

GutCheckonomics™

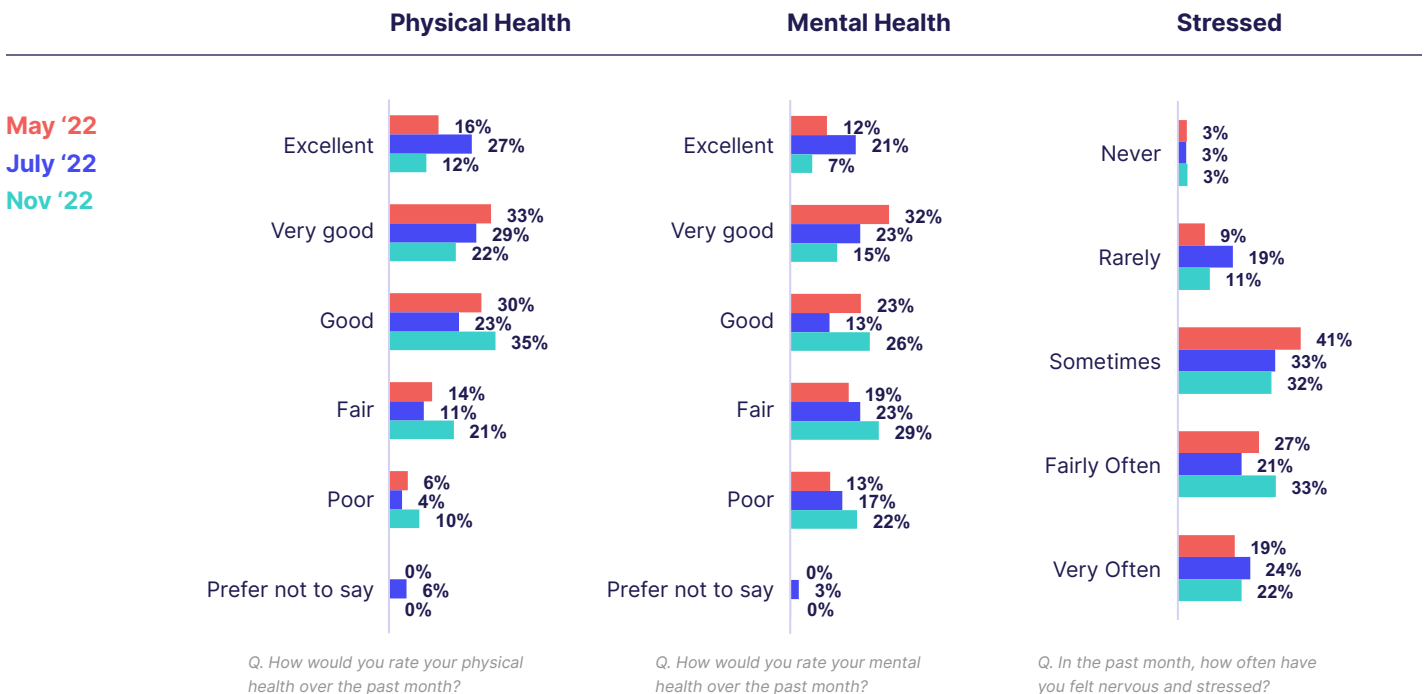
Equipping brands to innovate and communicate with empathy by applying a human-centric lens to current economic and societal trends



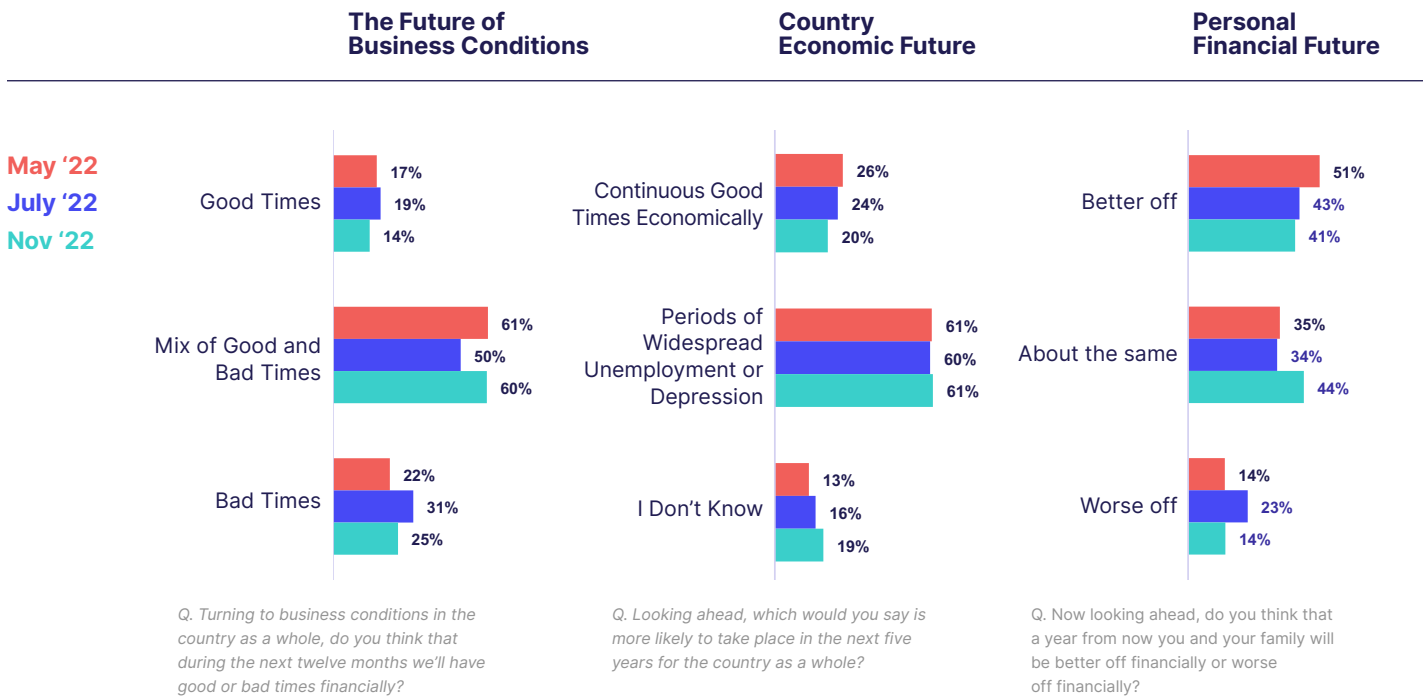
The State of Gen Z: Anxiety & Adulthood

Since GutCheckonomics started in May 2022, we've been tracking how different generations have been responding to what's going on in the world around them, and exploring changes in how they feel, behave, react, and plan. This report reveals how the newest generation of adults, Gen Z, has been impacted by their economic and societal environment.

Since we started our study, amid the backdrop of constant price rises and a looming recession, Gen Z has struggled more than any other generation. In the November wave, we are seeing sharp quarter-over-quarter declines in physical health and mental health (other generations saw only marginal declines or no change in either category). They are also the most stressed, with 55% claiming to be stressed very often or fairly often (next highest was Millennials at 40%).

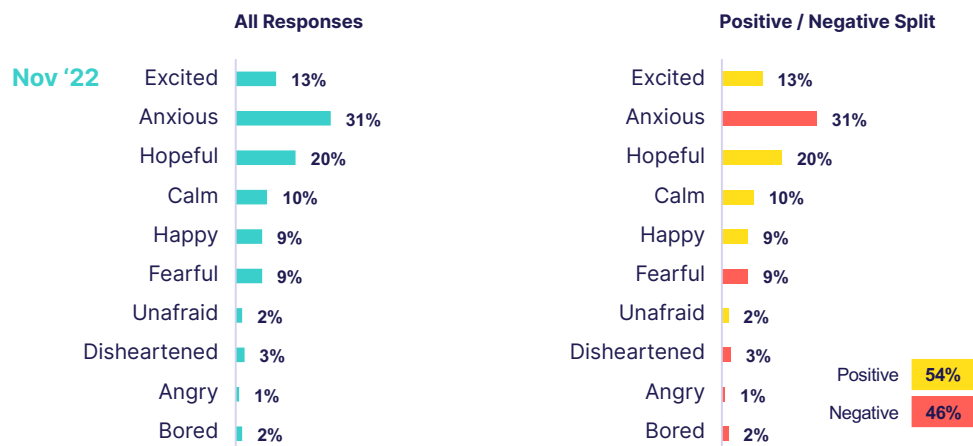


Despite feeling more than any other generation that both 'business conditions in the country as a whole are in for a mix of good and bad times in the next 12 months', and that 'the country as a whole is in for periods of widespread unemployment or depression', there remains optimism that their own financial situation is likely to improve in the next 12 months (albeit with a little less certainty than back in May '22).



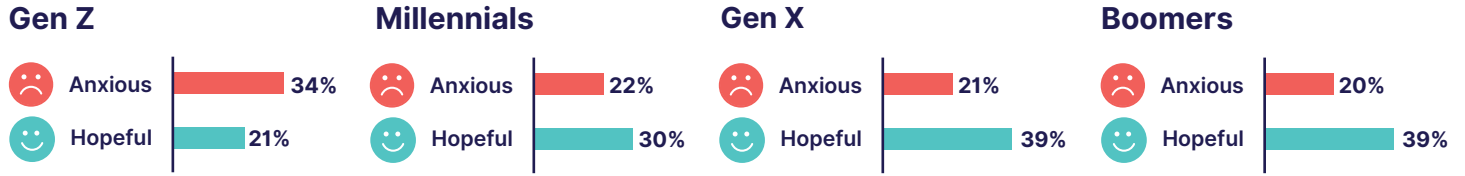
When given a range of emotions to choose from to describe how they feel when they think about their plans and what lies ahead for the next 3 months (Nov '22 - Jan '23), anxiety was the predominant selection. This is interesting given that total positive emotions (54%) slightly outweighed total negative emotions (46%). By way of comparison, 67% of all emotions selected were positive in May '22.

Feelings About The Future



Q. Here is a list of feelings some people may have. Which one of the following best describes how you feel when you think about your plans and what lies ahead for you in the next 3 months?

In fact, when asked to think further out about how they felt about their plans and what lies ahead for 2023 in general, Gen Z was the only generation whose anxiety outweighed their hopefulness.



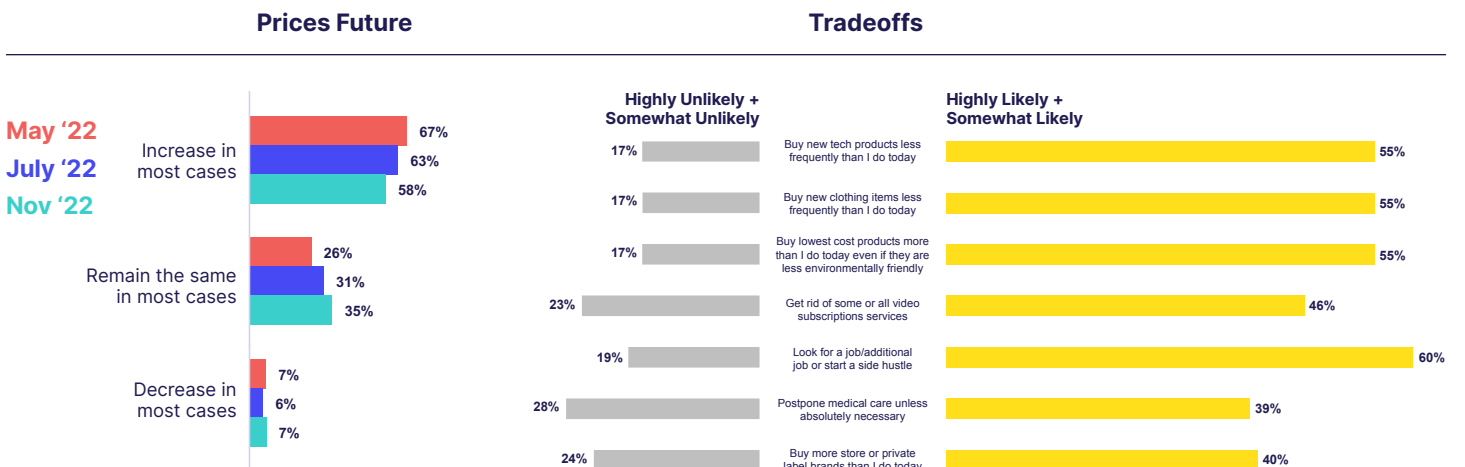
Q. Here is a list of feelings some people may have. Which one of the following best describes how you feel when you think about your plans and what lies ahead for you next year in 2023?

Contributing to their anxiety, and in common with other generations, Gen Z is most concerned about the cost of living / inflation and the economy in general. Jointly in third on their list of current most important issues are employment / jobs and reproductive healthcare.



Q. Which of the following issues matters MOST to you right now?

With a majority of Gen Z expecting the prices of big things people buy for themselves and their homes to continue increasing through the beginning of the year (although less hold that opinion now than did in May or July), we can see some of the areas in life where they are willing to make tradeoffs to balance the books. A majority would look for some form of additional work to supplement their income, whereas they are much less willing to cut back on other areas like their video subscription services.



Q. Thinking about the big things people buy for themselves or their homes (e.g., computers, appliances, video & sound systems, travel packages, etc.), what do you expect prices to do from now through the next 3 months?

Q. If prices for basic products and services were to increase in the next 3 months, how likely would you be to do any of the following?

WHAT DOES THIS MEAN FOR YOUR AUDIENCE AND YOUR BRAND?

America has gone through a lot of changes and uncertainty in a short period of time. Gen Z is experiencing most of these events for the first time as adults, with the weight of responsibility that brings. We see in their responses their need for closeness and belonging, as well their need for overcoming challenges and scoring quick wins to prove to themselves they can succeed at 'adulting'.



But their health is in the balance.

Declines in the state of their mental and physical health, as well as increasing stress levels, are creating an anxious generation. While we do see some signs of optimism in their decreasing concern about prices continuing to rise and hope for their own financial improvement, they are nevertheless approaching the future with apprehension.

Brands targeting any potential audience segment should lead with empathy. Now more than ever, brands who are seeking to appeal to Gen Z need to demonstrate understanding of their emotional state, their fears as well as their hopes, and where their priorities are focused.

To help brands develop this empathy, GutCheck's emotion analytics (using Hybrid Natural Language Processing) is able to go deeper and broader than traditional qualitative methods to measure implicit responses as well as explicit. This helps uncover the core emotions which are more predictable drivers of future behavior.

To learn more about the GutCheckonomics Wave 3 report and how the findings may impact your business, please [contact us](#).

To discover how emotion analytics (used in the GutCheckonomics reports) can help you get deeper and broader insights about the people you target, please [contact us](#).

For more information about GutCheckonomics and a variety of helpful resources, visit www.gutcheckit.com/gutcheckonomics.