

The ConnectedEconomy™ Monthly Report benchmarks the digital transformation of consumers across the 10 activities that represent their day-to-day lives. Each month, PYMNTS surveys a population-based sample of roughly 2,500 U.S. consumers to measure the use and adoption of digital tools for how they live, work, shop, eat (how and where they buy food), travel, bank, communicate, stay well, have fun and pay or are paid. This work builds on 15 studies and the more than 21,000 consumers PYMNTS has surveyed since March 6, 2020, and represents the largest and most consistent data set tracking the digital shift accelerated by the pandemic.

PYMNTS
WHAT'S NEXT
IN PAYMENTS: **THE**
CONNECTED
ECONOMY™

PYMNTS is where the best minds and the best content meet on the web to learn about “What’s Next” in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

PYMNTS

JANUARY 2023 ■

The ConnectedEconomy™

Monthly Report



MEET THE
ZILLENNIALS

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INTRODUCTION

WHO ARE THE ZILLENNIALS?

Many of them watch livestreams on Twitch and scroll TikTok every single day, and they play games on consoles like the Xbox, PlayStation and Nintendo Switch an average of 10 times each month.

They have been in the workforce for nearly a decade, but more than one-third still live at home, less encumbered by the utility bills, rent and other essential expenses that come with living on their own.

Meet the zillennials — the 30 million consumers born between 1990 and 2000. They are the first generation of consumers to have never known a world without the internet. This generation, which bridges younger millennials and older members of Generation Z, has the financial independence — and many of them, the financial freedom — to explore new ways to shop, pay and live in a digital economy.

For The ConnectedEconomy™ Monthly Series: Meet The Zillennials, PYMNTS surveyed a census-balanced panel of 3,983 U.S. consumers to better understand the degree to which connected experiences shape how this “bridge generation” shops, pays, banks, eats, has fun and stays healthy.

This is what we learned.

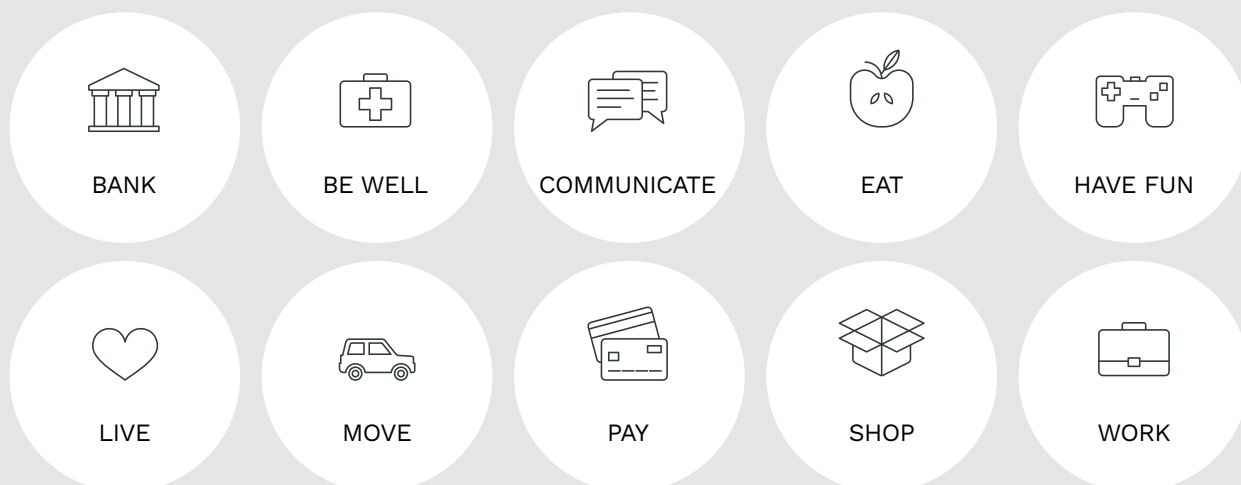


THE 10 PILLARS

of the ConnectedEconomy™

Benchmarking consumers' digital behaviors and new routines has been a consistent part of PYMNTS' research since 2016 — well before the pandemic accelerated the shift to digital — but the transition from an app-based world to an ecosystem-driven one was abundantly clear.

PYMNTS accelerated its research efforts in early March 2020, and we now have more observations documenting the shift to digital since the start of the pandemic. PYMNTS' landmark study of 15,000 U.S. consumers, published in June 2021, was intended to further document consumers' digital habits and routines as well as their interest in participating in connected ecosystems to streamline the management of their digital lives.



The ConnectedEconomy™ persona groups

- **CONVENIENCE-SEEKERS**

These consumers are extremely interested in being able to aggregate or integrate all aspects of their lives online into a single super app.

- **COMMERCE-SEEKERS**

These are consumers who are likely to want to aggregate or integrate data pertaining to their shopping, travel or entertainment preferences and activities into a single app, but are also less likely than others to want to use that app to actually transact.

- **FINANCIAL WELLNESS-SEEKERS**

These consumers are likely to want to aggregate or integrate data related to banking, money management or payments into a single super app to have access to that information and then, crucially, use that data to make or receive digital payments.

- **WAIT-AND-SEE**

These consumers are likely to integrate just a few tasks from a limited area of their lives with a super app.

- **NOT INTERESTED**

These consumers do not want to integrate any area of life into a super app.

Connected consumers and the devices that connect them

- **BASIC-TECH**

These consumers use computers or smartphones primarily and exhibit low overall ownership of devices, possessing three devices on average.

- **MAINSTREAM-TECH**

These consumers are computer, smartphone, tablet, smart TV and gaming console-dominant and own six to seven devices on average.

- **CONNECTED-TECH**

These consumers have all the devices that mainstream users have, but they also incorporate smart home and activity-tracking devices into their ecosystems. They own 11 to 12 devices on average.

PART I:
Splitting expenses

Young adults have been living with their parents longer, and zillennials are no exception.^{1,2}

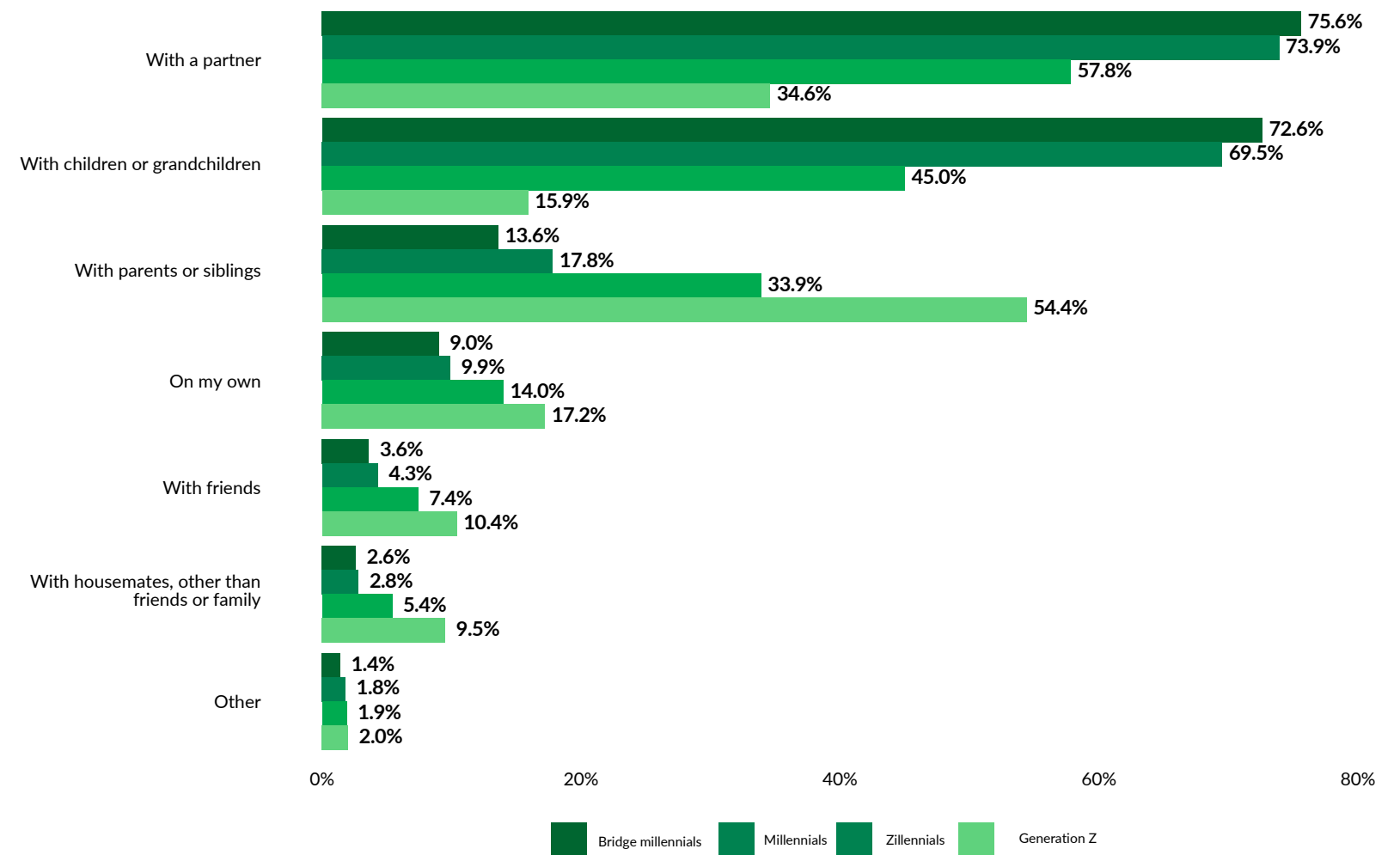
One-third of zillennials still live with their families to split or reduce expenses, while 58% live with a partner.

Thirty-four percent of zillennials, representing 11 million individuals, still live with their parents or siblings — more than any other generation except Gen Z, the majority of whom are still under the age of 18. Living at home may mean spending less on rent, utilities and other living expenses, allowing them the financial independence to spend their income elsewhere.

¹ Burn, K.; Szoeko, C. Boomerang families and failure to launch: Commentary on adult children living at home. Science Direct. 2015. <https://www.sciencedirect.com/science/article/abs/pii/S0378512215300542/>. Accessed January 2023.

² Abetz, J.; Romo, L. A Normative Approach to Understanding How “Boomerang Kids” Communicatively Negotiate Moving Back Home. Sage Journals. 2021. <https://journals.sagepub.com/doi/10.1177/21676968211012584>. Accessed January 2023.

FIGURE 1:
GENERATIONAL LIVING SITUATIONS
Share of consumers with select living situations, by generation



Source: PYMNTS
The ConnectedEconomy™ Monthly Report, January 2023
N = 3,983: Whole sample, fielded Nov. 10, 2022 – Nov. 17, 2022

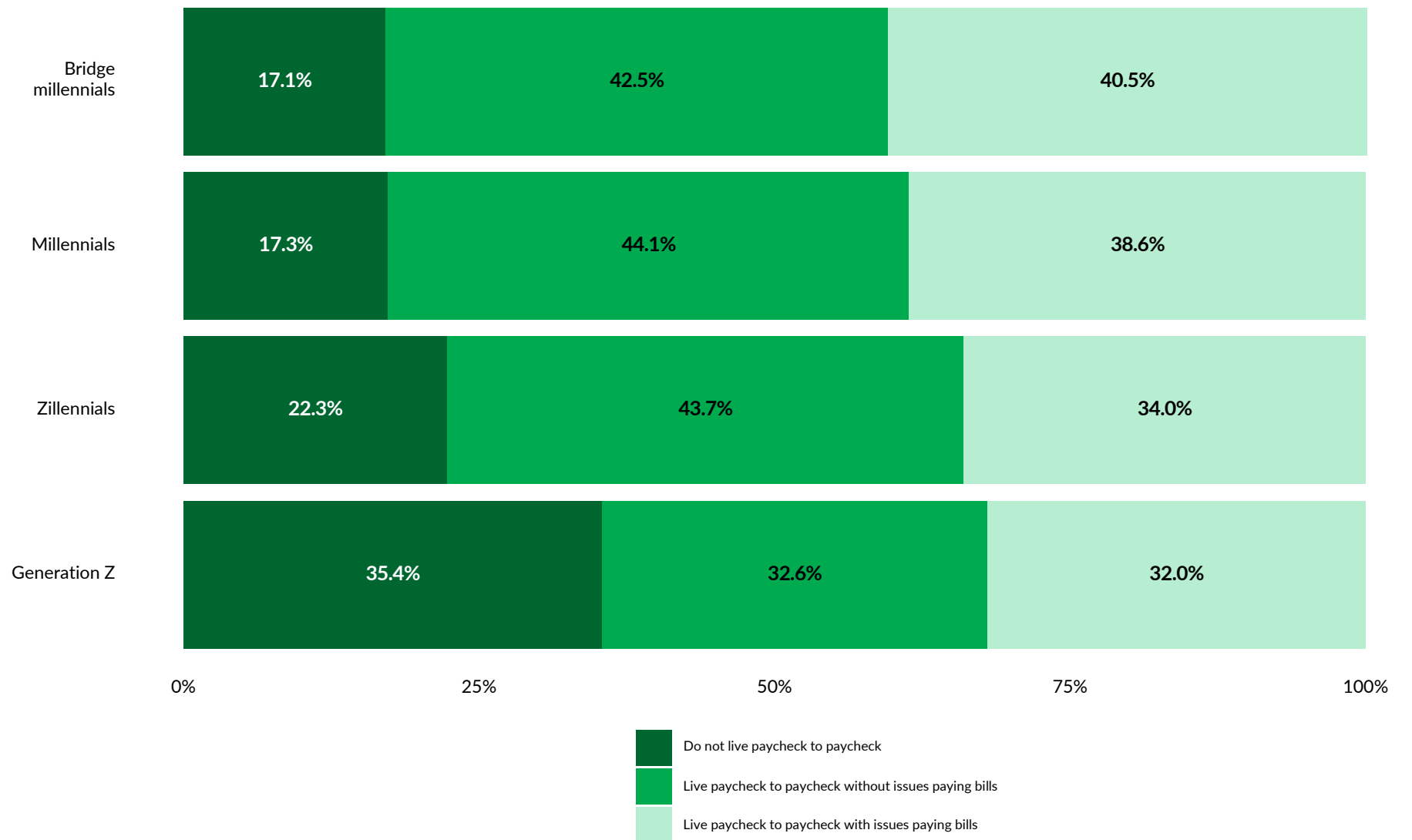
While some may assume zillennials are barely more than children, 58% of them live with romantic partners and 45% live with children of their own.

PART I:
Splitting expenses

Zillennials are 6% less likely to live paycheck to paycheck than millennials.

Zillennials may have more disposable income than their elder siblings or peers, because they have fewer expenses than either millennials or bridge millennials. They are less likely to have children and to own houses. Many are still receiving financial assistance from their parents and supplementing it with their own incomes, cutting costs by living in their parents' homes or cohabitating with siblings. This puts zillennials in the unique position of being able to experiment with more connected commerce experiences without having to make financial compromises.

FIGURE 2:
ZILLENNIALS LIVING PAYCHECK TO PAYCHECK
Share of consumers living paycheck to paycheck, by generation



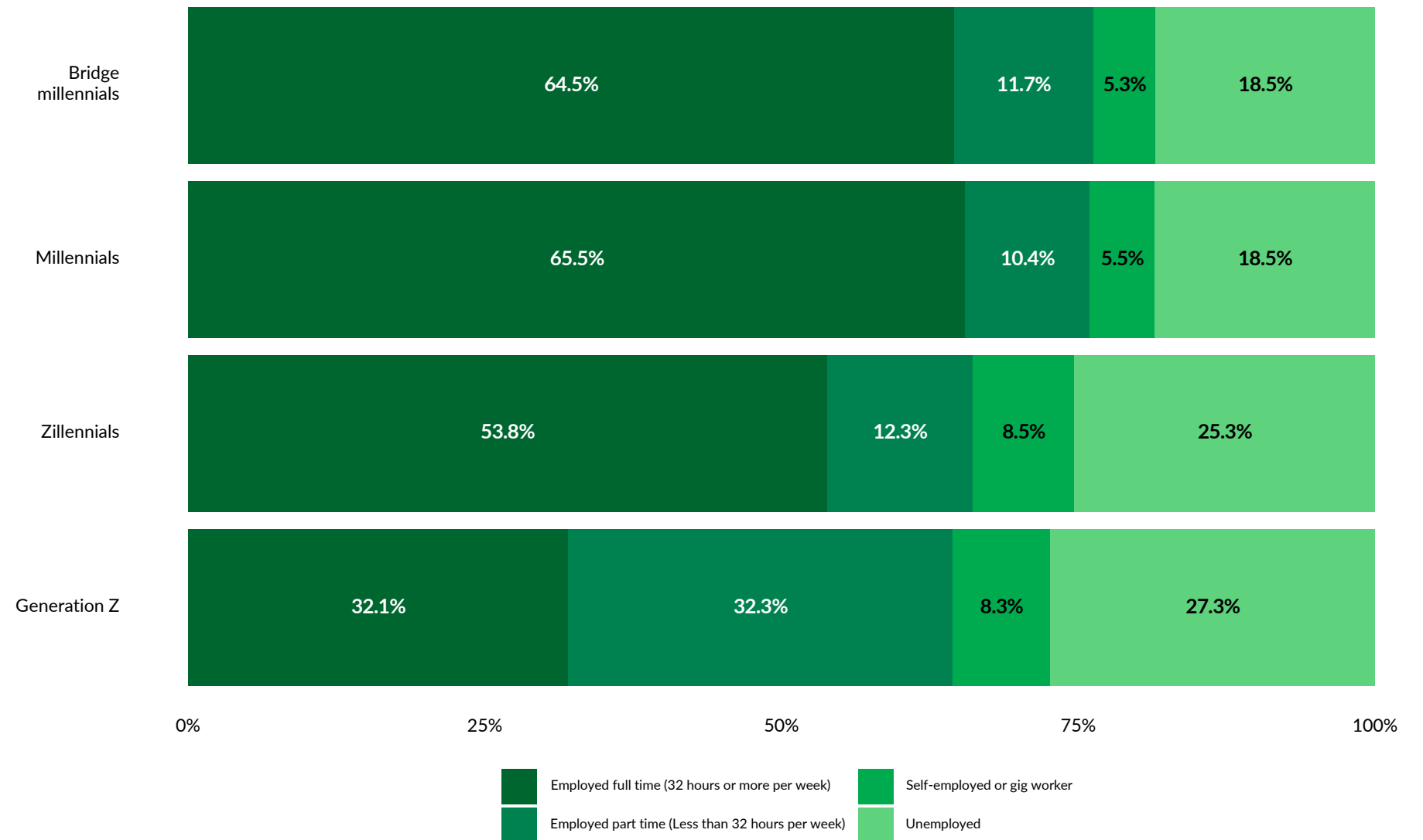
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PART II:
Working online

Half of employed zillennials use gig marketplaces to find work.

Currently, 54% of zillennials are fully employed and 12% are employed part time, making them much more like millennials than Gen Z in terms of employment. Zillennials are half as likely as Gen Z to be employed part time, but they are about equally as likely as millennials to be working part time. This signals that most zillennials have already made the transition to full-time jobs and thus have more income.

FIGURE 3:
ZILLENNIALS' EMPLOYMENT STATUS
Share of consumers who are employed, by generation



Source: PYMNTS
The ConnectedEconomy™ Monthly Report, January 2023
N = 3,983: Whole sample, fielded Nov. 10, 2022 – Nov. 17, 2022

Among employed zillennials, 85% work in positions that require their physical presence, such as offices, restaurants, gyms or other locations. This is more than any other generation except for Gen Z or bridge millennials.

Digital platforms like Uber, Care.com and Upwork are also especially important to zillennials. Fifty percent of them reported finding work via platforms like these, as did 59% of Gen Z. Across all consumers, just 38% use them.

“ALWAYS ON THEIR PHONES”

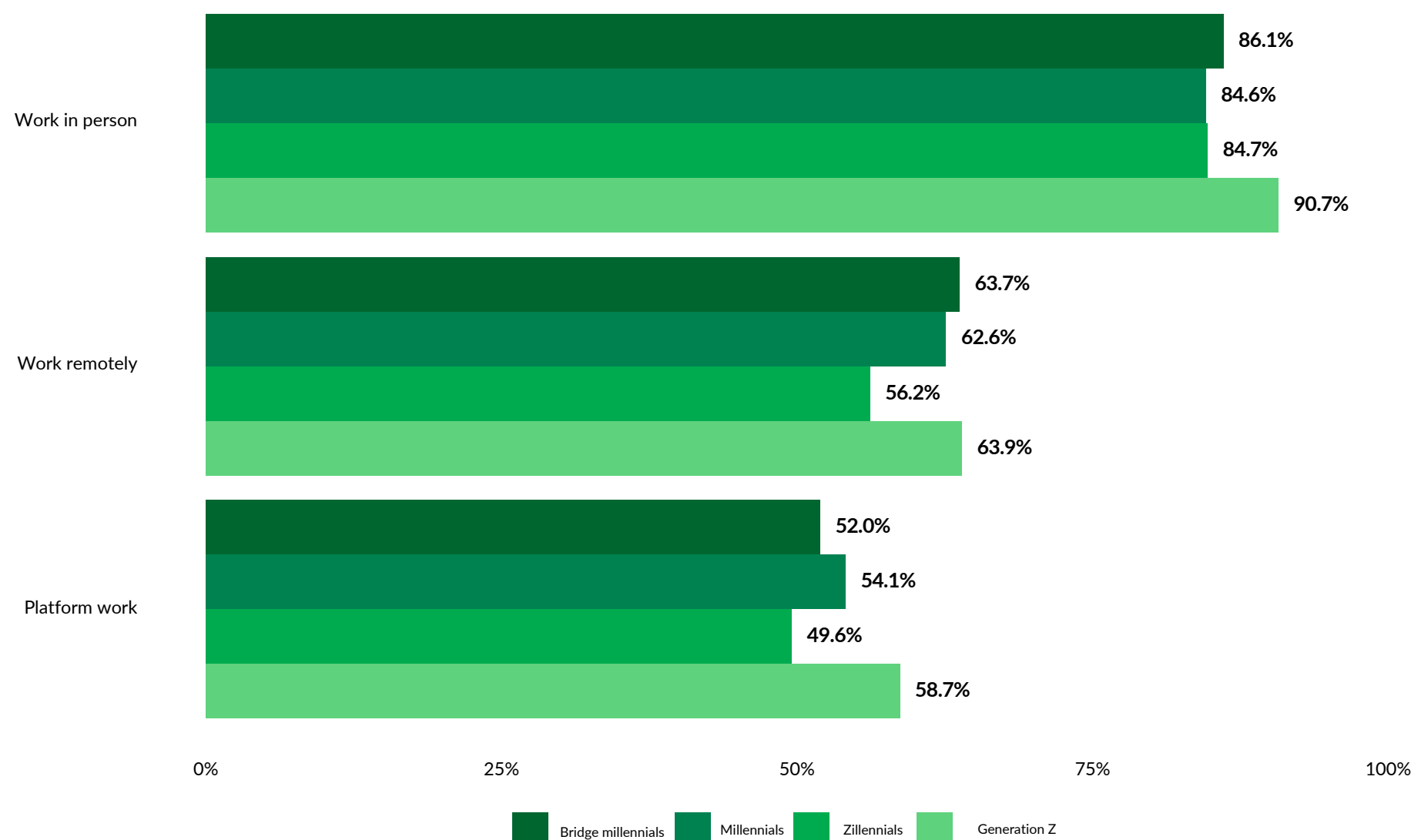
Zillennials are big on digital platforms and use them in all areas of their lives.

Popular platforms

Share of zillennials who use select digital platforms

1. Video streaming platforms: 85%
2. Social media platforms: 85%
3. Music streaming platforms: 81%
4. Mobile games/gaming platforms: 81%
5. Gig work platforms: 50%

FIGURE 4:
ZILLENNIALS’ WORK HABITS
Share of consumers working in select ways, by generation



Source: PYMNTS
The ConnectedEconomy™ Monthly Report, January 2023
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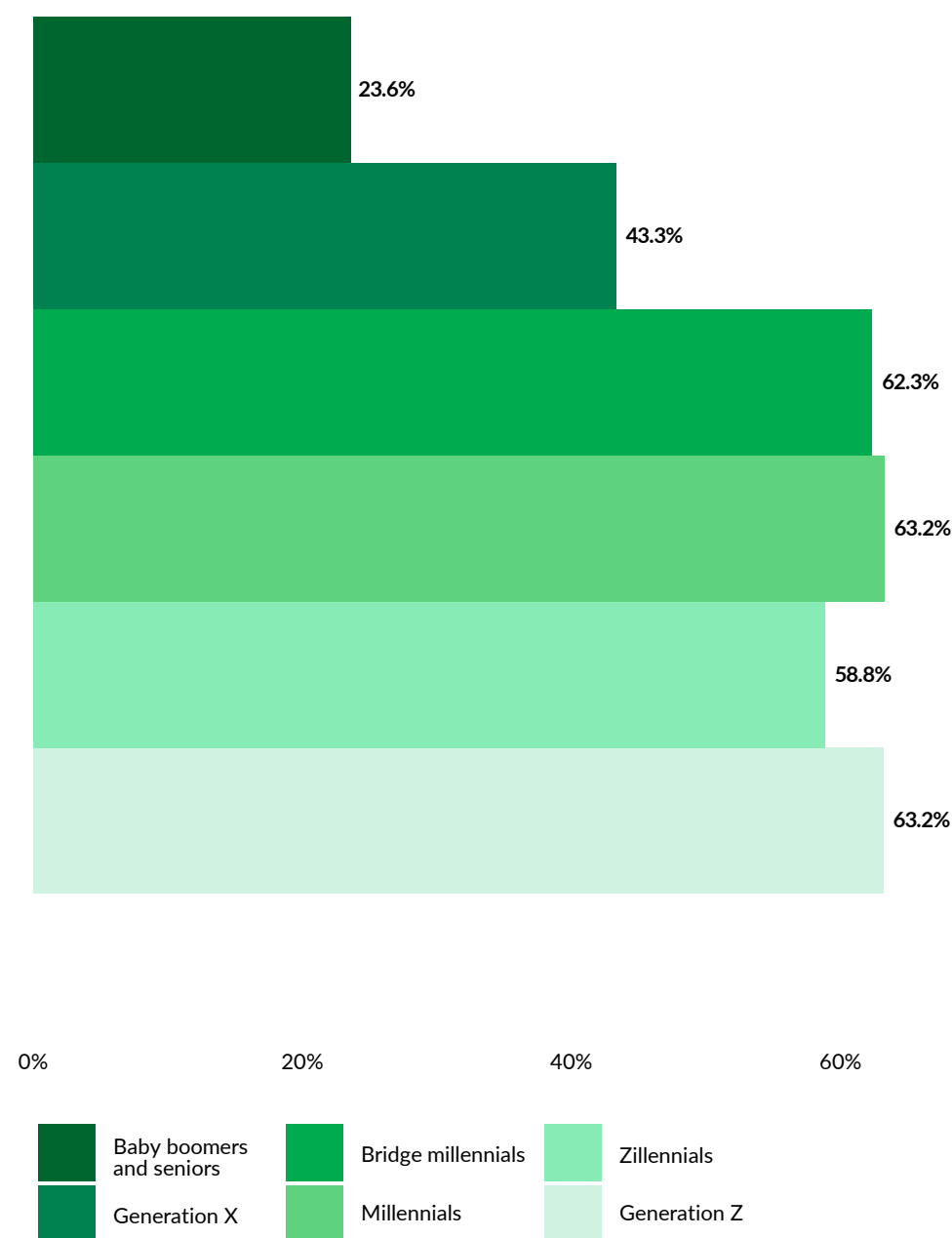
PART III:
Digitally engaged

Zillennials are among the most connected of any generation.

They are nearly two-and-a-half times more engaged in the ConnectedEconomy™ than baby boomers and seniors are, and they are 36% more engaged than Generation X.



FIGURE 5:
ZILLENNIALS' DIGITAL ENGAGEMENT
Average overall engagement in the ConnectedEconomy™, by generation



Source: PYMNTS
The ConnectedEconomy™ Monthly Report, January 2023
N = 3,983: Whole sample, fielded Nov. 10, 2022 – Nov. 17, 2022

The biggest differences between zillennials, Gen Z and millennials is their use of digital channels for work, healthcare and transportation and travel. Zillennials use ridesharing platforms 6% less and attend telehealth appointments 8% less than millennials.

There are also several areas where zillennials are even more engaged than Gen Z. They are 25% more likely to read news through online portals and 10% more likely to play games on consoles like Xbox and PlayStation than Gen Z. They are also 14% more likely than Gen Z to use online casinos and 9% more likely to make retail purchases online for curbside pickup.

That said, zillennials are notably less likely than Gen Z to use digital pharmacy services, like PillPack or Gopuff, and to use voice-recognition technology to transact online.

Zillennials are also more digitally engaged than millennials when it comes to gaming and using social media. Six percent more zillennials are console gamers than millennials, for instance.

Zillennials are considerably less likely than millennials and Gen Z consumers to use connected home technologies as well. Average participation in home technology-related activities is nearly 15% below that of Gen Z consumers, while travel-related digital participation is 11% below that of millennials.

TABLE 1:

THE DIFFERENCES BETWEEN ZILLENNIALS AND GEN Z

Share of zillennial and Gen Z consumers engaging in select activities

Activity	Zillennials	Gen Z	Gap
Read the news through an online news portal or magazine	67.7%	54.0%	+13.7
Play games on a gaming console such as Xbox or PlayStation	75.8%	68.9%	+6.9
Make grocery purchases inside a store	86.0%	79.4%	+6.6
Use an online casino such as Stake.com	45.9%	40.2%	+5.7
Request curbside pickup for a retail purchase	59.7%	54.6%	+5.1
Use a website or app such as PillPack or Gopuff to contact a pharmacist or order and pay for prescriptions	42.1%	54.2%	-12.1
Use self-employment digital tools	50.0%	62.1%	-12.1
Make online payments using voice-activated technologies such as Alexa	44.1%	56.6%	-12.6
Communicate with a romantic partner using an app to check in or coordinate schedules	48.5%	61.5%	-13.0
Work remotely while on vacation	42.7%	60.0%	-17.3

Source: PYMNTS

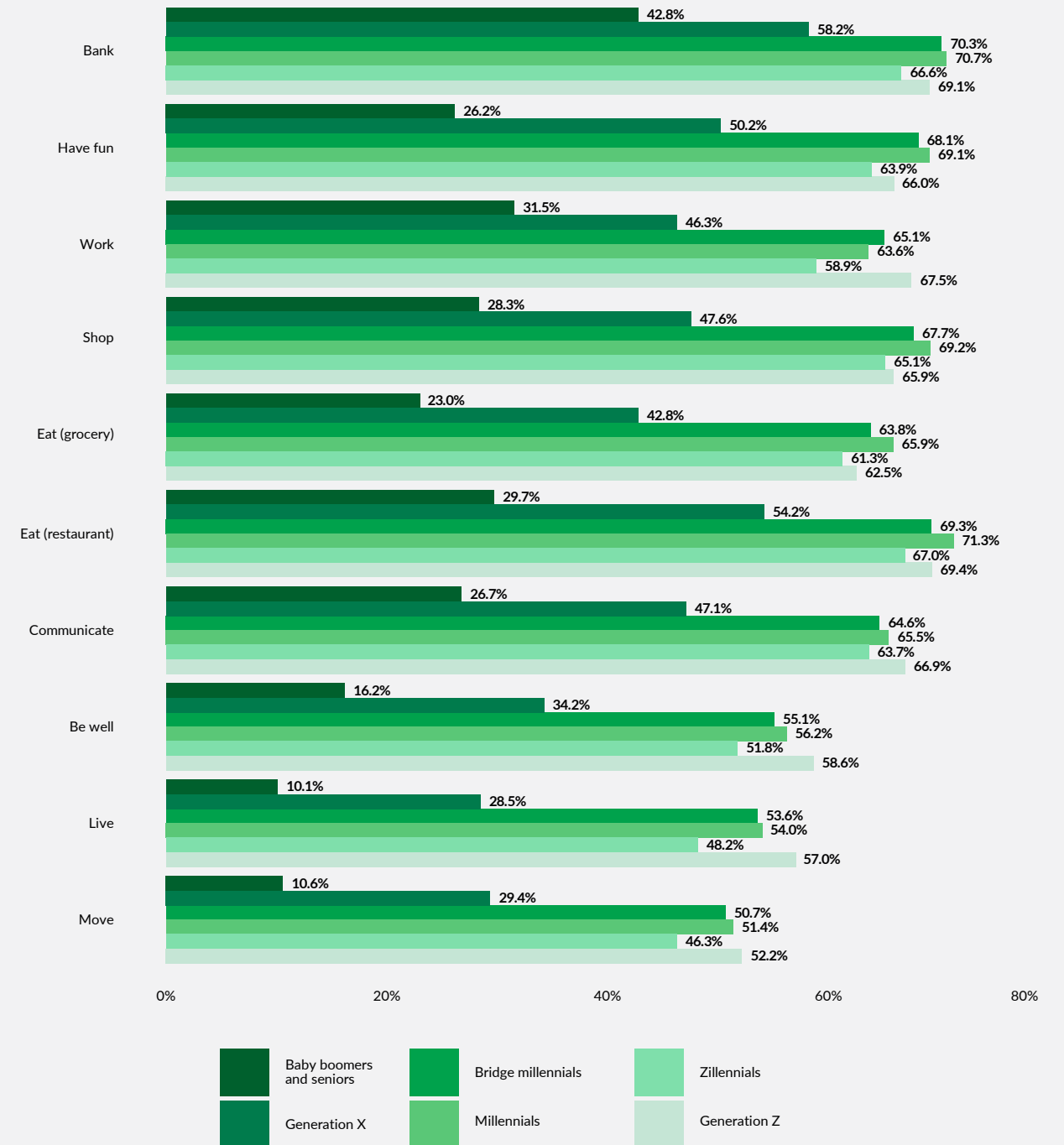
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TABLE 2:
THE DIFFERENCES BETWEEN ZILLENNIALS AND MILLENNIALS
Share of zillennial and millennial consumers engaging in select activities

Activity	Zillennials	Millennials	Gap
Play games on a gaming console such as Xbox or PlayStation	75.8%	71.2%	+4.6
Make retail purchases inside a store	92.0%	90.3%	+1.7
Check for updates on my family or friends on social media	85.0%	84.2%	+0.8
Upload content to my social media profile pages	80.2%	79.8%	+0.4
Work in person at a workplace	84.7%	84.6%	+0.1
Work remotely from home	57.0%	65.6%	-8.5
Read the news through an online news portal or magazine	67.7%	76.5%	-8.8
Communicate with children in the same household via phone call	67.3%	76.1%	-8.8
Read a book on an eReader	47.0%	56.5%	-9.5
Communicate with children that live with you via app	55.7%	69.3%	-13.7

Source: PYMNTS
The ConnectedEconomy™ Monthly Report, January 2023
N = 3,983: Whole sample, fielded Nov. 10, 2022 – Nov. 17, 2022

FIGURE 6:
ZILLENNIALS' DIGITAL ENGAGEMENT
Engagement in different pillars of the ConnectedEconomy™, by generation



Source: PYMNTS
The ConnectedEconomy™ Monthly Report, January 2023
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METHODOLOGY

The ConnectedEconomy™ Monthly Report is based on a survey of a census-balanced panel of 3,983 U.S. consumers conducted between Nov 10, 2022, and Nov. 17, 2022, as a follow-up to a continuing series of studies examining consumers' shift to a more digital way of engaging in everyday activities. Respondents were 48 years old, on average, and 52% were female. Thirty-two percent of respondents held college degrees. We also collected data from consumers in different income brackets: 36% of respondents declared annual incomes of more than \$100,000, 31% earned between \$50,000 and \$100,000 and 33% earned less than \$50,000. Additional proprietary data from PYMNTS was used for supplementary analysis.

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