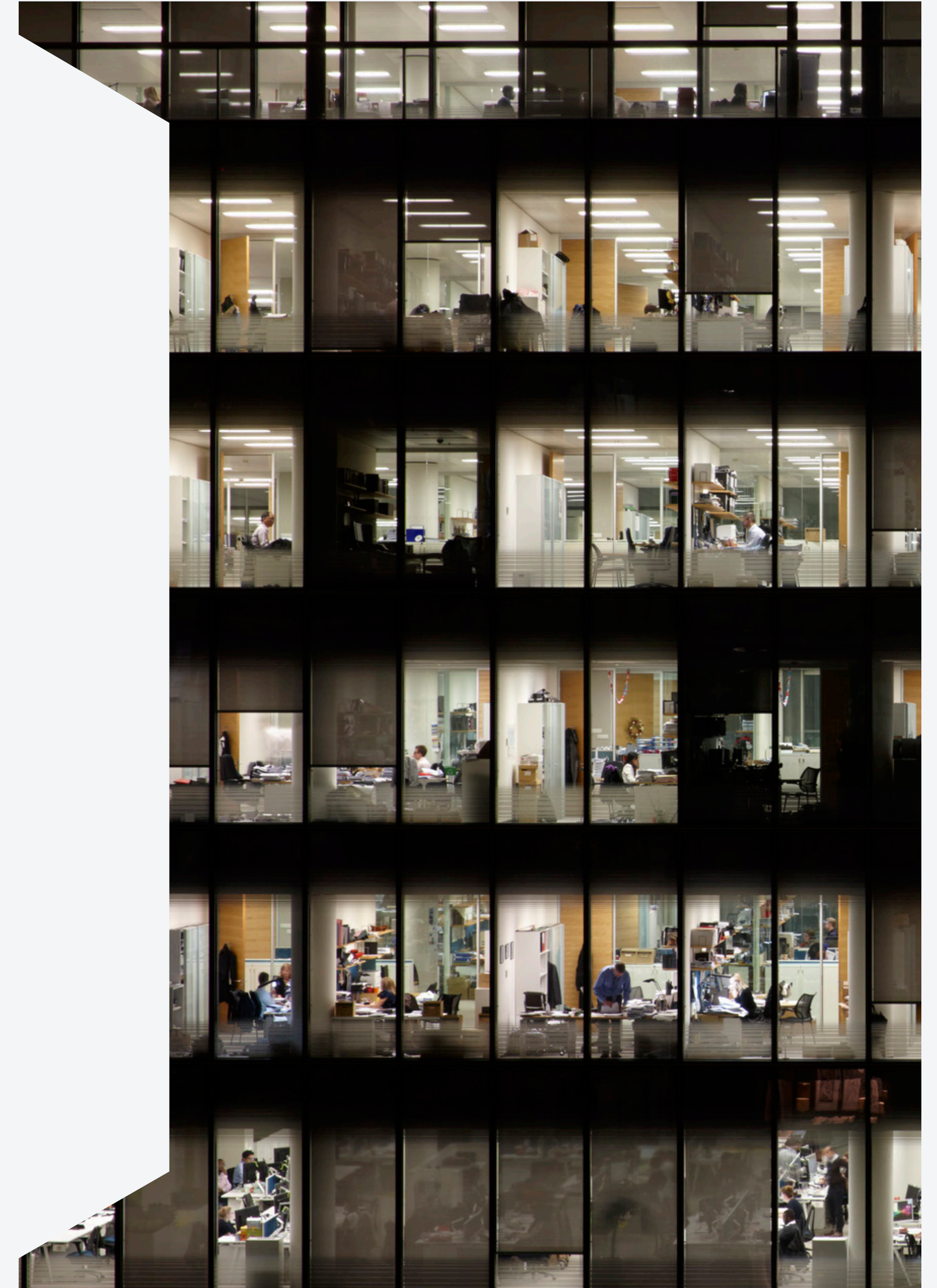


# *Investing in Talent, Unlocking Value:* The potential of Gen Z women

MAY 2025





# Foreword

The global talent landscape is undergoing rapid transformation, driven by shifting skills demands, advancements in AI and technology, and evolving demographics. Long-term investors who anticipate and adapt to these changes will gain a competitive edge in increasingly dynamic markets. Those who fail to do so, risk falling behind.

This in mind, in March 2025, CPP Investments Insights Institute convened a gathering of industry peers and partners to explore new research on one specific demographic: Generation Z. As the most diverse working cohort in history, this fast-growing segment of the workforce will play a pivotal role in shaping labour markets and leadership pipelines. More specifically, the Institute's work explored the potential the women of this cohort hold for investors—and the key factors needed to unlock that potential, including diverse, inclusive workplaces.

At CPP Investments, we view these same factors as central to our own ability to generate strong, long-term returns for the 22 million Canadians we serve. Just as we diversify our portfolio across asset classes, sectors, and geographies, we apply the same principle to talent because we know informed investing decisions demand a wide range of skills and perspectives—and an environment that welcomes them.

While public discourse and legislation around diversity, equity, and inclusion (DEI) continues to evolve, we are committed to a diverse,

inclusive workplace that attracts and retains top talent, driving stronger investment decisions. This report presents key insights from the Institute's research, along with best practices for attracting and retaining Gen Z women, as discussed at our convening event.

We see this as the beginning of an ongoing dialogue and look forward to the exchange of meaningful ideas that will follow.



**PRITI SINGH**  
Senior Managing Director  
& Chief Risk Officer,  
CPP Investments

# Contents

## 1

Gen Z: Investing in a new generation of talent

page 4 >

## 2

Gen Z women are shaping the skilled workforce of tomorrow

page 7 >

## 3

Will it continue? Gen Z and the parenthood paradox

page 12 >

## 4

Fostering a powerful intergenerational workforce

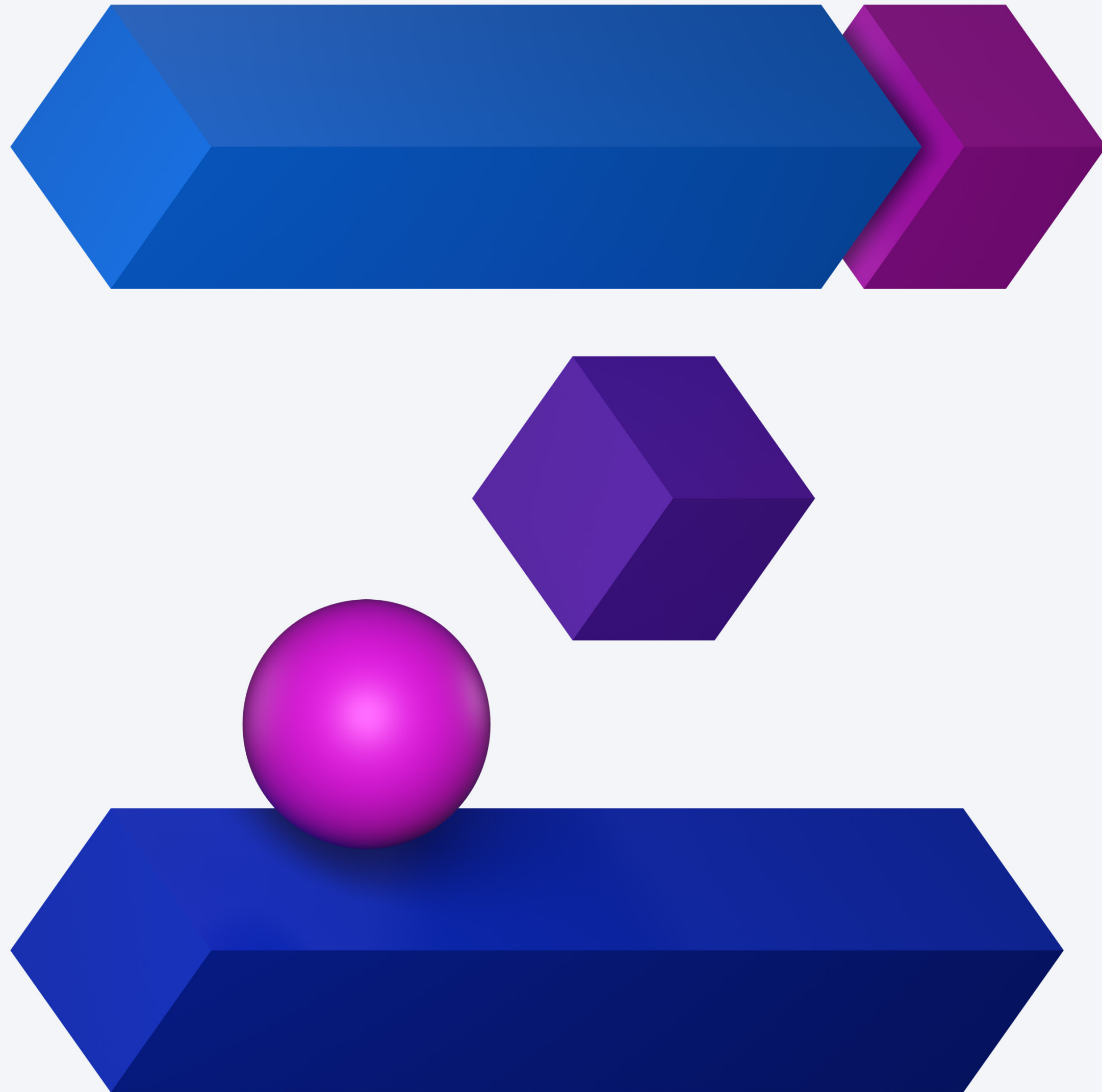
page 15 >

## 5

Case study:  
CPP Investments

page 22 >

# Gen Z: Investing in a new generation of talent



The women of Generation Z are making their mark in the workforce. And employers seeking an edge in competitive markets are rushing to welcome them.

Born between 1997 and 2012, this cohort is introducing new blood to labour markets at a time when aging populations threaten to squeeze them further.<sup>1</sup> But Gen Z women bring more than just numbers—they bring exceptional skill levels, diverse perspectives, and fresh ideas about the way organizations should operate and succeed.

Already the most ethnically diverse working cohort in history,<sup>2,3</sup> Gen Z also has the most educated proportion of working-age women. These women are not only more likely to participate in post-secondary education than Millennial and Gen X women, their enrollment

levels are above those of Gen Z men. Moreover, Gen Z women are more likely than previous generations of women to pursue highly sought-after degrees in science, technology, engineering and math (STEM), though they remain underrepresented in this field compared to Gen Z men.<sup>4</sup>

These attributes, together with the growing presence of Gen Zs—by 2030, they’ll make up 30% of the U.S. workforce—have positioned these women as vital to the ongoing success of institutional investors.<sup>5</sup>

The value they bring is reflected in the numbers. Gen Z women are earning the highest wages for their age compared to past generations of women. And they’ve narrowed the gender wage gap more than any other demographic group that’s come before them.<sup>6</sup>



Can they continue their advance into positions with even greater value-creating potential as they become parents—a period when women’s career progression and earnings growth typically plateau?

Many Gen Z women are expressing a desire not to have children—a decision that could allow them to sustain career momentum without facing the traditional barriers of parenthood.<sup>7</sup> For those who do become parents, maintaining their early trajectory could signify a leap forward, for economies with aging populations, and for investors and employers who believe diversity of thought and inclusive workplaces drive higher returns.

With aging populations poised to shrink labour markets and intensify competition for talent over the long term, attracting and retaining Gen Z women will mean thinking beyond business as usual. Organizations that can reimagine specific aspects of their company culture, workforce management, and incentive strategies will draw the most value from this cohort. This may include new approaches to flexible work schedules, fair compensation, wellness and mental health support and other benefits, career development and inclusive values-driven cultures.

“

**An open culture of listening is the foundation of an inclusive environment. It’s about hearing people, seeing the world through their eyes and harnessing their ideas. That’s what really propels an organization forward.**

**MARY SULLIVAN**

Senior Managing Director & Chief Talent Officer, CPP Investments

# Gen Z women are shaping the skilled workforce of tomorrow

After weathering an unprecedented setback at the onset of the COVID-19 pandemic, the labour force participation rate of all prime working-aged women (age 25-54) rebounded with force. In the U.S., women’s participation tipped just above pre-pandemic levels to 77%, while in Canada, the rate moved to a record-breaking 85%.

Leading the surge were Gen Z women, whose participation rates (particularly in Canada) exceeded those of Gen X and Millennial women at the same age.

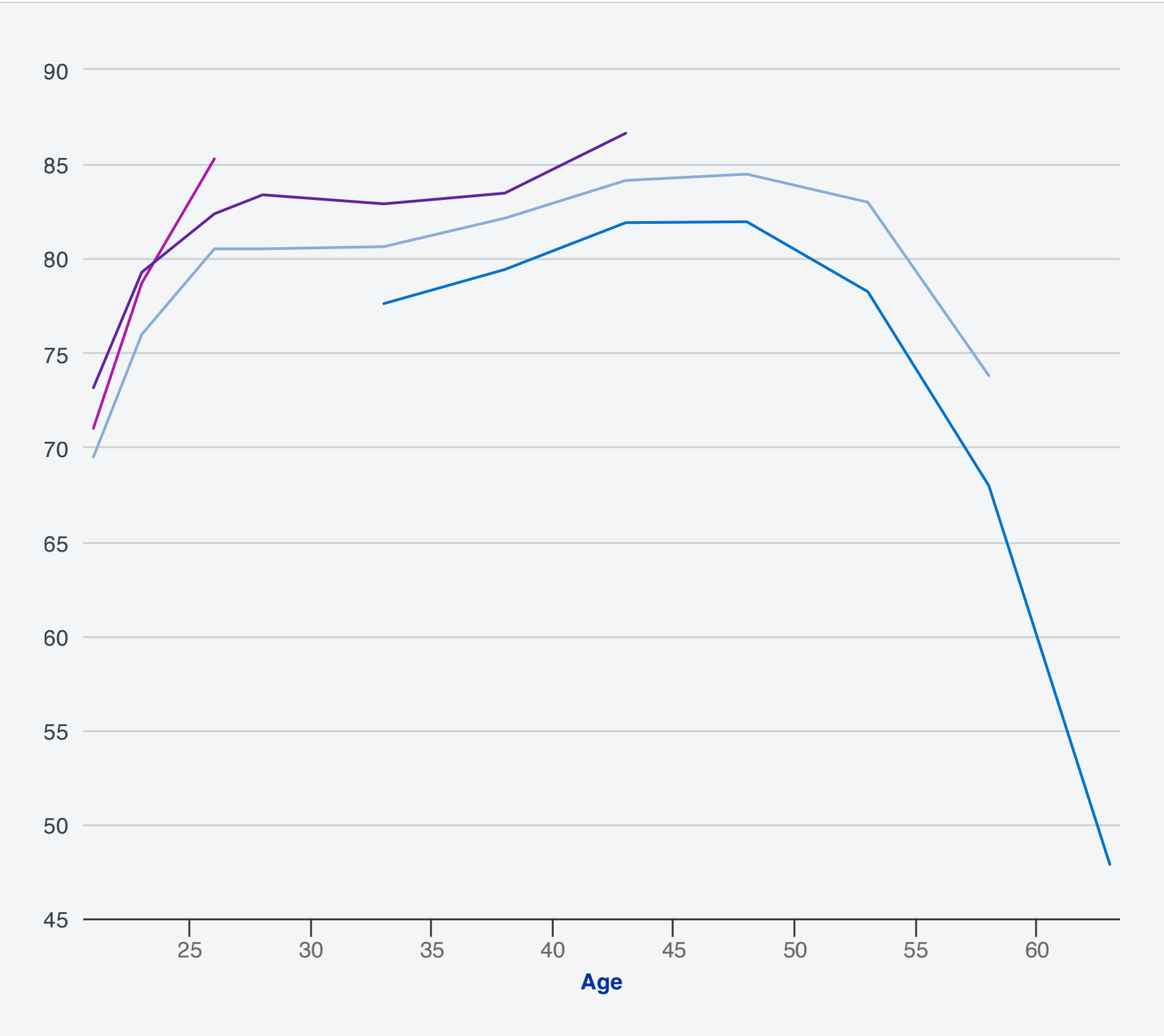
50% of Gen Zs have turned down an assignment or employer that didn’t align with their personal beliefs.<sup>8</sup>

61% of Gen Zs feel empowered to drive change in their organizations.

Gen Z women post powerful labour force rebounds

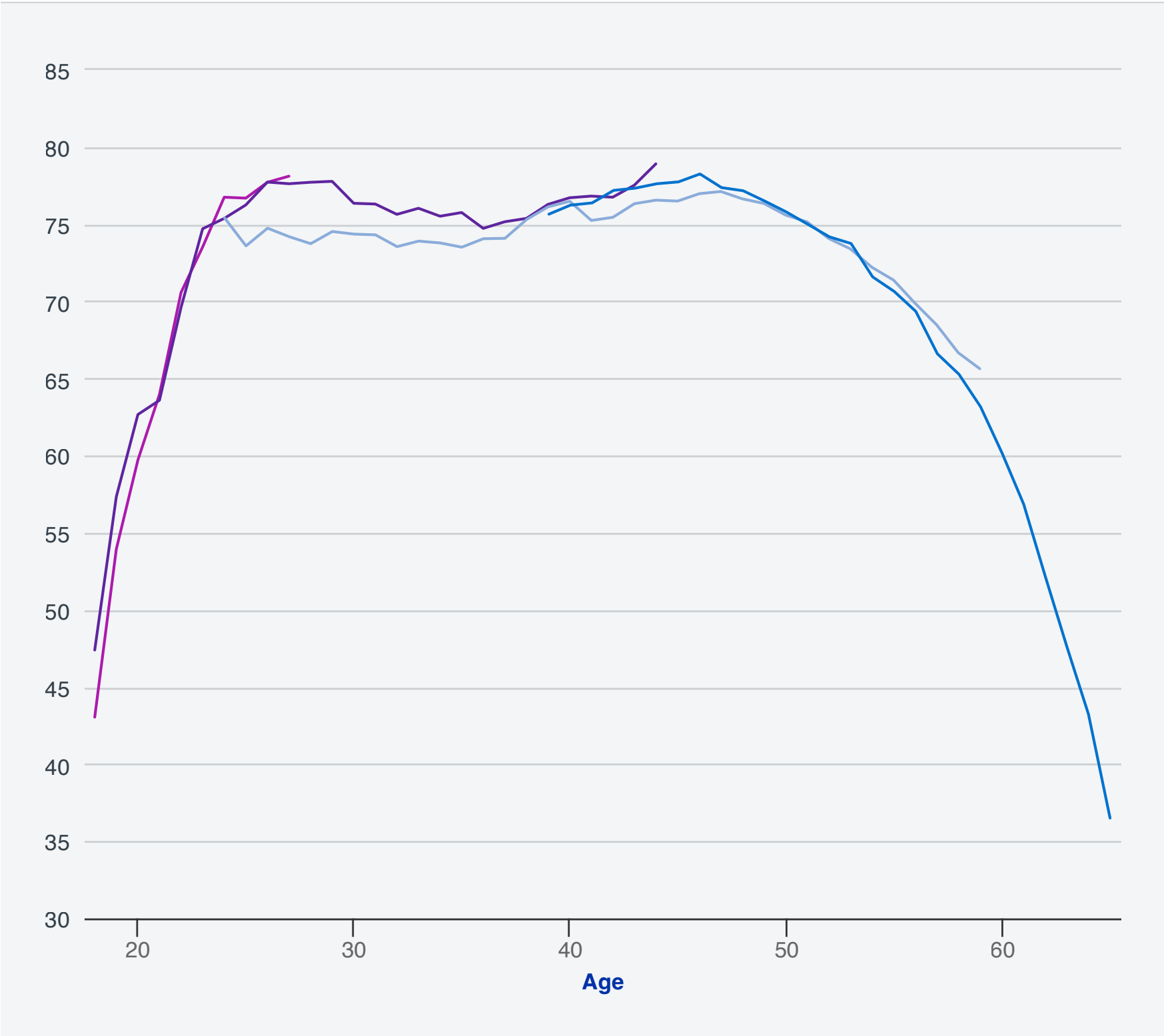
Labour force participation rate, women, 25-54 years old, in %

CANADA



Source: Labour Force Survey PUMP, CPP Investments Insights Institute

USA



Source: Current Population Survey, CPP Investments Insights Institute



Gen Z women are also increasingly rewriting the narrative on pay equity. In Canada, their earnings are growing faster than those of their male counterparts, shrinking the Gen Z gender pay gap to an unprecedented level of less than 5%.

The story is equally remarkable in the U.S., where the wage gap began narrowing earlier. Here, the gender pay gap for both Gen Z and Millennials is between 5 and 7% — a substantial improvement over prior generations.

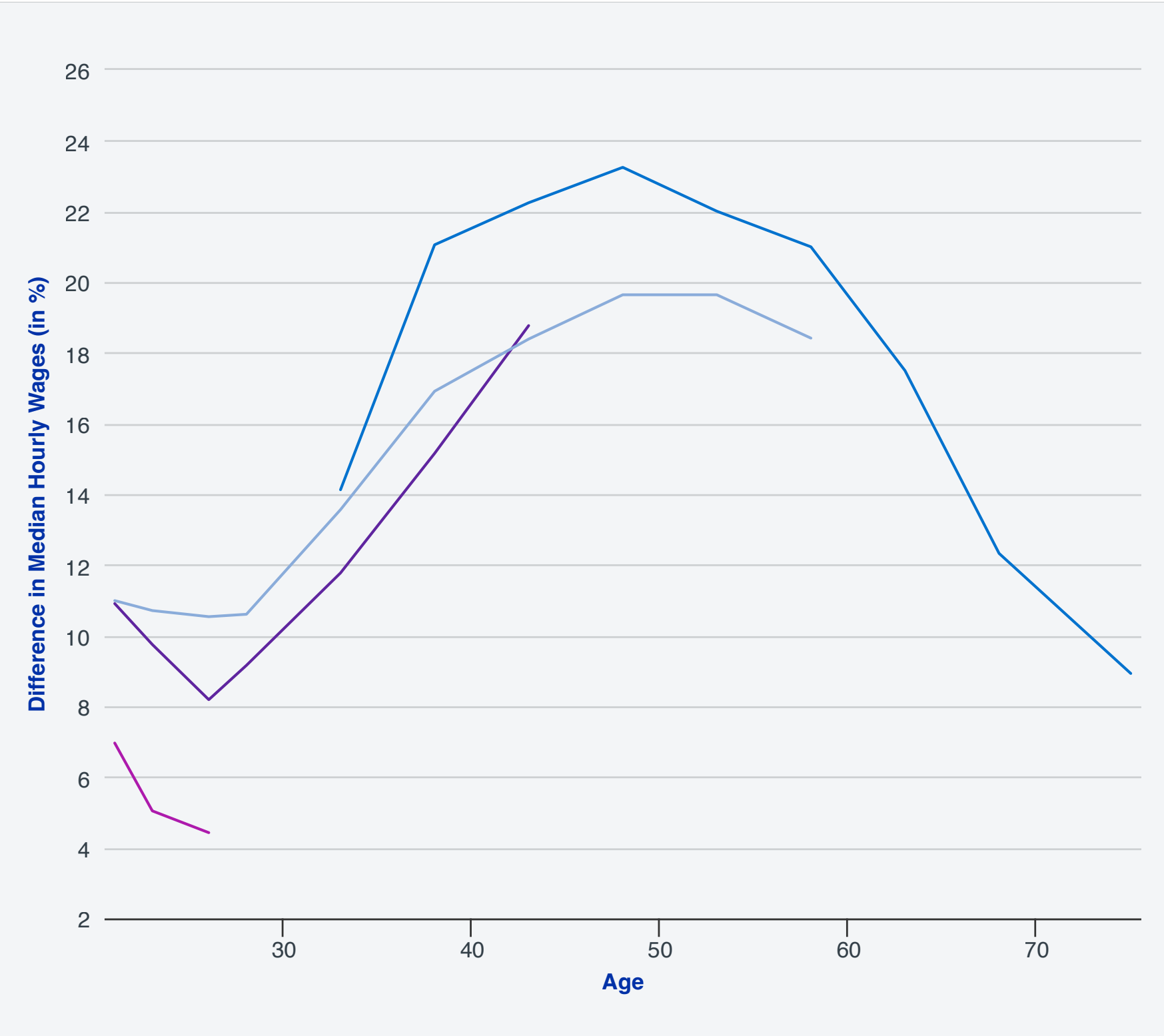
**34%** of Gen Zs identify cost of living as a top concern.

**49%** of Gen Zs think business is having a positive impact on society.

Mind the gap: Gen Z women make strides on pay equity

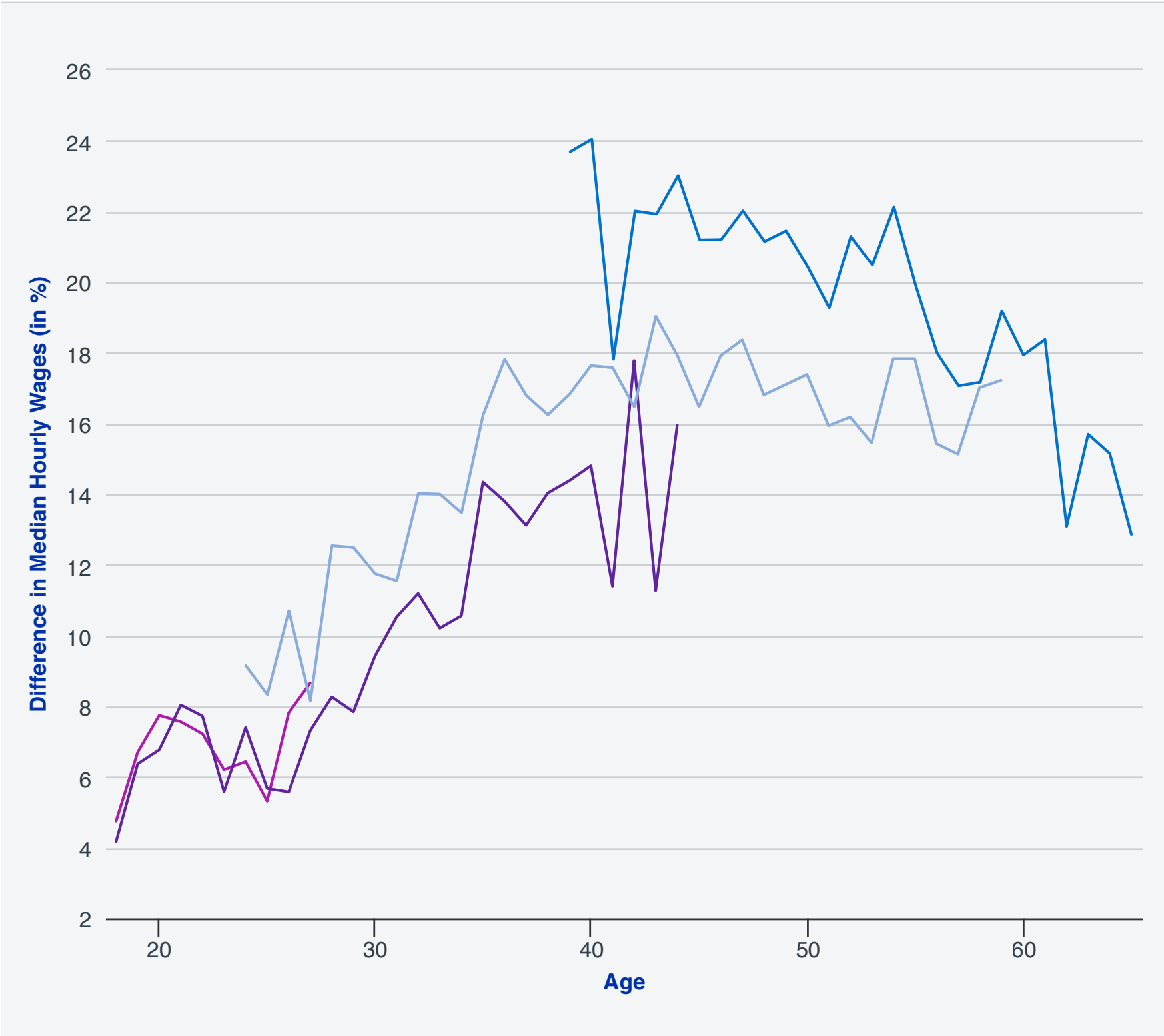
Gender wage gap, in % of men’s wages

CANADA



Source: Labour Force Survey, CPP Investments Insights Institute

USA



Source: Current Population Survey, CPP Investments Insights Institute

Moreover, Gen Z women’s pursuit of education suggests they will form the largest portion of the skilled workforce of the future. They are enrolling in post-secondary education in larger numbers compared to previous generations of women—and compared to men of their own generation.

In the U.S., about 39% of women aged 20 to 24 are enrolled in some form of post-secondary education, a notable rise from 34% in 1998. By contrast, only 32% of men in the same age range are enrolled—just one percentage point higher than in 1998.

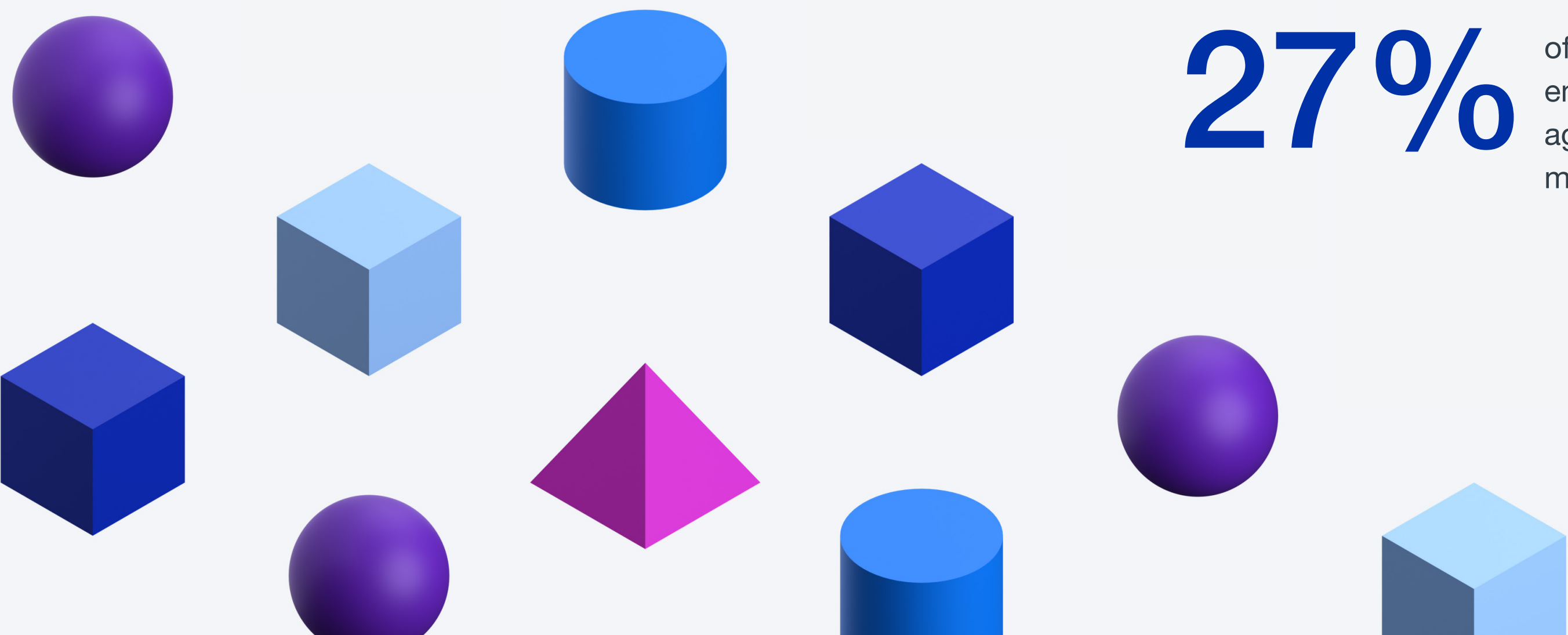
“  
We’re looking for unique,  
underappreciated insights  
into companies. Having the  
best data is part of that, but  
so is having the best talent.

**FRANK IERACI**  
Senior Managing Director & Global Head of Active  
Equities and Investment Science, CPP Investments

50% of Gen Zs cite their  
long-term financial futures  
as their top stressor.

20% of Gen Zs have already changed  
jobs or industries due to  
environmental concerns.

27% of Gen Zs are concerned their  
employer will discriminate  
against them if they raise  
mental health concerns.



The pattern is even more pronounced in Canada, where 49% of young women are now pursuing higher education, up nearly 8% from 1998, while men’s enrollment has edged up only slightly (from 37% to 39%).

This education gap, widening for decades, continues to grow. As of 2021, American colleges and universities enrolled roughly six women for every four men.<sup>9</sup> While this raises important concerns about men’s attachment to the workforce, it also suggests Gen Z women are not just participating in the labour market—they’re positioning themselves as the backbone of tomorrow’s skilled workforce.

Women from Gen Z are pursuing higher education at unprecedented rates

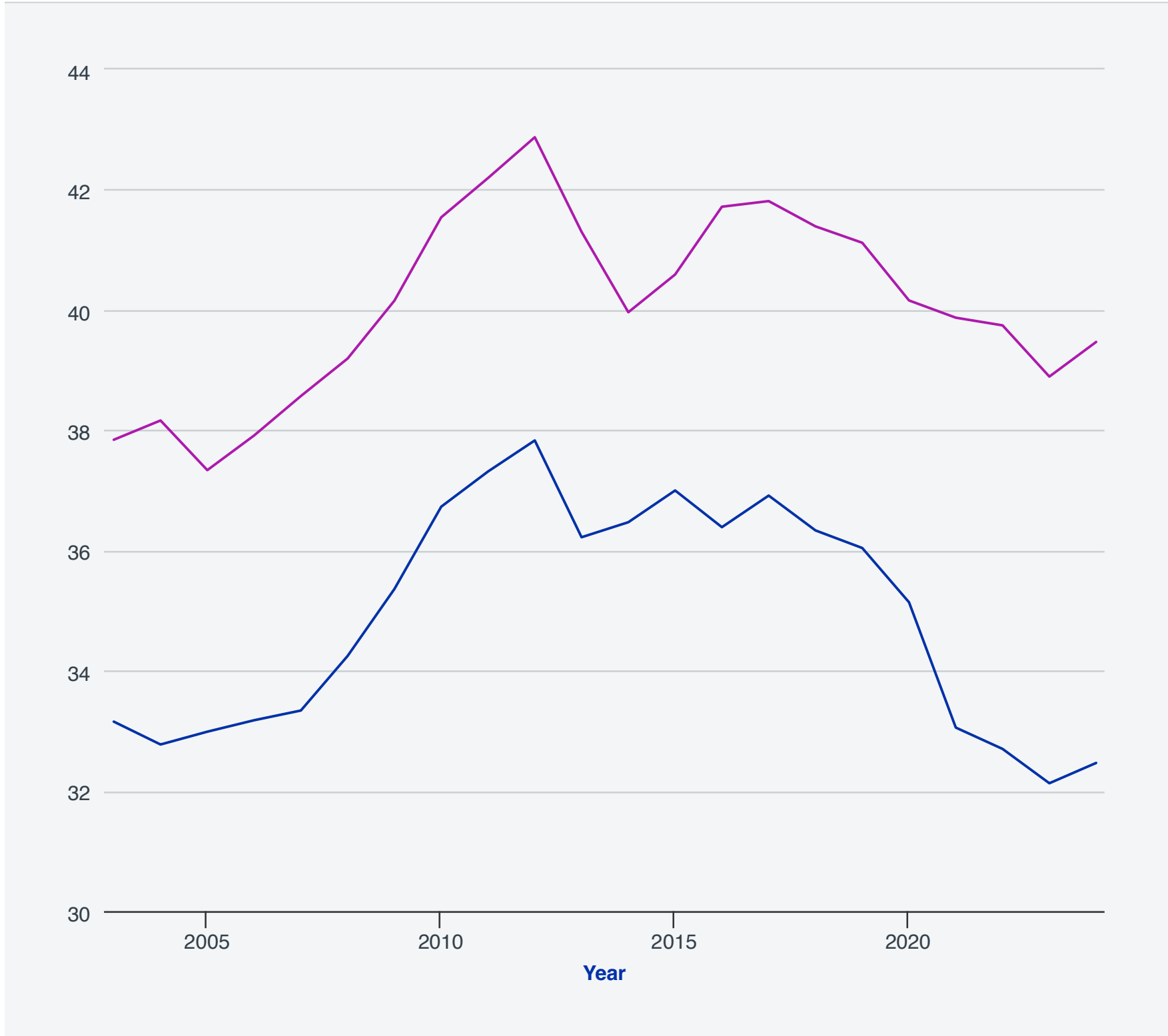
Percentage of men and women enrolled in schooling, 20-24 years old

CANADA



Source: Labour Force Survey, CPP Investments Insights Institute

USA



Source: Current Population Survey, CPP Investments Insights Institute



# Will it continue? Gen Z and the parenthood paradox

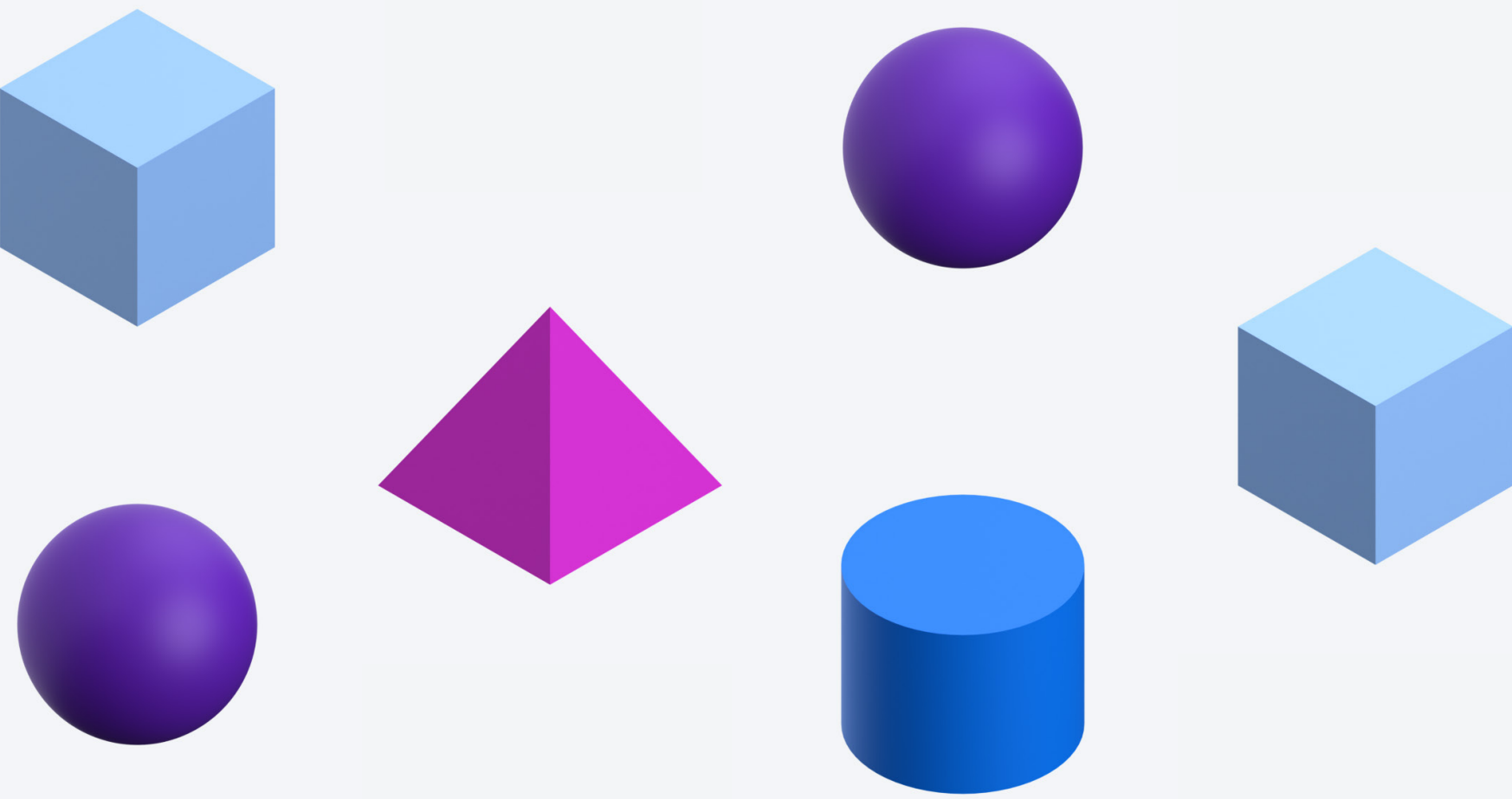
The oldest Gen Z women (age 28) may have already or may soon be starting families, a period when women’s career progression and earnings typically plateau and when gender gaps in participation and wages widen. This economic disadvantage or “motherhood penalty” contrasts with the “fatherhood bonus” experienced by men, whose wages tend to increase after having children.<sup>10</sup> The latter effect has been attributed to perceptions of men as becoming more stable and responsible after becoming parents, resulting in higher pay and more positive evaluations.

However, Gen Z women have several advantages. First, they are moving into their prime working years at a time when declining birth rates and rising life expectancies are set to squeeze labour availability in advanced economies. They’ll also be building on the gains of Millennial women, who have been climbing the managerial ranks at an impressive clip. In 2014, women aged 25 to 34 accounted for just 43% of managerial positions in the U.S. In 2024, they occupied 48% of these roles, almost entirely closing a gap that long favoured men.

Yet growth in women’s representation in managerial roles—particularly in the mid and late career periods—remains stubbornly incremental.

“The U.S. will be a majority minority country by 2045—and Gen Zs are a particularly diverse subset. If companies want to innovate and stay ahead, they need a diverse workforce.”

**DIANA SCOTT**  
Center Leader, U.S. Human Capital  
Center and Conference Board



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The more diverse viewpoints you can bring into decisions, the better your decision-making. To make that diversity of thought a reality, you must always be reviewing business practices to ensure every voice has a chance to be heard.

**PRITI SINGH**

Senior Managing Director & Chief Risk Officer, CPP Investments

Investors who value greater diversity of thought, particularly in decision-making roles, have a vested interest in helping women break this barrier—as do economies facing looming demographic crises due to aging workforces.

By 2030, 23% of Canada’s population, or 9.4 million people, will be over 65.<sup>11</sup> The U.S. is projected to have approximately 73 million individuals aged 65 and older, accounting for about 21% of the total population.<sup>12</sup> This demographic shift will mark a pivotal turning point. With fewer people of working age coming up behind them, countries and employers must develop new strategies to remain competitive,

including tapping into previously underutilized segments of the labour force. Indeed, attracting and retaining talent has emerged as a top concern among C-suite executives, according to the U.S. Conference Board.<sup>13</sup>

But to harness the value-adding potential of Gen Z women, employers need to rethink the status quo. Surveys indicate that 61% of Gen Zs will work to drive change within their organizations, particularly in the areas of wellness, social impact, environmental impact and workload.<sup>14</sup>



# Fostering a powerful intergenerational workforce

For the past two years, CPP Investments Insights Institute has convened senior executives from top global investment funds to share strategies for capturing the value-creating potential of diverse workforces. Our most recent event explored how to unlock the power of Gen Z women, while creating a thriving intergenerational workplace—one where Boomers, Millennials, and Gen Zs each contribute at their full potential. Our guests shared the following actionable insights for how to build a productive work environment for the diverse talent all agree are a vital part of their growth and performance.

For the purposes of this report, these insights have been selected specifically for their applicability to Gen Z women—however, it is worth noting that they address the concerns of talent beyond this specific demographic and can play a broader role in workforce enhancement.

“

What do Gen Z expect from their managers? The biggest thing is transparency. All of the Gen Z women on my team said they need transparency in spades. They want to understand the ‘why’ behind putting in the effort so they can achieve a better result.

**BRONWYN WARD**

Managing Director, Head of Beta, Collateral & Liquidity Management, Total Fund Management

# 1. Flexible Work Schedules

The ability to balance employment with personal interests, family, and friends tops the list of concerns for Gen Zs, who value flexibility in where they work, according to the Deloitte Global 2024 Gen Z and Millennial Survey.<sup>14</sup> To accommodate both personal priorities and business needs, various scheduling models exist, each offering a different approach to flexibility. Ultimately, the ideal balance will vary for each investor, depending on its unique circumstances and goals. (For more on CPP Investments’ approach, see case study below.)

## Actionable Steps:

Investors can offer “flexible work schedules” that align with individual needs and priorities.

- Conduct employee surveys to understand scheduling preferences.
- Explore innovative ways to balance those preferences with business needs, utilizing options such as job-sharing, part-time work and varied work hours.
- Ensure equity in support for caregiving roles, providing equal support to men and women.
- Introduce equitable parental leave policies.
- Provide support for employees managing family responsibilities, including lactation rooms, flexible workday hours, and mental health supports.



“People generally think Gen Z have a preference towards remote work. But for me personally, I enjoy the *community* that comes with in-person work.”

**BRETT CASWELL**

Intern, CPP Investments, Technology & Data,  
Technology & Operations



## 2. Workplace mental health

Only 51% of Gen Zs rated their mental health as good or extremely good in 2024, according to the Deloitte survey. And while the survey suggests stress levels have improved slightly compared to 2023, 40% of Gen Zs reported feeling stressed most of the time. The top factors? Financial concerns, long working hours, lack of workplace recognition, and family welfare. What's more, less than 6 in 10 Gen Zs felt comfortable talking with their managers about mental health challenges, while 3 in 10 feared their manager would discriminate against them if they did.

### Actionable Steps:

Employers can start by normalizing mental health conversations and fostering an environment where employees feel comfortable discussing these challenges without fear of discrimination.

- Train managers on mental health awareness and inclusivity.
- Introduce anonymous feedback channels or mental health hotlines.
- Provide financial wellness programs and counseling services.
- Build better institutional habits for recognizing achievements, including tailored rewards and regular feedback.



“I want to know that my work contributes to something bigger than me—that it *makes a real difference.*”

**SARAH ALVARADO**

Intern, CPP Investments, Corporate Affairs,  
Public Affairs & Communications

## 3. Competitive pay and salary transparency

Many Gen Zs started their careers during the high inflation and booming housing markets of the early 2020s. And their long-term financial future is frequently identified as a top factor contributing to their stress levels. Over half of Gen Z and Millennials in Canada feel their finances are in poor or fair condition, with 53% identifying debt as a major concern, according to a report from Manulife.<sup>15</sup> Scotiabank's 2024 housing poll found home ownership among Canadians aged 18 to 34 declined to 26% from 47% in 2021.<sup>16</sup>

Gen Z employees want to know that their compensation is competitive. And studies suggest Gen Zs readily share salary information with one another via social media and other channels.<sup>14</sup>

### Actionable Steps:

- Be upfront about salary ranges during hiring and promotion discussions.
- Offer workshops on financial literacy to help employees manage their earnings.
- Provide employees with anonymized comparisons of compensation within the organization and market.
- Introduce regular compensation reviews with clear communication about salary progression.
- Use tools that allow employees to see how their salaries compare to those of others anonymously.



“In the economy we’re facing right now, being *fairly compensated* for the work I’m doing and to be able to support myself comfortably is one of the most important things to me.”

**ORPA BHOWAL**

Intern, CPP Investments, Business Management, Total Fund Management

## 4. Inclusive, values-driven cultures

Three quarters of Gen Zs and Millennials say an organization's community engagement and societal impact is an important factor in whether they choose to work there. They are seeking firms that make clear commitments and live their stated values. More than 60% of Gen Zs identified environmental sustainability as a top concern. Others cited clear employer positions on discrimination, economic inequality and LGBTQ rights as important in their decision-making.

### Actionable Steps:

- Develop and share reports on your organization's environmental and societal contributions.
- Host forums for employees to participate in values-driven projects.
- Train leaders to embody company values and involve them in community engagement efforts.
- Equip leaders with the skills to bring diverse voices into discussions and to create safe spaces that allow employees to share perspectives without judgment.
- Encourage cross-generational mentorship to share diverse experiences.



*“I care about the **company culture**, the workplace environment, the people. Working in an inclusive environment, with people who are really positive, is key.”*

**SARAH ALVARADO**

Intern, CPP Investments, Corporate Affairs,  
Public Affairs & Communications



## 5. Clear pathways for advancement and professional growth

Can new recruits see a future at your company? Studies suggest this is a clear concern for Gen Zs. This demographic group want to understand internal mobility opportunities and how each opportunity contributes to their career advancement. They also want to sharpen their skills, including with emerging technology. For instance, a lack of engagement from employers about the impact of generative AI on the workplace and jobs—and a lack of effort to prepare workers to use the technology—was among the workplace concerns cited in the Deloitte survey.

### Actionable Steps:

- Show employees how their roles can evolve within the company.
- Implement regular development conversations.
- Offer tailored career roadmaps for every employee.
- Equip employees with skills to handle emerging technologies like AI.
- Provide training in generative AI, coding, and data analytics.
- Give employees dedicated time to pursue learning opportunities.



*“I want a fast-paced environment and I want exposure to a range of experiences. Stability is not the most important thing to me right now.”*

**JOANNA LIU**

Intern, CPP Investments, Portfolio Design & Construction, Total Fund Management

# Case study

# CPP Investments: Building an inclusive workplace for top talent

“Creating an inclusive environment in which people can be their best selves has never been more important,” says Mary Sullivan, Senior Managing Director & Chief Talent Officer, CPP Investments.

Many studies have proven that diverse groups can do a better job of solving complex problems than homogenous teams, she notes. And having the very best talent to tackle challenges is critical to any investing organization.

This knowledge underpins CPP Investments’ holistic talent strategy. Designed to address the key concerns of current and future professionals, it offers flexibility and work-life balance, and fosters an environment where employees feel empowered to manage personal priorities and excel professionally.

Work schedules balance employee desires for flexibility with the organization’s emphasis on the value of in-person collaboration and learning. This includes part-time and job-sharing options and varied work hours, with an in-office expectation (without altering the standard work week). Time away from work, paid sabbatical and family caregiver leaves, and opportunities to work from pre-approved locations for set periods are also possible.

Building an effective organization begins with understanding it. Sullivan’s team uses data to gain insights on the nature of the organization and the experiences of employees. The information is key to making the changes needed to harness the power of diverse teams and to make CPP Investments “the best version of itself.”

Annual reviews ensure compensation and benefit programs are built to compete with industry peers, equity audits help identify and mitigate potential biases, and transparent pay ranges enhance trust among employees. Leading coverage for mental health services, seminars on mental health topics and a culture of openness are central to CPP Investments’ approach to employee wellness.

“An open culture of listening is the foundation of an inclusive environment,” said Sullivan. “It’s about hearing people, seeing the world through their eyes and harnessing their ideas. That’s what really propels an organization forward.”

To recruit the best young talent, CPP Investments hosts signature events like an annual Women’s Leadership Conference

designed to promote diverse career paths and attract women from non-traditional educational backgrounds. In fiscal 2023, CPP Investments also sponsored a Women in Capital Markets job shadow day for grade 12 students. Seven employee resource groups, including the Women’s Initiative Network, foster inclusion among various dimensions.

At the hiring stage, integrated career frameworks and interview training help mitigate bias, foster inclusivity, and build an equitable workplace culture. As of March 2025, women comprised 28% of senior investment professionals, 38% of senior management and 50% of board directors. 47% of new hires in fiscal 2025 were women.



# Contributors

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# Endnotes

- <sup>1</sup> Dimock, Michael. [Defining generations: Where Millennials end and Generation Z begins.](#) Pew Research Centre, January 2019
- <sup>2</sup> Erickson, Robin. and Lombardo, Barbara J. [Gen Z Rising: Attracting, Engaging, and Retaining the Workforce of the Future.](#) The Conference Board, March 2023.
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- <sup>4</sup> Nicola, Tara P. [STEM Gender Gaps Significant Among Gen Z.](#) GALLUP, December 2023
- <sup>5</sup> [Projections overview and highlights, 2020–30.](#) Monthly Labor Review: U.S. Bureau of Labor Statistics, October 2021
- <sup>6</sup> This report focuses primarily on Gen Z in the U.S. and Canada. The workplace and labour market impact of Gen Z in emerging markets with varied and younger demographics may differ, as do the strategies needed to attract and retain this talent.
- <sup>7</sup> King, Jordan. [One in Three Young People Don't Want Children as US Birth Rate Falling.](#) Newsweek, November 2024.
- <sup>8</sup> All pull statistics in this report are sourced from [Deloitte Global 2024 Gen Z and Millennial Survey](#), unless otherwise noted.
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# Interested in learning more about CPP Investments Insights Institute?

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