

The kids are all grown up

Checking in on Generation Z



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Introduction

It wasn't long ago that the "new" Generation Z was starting grade school. Times have changed. With their oldest members now approaching age 30, millions of Gen Zs are firmly entrenched in the workplace.

They're also bringing a distinctive set of values and needs with them. Recently, we carried out research in many areas related to employee health and group benefits. These included:



mental health



chronic disease



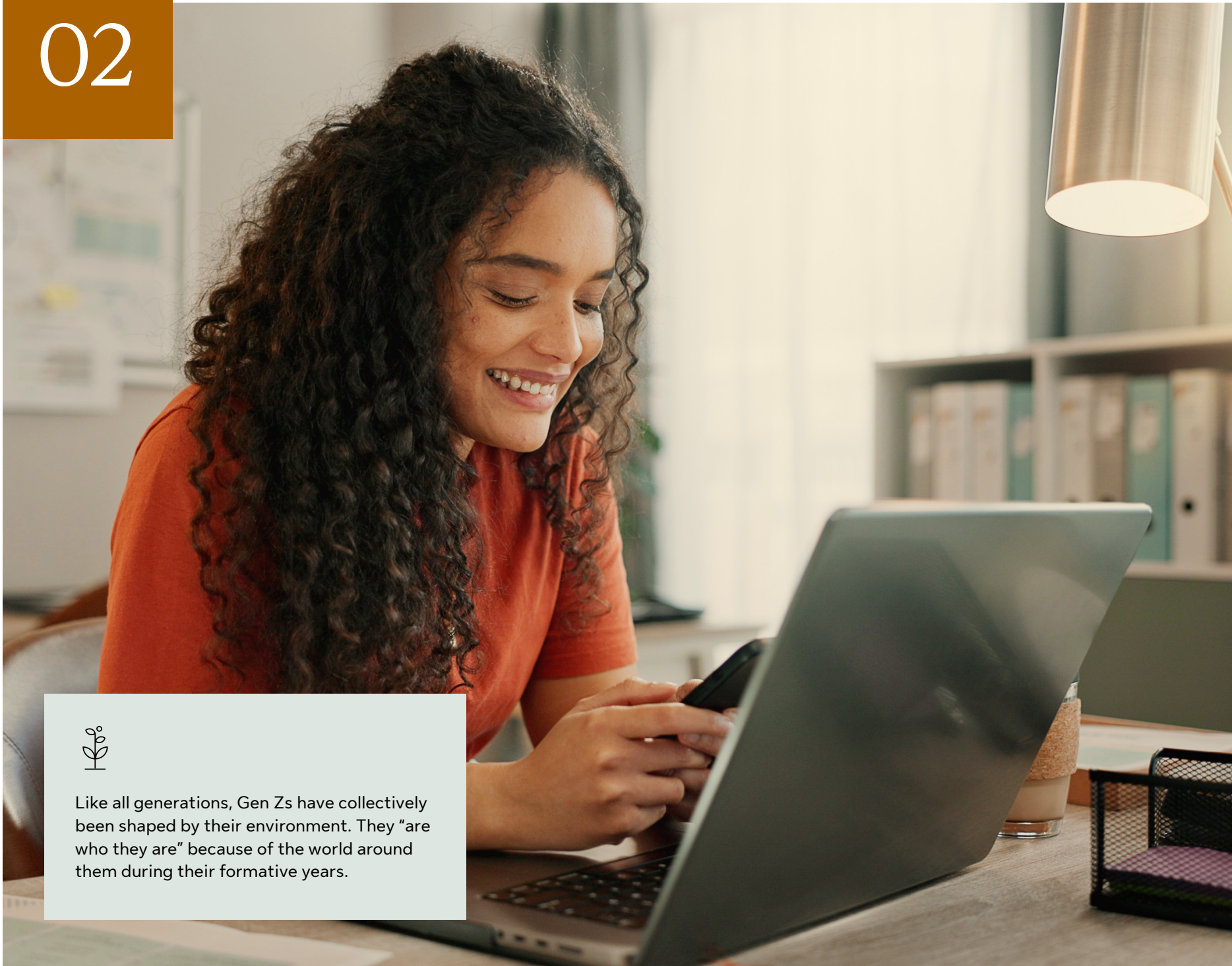
obesity



**the impact of extreme
climate events on health**

We found that in many areas, the impacts on Gen Z were pronounced. This report takes a closer look at Gen Z health needs and trends based on this recent research, and on our database of more than 20,000 employers and 3 million plan members.





Who is Gen Z?

Statistics Canada defines Gen Z as anyone born between 1997 and 2012. It's a large cohort – almost seven million strong – trailing only millennials as a percentage of the total population.¹

Gen Z is already having an impact in the workplace. They currently make up almost 20% of working age Canadians and alongside millennials, they'll make up the majority of the workforce by 2030.

Alongside millennials, Gen Z will make up the majority of the workforce by 2030.

Gen Zs have grown up in a fast-changing digital world, making them adaptable, creative, and comfortable with new technologies. They're also the most culturally diverse generation. Through their own friend networks and social media, they have greater awareness of different cultures, ideas and issues than many in older generations.

When considering a job, Gen Zs prioritize work-life balance, job security and a competitive salary. They're also looking for workplaces that are highly supportive of inclusion and mental health. Many traits valued by older generations – such as leadership, promotion, challenge and organizational prestige – often carry a lower priority with Gen Z.²



Like all generations, Gen Zs have collectively been shaped by their environment. They “are who they are” because of the world around them during their formative years.

03

Gen Z health in focus

Gen Zs report higher rates of mental health issues than the overall population.³ And while their actual incidence of chronic disease is lower than older generations, the incidence of many chronic diseases is rising quickly in younger adults. Many more young people are living with conditions like diabetes and heart disease than previous generations at the same age.⁴

Here are some of the key factors that have impacted the mental and physical health of this generation.

There are many downsides to the environment in which Gen Zs have come of age, and they face physical and mental health challenges as a result.

Impacts on Gen Z mental health

Digital connectivity

This generation is digitally connected like no other. While social media plays an important role in helping Gen Z stay connected, it also contributes to negative mental health outcomes. Many Gen Zs report that social media fosters unrealistic comparisons, body image issues, and feelings of inadequacy. According to a recent study, 47% of Gen Z respondents said that social media was negatively impacting their mental health.⁵

COVID-19 lockdowns

While Gen Zs faced a low risk of severe illness due to COVID-19, the lockdowns disrupted their formative years, leading to reduced face-to-face interaction, isolation and developmental setbacks.

Climate anxiety and health impacts

Fear about environmental issues and the future of the planet weigh heavily on this generation. Our research found that almost half (47%) report experiencing climate anxiety (distressing, intrusive thoughts about the destruction of the natural environment, existential dread, sadness, anxiety and grief).⁶

Financial concerns

Gen Zs have faced record high rents and a rising cost of living at the start of their careers. They also carry higher levels of student debt and are more likely to experience precarious employment. Over half report experiencing anxiety, depression, and mental health challenges due to financial stress.⁷

On a positive note, Gen Z has been raised with a greater openness about mental health challenges than other generations. While some stigma remains, Gen Z is the most open about discussing and seeking help for mental health issues that arise.⁸

Impacts on Gen Z physical health



Sedentary lifestyle

Increased screen time and digital engagement have contributed greatly to reduced physical activity for Gen Zs. A recent Statistics Canada report found that only 33% of males and 8% of females aged 12–17 met national activity guidelines in the 2022–2024 time period. This is a sharp drop from 50% and 21%, respectively, in 2018. This decline was observed despite stable adult activity levels, signaling a generational drift toward less active lifestyles.⁹



Poor sleep habits

Poor sleep can negatively impact physical health. And many in the most digitally active generation are experiencing sleep issues, with late-night device use and blue light exposure disrupting sleep patterns.



Poor nutrition and resulting obesity

Gen Z was born into an era of ultra-processed foods and 24/7 food delivery. Combined with more sedentary behaviour, this poor diet is contributing to rising obesity rates. Gen Z has seen the fastest increase in obesity of all generations. For young adults aged 18 to 39, obesity rose from 22% (2016 to 2019) to 33% (2022 to 2024) for males, and from 17% to 29% for females.¹⁰



Environmental factors

Gen Z reports the highest level of physical health impacts from extreme weather events, such as smoke from wildfires. There is also increasing concern that exposure to chemicals and plastics is responsible for some of the rise in physical health conditions among Gen Z, such as respiratory conditions, diabetes and some cancers.

04

What our data shows

A closer look at mental health

For mental health, our claims data aligns with other Canadian research that shows that younger Canadians are struggling with mental health issues.

Mental Health Research Canada found that 18- to 34-year-olds are most likely to say they're experiencing high levels of:

Anxiety

14% versus 10% of the overall population.

Depression

11% versus 8% of the overall population.

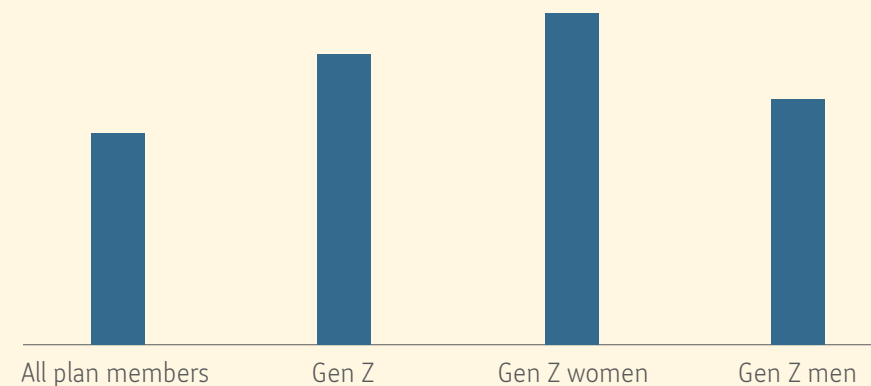
We see evidence of Gen Z struggling in our long-term disability claims data. More than 50% of Gen Z long-term disability claims are for mental disorders. This is significantly higher than the approximately 40% of mental disorder disability claims for the overall plan member population.

We see the greatest impact on Gen Z women, with mental disorders as the basis for more than 60% of long-term disability claims (Figure 1). And mental disorders as a proportion of claims is rising faster for Gen Z women than any other segment. For both Gen Z genders, our data indicates that mental health issues play a greater role in their overall health profile than for other generations.

In terms of mental health therapy, Gen Zs are about as likely to have made a claim for a psychologist as the overall population of plan members. But here too, Gen Z women stand out. They have double the claims of Gen Z men and significantly higher levels than the overall plan member base (Figure 2).

FIGURE 1

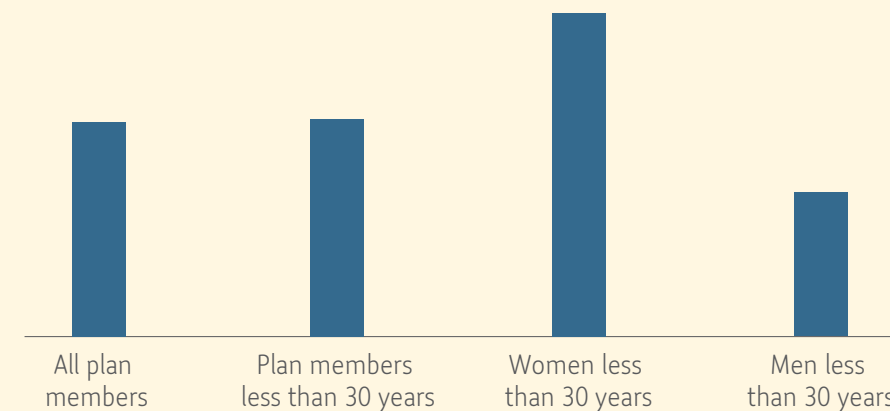
Proportion of long-term disability claims that are mental disorders (new approved claims)



Sun Life data, 2024

FIGURE 2

Psychologist claims per covered plan member



Sun Life data, 2024

Gen Z mental health claims are growing faster for men

We are, however, seeing a shift in this gender trend when we look at the growth in psychologist claims. Gen Z men's psychologist claims have grown the most in recent years – outpacing Gen Z women and growing at almost twice the rate of the overall plan member base (Figure 3).

We see the same growth trend for antidepressant drug claims (drugs that treat depression and anxiety disorders). The growth rate is significantly higher for Gen Z, with claims growing two times faster than for all plan members from 2021 to 2024.

And while there is strong growth among both Gen Z men and women, growth in men's claims is slightly higher (Figure 4). This suggests that more Gen Z men are seeking help than ever before.

2X faster

Gen Z depression drug claims have grown 2X faster

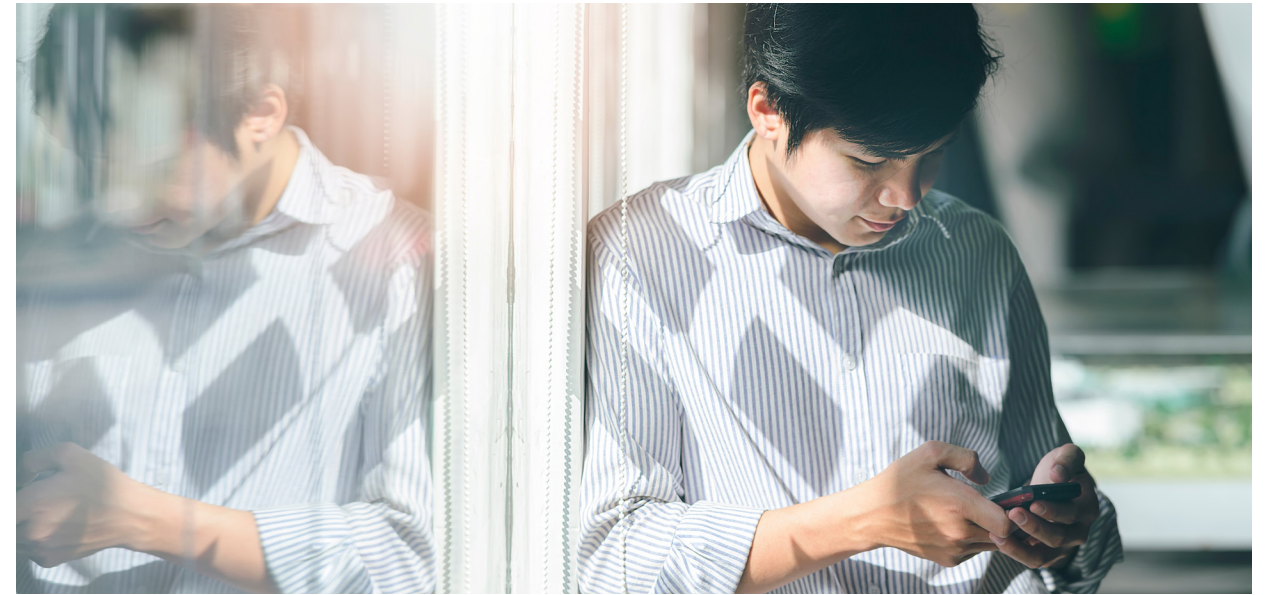
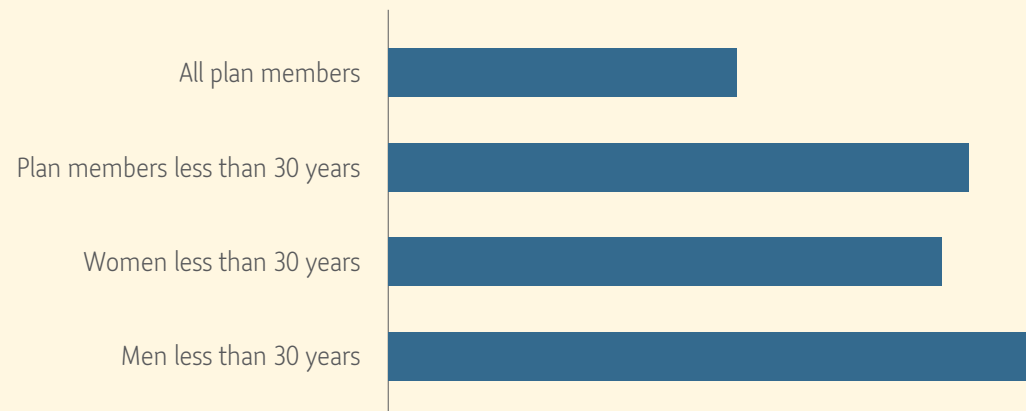


FIGURE 3

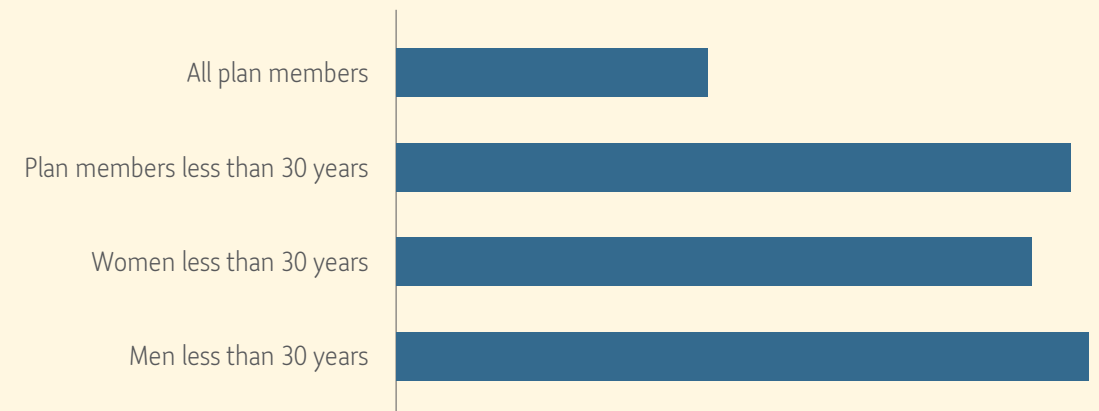
Growth in psychologist claims per covered plan member (2021-2024)



Sun Life data, 2021-2024

FIGURE 4

Growth in depression drug claims per covered plan member (2021-2024)



Sun Life data, 2021-2024



Why do women have higher claims for mental health support?

Studies show that the rates of mental disorders between women and men are similar. Where the differences often lie is in the types of mental disorders and the coping mechanisms each gender uses.¹¹

Women

Women are more likely to internalize emotions. This can lead to withdrawal, loneliness, generalized anxiety disorder and major depressive disorder. As a result, women suffer from higher rates of depression and anxiety. We refer to these as internalizing disorders. Symptoms in women can be more obvious than those in men. Women can show sadness – and a loss of energy, motivation and interest in life when depressed. These more obvious symptoms, combined with women often being socialized to be more comfortable seeking help, are reasons why they are more likely to have engaged with mental health care.¹²

Men

Men are more likely to externalize emotions. This can lead to aggressive, impulsive, coercive and noncompliant behaviour. In addition, we still socialize men to prioritize traits like strength, independence, emotional stoicism, and self-reliance. This can make men less likely to seek treatment.¹³ However, our claims data indicates that this may be changing with Gen Z. Claims growth for both psychological services and anti-depressant drugs indicates that Gen Z men are increasingly getting help. Recent years have seen the emergence of peer support programs that bring together men who have experienced or are experiencing mental health challenges. These can help overcome stigma and be a great starting point for seeking help.



A closer look at physical health impacts – chronic disease

Our claims data suggests that factors such as a sedentary lifestyle, processed food and rising obesity rates are having an impact on the physical health of Gen Z.

Claims for chronic disease drugs among Gen Z employees are still much lower than their older cohorts (Figure 5). This reflects the well-established fact that chronic disease rates increase significantly with age.

When we look at growth rates across age groups, however, we see a concerning trend. Growth among

Gen Z is 2 to 3 times higher across all four chronic disease drug claim types we analyzed (Figure 6).

This is consistent with the emerging public health data showing that the prevalence of chronic disease among young adults is

2-3X faster

Gen Z chronic disease drug claims are growing 2–3 times faster

on the rise, outpacing growth seen in older generations.¹⁴ By the time today's Gen Z employees reach middle age, chronic disease incidence could be significantly greater than today for those aged 40 to 59 and their health could be significantly worse.

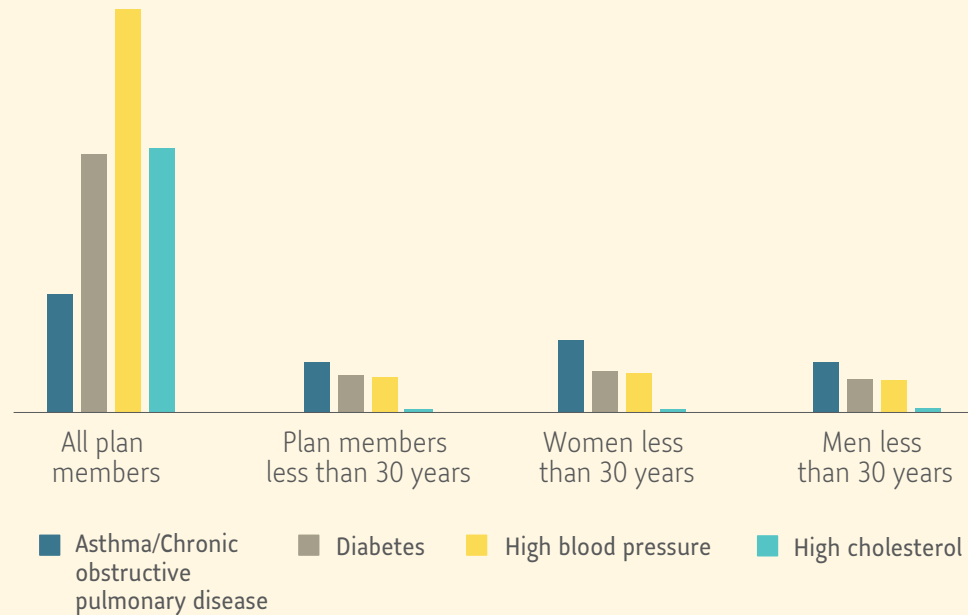
Unlike our overall plan member population where men's claiming for chronic disease drugs is higher than women's, Gen Z women have higher claiming across the four chronic disease drug categories. One area of particular concern is diabetes, where women's drug claims, including

those under age 30, are growing significantly faster than men's (Figure 6).

Obesity is a clear driver of rising diabetes cases and other chronic health conditions. Obesity rates have risen dramatically among young men and women – increasing approximately 50 percent since 2016.¹⁵ However, research indicates that having a higher body mass index (BMI) leads to a higher risk of developing type 2 diabetes in women than in men.¹⁶ Women with diabetes also have a higher risk of complications like heart disease, vision loss, kidney disease and depression.¹⁷

FIGURE 5

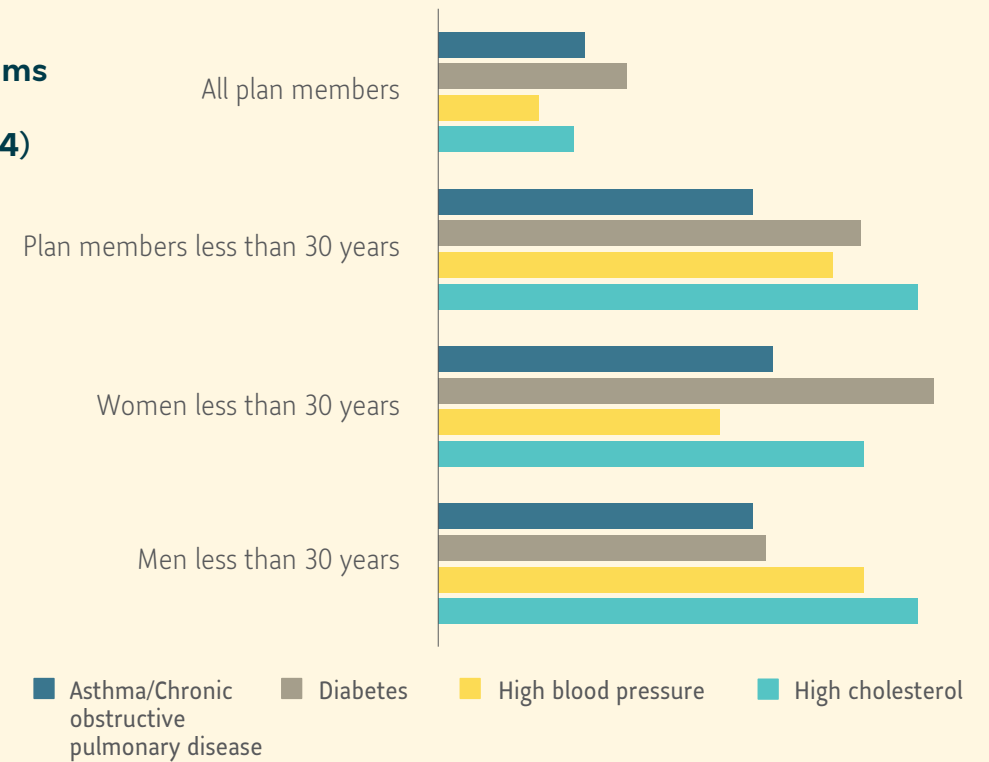
Drug claims per covered plan member (2024)



Sun Life data, 2024

FIGURE 6

Growth in drug claims per covered plan member (2021-2024)



Sun Life data, 2021-2024



How climate is impacting Gen Z health

Our research found that Gen Z employees are experiencing a disproportionate impact from climate change and extreme weather events compared with other generations (Figure 7). This heightened sensitivity is evident in many ways:

Physical health

Gen Z reports more frequent and severe climate-related health issues, such as respiratory problems from air pollution or heat-related illnesses.

Mental health

This generation faces higher rates of climate-induced stress, depression, and anxiety.

Climate anxiety

Gen Z exhibits more pronounced worry and distress about the long-term environmental future.

The repercussions of these climate-related stressors are not confined to the personal lives of Gen Z employees. A striking 75% of Gen Z employees who acknowledged mental health impacts attributed to climate change reported that these issues negatively affected their work performance. This suggests a significant spillover effect from environmental concerns to workplace productivity and well-being.

Our report, [How climate and extreme weather are impacting workplaces in Canada](#), details the results of our research conducted in partnership with Environics Research. This study focuses on the impacts of climate on health, involving national surveys of Canadian employees and employers. The report also highlights the many ways group benefits can help create a climate-resilient workforce.



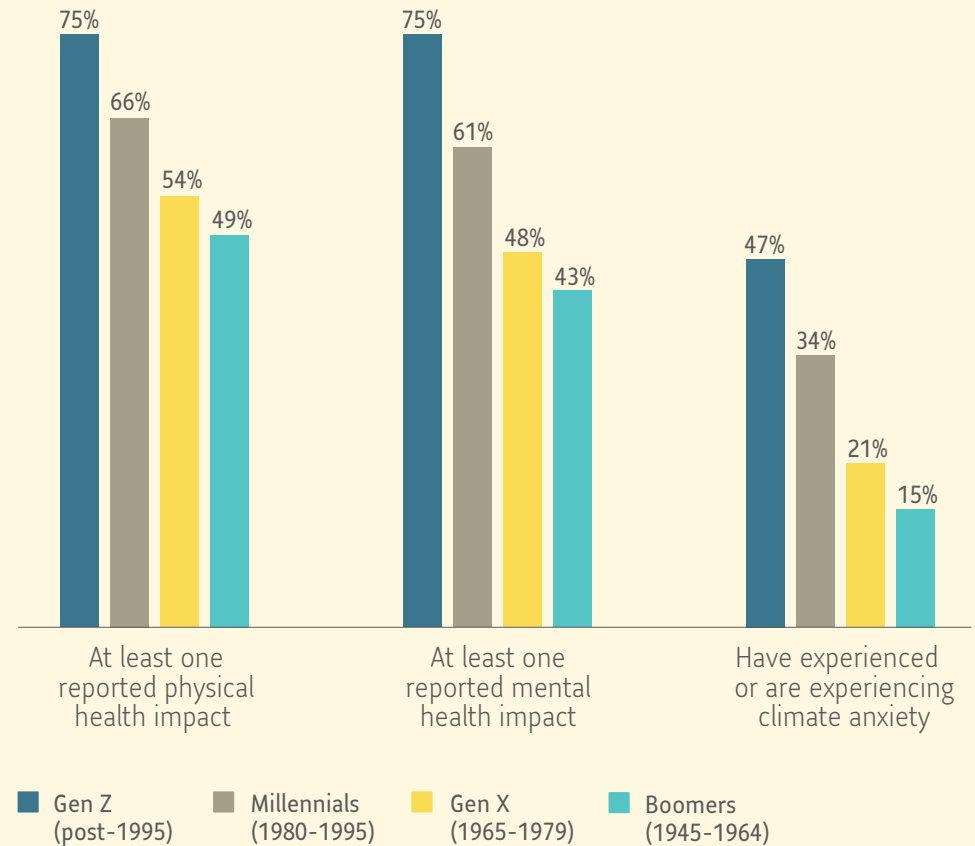
47%

Almost half (47%) of Gen Zs report experiencing climate anxiety (distressing, intrusive thoughts about the destruction of the natural environment, existential dread, sadness, anxiety and grief).

FIGURE 7

Health impacts experienced by employees due to climate change and/or extreme weather, by generation

Percentage of employees who experienced one or more impacts in the last 3 years



Sun Life – Environics Research, national survey of Canadian employees, 2024

Your group benefits plan is a foundational support for Gen Z health issues. However, as the newest cohort in the workplace, this generation may not be as aware of all the supports available.

Promotion of these supports is critical. One of the key barriers to support, especially for mental health, is awareness. Much of what Gen Z needs is already in your plan – they just need to know where to look.

A great place to start is promotion of your Employee Assistance Program (EAP). This confidential service can be accessed digitally and provides covered employees and their eligible dependents with professional counseling, resources, and support for a wide range of personal and work-related issues. Whether employees are dealing with stress, relationship problems, financial concerns, or need legal advice, the EAP is available 24/7 to offer guidance and support.

Here are some other Sun Life resources that can provide support for Gen Z employees, and those of other generations.

Integrated, holistic virtual care and Employee Assistance Program

Gen Z employees are at home in the digital world like no other generation in the workplace. For this reason, virtual care services are firmly aligned with what Gen Z employees want and need.

We offer our [Lumino Health Virtual Care](#) suite of services, provided by Dialogue¹. With one app, employees can access virtual primary care, the Employee Assistance Program (EAP) and the Stress Management and Well-Being program (SM&WB). This means that health professionals can treat employee health, both mental and physical, holistically.

Manager mental health training

Mental health training for managers can be crucial in today's workplace environment. This is especially true with large numbers of Gen Z employees entering the workforce who value employers who are supportive of mental health.

As the first line of support for employees, managers play a vital role in promoting mental well-being and identifying potential issues before they escalate. Managers who understand mental health can better accommodate employees' needs, reduce workplace stress, and improve overall productivity and job satisfaction.

A great place to start for training is the free videos on our website about uncovering the truth about mental health, specific disorders and the role managers play in supporting the mental health of their teams.

[Mental health training videos for managers.](#)

Sun Life Diabetes and Respiratory Care Programs²

With [Online Pharmacy](#)³, by Pillway⁴, employees have access to no-cost, personalized comprehensive support from a pharmacist to help them manage diabetes or respiratory conditions. Gen Z obesity rates continue to grow fastest among all generations, and obesity is the leading risk factor for type 2 diabetes. Respiratory conditions are also frequent obesity comorbidities.

In addition to this coaching support, Online Pharmacy, by Pillway, gives employees convenient access to medications as well as no-cost tools and virtual pharmacist support for medication-related questions. Employees who live in Quebec have access to an online platform with Pharmacy Services by Pharmacie Abd-El-Monem Osman, Inc.⁵

Free online toolkits – for a strategic approach to health

Every workplace is unique, and we want to help you build a strategy that fits your organization's needs. These toolkits can help you understand your unique challenges and set clear goals – including targeted support for Gen Z employees.

We offer several toolkits at no cost that can help you get started on several health strategies. These include our [Mental health strategy](#) toolkit, our [Return-to-work](#) toolkit, and our [Women's health](#) toolkit.

¹ Dialogue, Inc. (Dialogue) is a wholly owned subsidiary of Sun Life Assurance Company of Canada (Sun Life) operating as a stand-alone entity. All representations about the services of Sun Life Virtual Care, by Dialogue, are those of Dialogue Health Technologies Inc., not Sun Life Assurance Company of Canada. Sun Life Assurance Company of Canada cannot guarantee the availability of the services and reserves the right to cancel the services with notice.

² Offered by Online Pharmacy, by Pillway. At this time, coaching for Quebec-based plan members is not available. We are currently exploring opportunities to provide coaching services in the province of Quebec. Sun Life reserves the right to discontinue the coaching programs at any time without notice.

³ Pharmacy services are provided by Pillway.

⁴ SHG Pharmacy Inc. and SHG West Pharmacy Inc., doing business as Pillway pharmacies, are partially owned by Simpill Health Group Inc. For your information, and as a point of disclosure, Sun Life Assurance Company of Canada has partial ownership in Simpill Health Group Inc.

⁵ Pharmacy practice: The medications and pharmaceutical services featured on the online platform are provided exclusively by the pharmacists at Pharmacie Abd-El-Monem Osman Inc. In providing related services, they are acting exclusively on behalf of Pharmacie Abd-El-Monem Osman Inc. Certain conditions may apply. Speak to your pharmacist. The pharmacist owner Abd-El-Monem Osman is solely responsible for the pharmacy's operations.



A focus on resilience

Gen Z employees will always be influenced by their environment, and the factors that negatively impact their mental and physical health aren't going away. But employees can boost their resilience to reduce these impacts.

Employers can play an important role in building this resilience – and reap workplace benefits. More resilient employees boost productivity, reduce absences, and tend to stay with their employer longer. It's a quality that can be developed and strengthened through consistent effort and support.

While there are many types of resilience, two types in particular can impact the workplace:

01

Emotional/psychological resilience

is how an employee responds to stress and adversity and adapts mentally to uncertainty and challenges. A resilient employee can manage stress and emotion in a way that's positive and healthy.

02

Physical resilience is about the body's ability to adapt to challenges and maintain strength. This type of resilience is relevant when it comes to recovering from physical illness, injury or accidents.

Here are two strategies you may want to consider that can help employees build resilience.

Flexible health and personal spending accounts

These accounts let you allocate funds for eligible resilience-building expenses not covered by your core plan, such as meditation classes, fitness equipment and gym memberships.

Wellness programs and incentives

Wellness programs can support the specific resilience-building needs of Gen Z employees. These might involve a wellness website to raise awareness of resources available, health challenges to engage employees in fun events related to health, or onsite education sessions on resilience-building activities (such as mindfulness, strength training and taking part in social activities).

Sun Life solutions

We created our guide [The resilient organization](#) to help you support your employees to navigate challenges and thrive in uncertainty.

06

Working together to help Gen Z thrive

While Gen Z is the youngest employee cohort, they are already contributing to the workplace with their creativity, social awareness, and ability to leverage technology. At the same time, this generation faces health challenges that didn't impact earlier generations to the same extent.

By demonstrating awareness of health issues and promoting workplace solutions, together we can create an environment where these employees feel seen and supported. This can build a healthier, more resilient workplace where Gen Z talent thrives. And as millions more of this generation reach working age in the coming decade, focusing on Gen Z health needs can pay even greater dividends in the long term.



This report provides you with general information only. It does not provide you with employment, legal, health, or financial advice. Consult with the appropriate professional advisor to meet your organization's needs.

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