



The mental health of Gen Zs and millennials in the new world of work

Introduction

Two years on from the start of the COVID-19 pandemic, Gen Zs and millennials still find themselves in uniquely unsettling times: their long-term plans and aspirations for a more inclusive and sustainable world continue to be undermined by global threats and daily challenges, with no end in sight to the disruption.

Therefore, it is perhaps unsurprising that the 2022 Deloitte Gen Z and Millennial Survey found that stress and anxiety remain at heightened levels for both generations, most notably in younger respondents. And, as highlighted in a small group of virtual qualitative interviews conducted with 15 Gen Zs and millennials across five countries in April, this year's additional geopolitical and economic shocks have likely only served to worsen an already concerning situation. In response to Deloitte's survey of over 23,000 people across 46 countries, nearly half of Gen Zs and just under four in ten millennials said that they feel stressed or

anxious all or most of the time. The survey also points to a vicious circle for Gen Zs when it comes to the drivers of that stress, with just under two in five citing their own mental health as a top stress driver (on the same level as family/personal relationships). One in five Gen Z respondents also rank their generation's mental health among their leading societal concerns—just behind cost of living, climate change and unemployment.

For business leaders, it is important to consider these findings against the backdrop of a fast-changing world of work, where Gen Zs and millennials expect workplace cultures and practices to support their yearning for balance and change. Here the survey points to both opportunities and challenges.

For example, this year's research finds that Gen Zs and millennials are keen to retain flexible and hybrid work models beyond COVID—with many seeing their

potential in alleviating some stress drivers, if implemented carefully. The survey also reveals that, while they recognize the growing focus employers have placed on mental health over the last two years, many Gen Zs and millennials are yet to feel a noticeable impact at work. A worryingly high number of them still don't feel comfortable discussing mental health challenges or using the support made available to them, despite increased messaging on mental health at work. Stigma therefore remains a persistent challenge.

With disruption set to endure, employers should take a long-term view when it comes to supporting the mental well-being of their Gen Z and millennial workforce. While providing necessary support routes is key, prevention is equally important. This will require changing the way we work and creating stigma-free inclusive cultures where managers lead with empathy.



My biggest concern is the amount of turmoil that exists in the world, and which is seemingly getting worse.

We have one large existential crisis after another and I think the challenge is everyone is exhausted with having

to be resilient... we're not truly able to solve the issues we're faced with. Instead, we put a plaster on it and inevitably the problem comes back bigger. This unrest and turmoil then plays out in the financial markets, in the economy, in politics and this coupled with the climate crisis—is making everyone more stressed than ever before.

—Matt, 29, UK, One Young World ambassador

High levels of stress and anxiety persist

Stress and anxiety levels are highest in Gen Zs and women

While the survey finds that stress and anxiety are significant in both generations, they are higher among Gen Zs than millennials. 46% of Gen Zs say they are stressed or anxious all or most of the time, with women more severely affected than men (53% vs 39%). This compares with 38% for millennials, and a less pronounced gender gap (41% women vs 36% men). Women's heightened stress levels are a continuation of last year's survey findings, and are also echoed in Deloitte's recent 2022 [Women@Work research](#), which revealed 53% of women reported feeling more stressed than they were last year.

Financial concerns are a key stress driver

When looking at the key factors driving stress levels in Gen Zs and millennials, concerns around financial security rank high, highlighting preoccupations around living costs. Of those who say they feel regularly stressed or anxious, 47% of Gen Zs and 43% of millennials quote their long-term financial future as contributing a lot to their feelings—similar levels to last year. In addition, 42% of Gen Zs now consider day-to-day finances to be a top contributor, a rise from 38% last year, and now on par with the health and welfare of their families.

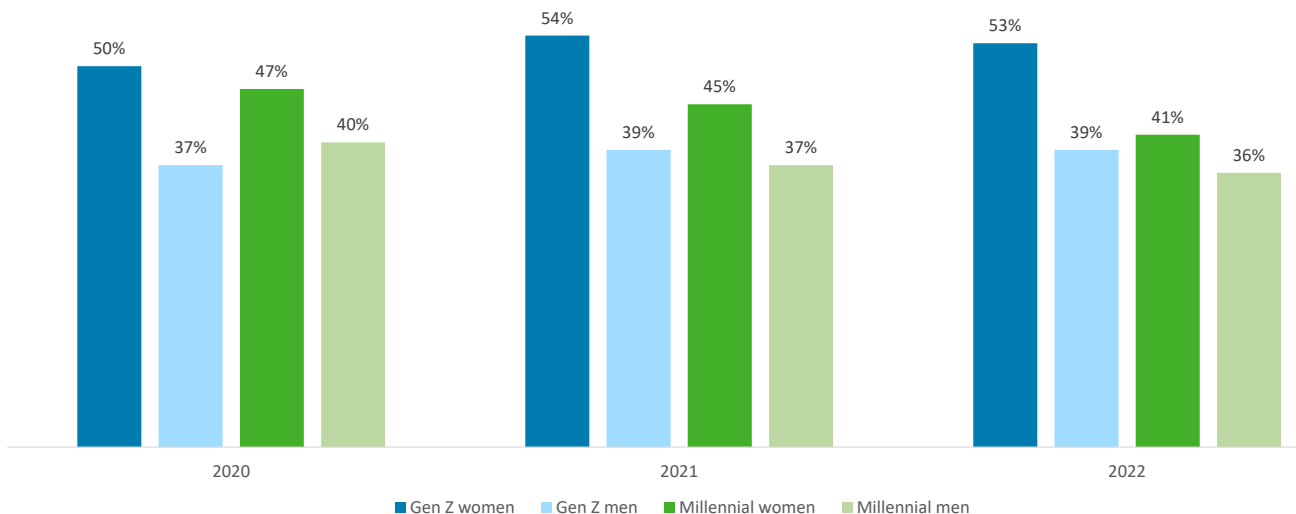
A number of workplace factors are also driving stress, especially when it comes to Gen Zs. A third of those who feel regularly stressed quote their workload (34%) and a poor work-life balance (32%) as contributing a lot to their stress and anxiety, while one in four have reported their inability to be themselves at work as a significant issue.

A vicious circle for Gen Zs

As with Deloitte's 2021 Millennial Survey, this year also identified a vicious circle in that respondents' concern for their own mental health is itself a driver for their stress and anxiety. This is most notable for Gen Zs: 39% of those who regularly experience stress or anxiety say that concerns about their mental health contribute a lot to those feelings. Gen Zs overall also ranked the mental health of their generation as their fourth greatest concern (19%), while millennials ranked it ninth (14%).

Respondents' awareness of the importance of their mental well-being is also high. When asked which aspect of their lives they prioritize most, mental health comes first for Gen Zs (28%), well ahead of their physical health (19%) in second place. Millennials ranked their mental and physical health as their top priorities (tied at 22%).

The gender gap among those who regularly feel stressed or anxious
Percentage who say they are stressed "all" or "most" of the time:



Mental health in the changing world of work

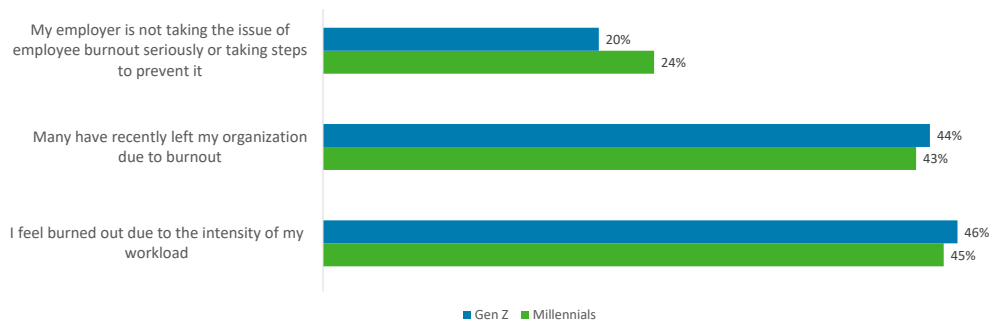
Burnout is prevalent in both generations

Two years into the pandemic, levels of burnout remain remarkably high in both Gen Zs and millennials. Indeed, 46% of Gen Zs and 45% of millennials surveyed said they felt burned out due to the intensity and demands of their work environments.

Burnout is a key issue for employers to address at a time when more people are choosing to leave their jobs to accommodate changed priorities after COVID. To this end, 44% of Gen Zs and 43% of millennials say that many people have recently left their organizations due to the pressure of their workloads, and Gen Zs and millennials who have changed organizations in the last two years cited burnout as one of the top three reasons for leaving their previous employer.

Despite this, the research finds that around one in four millennials and one in five Gen Zs do not believe that their employer takes burnout seriously or is taking steps to address it, indicating that many employers have yet to fully understand—or address—the impact that burnout is having on their business.

Percentage who agree with the following statements (strongly/somewhat agree):





Flexible working: expectations, opportunities, and challenges

Pandemic-related changes to the world of work offer opportunities to alleviate a number of stress drivers, and in particular to improve work-life balance, which both Gen Zs and millennials rank as the most important factor when choosing an organization to work for (32% and 39%). Indeed, respondents have high expectations around flexible and hybrid working becoming the norm post pandemic.

When it comes to preferred ways of working, and specifically location, the vast majority of Gen Zs (75%) and millennials (76%) would prefer to either split their time

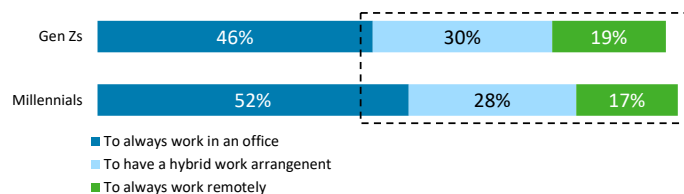
between remote and on-site working or to work entirely from home. This is, however, significantly higher than the proportion of those currently able to work flexibly (with only 49% of Gen Zs and 45% of millennials saying they work remotely at least some of the time). Those who have worked remotely during the pandemic cite several benefits, such as saving money, having more time to do other things they care about, spending time with family, feeling that they can show a more authentic side of themselves while working, and having a positive effect on their mental health.

Gen Zs and millennials also strive for flexibility when it comes to when they work. When asked to rank initiatives they felt

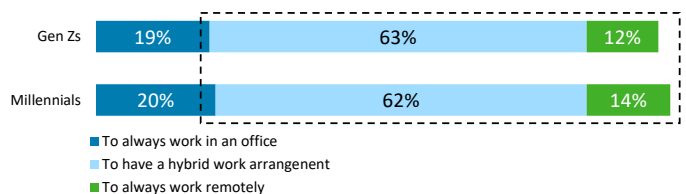
would be most effective in fostering better work-life balance, both generations placed flexible working hours at the top (17% of Gen Zs and 19% of millennials), ahead of reduced working weeks (13% and 15%) and remote working (12% and 14%).

While the survey shows the benefits of flexible and hybrid working, both in terms of employee engagement and mental well-being, it also highlights the challenges that this can bring if not effectively implemented: one in five Gen Zs and millennials who have worked flexibly said that it made forming connections with colleagues more difficult, and just under 15% said it made opportunities for mentorship or sponsorship harder to find.

Current working patterns:



Preferred working patterns:



Employers' focus on mental health increases, but stigma remains

The pandemic has shed light on the global mental health crisis, with both awareness and conversations picking up pace in all areas of society, including workplaces. Indeed, the survey shows that Gen Zs and millennials have recognized their employers' efforts, with the majority agreeing that workplace well-being and mental health have become more of a focus for their employers since the start of the pandemic (57% of Gen Zs and 53% of millennials).

However, for many respondents, this has not yet translated into meaningful positive change, with 53% of Gen Zs and 51% of millennials feeling that, while their organization talks more about mental health now, this has not resulted in any meaningful impact on employees.

Moreover, results from the survey point to the fact that workers are still not comfortable discussing mental health issues at work, or accessing the support put in place by their employer, with 33% of Gen Zs and 35% of millennials saying they would not be comfortable speaking openly with their direct manager about feeling stressed or anxious or about other mental health challenges. And among those who have had to take time off work for mental health issues, half chose to give other reasons for their absence. In fact, the proportion of people who admit to stress and anxiety being the cause of their leave has dropped slightly since last year: 42% of Gen Zs and millennials this year, vs 46% of Gen Zs and 45% of millennials last year.

The survey also finds that a third of Gen Z workers opt out of using regular catch ups with their managers to discuss their mental health, while 32% of millennials say this option is not even available to them. And almost as many Gen Zs have taken up the opportunity to take paid time off as needed for mental health issues, as have not.

These findings seem to reflect a fundamental point: that employers talking about mental health more openly or offering resources to support their employees' well-being is not enough to encourage disclosure. Disclosure relies on the environment created by leaders and managers—one in which people feel able to disclose without fear of being judged.



Conclusion

Two years into the pandemic and with new geopolitical and economic threats arising in 2022, the mental well-being of Gen Zs and millennials is under continued pressure. Deloitte's 11th Gen Z and Millennial Survey offers some stark insights into the experiences and views of the world's youngest workers—with Gen Zs not only particularly affected by stress and anxiety, but also increasingly mindful of the importance of good mental health itself—both at a personal level and for their entire generation.

The survey also shows that, despite more talk about mental health in the workplace over the past two years—and more organizations providing resources for their people—stigma remains alive and well, with little changing in survey respondents' views when it comes to openness about mental health at work.

Many Gen Zs and millennials are revisiting their priorities in order to balance life and work and are having to reconcile their long-term aspirations with very real, short-term challenges. As part of this effort, they have higher expectations of their employers, whose role in mitigating stress, anxiety and burnout is crucial—yet this survey shows that many employers have yet to meet these expectations.

At this juncture, business leaders should act urgently to shape work models that meet the expectations of employees, and most importantly, to remove the stigma that is still preventing their employees from seeking help at work. They can do this by:



Sometimes I worry about the mental health of my generation. But I also think that people my age are doing something that hasn't really been done before—seeking therapy, being honest with ourselves, and our loved ones, about how we're feeling and opting out of doing things, even for a day, like going to work or school, because we're not having a good mental health day. I think we're realizing that physically showing up isn't always enough. You have to mentally be there too. So I think that when we take the space for ourselves, that's how we take care of each other.

—Natalie, 21, US

Prioritizing mental health at work.

Leaders should work towards meaningful and sustained change by providing increased access to mental health resources as well as prevention. Critical to this is a consistent and vocal commitment to designing stigma-free working environments that value well-being, where workers feel able to speak up about their needs without concern or fear of judgment.

Understanding and preventing burnout.

With burnout levels widespread, employers should seek to understand how it occurs and enable both leaders and employees to prevent it. While previously considered an issue for the individual to address, burnout is now seen as something that can be collectively addressed by the individual,

the team, the leader and the organization. This means taking steps to understand how burnout can occur and to mitigate it—working as a team to enable both team and individual success and well-being.

Embedding flexibility into new ways

of working. With respondents being clear on the importance of flexibility when it comes to when, where, and how they work, ignoring the need for such flexibility at work is not an option for employers who wish to retain talent and support well-being. This is accomplished not just through policies, although they are an important factor, but by using the 'new normal' to embed new ways of working that provide flexibility without impacting personal connections, mentorship and sponsorship, learning,

and development. And as organizations adopt hybrid working, it is critical to ensure that all employees feel included—whether they are physically in the room or in a virtual workplace.

Placing empathy at the heart of leadership.

A culture of trust and inclusivity is a pre-requisite for those employers who wish to make a genuine impact when it comes to mental well-being in the workplace. Enabling people to be themselves at work will not only enhance engagement and diversity but will provide an environment in which they feel able to freely discuss their mental health issues without fear of judgment. Empathetic leadership is a critical enabler of inclusion—as is the ability of managers to understand and be able to talk about mental health and well-being.



I think it would be really helpful if employers understood that some days people just need a break, and it's okay to take a leave when things get overwhelming. And it's really important to invest in their employees' mental health and provide resources to support them.

—Rajwee, 18, India

Taking a broad and long-term view to workforce well-being.

Disruption is here to stay, and it is important for employers to not just try to deal with the high levels of stress and anxiety in their Gen Z and millennial workforce but also, where possible, to address their root

causes. In unsettling times, and as people reconsider the role that work plays in achieving their life goals, businesses should create healthy, inspirational environments where people can thrive and achieve not only their own purpose but that of the organization.





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