Summary
• Gen Z faces unique financial challenges, including varied career paths, limited homeownership and higher renting costs, which impact their ability to save for retirement and require tailored pension communication.
• Pension providers are leveraging digital tools such as apps, social media and fintech innovations to engage younger savers, emphasising simplicity, personalisation, and relatable messaging to encourage early pension contributions.
• Holistic financial strategies, including tools like ISAs and consolidation services, address Gen Z's short-term priorities while building long-term savings habits, fostering financial resilience alongside retirement planning.

Speaking Gen Z's language

As societal norms shift, the pensions industry faces the challenge of engaging Gen Z – a generation prioritising the present over retirement. Paige Perrin explores how providers are adapting their communications to younger savers

Clear and effective member communication is one of the most important tools for pension schemes, providers, and employers to engage members with their pensions. Yet, many messages miss the mark, weighed down by jargon and fail to resonate with their audience.

Recognising this, the Financial Conduct Authority (FCA) has published a consultation on proposals to introduce targeted support for pensions as part of the Advice/Guidance Boundary Review in which firms will be able to provide groups of consumers who share the same characteristics with a bespoke suggestion.

This consultation is especially relevant to the unique financial challenges faced by Gen Z (people born between 1997 and 2012), helping address these generational disparities and empowering Gen Z to build a more secure financial future.

This is a generation that is less likely to own homes, get married, or have children – factors that traditionally contributed to pooled retirement income and financial security in old age. Instead, Gen Z are more likely to face higher rental costs, varied career paths, and fewer familial support networks.

Research from BlackRock highlights this generational gap as retirement readiness ranked 9th out of 10 financial concerns for Gen Z, with 57 per cent expressing a desire to enjoy life now rather than worry about planning for the future.

"For many Gen Z's retirement isn't anywhere close to being at the top of their priorities," says Capita director of global pensions policy and propositions, Anish Rav. "We have to focus on the benefits of saving in a pension today."

Tailoring communications

Therefore, the pension industry faces the unique challenge of tailoring pension communication to its younger members who may not yet be interested in saving for retirement or do not see this as a priority. So how has the industry adapted its communications to Gen Z in response to these changing societal norms?

"It is vital that the industry adapts its approach to recognise the challenges younger generations face: varied career paths and more frequent job changes are becoming more and more commonplace, and not just amongst younger people," says Smart Pension senior director of strategic delivery, Eve Read. "This can result in having savings scattered between multiple pension pots."

"Today's younger savers face huge financial challenges in trying to save for retirement alongside getting on the property ladder and paying off debt – for instance from university. All of these goals are valid, and people need support in meeting them as best they can," adds Hargreaves Lansdown, head of retirement analysis, Helen Morrissey.

"By building up their emergency and rainy-day savings this leaves people better able to manage financial challenges today, so they are better placed to keep saving for tomorrow. Taking a holistic view of finances is key to helping Gen Z to build their wealth in pensions and beyond."

Morrissey also highlights that customising pension contribution communications based on age groups, ensures that the content resonates with different demographics. For instance, for younger members, the emphasis is placed on fostering a savings habit, encouraging them to start building their financial future early.

But attempts to communicate with members is not just about acknowledging the problem and setting up tools tailored to the individual member, it also includes ensuring the effectiveness of these member communications.

Rav emphasises the importance of the pension industry recognising the engagement needs of different generations.

"We should be focusing on providing personalised information that the individual needs, in the format they want, whenever they want it, using the technology of their choice.

"This is especially true for Gen Z who face challenges in retirement planning like never before," he argues.

"There is a significant role model gap for those approaching retirement, not just for Gen Z but across all generations; what previously worked for our parents and grandparents may no longer be appropriate today," Read says.

However, Standard Life retirement savings director, Mike Ambery, says these shifting lifestyle and career patterns pose an opportunity as well as a challenge.

"By choice or necessity as societal norms change, Gen Z are less likely to choose the traditional paths through life like homeownership, marriage, or one career with a single employer – the industry must adapt its traditional models to cater for this new reality and ensure products, services and communications are fit to prepare people for the retirement they'll face in the future," he says.

"Personalised and targeted communications are clearly crucial. Clear, accessible, and relatable messaging about retirement savings can boost financial education and bridge the gap between immediate financial priorities and long-term financial security."

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Leveraging digital tools

Effective digital communication is crucial for pension providers and companies when engaging with their members, particularly Gen Z.

Aviva Wealth Academy lead, Mesoo Ubadigha, agrees with this, calling on pension providers to meet savers where they are – online.

However, she suggests this is not through a pension app or content on their website but instead through social media.

"Social media offers a way to deliver clear, educational content, building credibility and helping younger audiences differentiate between legitimate guidance and misinformation," Ubadigha says. "Platforms like TikTok, Instagram, and YouTube dominate younger people's media consumption. Using short, visually engaging content, such as videos, infographics, and interactive posts, could help make pensions accessible and appealing."

Ideally, she says "simplifying complex pension concepts into bite-sized, relatable messages could be the key to unlocking the perceived complexity of retirement planning for this generation".

Ubadigha also emphasises that tailored communications are about understanding members and their habits, therefore for Gen Z, who are used to real-time access, instant updates, and user-friendly experiences, social media is an ideal choice.

This is echoed by Rav who believes technology has a "very big role" to play in communicating to Gen Z, a generation accustomed to instant access. He argues that overlooking this risks key messages not landing.

"It's very important to embrace this. We have to be engaging in the places they are. As an industry we must adapt – this means tailoring the message and delivering it in a way that resonates," he adds.

The promotion of this content is also pivotal when tailoring content to a younger generation.

For instance, Ubadigha suggests that collaborating with trusted influencers who specialise in financial topics could help further bridge the trust gap.

"Campaigns like Pay Your Pension Some Attention and the Retirement Living Standards have successfully used

simple, engaging content to demystify pensions and inspire action," Pensions and Lifetime Saving Association director of policy and advocacy, Zoe Alexander, says.

Read says that supporting campaigns such as National Pension Tracing Day and Pension Awareness Week, collaborating with influencers, utilising social media and other awareness channels can help to educate people about the importance of their pensions. However, according to Read, the most effective way to encourage engagement and savings is by providing savers with an 'intuitive' app.

The use of apps and online tools are increasingly common in the industry, with many providers offering apps as well as budgeting tools on their websites.

"Tools and resources such as open finance platforms, which enable individuals to consolidate and track their financial health in real-time, provide an opportunity to highlight how short and long-term goals fit together," Ambery says.

"Interactive pension calculators can also make retirement planning feel less abstract and more achievable, including for those with non-traditional employment paths."

Alexander agrees that with the use of apps, social media and interactive tools, pensions are becoming more relevant to younger audiences, without 'switching off' older generations.

Innovative strategies

Despite the advantages of technology, Rav warns that the industry should not forget that sometimes people still want to talk, especially regarding financial decisions.

Instead, Rav says: "The best way is to listen to Gen Z and get them involved in the design and communications. They have to be the advocates – too often it's Gen X designing for Gen Z and that does not work."

Ubadigha recommends providers communicate to young people by connecting pension savings to issues they care about, such as investments aligned with environmental, social and governance principles. She adds this approach is likely to resonate more with Gen Z than simply presenting performance statistics.

"This digitally native and socially conscious generation is reshaping the financial landscape, and the pensions sector must evolve to meet their expectations through targeted impactful communications," she says.

Alexander adds: "By addressing issues young people rightly care about such as housing, career flexibility and sustainability the industry can reframe pensions as tools for financial independence at retirement, not distant obligations."

Financial education is also an important tool to utilise when communicating with younger members, considering the state of financial literacy in the UK.

"Financial education is vital, so we have to help with the basics, but this needs to be done in a holistic and joined-up way, we have to be more balanced," Rav says. "A message that says, 'we know you face challenges that previous generations didn't and appreciate that you need to live for today and want to have some fun, but don't forget about your future' is likely to land much better."

However, with the FCA's consultation on proposals to introduce targeted support for pensions as part of the Advice/Guidance Boundary Review, could we see progress in communications to Gen Z members that reflect their ever-evolving circumstances?

Rav says the industry is "waking up" to the fact that Gen Z might not follow the traditional path and believes that initiatives like small pot consolidation and pensions dashboards could help individuals keep track of their savings.

He urges the sector "to help Gen Z to create short, medium, and long-term savings goals and giving them products and tools that allow them to do that seamlessly are important".

Meanwhile, Ambery says he would like to see a focus on adequacy in the future, with an "incremental increase in minimum auto-enrolment contributions, as the current minimum of 8 per cent is not enough to secure a decent standard of living in retirement".

Ubadigha suggests pension providers should consider investing in mobile-friendly platforms and adopting fintech innovations.

"By leveraging digital tools and delivering clear messaging, the pensions industry can help to empower younger members and help to secure their financial futures," she says.

Written by Paige Perrin