

Gen Z: *Healthcare
Just Hits Different*

able & SPRINGBANK

Overview

In the US, Gen Z currently constitutes nearly a quarter of the population and is the most racially and ethnically diverse generation in the nation's history. As this generation of independent thinkers transitions into their next chapter — leaving home, graduating from school and starting their first jobs — they will also begin navigating the healthcare system on their own for the first time. **By 2030, Gen Z is projected to make up 30% of the workforce and their earnings will reach \$2 trillion.**¹ Their unique preferences, expectations and needs will make them the most influential generation and their impact on healthcare will be profound.

In an effort to better understand this generation's unique experience, **Able Partners and Springbank Collective launched a quantitative and qualitative research study to understand how Gen Z navigates healthcare.**

Understanding the way this imaginative generation navigates the complexities of healthcare could lead to new and innovative solutions. **Our hope is that our work will help inform entrepreneurs, operators, investors and policy makers who will collectively help shape how we serve this generation.**

Able Partners & Springbank Collective

**Gen Z: Healthcare
Just Hits Different**

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Who is Gen Z

Click and mortar

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Culturally competent care

The cost of healthcare

1. Bloomberg, [Gen Z Workers to Triple by 2030, Snap-Commissioned Report Says](#)

Who is Gen Z

Gen Z is the *most diverse generation* in US history.

In 2022, Gen Zers are between 10 and 25 years old. They are **more educated** than previous generations, less likely to drop out of high school and more likely to be enrolled in college.¹ They are more comfortable with and **accepting of diverse identities**, with more than 20% of Gen Z identifying as LGBTQ.² They are more **socially-minded** than prior generations, and their brand loyalties and purchase decisions support companies that are good corporate citizens.³ Their **personal and political views influence their professional decisions**, with 80% choosing to work for an employer that aligns with their personal values.⁴ Nearly 100% of Gen Z owns a smartphone⁵ and 55% **use it for more than five hours a day**.⁶ Gen Z is significantly more likely than any other generation to report feeling lonely, and as a result, they are known as the **“loneliest generation.”**⁷



Gen Z Adults

Born 1997 - 2004
Ages 18 to 25

Gen Z Adult Respondent Demographics⁸



67%
Working full or part-time



57%
Currently in school



40%
Live at home

National Gen Z Demographics

Gen Z makes up **20% of the US population.**

More than **20%** of Gen Zers identify as **LGBTQIA.**



Almost **1/2** of Gen Zers are **racial or ethnic minorities.**

22% have at least one **immigrant parent.**



Only 55% of Gen Z have a **primary care physician.**⁹



46% of Gen Z feel **burned out** due to the demands of their working environments.¹²

Gen Z is projected to make up **30%** of the workforce by 2030.¹¹

Only 45% of Gen Z report having **very good or excellent mental health.**¹⁰



More than half of Gen Zers are on TikTok, accounting for **60%** of TikTok's user base.¹³

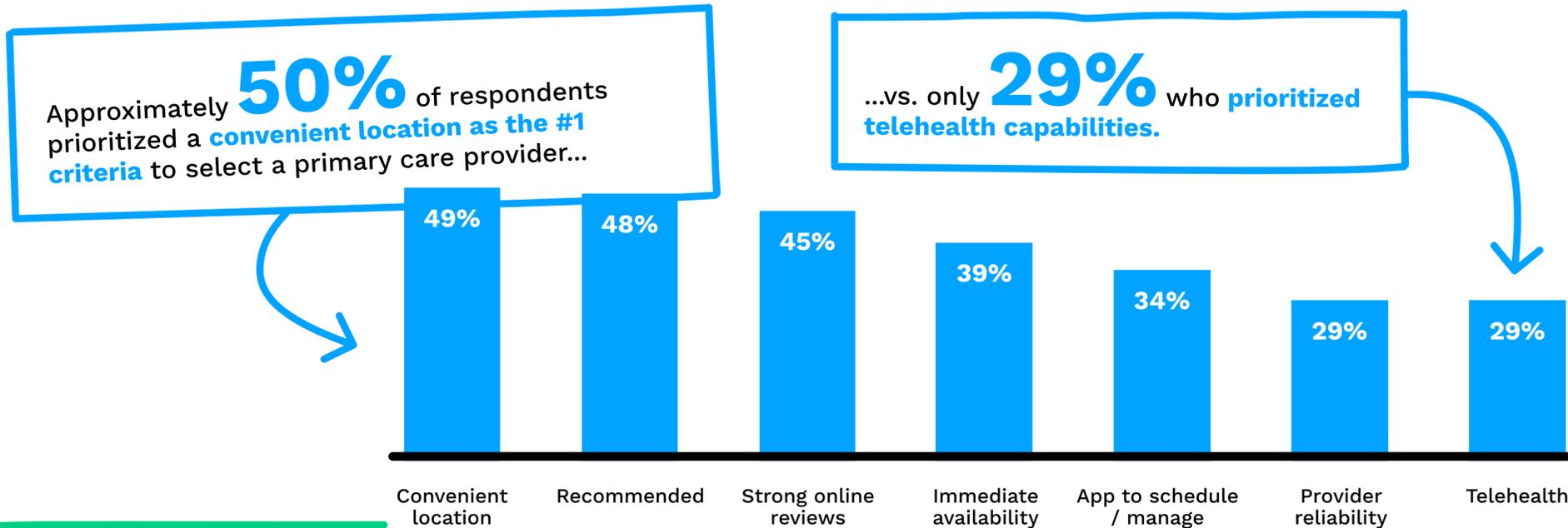
1. Pew Research, *On the Cusp of Adulthood and Facing an Uncertain Future: What We Know About Gen Z So Far*
2. Gallup, *LGBT Identification in US Ticks Up to 7.1%*
3. BBMG, *The Gen Z Reckoning*
4. LinkedIn, *Is Gen Z the boldest generation? Its job-hunt priorities are off the charts*
5. The Economic Times, *98% of Gen Z now own a smartphone*
6. Knit, *Gen Z's Device Preferences & Decision Drivers: Smartphones, Tablets & Computers*
7. Cigna, *2018 Cigna U.S. Loneliness Index*
8. Able Partners & Springbank Collective, *Gen-Z: Healthcare Just Hits Different Survey (N=435)*
9. Statista, *Primary care physician needs among U.S. adults in 2019, by generation*
10. American Psychological Association (APA), *Gen Z more likely to report mental health concerns*
11. Fortune, *Gen Z workers will be 30% of the workforce by 2030—here's what they want from their employers*
12. Deloitte, *The Deloitte Global 2022 Gen Z and Millennial Survey*
13. YPulse, *Yes, Gen Z Is Much More Likely Than Millennials to be on TikTok*

Click and mortar

Put your phone down: the doctor will see you in person.

Gen Z may not want to go back to the office full time, but when it comes to healthcare, they value in-person care. Gen Z, often called “Zoomers,” are stereotyped as the “tech-addicted” generation. But, they actually **prefer convenient in-person healthcare within the four walls of brick and mortar** — the majority of respondents said “in person” was their preferred way to communicate with their healthcare provider.

At the same time, they expect to have flexible communication options such as telehealth, phone calls and texts as alternatives, perhaps most relevant for follow-up after establishing an in-person connection with their provider. **Their preferences ultimately blend offline experiences and online tech-enabled touchpoints**, and they want quality, flexibility, quick responses and the option to easily schedule when needed. In order to meet their needs and engage this population, healthcare experiences must be designed to meet them where they are at.



Approximately **50%** of respondents prioritized a **convenient location as the #1 criteria** to select a primary care provider...

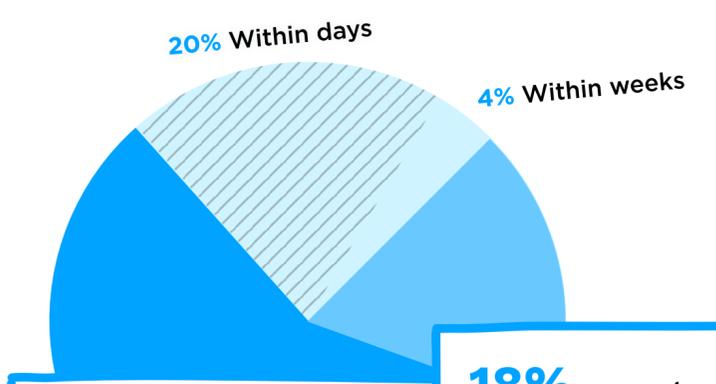
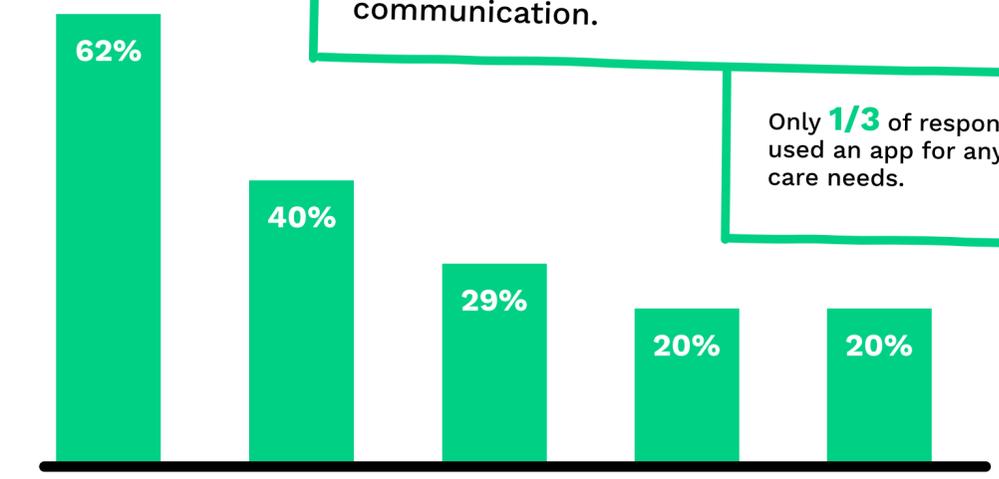
...vs. only **29%** who prioritized **telehealth capabilities.**



62% of respondents prefer to communicate with their provider in-person...

...at the same time, **69%** of respondents selected a mobile or **digital-first mode of communication** as their preferred method of communication.

Only **1/3** of respondents have used an app for any of their health care needs.



18% expect a response immediately.

How would you prefer to communicate with your care provider? (Select all that apply)

If you reach out to a healthcare provider, when do you expect a response?

Mental health is wealth

The kids are ~~not~~ **alright: mental health is their health identity.**

Gen Z has come of age in an environment rife with political, economic, social and environmental turmoil. These stressors have led to **increased levels of anxiety and depression in this generation.**¹ Additionally, 22% of Zoomers report getting their first smartphone at age 10 or younger, and another 61% got theirs between the ages of 11 and 17.² As a result, the vast majority of their lives has played out on social media, which has been found to negatively impact mental health.³

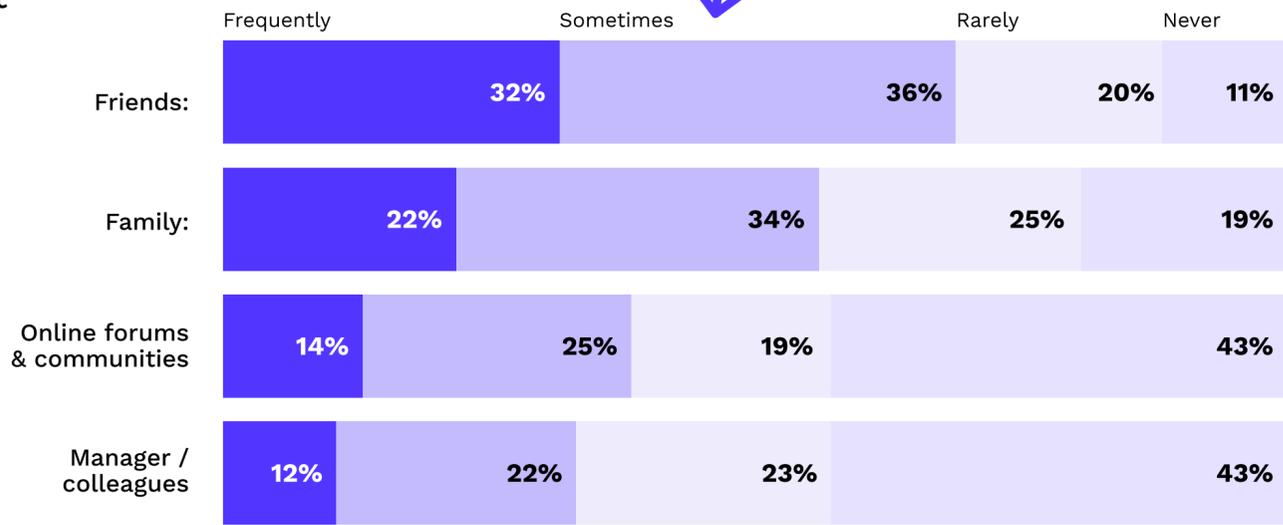
53% of respondents report having a behavioral health condition, and nearly **75%** report having anxiety and depression.

Female respondents were **15% more likely to report having anxiety and depression** than males.

At the same time, this generation has grown up in an era where **mental health conversations have been normalized, reducing the stigma associated with seeking out mental health services.** Ironically, social media has created space for these conversations, and findings show that more than one in five teens and young adults report that social media is important for receiving support (20%), feeling less alone (21%) and expressing themselves creatively (25%).⁴

68% of respondents felt very or somewhat comfortable talking about their mental health...

...most frequently with friends and family, but also in online forums & communities!

How frequently do you talk to each group about your mental health?

56% of respondents would pay out-of-pocket for a mental health membership.



When it comes to Gen Z, **mental health is at the core of their health identity and they are willing to pay to prioritize it.** Instead of viewing healthcare solely through the traditional primary care entry point which has historically been focused on physical health, it appears that **mental health will play a major role in how this generation engages — perhaps becoming their front door to the healthcare system.**

Relative to older generations, **Gen Z is significantly more likely to seek mental health therapy or counseling.**

42% of respondents report seeing a therapist 1-1 either sometimes or daily.

1. McKinsey, Addressing the unprecedented behavioral-health challenges facing Generation Z
 2. Tapjoy, The Mobile-First Generation: Gen Z Is Heavily Into Mobile Gaming, Shopping, and Social Media
 3. The Wall Street Journal, Facebook Knows Instagram Is Toxic for Teen Girls. Company Documents Show
 4. HopeLab, TikTok, Gen Z, and Mental Health

Employer expectations

Dear CEO, Gen Z expects mental health benefits second only to a 401K.

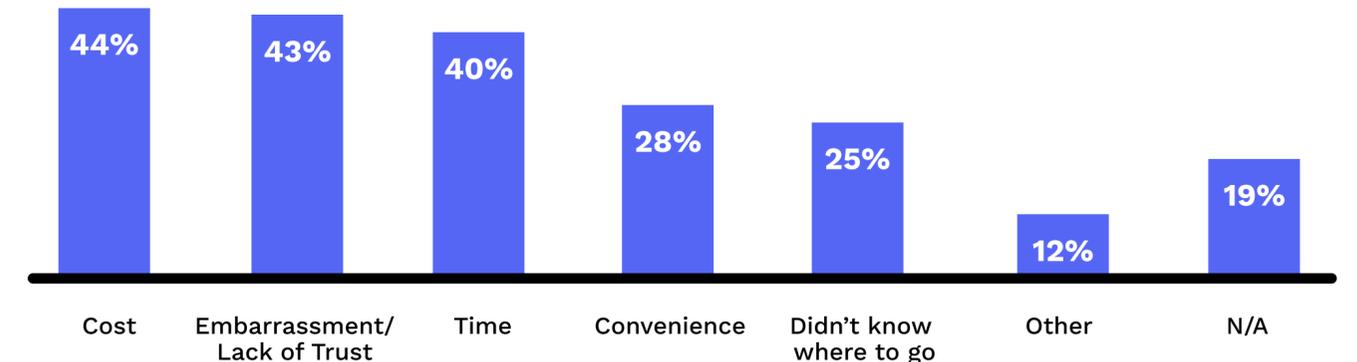
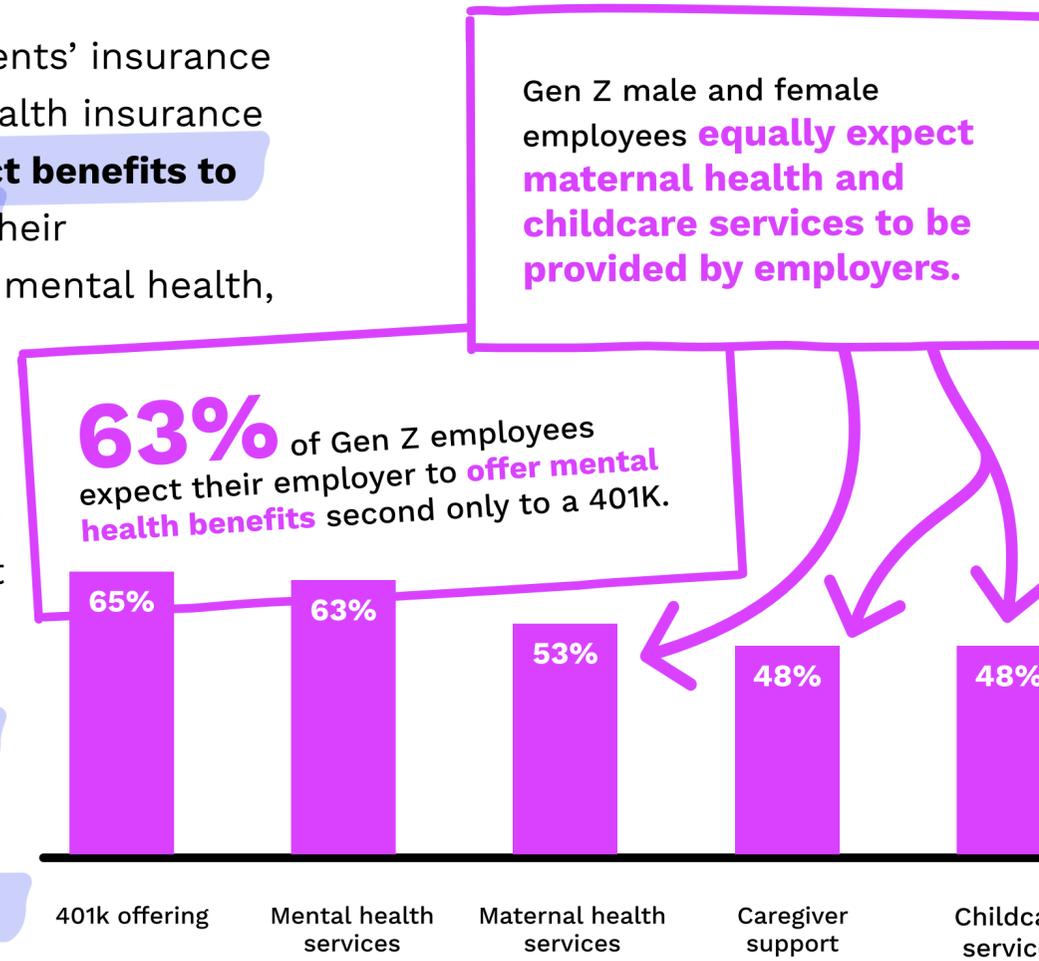
As Gen Z transitions from their parents' insurance to relying on their employers for health insurance coverage, this generation will **expect benefits to reflect their view of holistic care.** Their prioritization of retirement savings, mental health, maternal health and childcare services speaks to this generation's desire for their employer to care about them as a person, not just an employee. Additionally, the fact that both male and female respondents prioritized the same benefits is a signal that **advocacy for employer-sponsored services such as childcare may be equally shouldered in the workplace when it comes to this generation.**

While Gen Z expects mental health benefits to be provided by their employer, **they have not always felt supported or comfortable discussing their mental health with work colleagues.** Given that behavioral health issues are the most common health conditions cited by this cohort, this underscores the need for employers to prioritize mental health and design benefits that protect confidentiality in order to maximize employee engagement.

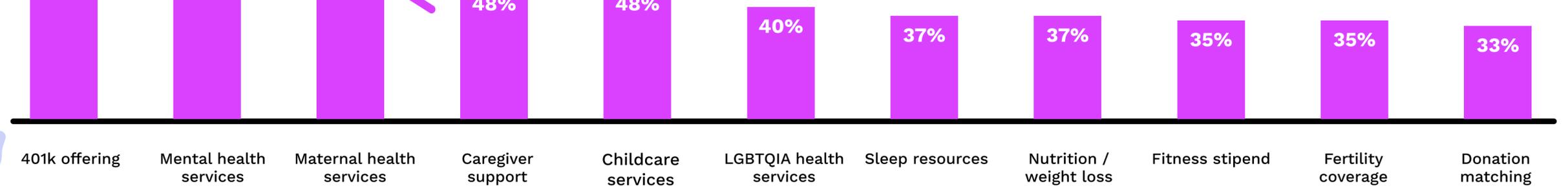
Only **25%** of Gen Z employees feel that their **mental health is always supported by their employer.**

Only **34%** of Gen Z employees frequently or sometimes **talk to their manager or work colleagues about mental health.**

As employers evaluate how to drive healthcare utilization and incentivize healthy behaviors with Gen Z, **it is evident that cost and trusted care navigation are significant barriers.**



Which of the following has kept you from using healthcare for a specific need in the last 12 months? (Select all that apply.)



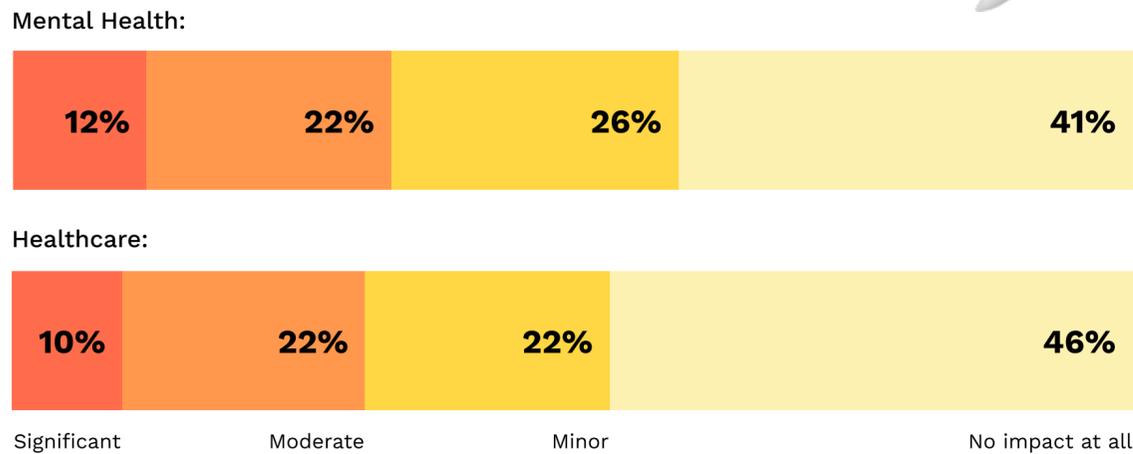
What do you expect to be part of the broader benefit options provided by your employer? (Select all that apply.)

The internet's influence

TikTok, find your Doc.

Gen Z lives on the internet, so when it comes to their health, it is no surprise that one of their **first destinations to source information is often social media or online forums** where influencers, from micro to celebrity in status, share their own health insights often colored by their lived experiences.

60% of respondents are impacted by **social media influencers** when it comes to mental health decisions.



How much impact do social media influencers have on your healthcare decisions?

58% of respondents report using a fitness tracker or wearable sometimes or daily.



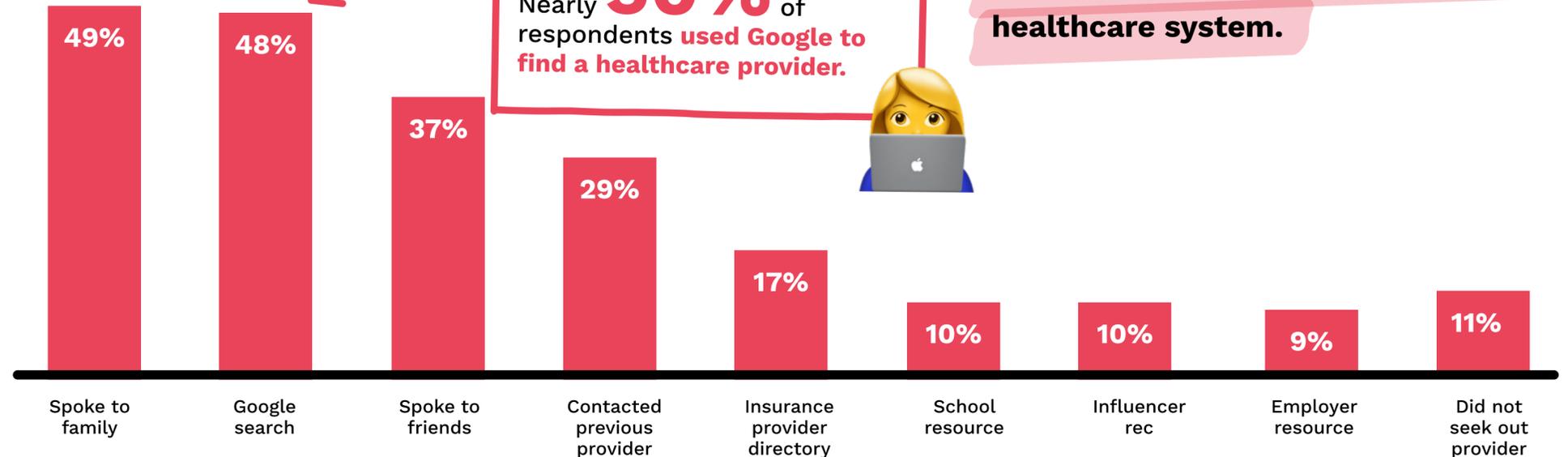
62% of that population tracks at least 3 health metrics.

Additionally, when you layer in health apps, wearables and at-home testing capabilities, **Gen Z has created a multi-channel ecosystem to source information and data related to their health without necessarily needing to see a provider.**

1 in 20 Google searches are for health-related information.¹

Nearly **50%** of respondents used Google to find a healthcare provider.

Gen Z uses the internet as a potential replacement for an interaction with a provider will have many implications for the healthcare system.



Think of a recent time you were experiencing health symptoms and needed to connect with a healthcare provider for help. Which resources did you use to do so? (Select all that apply.)

In a healthcare system where it can be prohibitively expensive to access care and at times, nearly impossible to find a local provider — 80% of counties in the US lack adequate access to services needed to maintain health² — the internet has helped to democratize access to health education and resources.

However, the spread of misinformation and incorrect self-diagnoses can be dangerous. There is a difference between experiencing symptoms and actually receiving a formal diagnosis. How companies leverage the internet to disseminate health-related information, how regulation continues to evolve and how

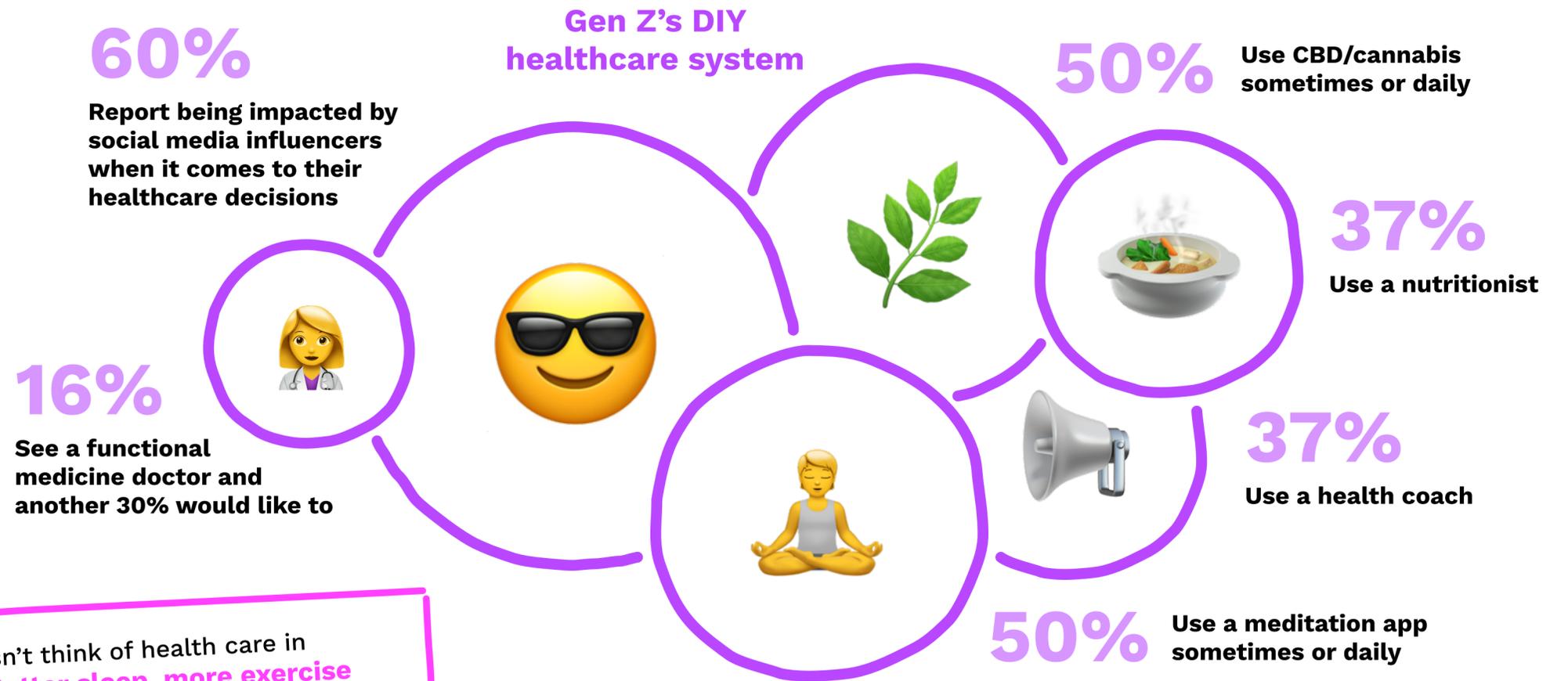
1. Google, A remedy for your health-related questions: health info in the Knowledge Graph
2. GoodRx, Mapping Healthcare Deserts: 80% of the Country Lacks Adequate Access to Healthcare

A DIY system

Taking charge: *I've got this!*

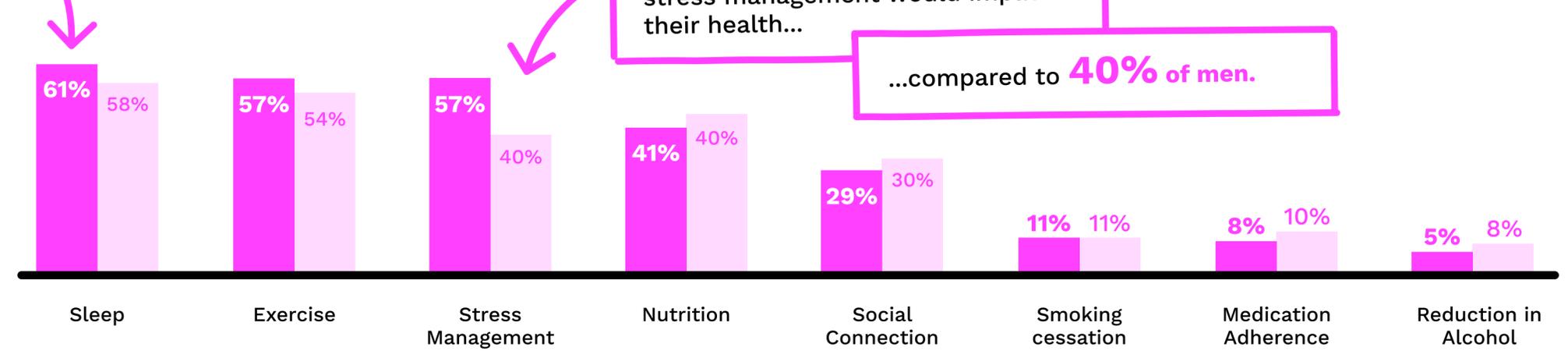
Historically, primary care providers served as the central hub directing care, but when it comes to Gen Z, the control has shifted as they take care into their own hands. This generation is **“self-prescribing” to create a patchwork of personalized solutions** because their needs have not been met by the traditional primary care ecosystem. In contrast to prior generations who maintained a consistent relationship with primary care providers and abided by the "doctor's orders," it seems like Gen Z wants to be in charge of their own health.

As they orchestrate their own care, decisions related to their health are heavily influenced by their social sphere. **72% of female respondents in our survey listed a social factor, like reviews or recommendations from friends & family, or influencers as a resource they used to find the right healthcare provider.**



Gen Z doesn't think of health care in isolation. **Better sleep, more exercise and stress management were thought to have the highest potential impact on improving their health.**

57% of women reported stress management would impact their health...
...compared to **40%** of men.



What intervention do you believe will have the most impact on improving your health? (Select up to your top 3)

■ Women ■ Men

Culturally competent care

One size, *doesn't* fit all...

The U.S. healthcare system has historically been built for men and their health needs and only more recently retrofitted to try to address the needs of women, BIPOC and LGBTQIA populations. Due to several factors including gaps in medical training, barriers to utilization and underrepresented research, the current system does not meet the needs of these underserved demographics. At the same time, chronic conditions are often more prevalent in these populations. Given that nearly half of Gen Z is made up of racial or ethnic minorities and 20% identify as LGBTQIA, **cultural competency in the healthcare system will be required to reduce existing health disparities.**

70% of respondents who reported having a **mental and physical health condition** were female.



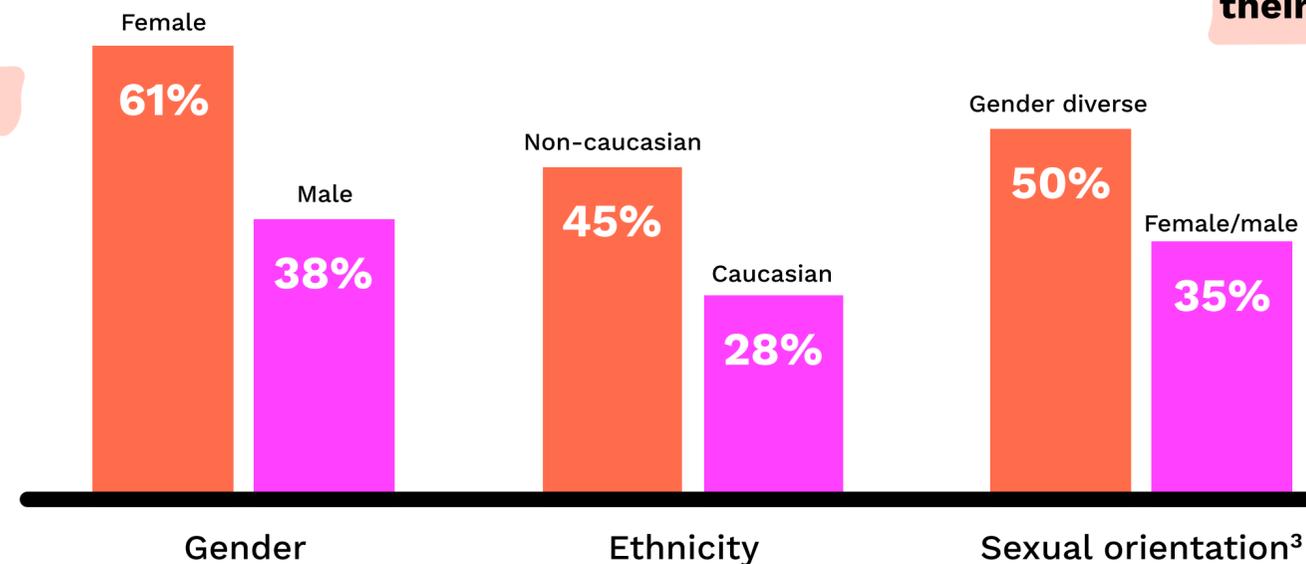
Gen Z **LGBTQIA individuals** experience **higher rates of mental health issues**, including depression, anxiety and suicidal ideation.¹



Nearly **3 in 5 Gen Zers** report experiencing **discrimination** in the past year.²

Gen Z preferences are similar to those of prior generations in that **women, BIPOC and gender-diverse respondents are more likely to prioritize seeing a healthcare provider that shares a similar identity.**

Importance of provider characteristics by demographic



Respondents who selected "important" or "very important" to How important is it for you to be seen by a healthcare provider that identifies as having the same qualities as you or understands the unique needs of your identity? (e.g. gender, ethnicity, religion, nationality, sexual orientation)

In addition to providers' cultural competency, socioeconomic status — a strong predictor of health outcomes — significantly impacts how a patient navigates the system.

Fewer health touchpoints: Respondents who reported lower income were significantly more likely to have not engaged with the health system in the last twelve months for primary care, gynecology or psychiatry related needs.

Additionally, they were also less likely to have used health-related products and services such as vitamins and supplements, meditation apps, nutritionists, health coaches and therapy.

Less comfort, more stigma: Respondents with lower reported income were 2.5x more likely to report feeling very uncomfortable talking about their mental health.

Across every dimension, there is a preference for providers with a similar background



1. The Trevor Project, [National Survey on LGBTQ Youth Mental Health 2020](#)
2. Center for American Progress, [The State of the LGBTQ Community in 2020](#)
3. "Female/male" includes all respondents who identify as "female" or "male" and excludes respondents who identify as "gender variant/non-conforming." "Gender diverse" includes all respondents who identify as "gender variant/non-conforming."

The cost of healthcare

Who pays *for what?*

As Gen Z leaves home to start college or find their first jobs, some are transitioning onto their own health insurance for the first time, but **the majority remain dependent on their parents, guardians or caregivers to cover some, if not all, health-related expenses.**

Do your parent(s), guardian(s), and/or caregiver(s) contribute to covering healthcare-related costs?

34%

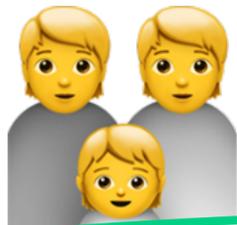
Yes, they contribute to cover **all** my healthcare-related costs.

36%

Yes, they contribute to cover **some** of my healthcare-related costs.

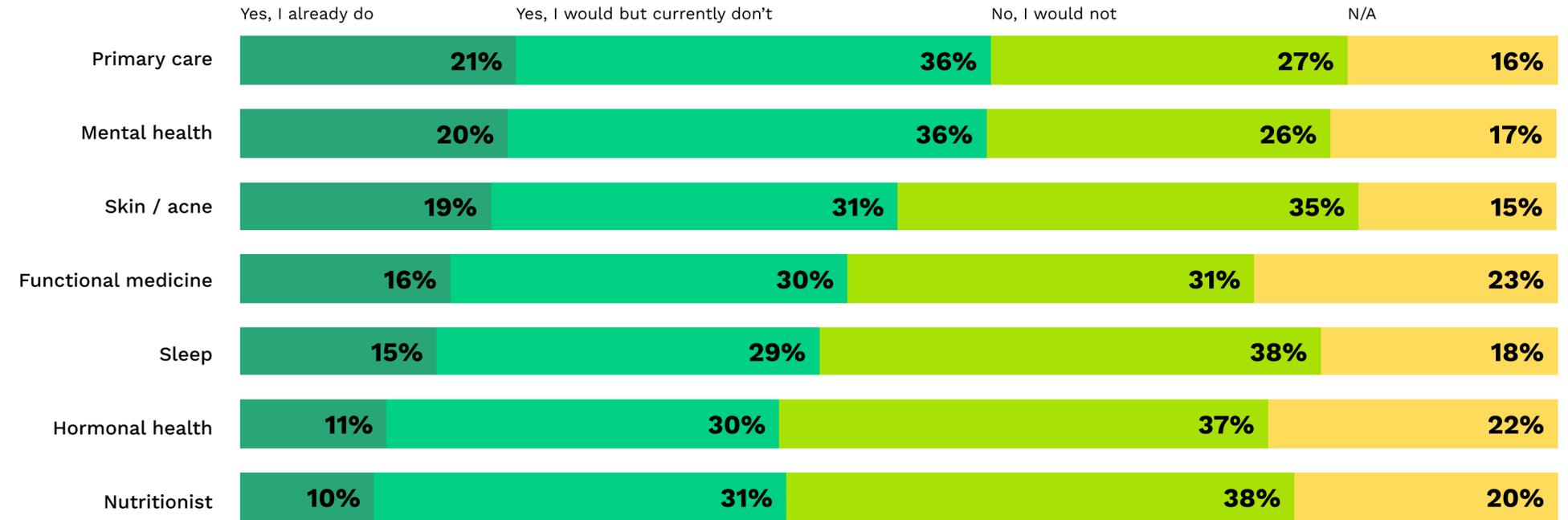
30%

No, they **do not contribute** to any of my healthcare-related costs



70% of respondents are receiving some form of **financial aid from their parents, guardians or caregivers for healthcare-specific costs.**

Do you or would you pay out of pocket for a health membership?



Despite the support from family, **this generation is already hampered by medical debt.** 25% of Gen Z report skipping rent or mortgage payments because of their medical debt obligations.¹ A major challenge for Gen Z is inadequate insurance: 68% of Gen Z with insurance said their medical debt was a result of their plan not covering the service they received.² At the same time, the majority of Gen Z respondents report willingness to pay for out-of-pocket health memberships for primary care, mental health and skin/acne. **Gen Z wants to prioritize their health and invest dollars behind it, but they need to be able to access services with clear pricing transparency.**

If I could do one thing to improve healthcare in the US today... it would definitely be to make it accessible to everyone. I think it should NOT be as expensive and difficult to maintain as it is.... Same with mental health care — I think just more access to it, more ways to get it, and more awareness of it...

- Female respondent, 21

Ultimately, this generation believes access to healthcare is a human right, and when respondents were asked if they could do one radical thing to improve healthcare in the U.S. today, the common theme throughout was **a desire to improve access to and full cost coverage for healthcare — more specifically, mental health services.**

1. & 2. HealthCare.com, One in Four Gen Z, Millennials Skip Rent or Mortgage Due to Medical Debt

Appendix



Able Partners is a women-led investment fund focused on health & wellbeing. We support visionary, early stage brands in positive living that make the daily lives of consumers healthier, happier and more meaningful.

We seek to partner with companies that are narrowing The Wellness Gap: the quantifiable delta that has grown dramatically over the past two decades as economic indicators such as GDP per capita have increased while measures of overall wellbeing, including physical and mental health, have stagnated or decreased.

We are most focused on overlooked or stigmatized opportunities that have resulted in underserved markets.

Our areas of focus include:

- Disruptive Healthcare
- Care Economy
- Consumer Wellbeing
- Connection & Community

SPRINGBANK

Springbank is an early-stage investor in the infrastructure that enables working women and their families to thrive.

We invest across:

Career

- Flexible and inclusive work
- Lifelong job skilling

Care

- Children
- Elder
- Women's and family health

Household Consumer

- Financially empowering families and making running our lives easier and more joyful

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Research Partners

Research Firm:

Knit, a Gen Z consumer research platform.

The logo for Knit, featuring the word "knit" in a teal, lowercase, cursive font.

Research Methodology:

A customized online research study using a combination of quantitative and qualitative questions to collect feedback from a panel across PC, mobile and tablet-friendly interfaces.

Confidence Level:

The total sample size was N=435 mirroring the US Census on gender identity, race and ethnicity.

The sample size resulted in a 95% confidence level.

Timing:

The study was fielded between April 14-June 3, 2022.

Research Contributors:

We would like to thank the following people for their contributions to this work:

- Sofia Guerra, Investor at [Bessemer Venture Partners](#)
- Clara Bunker, research & design at [Superliminal](#)