

# The Concerns of Gen Z

Pensions Policy Institute

# PPI



## Key Takeaways

### Financial pressures



High student debt, rising housing costs, and cost of living challenges **impact Gen Z's ability to save for retirement**

### Non-traditional work patterns



More likely to engage in gig work, portfolio careers or hold multiple part time jobs resulting in **limited access to workplace pensions**

### Automatic enrolment (AE) helps, but...



AE has expanded pension participation, however **minimum contribution levels are not enough to fund an adequate retirement**

## Findings at a Glance

### Low contribution rates, part time work, and cessations of pension savings can significantly impact pension pots



#### A median earner could see just £13,000 per year in DC retirement income

A median earner saving at AE minimum rates could accumulate a £158,000 DC pension pot, translating to £13,000 a year in DC retirement income.



#### A five year cessation of contributions could reduce a DC pot by 13.2%

Ceasing contributions for more present day financial priorities, such as a housing deposit, could result in a DC pot worth £146,846 reducing to £127,391.



### In order to bring Gen Z's experiences to life...

We have used case study profiles to explore how various economic, career and personal challenges shape their retirement preparedness and assess potential policy implications to ensure better long-term financial security for Gen Z.



**Adrian**  
The freelance graphic designer



**Isabella**  
The self-employed entrepreneur



**Malik**  
The NHS healthcare professional



**Zuri**  
The corporate financial analyst

## What needs to change?

- ☐ Expand AE criteria to include gig workers and the self employed
- ☐ Review AE minimum contribution levels to ensure adequacy
- ☐ Policies in place to ensure affordable housing to allow for long-term saving
- ☐ Improving pension continuity by making it easier to consolidate pots

## Why does this matter?

While some of Gen Z's retirement challenges are shared across generations, they also face distinct barriers and opportunities shaped by their economic and social context. Addressing these issues is crucial not only for Gen Z's financial security but also for the sustainability of the pensions system. Policymakers and industry leaders have a key opportunity to mitigate risks, improve engagement, and build a more inclusive pensions landscape that reflects the needs of this generation and those that follow.

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