

Why Gen Z is rewriting rules of global economy

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RARELY has a generation entered the global economy with as much scepticism, technological prowess, and purchasing power as Generation Z. Born between the late 1990s and early 2010s, this cohort is poised to transform the very foundations of how economies and societies function. According to the Bank of Better America, by 2030, their collective income is expected to exceed 33 trillion dollars, accounting for more than a quarter of global GDP, overtaking even the Millennials. To put this into perspective, their income would account for over one-fourth of the world's GDP and surpass that of the Millennial generation by 2031.

Cultural Reset & Digital Nativity

Although the eldest among Gen Z are now only in their late 20s, they have already initiated a substantial cultural reset as the first digitally native generation. The jokes that Baby Boomers crack in WhatsApp groups about how the new generation comes out of the womb with a mobile phone in their hands may not be as insulting as they think.

This is evident through the plethora of tech and social media-related career options that are now viable when compared to a few decades ago. Consider the concept of NFTs, which have the potential to radicalise ease of trade and ownership rights or the pursuance of a career as a 'Social Media Influencer'.

Gen Z has effectively created an entirely new industry and, with it, a wholly new set of economic opportunities.

Labour Market Disruption

Gen Z is characterized by an unwillingness to tolerate unfair



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working conditions. According to Adobe's Future Workforce Study, 85% of interviewed Gen Zers reported being less likely to apply for a job if the company does not disclose the salary range in its job posting. Echoing the spirit of Labour Unions from the Industrial Revolution, Gen Z leans on online communities for support, such as the Reddit forum 'r/antiwork'.

Notably, Gen Z made history in 2021 by trouncing major hedge fund players through a short squeeze on GameStop's stock, coordinating online with fellow small investors – a striking example of their collective action and digital dexterity.

Work Ethic & Flex Culture

Contrary to popular belief that the newer Generations aren't as assiduous as the previous ones, Gen Z has been found to be extremely hardworking. According to a survey by Deloitte, Approximately 75% of the Gen Z population is willing to take up an additional job in

order to supplement their income. Gen Z is the trailblazers of a new form of 'Flex Culture', recontextualizing Veblen's ideas of conspicuous consumption. This urge to show the world that they live a luxurious life through social media is a double-edged sword. Although it has negative repercussions and can lead to toxicity in their relationship with the online world, it also acts as a driving force in their ambition, leading to greater success when these desires are channelled productively.

Mental Health & Economic Resilience

One of Gen Z's largest contributions to society is the alleviation of the taboo surrounding mental health. The stigmatisation of 'reaching out for help' means that in times of hardship, Gen Z is less hesitant to ask for aid. For example, economic aid from parents when in an economically dire situation. This gives an advantage to Gen Z over prior generations, whose

values leaned towards self-reliance even in trying times. This pattern does not indicate laziness as Gen Z has been thrust into a difficult economy to survive in. According to The Bank of America Institute, younger consumers are getting squeezed the most by higher rent inflation, with median rent payments up by 16% year over year for Gen Z, compared to just 3% for Baby Boomers.

Purchasing Power of Gen Z and CSR

According to Bloomberg, Gen Z is poised to soon hold the largest purchasing power of all generations, forcing brands to listen to their concerns. Gen Z places value on investing in and purchasing from companies that are socially ethical and environmentally friendly, causing more brands to restructure and innovate their products and services. Case in point, leading tech companies like Apple, Dell, Amazon, and Google have pledged to reduce their carbon footprint. In fulfilment of this policy, Amazon has launched a \$2 billion climate pledge, and Apple has agreed to go 100% carbon neutral by 2030.

The Gen Z are not willing to compromise on their ideals – and they're just getting started. Whether this new trend of ethical consumerism, greater sustainability, and transparency in business and social media will prove to be a lasting transformation or merely a passing phase remains to be seen. What is undeniable, however, is that Gen Z's collective voice is louder and more influential than any generation before it.

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