Impact of COVID-19 on Gen-Z

The COVID-19 pandemic has given rise to some unprecedented losses in business activity and employment. While people across all demographics are adversely affect, this paper will focus on the impact the pandemic has had on Gen-Z. The Gen-Z population is empirically proven to be the most risk averse compared to Gen-X and the Boomers. Growing up as a member of GEN-Z in itself is an unprecedented event. Population growth has been incredible in the last 25 years resulting in highly competitive job markets, rapidly rising cost of living including education and healthcare as well as a rapidly deteriorating environment due to climate change and neglect by older generations. As a result, living in a state of uncertainty has been considered “normal” in my generation for quite some time. Moreover, the digital revolution perfectly coincided with the prime development years leading to many benefits but also several predictable consequences. Not surprisingly, this generation also has the highest proportion of mental health issues. This generation is likely to face difficulties with employment, savings, and reaching milestones at the same rate that previous generations did.

The Pew Institute defines this population as people born after 1997. To understand the impact better, we further divide this age group into Middle schoolers, High Schoolers, College Students and Entry level employees.

MIDDLE SCHOOL STUDENTS

According to a recent survey, most teens (72%) said that they had a discussion with their parents or guardians about finances related to COVID-19. Respondents to the survey were also asked what concerns them most about COVID-19. The possibility of a family member other than a parent or guardian getting sick topped the list (60%), followed by a parent or guardian getting sick (59%). The impact of COVID-19 on survey respondents’ plans for the future was next in their list of concerns (57%). Far fewer teens (39%) were concerned about getting sick themselves.

For children and adolescents with mental health needs, such closures mean a lack of access to the resources they usually have through schools. In a survey by the mental health charity YoungMinds, which included 2111 participants up to age 25 years with a mental illness history in the UK, 83% said the pandemic had made their conditions worse. 26% said they were unable to access mental health support; peer support groups and face-to-face services have been cancelled, and support by phone or online can be challenging for some young people.

School routines are important coping mechanisms for young people with mental health issues. Due to the recent school closures, they are losing an anchor in life and their symptoms could relapse. For some children with depression, there will be considerable difficulties adjusting back to normal life when school resumes.

HIGH SCHOOL STUDENTS

In a survey on the topic of future plans for high school students, nearly half of high school juniors and seniors (44%) say COVID-19 has impacted their plans to pay for college. Of those saying their plans have changed, most (58%) say that they are now more likely to take out a student loan to pay for college. Beyond those just planning to go to college, more than a quarter of teens (27%) say that their plans after high school graduation have changed. More than a third (35%) replied that COVID-19 would change their expected living situation after high school graduation, nearly as many (30%) say that COVID-19 is impacting their expected college starting date, and a significant percentage (27%) responded The Financial Impact of COVID-19 that they now plan to work to earn money. Nearly one-in-five (18%) say that the COVID-19 pandemic has impacted their career choice.

Some colleges have already announced their fall semester will be completely online. That has led a number of students, either currently enrolled or part of the incoming freshman class, to think about whether or not to take a gap year or a gap semester. They may also choose to skip their expensive, private school and opt for a less-expensive state or community college. Universities and colleges are trying to counter that by aggressively courting candidates.

COLLEGE STUDENTS

The class of 2020 has become known as the class of COVID-19. These students have been forced to cut their college careers short, give up traditional graduation ceremonies and begin their professional careers during the most hostile labor market since the Great Depression. Studies show that among 116 major companies, many of them mainstream recruiters of university students, 40 already have reported some form of freeze, cancellation, or rescinding of internship or job offers. Companies from industries largely impacted by the spread of COVID-19, especially transportation, hospitality, and professional sports — have been most impacted.

The ordeal seems to somehow be even worse for international students in the class of 2020. For international rescinded job also bring concerns about their visa status post-graduation. International students rely on a mechanism called Optional Practical Training, known as OPT, allocated by the F-1 visa which allows for a year of work upon graduation. Many international students now find themselves in a peculiar situation where they need to find a new job in their field of study within 90 days of after graduation in an economy where no one is hiring, in order to stay in the country.

The first job opportunity of one’s career plays a critical role in shaping one’s career trajectory. For many young people coming into the work force, the first provide an opportunity to explore different work options as well as creating a financial safety net. This is a significant loss because many people in this age group have minimal savings and are often in debt arising from student loans.

ENTRY LEVEL/PART-TIME EMPLOYEES

According to a survey, young service workers under 23-years-old are losing more work hours than any other demographic. In a March 2020 Pew Research Center survey, half of the oldest Gen Z’ers (ages 18 to 23) reported that they or someone in their household had lost a job or taken a cut in pay because of the outbreak. This was significantly higher than the shares of Millennials (40%), Gen Xers (36%) and Baby Boomers (25%) who said the same. In addition, an analysis of jobs data showed that young workers were particularly vulnerable to job loss before the coronavirus outbreak, as they were overrepresented in high-risk service sector industries. Almost a third of Gen Z workers had been put on leave compared to only 13% of previous generations. Based on the demographics of workers in higher-risk industries such as the service sector, young people in particular are set to be disproportionately affected by virus-related layoffs. Among the 19.3 million workers aged 16 to 24 in the economy overall, 9.2 million, or nearly half, are employed in service-sector establishments. Younger workers make up 24% of employment in higher-risk industries overall, and many establishments in these industries are facing a high likelihood of closure in areas with more severe COVID-19 outbreaks.

Older Gen Zers are now more open to opportunities that may not be the exact one they were looking for, giving up on their dream jobs, in favor of one that perhaps helps them build skills that they can eventually use in the future.