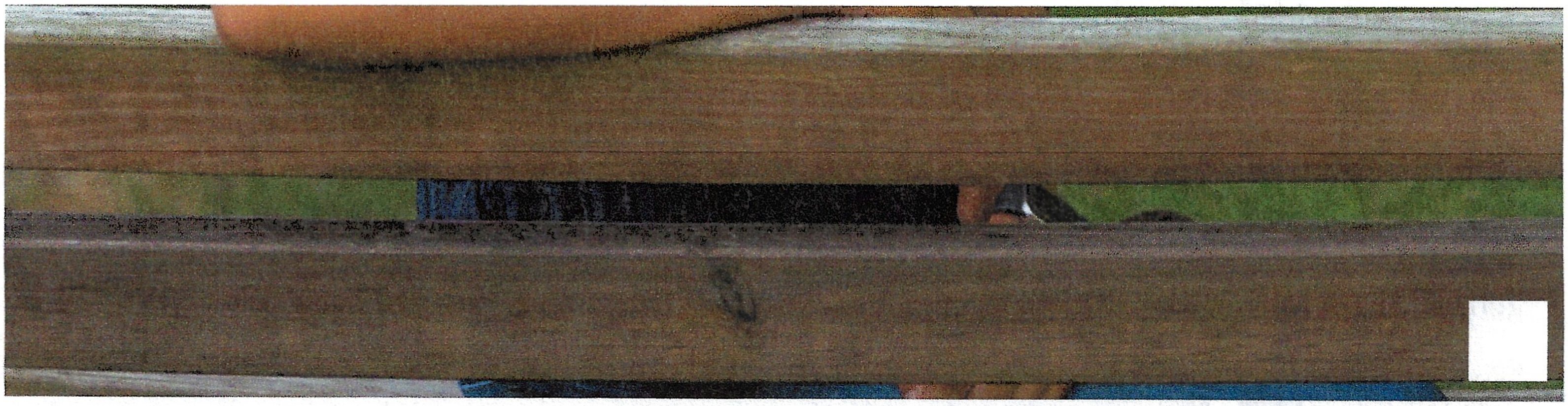
K: BUSINESS
SUNDAY, AUGUST 30, 2026

Gen Z building wealth in stocks, not housing

Translate



Kana Cummings would like to buy an apartment someday but she's focused on investing, in Moreland Hills, Ohio, Aug. 20. When it comes to building wealth, Gen Z is more focused on investment apps and their retirement accounts than they are in building equity in a home. DANIEL LOZADA — THE NEW YORK TIMES

By Sophia June
The New York Times

Kana Cummings got into personal finance in 2020, when "the world was kind of crumbling," she said.

It was her junior year of college, and some students had organized a personal finance workshop to help quell anxieties during the coronavirus panic.

"It was such an inescapable time," said Cummings, 26, who lives in Cleveland. "I think people were like, 'We really need to be thinking about these things kind of early.'"

After taking the workshop, she opened a Roth individual retirement account and funded it with earnings from a summer internship. Since then, she's continued investing. When she was hired at a management consulting firm after graduating, she contributed to her company's 401(k) plan and funded her Roth IRA with her annual bonuses. She has an emergency fund that she keeps in money market funds and a separate, passive investment portfolio.

Eventually, she'd like to buy an apartment in a big city. But buying a home isn't something she is actively saving for, and she doesn't like the idea of spending money on rent, either. She is currently living with her parents before moving out to start business school later this month.

Rising housing costs and high mortgage rates are making buying a house increasingly less likely to be part of Generation Z's ticket to building generational wealth. According to a Pew Research Center survey published in June, 89% of adults under 40 say it is harder for young adults today to buy a home than it was for their parents' generation. The survey also showed that young adults are less likely than older ones to say buying a home is a "very good" investment. Note

Instead, they see saving for retirement, trading on apps and contributing to high-yield savings accounts as their best ways to build wealth.

Though homebuying may feel out of reach, saving for retirement has become one of the biggest financial targets for Gen Z. Research has shown that they are more flexible at pivoting to this form of wealth building than millennials. According to an analysis on retirement savings behavior published earlier this year by Fidelity, Gen Z contributions are increasing 65% year-over-year, more than double that of millennials.

"Compared to before when people stayed in their careers longer and companies offered pensions and things like that, I think people have to fend for themselves a little bit more," Cummings said. "I'm just trying to be conservative and make sure I have a few different buckets of savings so I'm all set in the future."

Roberta Katz, a Stanford University scholar who has done extensive research on Gen Z and co-authored the book "Gen Z, Explained: The Art of Living in a Digital Age," said that Gen Z is a generation marked by uncertainty and malleability.

"For boomers, there was a sense that you have your home, that you build your wealth, that you could build an estate," Katz said. "For Gen Z, when we did our study, they did not have any sense of that. One of the things our study found was a very high value for Gen Z on flexibility because there was a belief that the world they were going to know was a world of change."

Jeff Sharp, 28, works part-time as a bartender while attending flight school to become a pilot. He lives in Bend, Ore., where the median cost of a home has risen to $700,000, nearly 75% higher than 20 years ago.

"One of the things that my close friends and I talk about a lot is the difference between what the economy was like for our parents and what the buying power of the U.S. dollar used to be, and what we're looking at now," Sharp said. "There's still a fair amount of anxiety about how we're going to be able to reach our financial goals."

Sharp started investing in his early 20s, using a trading app, Robinhood, to buy individual stocks. After he learned more about personal finance and decided to follow the best practices of investing in index funds, he switched all of his investments from Robinhood to Vanguard and set up automatic contributions for a Roth IRA and a 529 college savings plan for his daughter. He also uses Acorns, a micro-investing app.

There are now a wide variety of budgeting and investing apps available, and Gen Z is eager to learn about their options. A Gallup study found that 81% of Gen Z adults seek personal finance guidance, with 75% finding information online.

Adam Benton, 23, works as head of operations at Titan Dynamics, a defense technology startup. When he gets his paycheck, he moves a portion of the money into his retirement, brokerage and high-yield savings accounts, using the Charles Schwab app to invest in index funds. He monitors his progress using the net-worth tracker in an app called My Wallet, which shows a graph charting the growth of his wealth.

He saves as much as he can and wants a buy a house one day, but it's not a goal that feels achievable any time soon.

"It's so far away, it's like, what are the odds of ever getting there?" Benton said. "It is definitely not the same perspective that like my parents have where they say, 'You have to get into real estate to really build wealth.' "