their time behind a screen, we cannot make the easy assumption that it is time wasted on social media. As writer Jeremy Finch points out, “The media has painted Gen Z as a bunch of socially inept netizens, and older generations struggle to understand why they spend so much time online. In reality, Gen Z are under immense pressure to simultaneously manage their personal and professional brands to help them fit in while also standing out.”¹⁰ Being online, it turns out, is not a distraction or way to pass time for Gen Z. It is truly how they believe they can connect to others and find out what’s happening in the world.

They’re not screen addicts, they’re full-time brand managers.¹⁰

Yet, for as much as their world revolves around cultivating an authentic online image, they are not the socially-averse youth one might expect them to be. In fact, 83 percent of Gen Z prefer face-to-face communication so that they can better read the person they are speaking with, and thus form a better connection.¹ They also view such communication, specifically communication with adults, as a top skill necessary for professional success. Says one 17 year old, “I need to be able to look adults in the eye, give them a firm handshake, and ask them how they’re doing.”¹⁰

They have developed “8-second filters”¹⁰ to quickly sort and assess information they are constantly absorbing.

Gen Z may also seem scattered, unable to concentrate, flitting from one screen to another. While it’s true that Gen Z is most comfortable working across five screens at a time (a smartphone, TV, laptop, desktop, and iPod/iPad),¹¹ this may point to a rewiring of the brain instead of a shortened attention span. Consider this: while they have always had limitless access to information, their time to process such information is finite. They have developed “8-second filters”¹⁰ to quickly sort and assess the information they are constantly absorbing. “Getting past these filters, and winning Gen Z’s attention, will mean providing them with engaging and immediately beneficial experiences. One-way messaging alone will likely get drowned out in the noise.”¹⁰

Implications and Opportunities for Higher Education

Having a better understanding of Gen Z, we can now turn our attention to not only the challenges but also the opportunities available in working with these smart, driven, and capable students.

Education

Gen Z wants to put in the effort to create their own success. They won't be motivated by free pizza or a gift card. They want learning that is directly correlated to skills development.

OPPORTUNITY

These attributes present a gift to colleges — students who are intrinsically motivated! Capitalize on this by treating them as co-learners. Parents of this group are co-pilots instead of helicopters,¹ so students should be more participatory than previous generations.

Also, frame student lifecycle tasks as skill-building opportunities: completing admissions steps is similar to meeting project deadlines, the financial aid process is an exercise in personal finance and budgeting, paying student account balances prepare you for real-world financial obligations, etc.

This group wants to learn about money! Yet, as we determined earlier, they are already making financial missteps with their student loans. The opportunity to educate and prepare these students for financial capability can begin now, in school, with their student loans, and extend to finances after college. This embodies the spirit of experiential and applicable learning that they value as part of their college experience.

CHALLENGE

Gen Z will demand more out of their college or university, and will make enrollment decisions based on who can meet these expectations. They may choose to forego school altogether, if they cannot find one that provides job-centered learning.

As previously mentioned, Gen Z also struggles with knowing how to verify information; financial aid professionals know all too well how hard it can be to overcome FAFSA myths that become ingrained in the collective conscious thanks to a few false sources. Higher education professionals will need to address this issue head-on by talking to students about “fake news” and help them to think critically about information sources. Having a trusted list of resources on hand (or online) is a good strategy to begin combatting this challenge.

Some older people might think that this generation can just wait until Monday morning the way everyone else had to when they were in college. But the reality is that everyone, Generation Z included, has access to nearly everything all the time. Higher education is simply behind the times.¹

Technology & Communication

Gen Z is constantly connected and views technology as their access to the world. They want a school that responds to this and provides a technology-friendly environment, while also balancing that critical element of face-to-face interaction.

OPPORTUNITY

Gen Z wants to find information and complete forms/tasks online. Build engaging, robust sites, portals, and/or apps, and they will come.

The desire to communicate face-to-face is also a gift. Use these interactions to focus on developmental advising, in which college staff guide students toward success by building critical thinking and problem-solving skills. This is also part of the co-learning experience Gen Z prefers.

CHALLENGE

It may take some time to get up to speed with the kind of online tools these students crave. Also, with their strong desire to keep online information safe, colleges and universities will have to increase efforts to create secure online environments.

The “8-second filter” will challenge schools to adapt their communication styles and expectations. One-way messaging and long emails will not reach this audience. Social media, two-way messaging, and visual communication will need to be the new normal to ensure you are effectively sharing information.

Face-to-face interactions may also be a challenge for schools with limited staff or resources. Two possible solutions to this dilemma: consider a service partner to take over administrative tasks so that staff are free to meet with students, and/or consider expanding hours of operation to better accommodate students.

Financial Concerns

“Although we found that Generation Z students are financially conservative, their saver mentality does not necessarily mean they are financially literate. Students may not know how to put together a budget, manage a bank account, or wisely use credit.”¹

OPPORTUNITY	CHALLENGE
This generation presents a prime opportunity to see the seeds of financial education take root. Living through the Great Recession has left an indelible mark on them, and they want to control their own destinies by becoming financially empowered.	Gen Z is terrified of being saddled with lifelong student debt. Schools that cannot offer a clear path to desired job skills, or prepare students to manage their borrowing in school and beyond, may lose those students altogether.

Conclusion

Generation Z, while already here, has many years to go until we see the last of its members receive their degree. This provides colleges and universities with great incentive to better understand how this generation differs from their predecessors, and take steps now to align themselves with their unique needs.

Top-of-mind priorities for these students will be colleges that can meet their technology needs, prepare them for their careers, help them manage their finances, and demonstrate the value of a degree. While this may make Generation Z collectively a tough customer, the events shaping their formative years have given them good reason to be so.

As higher education institutions adapt to meeting these expectations, it can take time to get up to speed — time they may not be able to afford as Gen Z becomes the biggest influx of learners to date. Colleges and universities would do well to move quickly, whether through repurposing/repositioning internal resources or utilizing service partners, in order to prepare for how these bright young minds prefer to communicate, learn, and grow.

About the Author

Carissa Uhlman

As the vice president of student success, Carissa Uhlman is committed to helping school partners realize the link between student loan education, overall fiscal responsibility, and student success. With over 15 years of higher education experience, Carissa has held roles in academics, records, admissions, advising, student services, and financial aid. As a former financial literacy consultant at DeVry University, Carissa saw the benefits of incorporating financial wellness into the student success equation. Utilizing that knowledge, she created a financial literacy program for adult learners at Franklin University. Carissa's expertise in financial literacy helps administrators guide students toward a path of financial success.



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About Inceptia

Inceptia, a division of National Student Loan Program (NSLP), is a nonprofit organization committed to offering effective and uncomplicated solutions in financial aid management, default prevention, and financial education. Our mission is to support schools as they launch brilliant futures for students, armed with the knowledge to become financially responsible citizens. Since 1986, we have helped more than two million students at 5,500 schools reach their higher education dreams. Each year, we help more than 278,000 students learn how to pay for college, borrow wisely, resolve their delinquency issues, and repay their student loan obligations. Our solutions are designed to support student success by helping financial aid administrators maximize resources, so they can spend more time focusing on students. More information at Inceptia.org.

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