

What Can Gen Z Teach Other Generations About Saving?

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- Gen Z challenges financial stereotypes by prioritizing early savings, income diversification through side hustles and passive income, and values-based spending focused on sustainability.
- Harnessing technology, Gen Z leverages digital tools and social media for financial education, transparency around salaries and debt, and increased financial accountability.
- Their forward-thinking approach to money management offers practical lessons for other generations, proving that financial security comes from strategic habits, not income level.



Gen Z, born roughly between 1997 and 2012, is coming of age in a time of financial volatility, with rising cost of living, economic uncertainty and the lingering impacts of the COVID-19 pandemic hanging over them as they enter early adulthood.

While you might think that people in their teens and 20s would value frivolous spending over saving, a 2024 study by the Transamerica Center for Retirement Studies found that Gen Z started saving for retirement at a median age of 20. This is significantly younger than prior generations, such as Baby Boomers, who began saving at age 35 on average. While older generations might have felt they needed to be earning a certain amount before they started saving, Gen Z knows that every little bit helps, and the biggest step in building Gen Z retirement savings is just getting started.

Seeing millennials and Gen X struggle with significant student loan debt and a weak job market has significantly impacted Gen Zers as they choose colleges and enter the job market. Financial security and building savings rank high on their list of priorities—there's a lot the older generations can learn from Gen Z's spending and savings habits.

Digital financial education and management

Growing up with social media around every corner has not always benefitted Gen Z, but one way they were positively impacted was by the accessibility of financial information. Personal finance TikTokers and podcasters have removed the mystery around saving and investing by breaking the information down and making it approachable for young people.

A growing number of apps are available that track spending, help users create budgets and minimize redundant subscriptions and unnecessary purchases. Other generations can benefit from exploring these as a way to get spending under control and find

opportunities to save.

Diversification of income streams

In past generations, it was common to be hired at a company right out of college and stay there through retirement. The job market is much more volatile these days, making Gen Z workers not want to put all their eggs in one basket for fear of losing them all.

Those in Gen Z understand the “side hustle” mentality and benefit from having multiple income streams, even when holding down a full-time job. If one income stream dries up, they aren’t left with nothing, as they can rely on their other earning opportunities to carry them until something better comes along.

Seeking out passive income is another way Gen Z savings is increasing, with affiliate marketing and content monetization leading the charge. Older generations can adopt similar strategies, such as writing e-books, renting out property or investing in dividend stocks. These require some initial time investment, but they are revenue streams that don’t require much attention once started.

Values-based spending and savings

While you can certainly find Gen Z influencers showing off their new handbags, outfits or sneakers, there’s also an increase in going green, thrifting and “no buy” months. Even with the availability of shopping at their fingertips, Gen Z is more concerned with overconsumption and environmental sustainability than prior generations. Thrifting and secondhand shopping are gaining popularity, rejecting “fast fashion” in favor of eco-friendly practices like clothing resale apps and clothing swap parties, and purchasing from companies focusing on sustainability.

Even if you aren’t interested in downloading apps to purchase second-hand clothes through the mail, you can likely find a thrift store offering pre-owned clothes for bargain prices. Garage sales and estate sales are other places to find used clothes. Or try a “no buy” month, pledging only to purchase clothes if something truly wears out (a “need”) instead of just buying to satisfy a “want.”

Financial transparency

Many people have been using social media to pay down debt in recent years. You’ll find them sharing how much they owe in student loans, credit cards and other debt in a way that would have been taboo for prior generations. Putting this information out there for everyone to see can be a humbling experience. Still, it leads to accountability and can create a support network, helping people reach their goals faster.

Similarly, you'll see Gen Z more likely to discuss salaries, reducing the stigma around this topic and supporting a culture of pay transparency. A recent [EduBirdie study](#) found that 58% of Gen Zers refuse to apply for a job if the salary is not disclosed. This can benefit all workers in the long run, with many states now requiring pay transparency in job postings.