

**Understanding the Generation Z: Financial knowledge and
financial anxiety during COVID-19 pandemic**

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Abstract

This study examined the associations of financial anxiety with financial knowledge and COVID-19 across generations in the United States. Results from the 2021 NFCS dataset indicated that Generation Z had the highest level of financial anxiety but had the lowest level of financial knowledge compared with other generations. Further, Generation Z had the highest rate of experiencing health and labor shocks due to COVID-19 pandemic followed by Millennials, Generation X and Boomers. Regression results show that COVID-19 shocks were positively while financial knowledge was negatively associated with financial anxiety and these patterns were held across subsample of generations. Chow tests confirm that the associations between COVID-19 shocks, financial knowledge and financial anxiety were statistically different across generations. This study provides a comprehensive financial profile of Generation Z and other generations during the COVID-19 pandemic with insights for policymakers, educators as well as financial practitioners.

Keywords: Generation; Generation Z; financial knowledge; financial anxiety; COVID-19 pandemic

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