

Click. Connect. Change the World. How Gen Z lives every day on a global scale

Host: Katherine Kroll

Guest: Ziad Ahmed, Joel Flory and Denise Villa, Ph.D.

- 00:00:02 **Ken Stuzin:** This is Ken Stuzin. I'm a partner at Brown Advisory. Welcome to our NOW 2020 podcast. NOW stands for Navigating Our World. We are simply trying to understand the world better, to navigate some of the most pressing questions that are shaping our lives, our culture and our investment challenges. How will we navigate the future of capitalism, climate change, our geopolitical relationships, and, perhaps most importantly, how will the coronavirus pandemic affect these questions and so many others. We are committed to sharing the views of CEOs and other leaders who are thinking about these questions so that we can all learn from their perspectives. As we look to the future, whether we agree or disagree with each other on the issues at hand, the one thing we know for certain is that none of us can figure this out on our own. At Brown Advisory, we are focused on raising the future, and we hope these NOW conversations will help us do just that.
- 00:01:11 **WS1:** All right. Is Generation Z taking over college campuses?
- 00:01:16 **MS1:** And what is Generation Z in the first place?
- 00:01:18 **WS2:** What exactly is Generation Z?
- 00:01:19 **WS2:** Basically, it's anyone born after the year 1996, so you're looking at all teenagers.
- 00:01:24 **WS3:** Hi, guys, welcome back to my channel, or welcome to my channel if you've never seen me before.
- 00:01:28 **WS1:** Gen Z, yes, they're still young, but they grew up in a very different time. I mean, social media has always been around. Amazon --
- 00:01:36 **MS3:** Live on the Mall in Washington for today's March for Our Lives. It's Saturday, March 20.
- 00:01:36 **WS4:** This is a movement reliant on the persistence and the passion of its people.
- 00:01:46 **MS5:** And the world will change because our voices will be heard.
- 00:01:49 **MS5:** Z-ers may be viewed as shallow, digital natives, incapable of real friendships, but they see themselves as hardworking, entrepreneurial and about to change the world for the better.
- 00:01:59 **Katherine Kroll:** Right now, we may be writing the final chapter in the story of Gen Z. It's never clear in advance when a generation will come to an end. The baby boomers, Gen X- and Y-ers, millennials, none of them knew when their days were up. But there's a growing belief that the huge upheaval of the pandemic will dictate when we close the book on Gen Z. If that's true, it'll be a fitting end for a generation that's had a bumpy ride. The oldest Gen Z-ers are only 24, but in that short time, they've already lived through 9/11, the Iraq War, the financial crash, COVID-19 and the polarization that we've been discussing in this series of podcasts. And yet, they've thrived. They're the most connected generation ever and completely at home with technology. They're compassionate, they're resilient and they're serious. And I think it's time for us to take them seriously.
- I'm Katherine Kroll, and I'm a sustainability specialist at Brown Advisory. I'm not a Gen Z-er, not quite, so I've

been fascinated to take time to learn about people who are only slightly younger than me but very different in a number of ways. I've spoken to members of Gen Z, to people who work with them and to people whose job it is to understand what makes Gen Z-ers tick. In this podcast, I want you to meet three extraordinary people. There's Ziad Ahmed, who is an activist and entrepreneur, and CEO of JUV Consulting and still only 21 years old. There's Denise Villa, the chief executive at the Center for Generational Kinetics, leading generational researchers, and Joel Flory, the founder and CEO of VSCO, the photography app that has become hugely popular with Gen Z-ers. All three of these incredible business owners are at the intersection of Gen Z and the rest of the world. And so we are clearly in very good hands as we navigate the future.

Just like millennials before them and the misinformation that we're all buying avocado toast instead of saving for a home, there are plenty of myths that surround Generation Z. That's why I wanted to begin this conversation with some definitions. Who is Generation Z? What matters to them, and what are people getting wrong about them? I asked Denise and Ziad to lay out some of Gen Z's characteristics.

00:04:23 **Denise Villa:** Oh, the avocado toast story.

00:04:26 **Katherine Kroll:** Yeah.

00:04:27 **Denise Villa:** You know, I think that millennials really got a bad break in the media. What happened with millennials is we had some stories that came out that millennials were entitled. We have -- of course, everybody knows about the avocado toast story. I think what we see with Gen Z is a little different. Gen Z is coming out stronger than ever so far before this COVID-19 has hit. We'll be very interested to see what it looks like afterward. But I think what people first were getting wrong is, "Oh, this is just an extension of millennials." That is the first thing. This is not an extension of millennials. The generation as a whole is extremely different than millennials. So that's number one.

Number two, we're seeing this financial prowess or financial acumen that we did not see in millennials. Gen Z came up at a time when they saw their parents possibly struggling during the recession. And their parents took time for this generation to really talk about all the things, such as how much money it takes for vacations. They talked about auto loans. They talked about mortgages. They talked about how much their families were bringing home in their salaries, which was never talked about before in older generations, right? You never asked your parents how much money you make. Gen Z was brought up with a lot of these things, so they could have open discussions about money. Gen Z's the only group of generation that -- we know that 12% of them already have a 401(k) or some type of benefits plan, retirement plan.

00:06:16 **Ziad Ahmed:** And I feel really proud and lucky to be a Gen Z-er, and I think there are a lot of myths about us.

00:06:21 **Katherine Kroll:** This is Ziad.

00:06:22 **Ziad Ahmed:** You know, in terms of us just being lazy and on our phones all the time. Or a lot of people don't even know what Gen Z is and are still grouping us together with the millennials. I am many things, but I am not a millennial, and I think that's, you know, important to underscore. And so I think the fact that we're distinct, the fact that we're powerful not tomorrow but today, right? I think a lot of people are like, "Oh, Gen Z, they'll be something tomorrow." No. You know, we control many hundreds of billions of dollars in spending power right now. We're 32% of the world's population, making us the largest international cohort in the world right now, you know. We are creating movements that are shifting policy, you know, on a weekly, monthly basis all around the world. This is not a hypothetical future power. It's one that's happening right now, and I think it would serve people well to realize that.

00:07:08 **Katherine Kroll:** All right. So now we have an idea of who Gen Z-ers are and who they're not. They can't just be grouped in with millennials. And without a doubt, part of what defines their experience is social media. It's already a huge part of all of our lives right now, of course, but it seems uniquely so for this cohort, and that makes sense, right? They've lived with it from the very start. So what will that mean for them? What are the implications?

00:07:32 **Denise Villa:** Social media plays such a big role with this generation. I mean, we see this generation as, you know, more than half of them think that social media posts -- would be helpful if employers posted more

about their own jobs and what they do inside of this company building. We have another 55% that say that their social media image is very important to them, and it's something that they actually work on so that people have this, you know, image about them. Also, social media for Gen Z is their number one resource to go to for news. They believe social influencers more than they're going to believe me, they're going to believe, you know, other PhD, some newscaster, politician. This is the way that they take in their news, and it's very important to them.

Let's take politics, for example. When we talk about politics in social media, we see this increasing engagement with Gen Z around politics, right? They seem to be showing up. They seem to be very engaging in the conversation. They seem to have political stances and views. But what we're not seeing as of yet -- and maybe we'll see it in this November election -- is are they showing up to vote. Older generations consider engagement: you show up, you cast your vote. That is engagement. Where we see that as different in the younger generation, such as Gen Z is they see that their engagement in reading about politics on social media, talking about politics on social media is their way to engage, not necessarily maybe voting.

I think we also see that social media plays a very deep root in social issues. It's really interesting, because Gen Z uses social media as a time that allows them to find other like-minded people and interact and engage with them.

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Ziad Ahmed: You know, I think about how Generation Z is different than millennials. What I think of is, OK, millennials adopted to social media maybe in college to reconnect with old friends, right, using it to share life updates, whereas for Generation Z, we've been instantaneously connected to every single person we've ever met, you know, since we were kids. And so our sense of connectivity and our sense of world perspective is vastly different, right? And so Generation Z, we're dubbed the plurals. We're thought to be the first generation that thinks in terms of "we," because when I go to the polls -- and you better believe that I go to the polls -- I'm not just thinking about people who live on my street. I'm thinking about the thousands of people I'm connected to online and how my vote impacts their reality. And I think that little truth says a lot about who we are and what we've been able to experience.

And I think -- you know, and I talk to older folks sometimes in the work that I do, right? I talk to older folks all the time, right? And they would say, you know, "When we were young, you know, we were activists too, and we wanted to change the world," and, yeah, right? I don't think Generation Z is different in that we're disruptive. What I think we're different in is that our disruption gets to be mainstream, that it takes one tweet to bring down Fyre Festival, right? That with one click of a button, we can trigger a national/international conversation, shift to discourse. Our capacity to build movements is built out of our capacity to make memes, right? It's the fact that we've created these communication tools, developed this own unique language that we could then use to galvanize, you know, our peers really, really quickly and instantaneously. You know, it would be much, much harder to build a movement like March for Our Lives without social media, but the fluency that, you know, the student activists at Parkland had with social media allowed for their message, you know, to reach so many more people, you know, with such power and quickness, right?

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Denise Villa: I had a friend whose daughter, one day -- this is before all of this happened -- was clicking away and was like, "Well, what is she doing?" She's like, "Oh, she just put together a group, and they're coming together to talk about an issue that is happening on their campus." And within, you know, 10 minutes, she had 150 people on the group. So they're able to really bring and string people together to talk about things that are very important to them. It'll be interesting to see how this plays out in the next few months even and how the social issues may or may not change as we continue to go through, you know, this transition in our world.

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Katherine Kroll: I wanted to speak to someone whose target market is Gen Z, which is where Joel Flory comes in. His journey to founding VSCO is a really inspiring story, and I think it says a lot about the values that are so important to the company today. It starts like it does for most of us, with his mom.

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Joel Flory: My mom immigrated to the United States when she was young, and my entire childhood was my mom encouraging my sister and I, among many other things, to really stop and see the world through other people's eyes. And she'd always say that when you can travel at some point, you know, really be sure to do so. But for now, the most important way that you can do that is through seeing art and seeing museums and galleries. And so, you know, I remember at the Oakland Museum of California, for example, just stopping

and staring, and my mom asking me, you know: “What is it that you see here? What do you think this artist is trying to tell you?” And I just remember it being such an important kind of critical moment to step out of my world. For VSCO, that vision is a world of why we exist, is a world in which differences are celebrated. And we’ve always built VSCO to be a place not where you share how you want the world to see you but ultimately how you see the world. And so to kind of fulfill that vision of my mom to see the world through other people’s eyes: Can we equip people with those tools? Can we give them a community and a space where they feel safe to be who they are? And that’s been VSCO’s mission and vision from the beginning. And in a lot of ways -- we’re nine-plus years in, but I feel like we’re just getting started, which is exciting.

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Katherine Kroll: There are so many parts of that story that resonate. But when your mom asks you, “What is this piece saying to you” or “What is this piece trying to tell you,” I feel like that is a question that we can take in just so many different facets of life, whether it’s a difficult conversation with a colleague or a family member, or a hopeful conversation, but what is trying to be said versus what is actually being said. I really appreciate that, so thank you for sharing it.

I wonder a bit about the people that you are catering to in your business. So we heard about the people who inspired VSCO, through your mom in part, maybe an older generation, and now your users are younger folks, for the most part. Is that fair to say -- younger than you?

00:14:35

Joel Flory: Definitely younger. So over 75% of those using VSCO are under the age of 25. And I think what we’re seeing in this younger generation is it’s not a matter of making something. It’s just self-expression, being who they are. I think for me, I find it extremely inspiring, and there’s a strong sense of resilience and a strong sense of -- I talk about almost like having this like playbook or way to navigate this social landscape. They’ve lived their entire lives online. They’re beyond digital natives, and now they’re operating and understanding both the good and bad, how they’re going to leverage it for their benefit to get a message out.

And I think the other thing that we’re seeing is like -- when I grew up or when I was a teenager, it was more about just, like, my high school or my town and maybe the Bay Area, if I was, like, really dreaming big. But like this generation is living every moment on a very global scale, where everything that they’re doing, what others are doing, and really understanding how we’re all connected and impacted. So you see this. They’re highly engaged in causes that matter to them, and that really stems around the environment, global warming and these are things that matter deeply to them. They feel that they can come together, and it’s not just something that they’re fighting on their own, but they can come together as a generation. So we see this through what they’re creating, how they engage online, and it’s just really fascinating. And it gives me a lot of hope that it’s not just someone or a generation that’s going to sit back. They are going to engage, as we see constantly from protesting, but just the act of creating and telling their story and being expressive, I think, is a very powerful step toward being an active participant and not just a passive observer.

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Katherine Kroll: Is there a rub between being an active participant and being present in the moment and capturing the moment? I guess that gets [to] a little bit to the friction between social media being a conduit for connection and creation while also sometimes forcing users to go really, really inward in a way that is not always healthy for their mental well-being. And I know this is an issue you and your team think about a lot. So is that a friction, or, if not, what am I getting wrong there, and how are you working to promote well-being with your users?

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Joel Flory: So, yes, I think it’s a friction overall, and I think this is something where people [are] spending more and more time on their mobile phones, online. I think at VSCO, we’ve been very intentional from the beginning to create a space where you can be you. It’s never been about spending as much time as possible on VSCO. In fact, you would never walk in our office or see a dashboard or a report from a leadership team that shows anything about time spent in app. Our business is not about selling ads. It’s not about selling your eyeballs on what we create. It’s really around selling a subscription and delivering something of value that you’re willing to pay for. And for us, that’s not a one-time thing. This is something that’s ongoing. And so ultimately -- you know, we just published a survey for Gen Z in the time of COVID-19, and what they’re turning to is they’re turning to creativity. Over 88% say they’re creating more because of how it makes them feel and the positive impact it has on their mental health.

And for VSCO, we see that as our role to play, to equip people, to inspire people, to give them these connections where they can ultimately be active and create, and, in all intents and purposes, you know, get off their device, not be held captive of staring down on it, but really experiencing the world around them, then leveraging VSCO to capture and create. And so we see this in the usage. So a lot of times, we'll see these huge spikes, nights and weekends, when they've captured all this content during the week, and then they're sitting there editing or finding inspiration for what they're going to create. But this is just architected down to our community. There [are] no public likes or comments. Kind of a picture to paint for -- this is back to my childhood. And if you walk into a museum, you don't walk in and see all of a sudden the artist's net worth. You don't see how many people have walked in front of that piece today. You don't see this long, like -- you know, people sure as hell aren't putting like heart emojis or stickers in front [of] the painting or the piece of work. They're stopping. They're staring. They're having a personal moment with it. What does it speak to them? What does it say to them? How do they engage and connect with it?

And ultimately, I think art is to change us and change our perspective, and ultimately have us go out into the world and change how we engage and participate. And so for VSCO, that power in that moment comes in that life transformation of the individual, not in the, "Hey, did we get them to spend 30% more time in the app because we were able to showcase this many more ads to them this week?" That's just never a driver/motivator for what we do.

00:19:58 **Katherine Kroll:** OK. So let's switch gears to how Gen Z is spending their money. Gen Z has and will continue to have huge spending power. So how are they behaving as consumers, and how does it link to the characteristics we've heard about? What are they thinking about when they're making purchasing decisions?

00:20:15 **Ziad Ahmed:** I don't think people's appetite to buy right now is very high. I think this is a moment of real economic insecurity and anxiety. And I think what people want right now is to see companies doing good and doing well not because it sells, but because it's the right frickin' thing to do. We -- Gen Z wants purpose, right, wants impact. The statistics (unint.) tell us that story. That said, when you only have \$5 in your pocket, can you make that decision? And are we empowering people to be in an economic situation where they have the agency, or access, or ability to choose the purpose-driven good? Maybe not, right? And so I don't fault people, you know, for not buying more ethically sustainable things right now because people really don't have extra money, right? People are really struggling.

And so while I think the appetite is there certainly for purpose-driven goods and campaigns and etc., it's not necessarily translating to consumer buying because people don't have a lot to spend.

00:21:14 **Denise Villa:** Broadly speaking, be authentic. Don't tell Gen Z what you think they want to hear. Be who you are because they will be the first ones to call you out knowing that you're not authentic. So that's number one. Number two is Gen Z is really influenced by social influencers. So if you have a social influencer that is also authentic about your brand and can bring your brand to the forefront, that's going to be a great way to reach Gen Z.00:21:46We have a school in Texas that actually launched with two Gen Z influencers, and they ended up going to this very large university in Texas. And because of that, they have really influenced this whole new stream of applicants that are coming into the university. Also, if your company is authentic to a social cause that can speak to Gen Z, I'd really push that forward. That's the other part -- is if they can connect with you and not as a "this is a company that's brick-and-mortar," but they connect with you in a value way, that's going to go a long way with Gen Z.

00:22:27 **Joel Flory:** I think the difference of a brand being able to real and authentic, that's just -- they have to be who they are. And if they are nothing, if it was just a good business idea, and it was a quick way to make a buck, I think those companies are at risk when it comes to Gen Z because they're going to sniff it out. They'll choose a competitor that is authentic, that stands for something and that is creating a better world for everyone.

00:22:49 **Ziad Ahmed:** You know, like a great example of this is, you know, you talk to Joel Flory from VSCO, right? And working with them makes my heart happy, right? And I work with a lot of wonderful companies, but the reason they make my heart happy is because they approach the conversation from a place of listening first always. And it's in the details of the company that speak their values. You know, I've checked in at more iPads than I care to count at companies, right? And they're the only company I've ever check into that have

pronouns when you check in, right?

00:23:20 **Katherine Kroll:** From everything we've heard so far, it sounds like Gen Z-ers know authenticity when they see it and can differentiate between what's authentic and what's marketing disguised as authenticity. I think part of being authentic comes from lived experience, and that's not something you can fake or proxy. So it feels really important for a business to reflect the diversity of experience and people it's trying to serve in its business if it really wants to connect with its customers, which, Joel, I know you do. So can you walk us through VSCO's journey of building a diverse team and why it matters to you?

00:23:57 **Joel Flory:** I think it's something extremely critical, but I'll also be very transparent. It's not something that I invested in from the beginning. It's something that was a bit of a transformation for myself and my career. We hired, back in about 2014 or '15, 2014, a woman by the name of Katie Shields who our head of people -- and I remember one moment, Katie mentioned to me, and she said: "You know, Joel, you talk so much about, like, culture fits in the hiring process. You know, I really encourage you based upon, like, the vision that you have and what you're trying to accomplish, like, if you're actually looking for culture adds, people that will change the culture at VSCO, help it evolve and bring a new perspective, we're going to be better off as a company. We'll better understand those that we're serving." And so this was, like -- it turned from kind of something that I cared about but I didn't really bring into the process of building the company to now something where it's all I think about. And it's deeply understanding the needs of our consumer, understanding the needs of the team and surrounding myself with diverse perspectives that don't look or sound like me, because I already have that perspective. I don't need more of my own voice in my head. And so I think that's something that for other leaders out there, if you are sharing more answers than asking questions, I think something's wrong, and I think -- because my biggest thing that I work on is asking questions that drive others to answer. That is, like, my mantra and, like, what I'm just, like, pounding on myself over and over and over.

00:25:30 **Katherine Kroll:** I'm in Austin right now. You're in Austin right now. We're probably a quick bike ride apart, yet we're having this conversation over the screen, which is something that Gen Z will be able to navigate more easily than older generations will be able to and, in some way, is built into the way they connect. But there will be other consequences of COVID-19 on this generation, and I'm curious to hear how you're thinking about some of those impacts, both in terms of the short-term consequences as they relate to job opportunities or continuing education as well as any positive impacts you might be able to find, of course, acknowledging that it's hard to find positivity in such dire times.

00:26:24 **Denise Villa:** What we're seeing right now is we see this generation [whose] oldest are 24 years old who are already independent. They probably already have a job. They have already been out of the house for a couple of years, and all of a sudden, you have this tragedy hit. And many times, these younger employees are sometimes the first ones fired -- the last ones hired, first ones fired. And so now, they're going to have go through this entire time period of figuring this out, and this could lead to many different scenarios, perhaps going back home and living with their parents after they've been out a few years, finding different ways to cope with this time of their life when they don't have a job, when they're stuck at home, etc. So I think for those people in that age group, this is going to be extremely tough, and it's going to be a huge pivot in their lives.

And then we have our younger kids, like my daughter, 9 years old, the middle school students. There's a little bit of a joke that goes along with a lot of parents right now. When you ask kids who are 9 or 10 about this time, when they're 18, they'll say: "Oh, I don't really remember COVID-19 that much. I do remember my parents being home a lot. And I remember being with my parents quite a bit." That's only some of the population, right? There [are] a lot of kids out there who have parents who are working and struggling and trying to keep meals on the table, and so their outlet could be very different. I think you're going to see quite a mix between this generation on the younger age of their memories. What you will see is a new way to study, a new way for education to be approached to the students. I think you're going to see a ripple effect as this continues to go, and there might be part of the population that actually wants their kids to stay home and do online learning rather than going back to school.

00:28:51 **Katherine Kroll:** There is so much uncertainty right now and, frankly, a lot of fear. I think many of us are

searching for hope. So to end this, we wanted to ask you, what is it about Gen Z that gives you hope for our collective future?

00:28:51 **Denise Villa:** I think this generation is going to be filled with strength. I think they're going to overcome. I think they're going to come out of this stronger than ever and not take this lying down. They're going to go find their ways in the job marketplace, in society, and they're going to come out swinging.

00:29:12 **Ziad Ahmed:** I always find hope in my peers. I have the most incredible peers, you know, from Katie Eader to Clover Hogan to Nupaul Kiozola, right, who are young people doing such incredible work at the forefront of issues that matter, from Black Lives Matters to climate change, etc., and they give me hope, that people are fighting, you know. And it might look different. It's not pounding on the pavement, because we can't right now, right? But I certainly hope a year from now, the world looks quite differently than it does today, and that we are bonded closer, and that we have grown and learned from this, and that we mourn those that we have lost, and that we mourn this moment of suffering, but that we move forward with the compassion and reflection that this moment demands.

00:29:54 **Joel Flory:** You know, I think, like -- I bring it back to my home, and I think, like, seeing the world through my daughter's eyes, seeing just even how they've taken the environment I've created, my wife and I have created together in our house, and how they've taken it even so much further. They're more self-aware. They're more aware of the needs of others. They're more empathetic than I've ever been, and they think a few steps farther down the road, like, around how to support and help in a more lasting and impactful way, not just in, you know, giving money one time. That's not, like, actually making a difference. How can we build a system? And so I'm excited just to continue to equip and provide these opportunities for others to be an active participant in making the world a better place.

00:30:50 **Katherine Kroll:** Thank you so much, Joel, Denise and Ziad. I've learned a lot from this conversation, but here's maybe the biggest thing you've taught me today: Polarity feels increasingly pervasive, and we can strive to minimize the way we negatively interact with it. But whether it be in our interpersonal relationships or at a global scale, it's fair to say there will always be extreme differences. We're going to have to learn to work with and work through. But what is so inspiring about this generation is they aren't under any false impression that polarization is avoidable. They were born into it. They know perhaps better than any other generation how to navigate our world. And the sooner we start to listen and start to learn from them, the better off we'll be.

00:31:45 **Ken Stuzin:** Hello again. This is Ken Stuzin. Thank you for joining us as we continue this effort to seek out insights that help us better understand the rapidly evolving world in which we live. If you enjoyed listening, we encourage you to subscribe to the podcast. We will be back with another episode next week, when we will have the great honor of speaking with Dr. Carla Hayden, the librarian of Congress. Until then, be well and stay safe.