

# Gen Zers' rejection of college as a must-do demands different bank marketing language

Article

**The news:** [Gen Zers](#) increasingly opt for vocational training over traditional college degrees, prompting nuanced Gen Z bank marketing tactics, per The Financial Brand.

**By the numbers:** The National Student Clearinghouse reported a **16% increase in vocational student enrollments last year**, and Fortune reported a **23% rise in students studying construction trades**. But that's only part of the changing picture.

- According to Forbes, **college enrollment has dropped around 10% over the past decade**.

When asked about their college plans, many Gen Zers say they don't see the point anymore, per Business Insider. In fact, **46% of Gen Zers say college isn't worth the cost**.

- That's because the number of jobs not requiring advanced degrees is rising, and they're seriously averse to taking on more debt.

**Gen Z's drive to succeed:** The other reason behind this shift will surprise anyone who believes this generation shies away from hard work—they have big financial goals.

- They've done the research and aren't wrong—many vocations can take them “straight to six-figure jobs,” per Fortune.
- Not every college degree offers the same earning potential, but they still leave graduates with lifelong debt.
- Gen Z is fixated on wealth because of social media. They know they want high credit scores and that they should save their money for specific goals, but they may not understand how these factors fit together.

**What the trend means for banks:** Young adult consumers' needs for financial institutions (FIs) differ from that of older generations.

- A sizable portion of **young adults may start earning a salary more quickly than previous generations**, but they won't have to dedicate a large portion of it to student loan repayments.
- Gen Zers are obsessed with their financial goals, however misguided and influenced by social media they may be.
- Banks that offer Gen Zers varied ways to help them achieve specific goals can strengthen their relationships with this financially motivated generation.

**Key takeaways:** We already know that Gen Zers have gravitated toward “cash stuffing” as a way to force themselves to save. But besides ensuring Gen Zers have free access to ATMs

close to them, Gen Z's changing behavior demands updated communications and marketing tactics.

- FIs that have automated references to higher education in their marketing outreach risk alienating Gen Zers that have chosen a different path.
- Instead of defaulting to advice on budgeting around student loan payments, FIs should simply assume Gen Zers are driven to save and feel “financially healthy.” As they reach for a feeling of financial achievement, FIs could help them conceptualize what that means and how to get there.
- And FIs that offer tailored and automated solutions that would help Gen Zers stash money away and measure their financial success in a meaningful way should consider partnering with a finfluencer to spread the word.

## Channels Through Which US Gen Z vs. Total Banking Consumers Become Aware of a Bank's Products/Services, Oct 2023

% of respondents

	Gen Z	Total
Bank mobile app	80.2%	63.6%
Bank website	56.5%	59.5%
Social media	37.9%	24.6%
Word-of-mouth	31.1%	37.0%
Physical bank branch	28.3%	46.2%
Direct mail	23.7%	28.5%
Connected TV (CTV) ad	18.6%	16.8%
Search tool	18.1%	25.1%
Streaming service ad	15.3%	14.0%
Financial advisors/professionals	13.0%	13.2%
Traditional TV ad	9.6%	21.0%
Out-of-home (OOH) ads	7.9%	7.7%
Radio ad	7.3%	12.8%
Podcast ad	4.5%	3.5%
Print ad	4.5%	13.6%
Blog	2.3%	2.1%

Note: total n=1,488; Gen Z n=177; other responses excluded; Q: "Which channels help you become aware of a bank and its products or services? Select all that apply."

Source: Insider Intelligence | eMarketer Survey, "US Banking Consumer Habits," Nov 2023

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