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Gen Zers fixate on wealth because of social media, but need banks' help to know where they stand

Article

The findings: Many Gen Zers and millennials experience a phenomenon called "money dysmorphia"—a feeling of financial insecurity induced by their social media feeds.

- That's according to Qualtrics' survey of 1,006 US consumers conducted in December 2023 on behalf of **Intuit Credit Karma**.

By the numbers: The survey found that **43% of Gen Zers and 41% of millennials experience money dysmorphia**. Comparing themselves to their favorite social media content creators has changed their financial goals.

- About **45% of both Gen Zers and millennials are fixated on becoming "rich,"** although they may not know exactly what number to aim for.
- 48% of Gen Z and 59% of millennials feel they're financially behind.
- But they may not really be in such a bad place financially—**37% of those with money dysmorphia have over $10,000 in savings**, and 23% have over $30,000.

How we got here: Influencers and online trends promote unattainable standards of wealth, and that adds to younger consumers' feelings of financial insecurity.

- Take the Ballerina Farm controversy as just one example—the TikTok account features a happy, helpful family of 10 that makes food together from scratch in a rustic kitchen. What viewers didn't know until recently is that the family has a major airline empire as a financial safety net, per Business Insider.
- Per social media marketing company Social Plug, the constant feed of highly filtered, curated content can make viewers question their own habits and possessions.
- Aggravating the problem is young consumers' inexperience—they don't know what to aim for if it's not the standards they see online.

What banks can do to help: That's where financial institutions (FIs) can help.

- We already know that Gen Z really cares about their credit scores, possibly because the number offers an easily accessible, tangible way to measure financial health.
- But banks collect so much data on their customers' spending and saving habits that many would be able to provide them with realistic comparisons to others in their age groups.
- For example, many retirement savings providers offer peer comparison tools to show how someone's efforts stack up against those in similar life stages. Banks with similar data on savings and spending habits could use it to educate their customers, dispel financial myths, and build stronger relationships based on achieving realistic goals.

Key takeaways: This finding highlights how vulnerable young consumers are to forming misconceptions about financial health based on the social media content they consume.

- We know that Gen Zers tend to save for specific goals rather than simply to grow their nest eggs. FIs that use social media to realistically depict consumers with attainable, age-appropriate goals could bridge knowledge gaps and attract prospects who identify with the content.
- Also it will be key to also demonstrate how the FI can help customers achieve their financial goals.