

Submittable 

Millennials, Gen Z, and the Rising Demand for Corporate Social Responsibility



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The changing landscape of corporate social responsibility

Corporate social responsibility (CSR) is an evolving management practice that brings issues like sustainability and accountability into a company's business model.

It's how companies big and small are enacting change and making a difference.

Raising awareness, building trust, taking responsibility, and encouraging change are all central to CSR. Although usually seen in big companies, the recent booming of younger generations combined with their commitment to social awareness has made CSR a priority for businesses of all sizes.

CSR used to be an afterthought for large corporations who were established enough and successful enough to give back. It was simply a nice thing for these businesses to do. But now, because of the values and priorities of the younger generations, corporate giving must be built into the mission and DNA of businesses in order to make them relevant to the public and viable in the long term.



Promoting gender equality



Combating global warming



Giving to charities



Reducing carbon



Volunteering in the community



Fighting poverty



Improving labor policies



Providing education



Supporting renewable energy



Boosting public health



Reducing gas emissions



Advocating for racial justice

The younger generations think differently, make purchases differently, and navigate the world differently. They also have different concerns. As they take center stage, your business must make their priorities and perspectives your own.

So, what does great CSR look like?

Successful CSR examples might include Google reaching its 100% renewable energy target, or Microsoft's lofty plans to become carbon negative by 2030. Other possibilities include a small business getting involved in local community service, establishing a local scholarship or grant, or partnering with the neighborhood food bank.

CSR isn't necessarily about grand gestures or big budgets—it should be centered around meaningful actions that have lasting impacts on society, the community, and the environment.

Key benefits of CSR

- Better employee retention
- Increased customer loyalty
- Better recruiting
- More business opportunities
- Improved company culture
- Increased sales
- Stronger business reputation
- Stronger overall company mission

How does CSR help a business?

CSR has been something of a buzzword during the last few years, with increased discussion about whether implementing it can actually help a company increase its profit margins and enhance its reputation.

Research indicates that the answer is yes.

A company implementing CSR can make its mark in environmental, social, and corporate arenas while also increasing margins and establishing a strong position in any industry.

We know from research that implementing solid CSR programs will benefit your business in lots of ways—but there are three major ones.

Happier employees who stick around

Before you transform your office break-out area into a giant swimming pool to improve employee morale, consider CSR. Giving back to the community doesn't just help the community—it helps your team internally. The data shows that a successful CSR program can increase productivity, reduce turnover, and increase happiness among employees.

Businesses who committed to CSR saw:

13% INCREASED
PRODUCTIVITY

50% REDUCED
TURNOVER

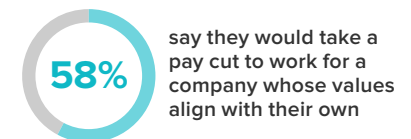
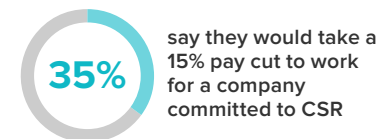
For companies looking to hire and hold on to talent, CSR is becoming a crucial part of their long-term strategy.

Job-seekers are looking for companies that use their resources for the greater good. Younger generations like Millennials and Gen Zers, in particular, are often willing to make personal sacrifices like pay cuts in order to work for a company that's doing its part to become more responsible and aware of its impact on the community.

Stronger business reputation and brand

CSR is a way for organizations big and small to help make the world a better place. Companies can demonstrate that they care about something other than their profit margins by implementing a CSR program.

Among employees:



How a company's CSR affects Millennials' buying choices



CSR can also help a business boost its reputation. In an open letter to CEOs, Blackrock Chairman and CEO Larry Fink offered some advice to his colleagues:

Society is demanding that companies, both public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance but also show it makes a positive contribution to society.

Consumers don't buy products because they care about the company's profit margins.

Millennials and Gen Zers look for CEOs who behave ethically, act responsibly, and demonstrate genuine care

about social, environmental, and corporate issues. Plus, research indicates that younger generations are prepared to put their money behind companies that excel in CSR.

Increased customer loyalty

We know that CSR can help you win customers but what about keeping them?

Customer loyalty gets more difficult with each passing year. Consumers have virtually unlimited options and can switch from brand to brand quicker than flicking between smartphone apps.

Traditional loyalty programs don't make the cut with today's consumers.

Customer rewards, discounts, and points have nothing on social media coupons and promotions.

Now, more than ever, companies need an edge if they want to stand out and keep customers engaged. And they need to align with what today's consumers care about—making a difference.

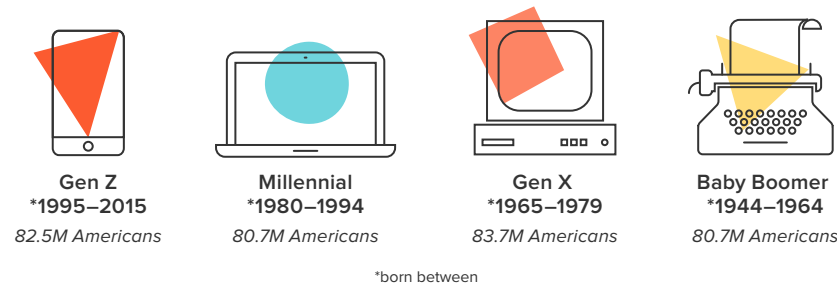
Consumers want to do business with companies that share their values and social causes—and that's how businesses can keep customers.

Of all current generations, Millennials are the most active when it comes to giving back—84% donate to charitable organizations in the form of volunteering their time or donating items like clothes, food, and supplies. Brands that respond to these impulses, especially by fostering engagement on an environmental or social level, can create customer loyalty that reaches deeper, more personal levels.

Millennials & Gen Z: What modern organizations need to know

How do generational differences happen? It has a lot to do with history, technology, and changing times—even parenting trends and shifting philosophies can greatly influence how groups of people born in certain years form their personalities, habits, and opinions.

Gen Z, Millennials, Gen X, and Baby Boomers by the numbers



Marketing is often about connection and understanding—and if you’re from a different generation, you might not fully understand how people from younger generations think. More than that, you might not understand how they interact with the world or how they make decisions.

If you’re a small, medium, or large organization, here’s what you need to know about your quickest-growing customer bases—Millennials and Gen Zers.

Millennials in the workforce

4 key trends among Millennials and baby boomers in the workforce

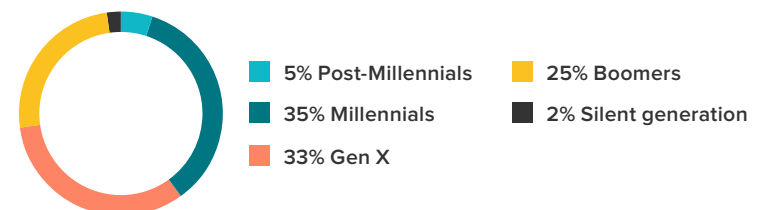
1. Most engaged and loyal generation: Baby Boomers
2. Find less meaning in their work: Millennials
3. Have the most faith in their organization’s internal strategy: Baby Boomers
4. Least satisfied with their pay: Millennials

As early as 2020, more than one in three American employees are Millennials (35%).

By 2025, this generation is expected to encompass 75% of America’s entire workforce.

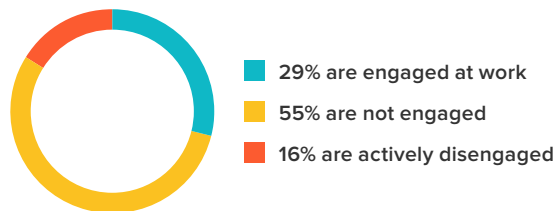
But along with their younger counterparts, Gen Z, Millennials are often dealt criticism over their commitment (or lack thereof) to the workplace. Media outlets brand them as being high-maintenance and a generation with “snowflake” tendencies—they’re sensitive and care too much. At the same time, 84% of Millennials reported experiencing burnout from their demanding workloads while salaries haven’t risen with rising costs of living.

Millennials take up over a third of the US labor force



Older generations have branded them as the “job-hopping generation”—while it was once the norm to stay at a job until retirement, the younger generations seem happy to switch jobs when a better opportunity arises instead of staying committed to one place no matter what else is happening around them.

Over half of all Millennials are unengaged at work



In fact, Millennials are reported to be the least engaged in the workforce, changing jobs more than any other age group. But despite being brandished as lazy and entitled by older generations, there are real, meaningful reasons for Millennials’ choices. One thing they look for in a company is accountability and community involvement—and they have no problem moving around until they find it.

What Millennials look for in the workplace

- **A good work-life balance**
- **Flexible or remote working options**
- **Engagement with top management on a regular basis**
- **Active engagement in social or environmental issues**
- **Frequent job promotion opportunities**

Millennials and Gen Z as employees

Millennials and Gen Z are different from other generations of employees and consumers.

As employees, Millennials want a clear vision of what they’re doing to contribute to the success of the company. It makes up a big part of why this generation tends to switch jobs so often.

Millennial employees want to see the bigger picture

Too often, older generation executives think that younger employees (in junior positions) don’t need to see the bigger picture and will be happy doing the minimum for a salary. This huge misconception couldn’t be further from the truth.

For the “purpose over paycheck” millennial, seeing the bigger picture is often a necessity for motivation and focus.

They want to understand on a deep level what the company does in order to feel a sense of connection to their work. As employees, they want to see how their day-to-day tasks directly support the company’s goals and missions. They also want to see a clear path for advancement.

Millennials and Gen Z are generations that place huge importance on making an impact and being able to see that impact through direct cause and effect.

These new generations associate their jobs with more than a paycheck—they see a job as an integrated part of their lives that should be as meaningful as what they do outside of work.

Millennials and Gen Z as consumers

Millennials and Gen Z are now the biggest global generation, making up 64% of the world's population.

And as they enter their prime spending years and Boomers retire, many brands have rightfully started to focus their marketing efforts on Millennials and Gen Z.

But as consumers, Millennials and Gen Z engage with brands differently than older generations like Gen X and Baby Boomers.

Millennials are interacting with brands more than any other generation



These two generations expect more engaging experiences with brands. Big, generic commercials on TV don't resonate—in fact, these generations rarely watch television commercials at all. Traditional forms of marketing that may

have appealed to their parents strike them as hollow and distant.

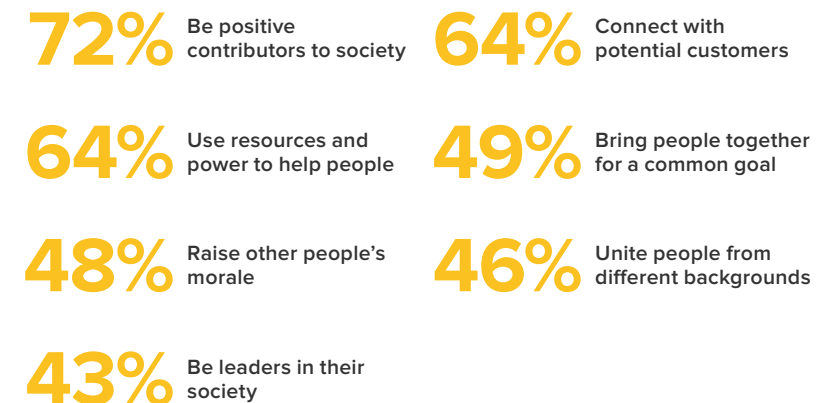
Millennials expect brands to reach out to them, to build a relationship and to understand them—they want to be involved before they make purchases.

Millennials and Gen Z expect brands to talk to them first.

Before the explosion of social media (what Millennials grew up witnessing and what Gen Z was born into), it was very difficult for consumers to have any kind of dialogue with brands, big or small. A brand was often not much more than its logo, and a brand's voice had to be conveyed through paper ads and TV spots.

Now, big brands have public conversations with consumers on Twitter, Facebook, and Instagram—and it all comes together to attract and win with the two largest age groups.

What today's consumers expect from brands



Brands and businesses need to accept that this generation is active, not passive.

The tried and true methods of traditional advertising don't appeal to the majority of Millennials and Gen Zers. They're holding brands accountable and are less likely to buy into fads or generic campaigns.

This means that both generations tend to steer away from mass-produced branded products in favor of smaller, personal, eco-friendly brands.

Millennials look out for CSR before they buy

Similar to their willingness to take a pay cut to work for a CSR-conscious company, Millennials and Gen Z are likely to go out of their way to find a brand with meaningful values, even if that means spending more.

In 2015, Nielsen surveyed 30,000 consumers in 60 countries around the globe to find out what influences how people feel about brands and how that affects their buying habits. The results showed that 66% of global consumers are willing to pay more for sustainable products.

73% of Millennials said they are willing to pay extra for sustainable goods—that's almost three out of four.

Coming of age in one of the most difficult economic climates in recent history doesn't seem to affect this generation's willingness to pay more for responsible brands.

For many Millennials, sustainability isn't a 'nice to have' but a primary reason to either buy or not buy from a brand. That goes for Gen Z too.

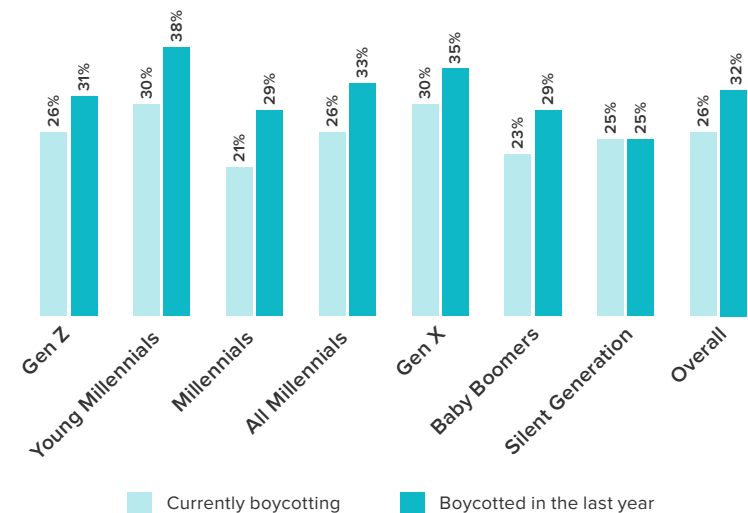
In a First Insight report, results showed that 62% of both Millennials and Gen Z (respectively) are willing to spend an extra 10% or more for sustainable products. Compared to 34% of Gen X, it seems that the younger the generation, the stronger the demand for sustainability. Baby boomers are the least affected by sustainable practices, with only 23% demonstrating concern.

Gen Z and Millennial consumers are the most likely to make buying decisions based on values and principles.

Growing up in an interconnected world has created critical thinkers

Millennials grew up witnessing the explosion of technology and Gen Z was born straight into it. They live in an increasingly hyper-connected world, with virtually unlimited information at their fingertips.

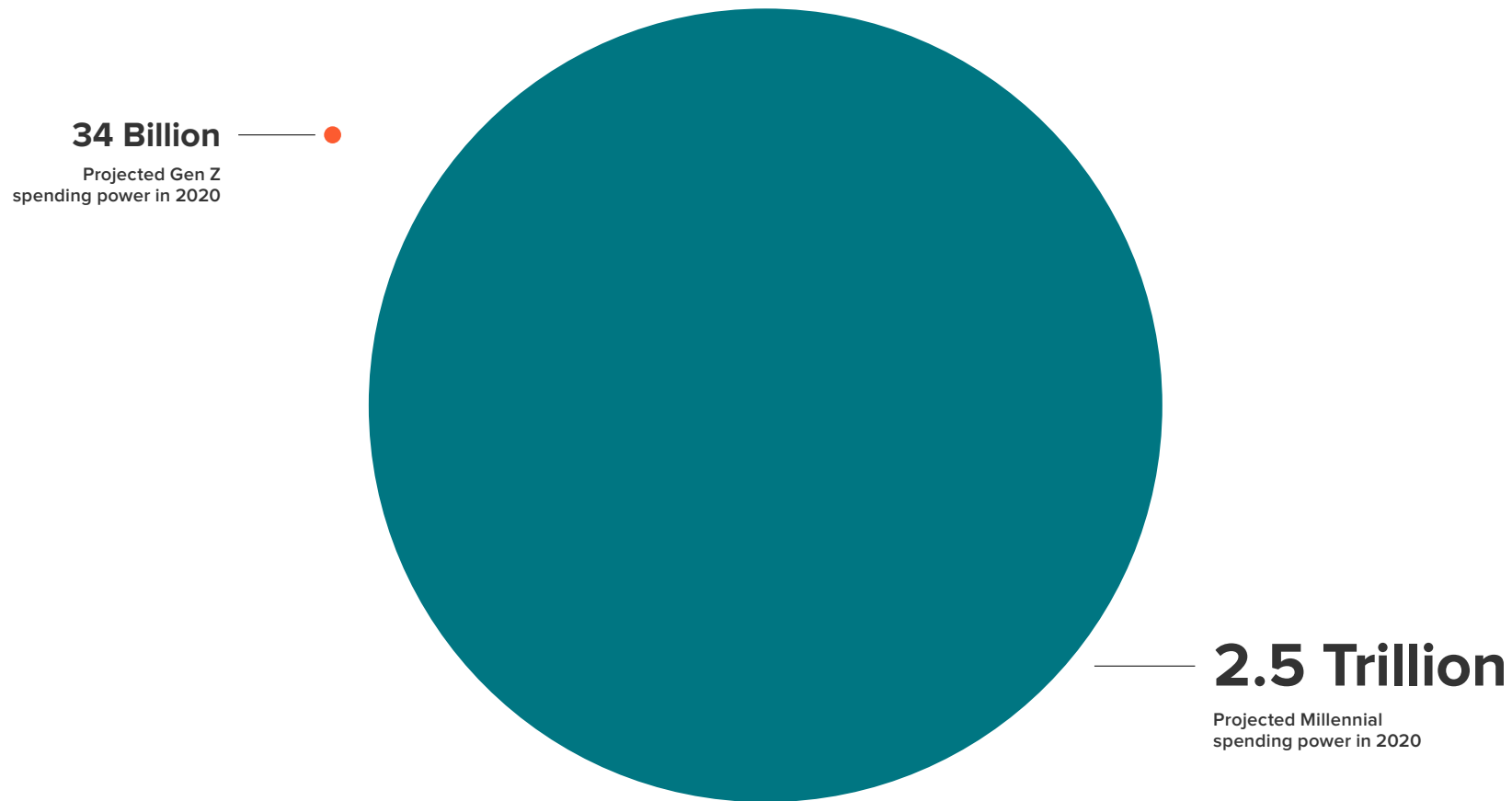
Millennials and Gen Xers are most likely to boycott companies or products



It's become the norm for more people to think critically about the lifeline of products, what factors are impacted during the process and ultimately, whether the company they're supporting is a responsible citizen.

Millennials are officially the largest generation of consumers

Millennials are now the largest generation of consumers (and Gen Z on track to overtake them). For this reason, brands, retailers, and organizations need to get on top of sustainability practices in order to stay on the younger generation's radar.



For Millennials, the importance of company values goes beyond preference. In the past year, 33% of them boycotted a product or company that they had previously spent money on.

What do Millennials and Gen Zers care about most?

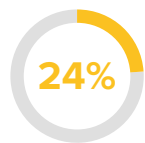
Despite dealing with tons of student debt, rising costs of living, and stagnant salaries, this generation is generous with their time, money, and influence. **Social media has become a prime platform for users to raise awareness and money for causes they care about, and brands and charities are catching on.**

Climate change, equality (civil rights, LGBT+, women's rights) and governance issues are just a few causes that matter to consumers. But younger generations don't want you to shove impressive statistics at them about all the good you're doing. They want to see exactly how you're making change and what direct impact you're having.

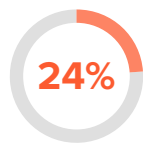
Millennials care most about social issues



social issues



governance issues



environmental issues

7 characteristics Millennials and Gen Z exhibit that influence their engagement with brands

There's a reason why Millennials and Gen Z engage with brands differently. Compared to Gen X and Baby Boomers, these generations have had something from the beginning that the others haven't: access.

7 Millennial characteristics that go hand in hand with sustainability

- **Socially conscious**
- **Health conscious**
- **Technology focused**
- **Financially aware**
- **Ethnically diverse**
- **Spiritually conscious**
- **Experience driven**

Millennials and Gen Zers have access to the world's information in the palm of their hands

That access from such an early age (or from birth, in the case of Gen Zers), has given these generations a different perspective on the world around them, affecting how they entertain themselves, study, work, travel, build businesses, job search, buy, and sell.

Transparency matters to younger generations

If a brand wants to get the attention of the most powerful buying generations in the country, transparency needs to be at the forefront.

Millennials are approaching their prime spending years, and Gen Z is next. To tap into the biggest consumer groups on the planet, more businesses are starting to take a closer look at the personal characteristics of this younger group.

1. Socially conscious

Social awareness is second nature to Millennials, who have grown up immersed in the internet and social media.

Endless information means this generation knows what's going on in the world around them.

They're the most connected generation and regularly use popular social media platforms to share and receive information.

Most socially conscious Millennials believe that corporate social responsibility is key—around 40% have chosen one company over another solely based on its sustainability efforts.

2. Technology-focused

Three years ago, Millennials surpassed Gen Xers as the largest cohort in the US workplace.

Armed with web-savviness, independence, tolerance, and transparency, Millennials have been changing the workforce game.

Growing up in a heavily digital environment with an ever-growing number of devices and programs has inspired their eagerness to learn new skills.

Millennials are the kings and queens of time-saving, working smarter rather than longer and automating functions to cut time on boring tasks. Any brand or organization that aims to connect with this generation needs to have technology at the forefront of its efforts and get rid of cumbersome processes.

3. Ethnically diverse

Millennials in the United States are the most ethnically diverse cohort in history and as a result, might be the most open-minded. Gen Z will be even more diverse.

The networked world they grew up in kept everyone in touch through social media and messaging apps, making it possible to foster friendships with people across all ethnicities, races, locations, genders, and ideals.

With networks across demographics, Millennials aren't afraid of speaking out against discrimination and many of them actively support diversity and inclusion.

4. Experience-driven

Millennials value lived experiences over physical things.

A recent Eventbrite study reported that 78% of Millennials would rather spend money on an experience or an event as opposed to a physical object.

Some big brands are capitalizing on this and doing it well—Airbnb is one of them. The company started providing bespoke experiences that promise to showcase the real essence and charm of each destination's local culture. Many Millennials and Gen Zers look for authentic experiences and relationships that will enrich them, rather than flashy or luxury hotels.

5. Health-conscious

Millennials have been labeled the most health-conscious

generation ever to exist, largely due to their endless access to online information.

This generation accounts for more than half of organic food consumption, which isn't surprising since eight in ten say it's crucial to eat healthily and only indulge occasionally. They're the generation that sees good nutrition as a lifestyle, rather than a goal-based diet. You can also thank them for putting superfoods like chia seeds and kale on everyone's radar.

6. Financially conscious

Millennials have to watch their money. As a group, they earn 20% less than their parents and boomers during the same life stage, despite having considerably higher education levels. They own fewer properties than older generations and prefer sharing services like rented cars, apartments, and equipment rather than buying things outright.

This generation is also serious about saving for the future. Perhaps surprisingly, a recent Bank of America survey found that Millennials between 23 and 37 have \$100,000 saved for retirement.

Additionally, Millennials are putting their money into socially responsible investments (SRIs), otherwise known as "impact investing."

More Millennials are choosing to put money into organizations and systems that have a positive impact on the world.

Could this generation be the new face of philanthropy?

7. Spiritually conscious

Millennials value human rights more than any particular religion.

University studies tell us that Millennials are more spiritually aware than any other generation, feeling deep obligations and commitments to help each other, regardless of religion, gender, race, or political standing.

Because it doesn't align with Millennials values, mass consumer capitalism is dwindling.

Millennials favor products that allow them to feel deeper connections, like meditation, yoga, and travel. If a product or service connects with nature, it is likely to connect with a millennial.

How your organization can keep up

Meet the demand for CSR with 9 practices

1. Rethink your marketing strategies
2. Make use of social media
3. Publicize your CSR
4. Market experiences, not things
5. Document every step of the way
6. Be transparent
7. Encourage employees to take part
8. Keep your team in the know
9. Give recognition where it's due

In the demand for sustainability, lots of businesses are leveraging CSR to make meaningful impacts and strengthen their reputation.

CSR isn't only for big brands. Small, medium, and large businesses can all tap into the power of corporate responsibility and reap its benefits.

Here's what you need to do.

1. Rethink your marketing strategies

You don't need to turn into a planet-saving, poverty-destroying, bio-degradable powerhouse to win Millennials' and Gen Zers attention.

But you do need to rethink your marketing methods if you want to attract the world's biggest consumer group.

The past success of traditional marketing isn't enough anymore.

Millennials and Gen Zers are interested in more engagement, more personalization, and much more responsibility from companies and brands. They're steering away from big corporations who they suspect are only concerned about profit and moving towards transparent businesses that actively engage in their communities and show concern for the environment.

2. Make use of social media

Whether you're a big corporation aiming for zero-carbon or a small boutique encouraging employees to give unworn clothes to charity, make use of social media.

Traditional media has less impact on Millennials and Gen Z. Try these practices instead:

Social media: Millennials & Gen Z use social media for up to 10.5 hours a day. 62% say brand engagement is more likely to make them a loyal customer.

Be genuine: Millennials are willing to share good advertising on social media but dislike promotions that feel unauthentic or deceptive.

Start blogging: 1 in 3 Millennials choose informational blogs as their top media source before purchasing.

This goes for attracting younger generations both as consumers and for employees. Get yourself and your team up to speed with social listening—two-way communication can enhance your brand as you build meaningful relationships with your consumers.

Good social media strategies include sparking conversation around your CSR focus and staying engaged with other companies fighting for the same cause.

3. Publicize your CSR

Social media is also how you should tell your consumers about the CSR work you're doing. Millennials and Gen Z groups expect companies and brands to use their resources and be at the forefront of making an impact.

Younger generations want to know how you're making an impact, and they want it in a shareable way, so they can publically support you.

Rather than restricting your progress to internal communications, you can share infographics, case studies, and reports with your customer base.

On your website, let your CSR program be the shining star.

4. Market experiences, not things

Previous generations of young adults have usually placed a high value on material possessions like houses and cars. For Millennials and Gen Zers, it's all about personal experiences and meaningful interactions.

To appeal to the trend, modern businesses have been rethinking their marketing strategies to focus on the experience their product offers, rather than the physical thing itself.

Banks have been catching on too. JPMorgan Chase, one of the largest banking institutions in the US, launched a Millennial-friendly addition to their banking options. With their new credit card, consumers collect generous rewards when they spend on dining and travel.

The bank positioned the new wave as “a card for accumulating experiences,” and now more than half of their cardholders are adventure-seeking Millennials.

5. Document every step of the process

Millennials and Gen Zers care about process. Once you've addressed and launched your CSR program, document every step of the way, highlighting challenges, successes, milestones, and everything else in between. Involve your audience and let them feel the ups and downs with you.

For employees, your accomplishments should feel like theirs and sharing will help them feel involved in the

positive impact of your CSR. That's how you'll resonate with your Millennial followers.

6. Be transparent

This group of modern consumers expects brands to stand up for what is right.

But make no mistake—most Millennials and Gen Zers won't hesitate to turn away from a brand that only talks the talk.

Brands who want to make moves with the Millennial group need to drastically up the ante on transparency. Millennials are known to be skeptical and have no problem weeding out brands they feel are inauthentic.

Own up to mistakes and out your own faults to be in good faith. It's what makes you real, human, and relatable.

7. Encourage employees to actively participate

As employees, Millennials and Gen Z want to experience employee engagement. It's important for them to forge an emotional connection with the work they do. And when they don't, they may have little issue leaving for a new company in order to find that connection.

Involving your employees in CSR programs is an excellent way to resonate with their own concerns, boost morale, and provide a deeper meaning to the work they do. And you don't need extensive or complicated programs to involve them in.

Start with small opportunities for employees to give back

to the community, like supporting local causes or disaster relief.

Do the legwork for them and make it easy for them to get involved.

Consider encouraging volunteer work and give a few paid days a year for your employees to carry out their charitable work. Almost three-quarters of employees who volunteer through work report feeling more positive about their jobs, as well as healthier and happier.

8. Keep your team informed

Make it easy for your employees to keep up. Communicate with them about when, how, and where they can participate in sustainability programs—**they're much more likely to get involved if the information they need is right in front of them.**

Send out emails, bring new opportunities out in group meetings, and always ask for suggestions from different teams. Establish a year-by-year giving goal to boost morale among employees.

Ultimately, Millennials want to feel proud of the work they do.

Keeping them informed and creating a sense of community where everyone's part is helping to make an impact is a great way to encourage this.

9. Give recognition where it's due

Millennials and Gen Z, like everyone, want to be recognized for their hard work. Younger generations, in particular, want to feel like more than a number. For this reason, it's

important to make efforts to recognize your employees' contribution wherever possible.

No need for over-the-top gimmicks. A simple thank you note, a free lunch, or a gift card are all great ways to show your appreciation.

Tapping into Millennial and Gen Z groups with solid CSR

Implementing strong CSR doesn't have to be a stressful undertaking—nor does attracting the two most important consumer generations.

Millennials are already the largest cohort and Gen Zers aren't far behind.

With 100,000 Baby Boomers reaching the retirement age every day, big and small companies alike are in a hurry to get on the radar of the newest groups.

You don't need to restructure your entire business model to fit a social purpose. But as the current workforce reaches retirement, making way for a new cohort, businesses do need to consider reshaping some of their usual processes if they want to adapt.

One of the biggest keys to winning Millennial and Gen Z support is through authenticity and transparency.

Whether you're focused on attracting and retaining employees or appealing to consumer spending habits, these generations want to be involved in the decision-making process.

People support initiatives they helped to create and for Millennials and Gen Z, these initiatives are often at the forefront of how they connect with brands.

Younger generations don't want to feel like cogs in the machine.

It's time to adapt marketing practices and rethink traditional advertising so your brand and business can keep up with the "purpose over paycheck" generation growing in numbers.

An engaging social media presence, transparently sharing your successes, and deeply involving employees in your CSR programs are all going to bolster your reputation and help you win Millennials and Gen Zers.

It's time to make it happen.

SOURCES

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p. 4 Satell Institute Forbes	Center Deloitte	p.10 YPulse	Center Forbes Phys Org
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