Here’s What’s Driving the Trend of Self-Made Gen Z and Millennial Millionaires

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The media paints a very bleak picture when it comes to the financial prospects of young people. But there is another story that needs to be told — one of a new generation of self-made millionaires.

Yes, millennials and Gen Zers are facing some unique challenges. They’re coming of age in a time of economic uncertainty and rising inequality. But make no mistake — they are also a generation taking control of their own destiny. From savings and spending habits, to side hustles and investing, today’s young people are determined to build a better future for themselves.

And they are succeeding. In spite of the challenges they face, more and more young people are becoming millionaires. In fact, there are now well over 600,000 millennial millionaires in the U.S. alone. In the UK, the number of millennial and Gen Z millionaires has doubled over the past year, with many more on the way with higher wages.

What’s driving this trend? A combination of factors, including increased access to information, technology and capital. But most importantly, it’s a change in mindset. Young people today are not content to wait for handouts or hope for the best. They’re taking matters into their own hands.

Consider “Gen Z VCs,” a 14,000-strong group of young people in

the VC industry. Or the twenty-somethings who are taking advantage of the sharing economy to earn six-figure incomes. These are just a few examples of a new generation of go-getters who are rewriting the rules of success.

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Young people are saving earlier

One of the most important factors in building wealth is starting to save early. And that's something millennials and Gen Zers are doing in droves. A recent study found that 35% of Gen Z plans to start saving for retirement in their twenties, and 71% plan to pay for college with money they earn from working.

What's more, younger people are increasingly savvy about where they're putting their money. They're not using traditional solutions, either – many are investing in alternatives like peer-to-peer lending and cryptocurrency, and a whopping 94% use online banking.

Of course, there's always the potential for things to go wrong. But by taking an active role in their finances, young people are setting themselves up for a bright future.

They're also rethinking debt

In recent years, there's been a lot of talk about the "millennial debt crisis." And it's true that student loan debt is a huge burden for many young people, but instead of giving up or declaring bankruptcy, millennials are finding creative ways to manage their debt.

For instance, a LendingTree study of over 340,000 users showed that millennials reduced their average amount of debt by $9,117 between 2019 and 2021, while Gen Z reduced their debt

load by $2,500. In comparison, boomers increased their debt by $8,848 over the same period.

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They’re building side hustles

In the gig economy, side hustles are increasingly becoming the norm. And nearly two-thirds of Gen Z has started, or plans to start, their own business. Further, nearly half of Gen Z has multiple side hustles.

What’s driving this trend? Economic insecurity and the desire for more balanced lifestyles surely play a role. But whatever the reason, there’s no doubt that side hustles can be a great way to make extra money and achieve financial goals.

They’re getting creative

Gone are the days where the “60-40 split” was a gold standard for retirement planning. With consistently low interest rates and rising life expectancy, millennials and Gen Z-ers are having to get creative with their financial planning.

Beyond the new breed of venture capitalists, young people are investing in truly unique asset classes like luxury and streetwear pieces, fine wine, whisky, art, and of course, cryptocurrency. They’re not afraid to think outside the box when it comes to their careers, either. From “digital nomads” who work remotely, to “solopreneurs” who build businesses by themselves, young people are rewriting the rules of work.

Further, while the term “VC” may conjure up images of old, wealthy white men, the reality is that Gen Z and millennials are entering the space in a big way. These young VCs are taking advantage of the market downturn by investing in early-stage companies at a discount, aided by platforms that are

democratizing the asset class, such as Gridline. Gridline is a digital wealth platform that provides a curated selection of professionally managed alternative investment funds with low capital minimums.

Ultimately, there’s no doubt that millennials and Gen Zers face some tough challenges. But instead of waiting for someone else to fix the problems, they’re taking matters into their own hands. And that’s something we should all be excited about.

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