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Isaac M. O'Bannon • May. 18, 2023



A Generation Z (born 1997-2012) participation in the small business workforce has surpassed Baby Boomers (born 1946-1964) and is the only segment in the labor market showing growth. That's according to a new report from [Paychex, Inc.](#)

“[The Rise of Generation Z: A Paychex Special Report](#)” is designed to help business leaders understand the growing importance of this segment to the economy, which makes up nearly 20 percent of the workforce. Unlike Gen Z's steady growth in the labor market, representation from Baby Boomers, Gen X (born 1965-1980), and



Millennials (born 1981-1996) continues to decline. The data for the report was

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Other key insights from the Paychex report include:

- **Gen Z females are working more than their male counterparts.** The Gen Z workforce is comprised of 53% females and 47% males. Gen Z females represent 20.5% of all female workers, while Gen Z males only represent 17.7% of all male workers. Furthermore, Gen Z females represent a larger share of their gender's workforce compared to males in every industry except Construction.
- **Gen Z workers are most common in leisure and hospitality.** Making up 37.2% of the total small business workforce in Leisure and Hospitality, Gen Z is not only overrepresented relative to the national average but is the generation with the highest representation in the sector.
- **Wages for Gen Z are low, but they're rapidly growing.** Hourly earnings growth for Gen Z (9.3%) is more than double the national average (4.5%), largely due to the generation's lower-than-average wages (\$19.79 per hour).
- **Gen Z is making strides to close the gender pay gap.** The pay gap between male (\$20.82/hour) and female employees (\$18.82/hour) in Gen Z is \$2.00 compared to \$6.74 across all generations. Notably, Leisure and Hospitality is the only industry in which female (\$17.65/hour) Gen Z employees make more than their male (\$17.57/hour) counterparts, by a slim margin of \$0.08/hour.

To read the full findings, download "[The Rise of Generation Z: A Paychex Special Report.](#)"

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