

Gen Z: Navigating pensions amid new challenges

Cross cutting themes, disparities, and priorities for adequacy

Gen Z (born 1997–2012) is the first cohort to enter work under automatic enrolment, but high housing costs, stagnant wage growth, COVID-19 disruption, and rising living costs mean many prioritise short-term stability over long-term saving. This output summarises key insights from

The UK Pensions Framework 2025 and The Concerns of Gen Z, highlighting Gen Z's distinct financial pressures.



Engagement opportunities for Gen Z

77% of Gen Z trust financial advice from influencers they follow

45% of young people get most of their financial information from social media, and 77% trust advice from influencers they follow. While platforms like TikTok make guidance accessible, the volume of unregulated content means Gen Z can be easily misinformed about pensions.

While traditional communications often miss Gen Z, digital tools can engage them more effectively. Interactive apps, personalised dashboards and short videos align with their online habits, and initiatives like the Pensions Dashboard could turn digital fluency into greater pension awareness and trust.

"With the app - it makes it so handy to be able to project into the future and see how much your pot might be worth, it tells you about different thresholds. It's interesting to see, and that definitely helps a lot as well. That's something that wasn't around 20-30 or forty years ago that makes it easier for my generation to contribute."

Employee focus group participant

46% of Gen Z (less than half) believe the State Pension will exist by the time they retire

This points to uncertainty about the long-term sustainability of government support. Trust in the pensions industry is also low (4.5/10), driven more by concerns about institutions and investment governance than by doubts about the State Pension's existence. With pensions feeling distant, engagement with retirement planning remains weak.

"Some younger people are actually much more engaged with their pension than older people. They're using apps. I think it's kind of partly technology driven rather than necessarily fascination with pensions in and of itself."

Industry expert

What do we need to improve adequacy for younger generations?

Adequacy



Improve engagement and trust

Improving digital education, delivering effective dashboards, and ensuring reliable online information with clearer regulation could help build trust and sustain engagement among younger savers

Improve contributions over time

Starting early and contributing consistently helps build stronger retirement outcomes.

Co-ordinate with wider policy to address financial pressures linked to housing

For the pension system to work well for younger people, wider policies on housing, caring and the labour market need to align, as these pressures shape Gen Z's capacity to contribute consistently over their working lives.

Support higher participation in AE

Broadening auto-enrolment to include more lower-paid and flexible workers would help younger generations start saving earlier and build more adequate pensions.

A system fit for every generation

As Gen Z begin their pension journeys, today's policy choices will shape whether future generations can achieve adequate retirement outcomes.

