

# Grit and Optimism Among Millennials and Gen Z

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## Executive Summary

In a business environment, grit and optimism are critical for success. Most leaders say they developed gritty optimism by taking risks, grappling with uncertainty, and recovering from failure. Grit and optimism are not traits commonly assigned to Millennials and Gen Zs. As adolescents and young adults, Millennials have been characterized as overconfident and entitled and Gen Zs anxious and slow to grow up. Both generations demonstrate lower self-efficacy, the ability to confidently stick with something to get a desired outcome. In testing for a range of traits and characteristics associated with grit and optimism, we found Millennials are not particularly trusting and many are not comfortable with ambiguity. That said, most Millennials are optimistic and demonstrate traits associated with grit. Specifically,

- About three in five Millennials are optimistic and almost three quarters possess a strong sense of self-determination. More than three in five are confident they can perform well in challenging situations and complete difficult tasks.
- Millennials score well on these positive traits and demonstrate fewer negative traits, such feelings of inadequacy. Less than half of Millennials are frustrated with others' successes or say their sense of self-worth is impacted by failure. Less than a third regularly struggle with feelings of inadequacy.
- Millennials are grittier and more optimistic than Gen Zs.

We also grouped Millennials and Gen Zs and analyzed them based on demographic characteristics. Here, we found that ideology is the strongest determinant for grit and optimism, with a few differences related to race, ethnicity, and education. Specifically,

- Blacks, Republicans, and strong conservatives are significantly more optimistic than average, including expecting the best in uncertain times.
- Non-binary people and strong liberals show unique patterns. Both are significantly less likely to say their life is determined by their own actions and more likely to assert that powerful people control what happens.
- Non-binary people are significantly more likely to feel inadequate, struggle with feelings of self-worth, feel less confident in their ability to perform, and less comfortable with risk and uncertainty.
- On many items related to grit and optimism, there is a sliding scale from conservatives to liberals. Conservatives are more trusting, optimistic, more likely to feel they can perform well under challenging situations, more comfortable with risk, and less likely to feel inadequate or impacted by failure.

## Ideas for business leaders on grit and optimism in the age of polarization.

Few statements express an attitude towards “gritty optimism” better than “We are all made better by the trials and hardships of life.” In a 1958 survey of Americans, 92% agreed with this statement. Now, 45% of strong liberals agree compared to 82% of strong conservatives. Millennials and Gen Zs are not the cause of ideological polarization; however, both generations are more accustomed to polarization than previous generations. The patterns we describe highlight how ideological polarization can impact grit, optimism, and workplace culture.

Ideology influences work and career choices. Yet, it is unwise to assume that everyone in a certain industry thinks the same. This is especially true in large corporations that employ most American workers. When compared to all Americans, Millennials and Gen Zs score lower on trust. Compared to Millennials, Gen Zs are less optimistic. Remember that optimism implies a focus on the positive aspects of life. Grit implies the ability to recover from failure and persevere in the face of challenges. Trust is essential for developing both.

Identifying and addressing polarization builds trust. A healthy workplace culture is not a homogenous one. Keep in mind that having a strong opinion or making a lifestyle choice reflecting one’s moral views does not necessarily contribute to polarization, the extent to which opinions diverge on any given issue. Polarization is reinforced by a perception that opposing moral worldviews are incompatible and there is no middle ground.<sup>1</sup> When strong opinions become intertwined with virtue signaling or moral grandstanding, they convey one’s moral correctness on a given issue and the behavior and speech that is acceptable around the issue.<sup>2</sup> Moral grandstanding labels other perspectives and patterns of behavior as immoral and unethical. Groups are commonly evaluated based on the opinions of members with the most extreme views, so people on opposite ends of a spectrum are likely to perceive an entire group to be more extreme than it is, driving a rise in negative feelings.<sup>3</sup> Discouraging moral grandstanding and encouraging “confident humility” contributes to trust and optimism.<sup>4</sup>

Addressing polarization also increases inclusivity. Recognizing that younger workers and non-binary people may struggle with confidence and take failure harder reinforces the need to provide opportunities for these groups to access mentorship, support, and opportunities to develop the constellation of personality traits that make up grit and optimism.

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<sup>1</sup> Iyengar, S., Lelkes, Y., Levendusky, M., Malhotra, N., & Westwood, S. J. (2019). The Origins and Consequences of Affective Polarization in the United States. *Annual Review of Political Science* 22:1, 129-146.

<sup>2</sup> Tosi, J., & Warmke, B. (2020). Moral grandstanding as a threat to free expression. *Social Philosophy & Policy*, 37(2), 170-189.

<sup>3</sup> Blazina, C. (2022). Americans at the ends of the ideological spectrum are the most active in national politics. Pew Research Center.

<sup>4</sup> Grant, A. (2021). *Think again: The power of knowing what you don't know*. Penguin.

## Grit and optimism are part of the constellation of our personality.

Most business leaders believe it is critical to cultivate grit and optimism. Each of these is a set of beliefs and traits that provide a certain outlook on life. Grit implies the ability to recover from failure and persevere in the face of challenges. Optimism implies a focus on the positive aspects of life. Millennials and Gen Zs have been characterized as less gritty and less optimistic than older generations. Is this true? We ask various items that, when considered together, shed light on grit and optimism, but let's start with the previously referenced 1958 survey of Americans where 92% agreed with this statement<sup>5</sup>, "We are all made better by the trials and hardships of life." Perhaps this is not surprising as World War II was not far in the past, the Korean War had recently ended, and the Cold War was in full swing. Perhaps it is also not surprising that far fewer Millennials and Gen Zs agree with this statement. Today, 67% of Millennials and 59% of Gen Zs believe the trial and hardships of life make us better.

Grit and optimism are part of the constellation of our personality, something that is continuously molded by upbringing, experience, and culture. In our mid-twenties, once our brains are fully formed, our personalities tend to become more set. Some aspects of grit are related to risk tolerance. Children with a higher risk tolerance may develop more comfort with ambiguity and a higher immunity to failure. Ultimately, novel experiences, failure, and unexpected hardships promote resilience, comfort with uncertainty, and self-efficacy – the capacity to confidently stick with something to get a desired outcome.

Optimism is, at least, partially inherited. Optimism conveys numerous benefits including better health and economic outcomes. People with optimistic attitudes also tend to have more positive views about their ability to lead and do well in competitive market economies. At times, optimism is confused with self-esteem. Optimism implies hopeful confidence about the future while self-esteem implies confidence in one's own worth or abilities. Unchecked self-esteem leads to overconfidence, heightened individualism, and diminished self-efficacy. Excessive self-esteem veers into narcissism, drives reliance on feelings at the expense of facts, reduces empathy for others, and diminishes the ability to deal with criticism and recover from failure.<sup>6</sup> While Millennials and Gen Zs have been characterized as less gritty and optimistic than older generations, each cohort experienced different cultural inputs that generated profiles developed by each cohort when they were adolescents and young adults.<sup>7</sup>

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<sup>5</sup> McCloskey, Herbert and John Zaller (1984). *The American Ethos: Public Attitudes Toward Capitalism and Democracy*. Cambridge: Harvard University Press. 92% agreed and 8% disagreed when asked in a binary yes/no format.

<sup>6</sup> Kahneman, Daniel (2011). *Thinking, Fast and Slow*. New York: Farrar, Straus and Giroux.

<sup>7</sup> Jean M. Twenge and her colleagues have published high-quality research and created psychological and behavioral profiles describing these groups roughly between the ages of about thirteen and twenty-one. This work is summarized by Twenge in three books: *Generation Me* (2014), *I Gen* (2018), and *Generations* (2023).

Millennials, now entering their 40s, were inundated with optimistic messages such as “Never give up your dreams” and “You can be anything you want to be.” These messages were seen as central to developing self-esteem; however, this relentless positivity led Millennials to expect to invest less effort in work and to reap greater rewards for that effort. Ultimately, many received a message that wealth, prestige, and authority are easy to achieve, which created a sense of entitlement and dismantled a strong connection between work and reward. The post-2008 economy was a sharp confrontation with reality. We’ve suggested that aspects of Millennial’s economic attitudes may be changing due to age, experience, and the accumulations of wealth.<sup>8</sup> Here, we suggest that self-esteem driven overconfidence, moderated by the trials and hardships of life, may be developing into a healthier gritty optimism.

Gen Zs, the oldest of whom are about 26, are like Millennials in that many say they want to be well off financially. Gen Zs, however, are bombarded with messages of wealth inequality and job market competition and many are concerned about being left behind economically. They choose practical careers and assume they will have to work hard to achieve financial goals while, at the same time, feeling less optimistic about their ability to achieve good outcomes. They demonstrate a weaker internal locus of control and lower self-efficacy, meaning they don’t feel confident their behavior will shape the direction of their life and the world around them. Gen Zs also have a longer and more protected childhood driving a risk-averse mentality, less experience in reading social cues, and less empathy for other points of view. We’d expect Gen Zs to largely reflect this profile, demonstrating less grit and optimism than Millennials.

### When compared to Gen Zs, Millennials demonstrate more positive traits such as self-efficacy, and fewer negative traits, such as envy.

We defined self-efficacy as the capacity to stick with something to get a desired outcome. Locus of control is the belief in personal agency, specifically how someone perceives world order and their ability to control destiny.<sup>9</sup> In Figure 1, we compare Millennial and Gen Z responses to items that shed light on grit and optimism. The items in Figure 1 are ordered by the percentage of Millennials who agree. When compared to Gen Zs, Millennials demonstrate more positive traits

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<sup>8</sup> see <https://capitalism.wfu.edu/what-we-do/research/>

<sup>9</sup> On one end of this spectrum is a feeling that the world lacks order and that life is driven by chance, luck, fate, or other powers beyond the control of humans. On the other end is a feeling that the world is ordered, the future can be shaped, and individual agency drives outcomes, referred to as Internal Locus of Control. A third idea, referred to as External Locus of Control, is that the world is ordered but controlled by powerful others--people beyond one’s reach.

such as self-efficacy, and fewer negative traits, such as envy. Here are key takeaways from Figure 1:

- **Ambiguity:** Comfort with ambiguity (item 3) is the only place where Millennials come up short compared to Gen Zs. In this sample, Millennials are significantly (9 points) more bothered by ambiguity than Gen Zs. Also, barely half of both groups view risks as a challenge (item 8).
- **Trust:** Both cohorts demonstrate low trust. Millennials are split on whether or not they think people are trustworthy (about a third do and a third don't) and two in five Gen Zs think most people are *not* trustworthy (item 13). Compare this outcome to a July 2021 Ipsos poll that asked 1,000 Americans their views on the statement "People are generally trustworthy." In that sample, 46% of adults agreed, 27% were neutral, and 27% disagreed.<sup>10</sup>
- **Optimism:** When items are expressed positively, such as "Wealth can grow" (item 6) and "I expect more good things to happen than bad," (item 7) Millennials are more optimistic than Gen Zs. About three in five agree with these items compared to about half of Gen Zs. However, when phrased with a focus on ambiguity "In uncertain times, I usually expect the best," (item 11) agreement drops to about two in five Millennials and a little more than a third of Gen Zs.
- **Envy:** Almost three in five of Gen Zs feel frustrated at the success of others (item 9) and more than a third usually feel inadequate (item 14). In contrast, less than half of Millennials are frustrated at the success of others and about a quarter usually feel inadequate.
- **Self-Efficacy and Locus of Control:** The most striking difference between Millennials and Gen Zs relates to Self-Efficacy (items 2, 5) and Locus of Control (items 1, 12). Gen Zs score 9 to 12 points lower in agreement on these items than Millennials. Even with a strong internal locus of control, it is less likely that someone will feel their actions can drive change if they think the world is controlled by powerful others. While around three of five Gen Zs believe their actions shape their lives and they can perform and achieve in difficult conditions, half of them also think what happened in their life is mostly determined by powerful people.
- **Failure:** Learning to recover from failure increases resilience. Almost half of Millennials agree that failure *does not* impact their feelings of self-worth. And little more than a quarter are regularly bothered by feelings of inadequacy. Among Gen Z, two in five say failure *does* impact their sense of self-worth and a slightly more than a third feel inadequate most of the time. On both items, the number of respondents that agree and disagree shifts with age while the number of neutral responses are equivalent.

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<sup>10</sup> Ipsos (2021). Ipsos Understanding Society: Wave 13 July 2021, Question 15 [31118559.00014]. Ipsos. Cornell University, Ithaca, NY: Roper Center for Public Opinion Research

Figure 1. A comparison of Millennial and Gen Z attitudes. The margin of error is +/- 2.36% at the 95% level of confidence.

Item	Millennial			Gen Z			Point change in agree
	Agree	Neutral	Disagree	Agree	Neutral	Disagree	
1. <u>Internal Locus of Control</u> : My life is determined by my own actions.	72%	17%	11%	61%	21%	9%	11
2. <u>Self-Efficacy</u> : Even when things are tough, I can perform quite well.	69%	23%	8%	60%	26%	14%	9
3. <u>Ambiguity</u> : It bothers me to make decisions in conditions of uncertainty.	69%	23%	8%	60%	26%	14%	9
4. <u>Grit</u> : We are all made better by the trials and hardships of life.	67%	21%	12%	59%	27%	14%	8
5. <u>Self-Efficacy</u> : When facing difficult tasks, I am certain I will accomplish them.	66%	24%	10%	54%	30%	16%	12
6. <u>Optimism</u> : Wealth can grow so there's enough for everyone	58%	21%	21%	54%	27%	28%	4
7. <u>Optimism</u> : Overall, I expect more good things to happen to me than bad.	57%	27%	16%	48%	28%	24%	9
8. <u>Risk</u> : I usually view risks as a challenge.	55%	26%	19%	51%	27%	22%	4
9. <u>Envy</u> : It is frustrating to see some people succeed so easily.	48%	22%	30%	56%	23%	21%	8
10. <u>Failure</u> : Failure does not impact my sense of self-worth.	46%	20%	34%	38%	21%	41%	8
11. <u>Optimism</u> : In uncertain times, I usually expect the best.	44%	25%	31%	37%	28%	25%	7
12. <u>External Locus of Control</u> . What happens in my life is mostly determined by powerful people.	41%	27%	32%	50%	27%	32%	9
13. <u>Trust</u> : I believe most people are trustworthy.	37%	27%	36%	33%	26%	41%	4
	All/ nearly all the time	Some of the time	Almost never/ never	All/ nearly all the time	Some of the time	Almost never/ never	
14. <u>Envy</u> : I am often bothered by feelings of inadequacy.	28%	40%	32%	35%	41%	24%	7



## Ideology and gender identification are better predictors for how someone will respond than race, ethnicity, and education.

Figure 2 explores Millennials and Gen Zs as a group and evaluates differences based on demographic factors including race, ethnicity, gender, education, and political ideology. Responses to “We are all made better by the trials and hardships of life” exemplify the ideological divide. On average, 64% of all groups agree with this item, but the sliding scale of support from strong liberals (45%) to the strong conservatives (82%) is striking. To demonstrate this sliding scale, Figure 4 compares responses by strong conservatives and strong liberals on all items. Here are key takeaways from Figures 2A and 2B:

- **Ambiguity:** About three in five Millennials and Gen Zs say it bothers them to make decisions in conditions of uncertainty (item 3). Asians were the least bothered with 54% agreeing. Strong liberals were the most bothered with 72% agreeing.
- **Trust:** No group is particularly trusting (item 13). College educated were the most trusting with 48% agreeing most people are trustworthy. Non-binary people were the least trusting with 29% agreeing most people are trustworthy.
- **Optimism:** A slight majority of all groups agree wealth can grow (item 6) and expect more good things to happen than bad (item 7); however, only two in five expect the best in uncertain times (item 11). Blacks are significantly more optimistic: 65% agree wealth can grow, 62% expect more good things than bad, and 53% expect the best in uncertain times. Non-binary people are significantly less optimistic: 28% think good things will happen to them and 17% expect the best in uncertain times. College education also makes a difference: those without a four-year degree score 9 points lower on wealth can grow compared to those with a degree. They are 15 points less likely to agree more good things will happen to them than bad and 11 points less likely to expect the best in uncertain times. Republicans are slightly more optimistic than Democrats, but the real difference is the pronounced spread between liberals and conservatives. A majority think wealth can grow; however, 46% of strong liberals think more good things will happen to them than bad and 29% expect the best in uncertain times. With strong conservatives, these numbers are 67% and 57%, respectively.
- **Envy:** Whites and Asians are more frustrated at the success of others (item 9). Whites also feel more inadequate (item 14) while Asians are least likely to feel this way. Females are 9 points and non-binary people are 10 points more likely than males to feel inadequate. Non-binary people are about 15 points more likely to be frustrated at the success of others. Generally, moderates and conservatives feel the least inadequate and frustrated, and the strong liberals feel the most inadequate and frustrated.
- **Self-Efficacy and Locus of Control:** More than half of all groups feel they can perform well when things are tough (item 2). More than half of all groups, other than non-binary people, are also confident they can accomplish difficult tasks (item 5). Asians also score



lower on both items. Of self-efficacy items, college education matters. Those without a four-year degree are 9 points less likely to think they can perform well when things are tough and 12 points less certain they can accomplish difficult tasks. On items associated with locus of control, non-binary people and strong liberals are less likely to agree that their life is determined by their own actions (item 1) and more likely to believe what happens in their life is controlled by powerful people (item 12). Ideology drives a sliding scale in self-efficacy and Locus of Control from strong liberals to strong conservatives.

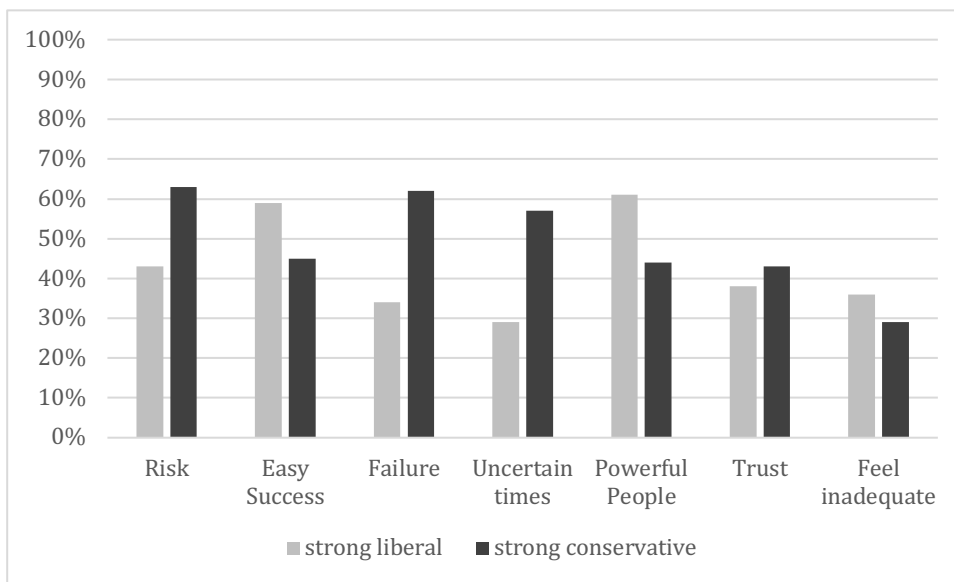
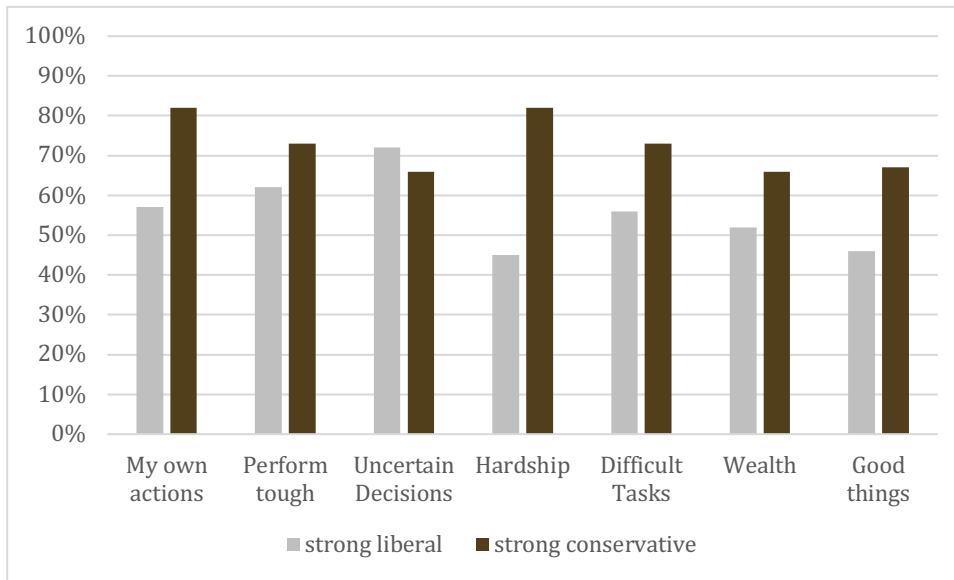
Figure 2A. Combined responses of Millennials and Gen Zs sorted by select demographics. “Average” is the average outcome for the item for all survey takers. See Figure 1 for item descriptions. The margin of error is +/- 2.36% at the 95% level of confidence.

	<b>1.</b> <b>My own</b> <b>actions</b> <i>positive</i>	<b>2.</b> <b>Perform</b> <b>tough</b> <i>positive</i>	<b>3.</b> <b>Uncertain</b> <b>Decisions</b> <i>negative</i>	<b>4.</b> <b>Hardship</b> <i>positive</i>	<b>5.</b> <b>Difficult</b> <b>Tasks</b> <i>positive</i>	<b>6.</b> <b>Wealth</b> <i>positive</i>	<b>7.</b> <b>Good</b> <b>things</b> <i>positive</i>
<b>Average</b>	<b>71%</b>	<b>66%</b>	<b>61%</b>	<b>64%</b>	<b>62%</b>	<b>53%</b>	<b>54%</b>
White	71%	68%	65%	66%	62%	51%	53%
Black	71%	66%	58%	67%	64%	65%	62%
Hispanic	76%	64%	57%	62%	63%	52%	53%
Asian	65%	50%	54%	62%	54%	59%	51%
Female	73%	65%	65%	65%	61%	52%	54%
Male	70%	68%	56%	67%	65%	56%	56%
Non-binary	58%	54%	66%	34%	43%	52%	28%
Four-year degree or higher	72%	72%	62%	67%	70%	59%	64%
Less than four-year degree	71%	63%	60%	63%	58%	50%	49%
Republican	80%	71%	66%	79%	72%	61%	65%
Democrat	71%	66%	66%	64%	63%	57%	60%
Very liberal	57%	62%	72%	45%	56%	52%	46%
Liberal	71%	68%	68%	67%	64%	52%	59%
Moderate	75%	68%	56%	68%	63%	53%	57%
Conservative	82%	73%	58%	80%	72%	57%	57%
Very conservative	82%	73%	66%	82%	73%	66%	67%

Figure 2B. Combined responses of Millennials and Gen Zs sorted by select demographics. “Average” is the average outcome for the item for all survey takers. See Figure 1 for item descriptions. The margin of error is +/- 2.36% at the 95% level of confidence.

	<b>8. Risk</b> <i>positive</i>	<b>9. Easy Success</b> <i>negative</i>	<b>10. Failure</b> <i>positive</i>	<b>11. Uncertain times</b> <i>positive</i>	<b>12. Powerful People</b> <i>negative</i>	<b>13. Trust</b> <i>positive</i>	<b>14. Feel inadequate</b> <i>negative</i>
<b>Average</b>	<b>54%</b>	<b>51%</b>	<b>43%</b>	<b>41%</b>	<b>44%</b>	<b>36%</b>	<b>30%</b>
White	53%	54%	42%	38%	44%	39%	30%
Black	62%	49%	55%	53%	42%	35%	35%
Hispanic	55%	43%	41%	43%	44%	31%	27%
Asian	46%	54%	42%	32%	38%	41%	31%
Female	50%	52%	41%	41%	40%	33%	30%
Male	59%	48%	47%	44%	46%	39%	28%
Non-binary	40%	65%	31%	17%	63%	29%	37%
Four-year degree or higher	59%	50%	46%	49%	45%	48%	25%
Less than four-year degree	52%	51%	42%	38%	43%	30%	32%
Republican	62%	51%	53%	53%	43%	44%	25%
Democrat	55%	54%	44%	45%	49%	40%	33%
Very liberal	43%	59%	34%	29%	61%	38%	36%
Liberal	55%	55%	38%	40%	45%	41%	33%
Moderate	59%	47%	46%	44%	39%	34%	27%
Conservative	61%	46%	47%	48%	38%	40%	26%
Very conservative	63%	45%	62%	57%	44%	43%	29%

Figure 5. Comparisons of responses by strong liberals and strong conservatives on items discussed. See figure 1 for full descriptions of items.



## Survey Methodology

For most items, we use a Likert scale with five response points (strongly agree, slightly agree, neutral, slightly disagree, strongly disagree) and generally provide results as agree, neutral, and disagree. Neutral implies the respondent hasn't really thought about the issue or does not have a particularly strong opinion. Generally, 25% to 30% of respondents choose neutral.

Survey data is collected by YouGov using their proprietary opt-in survey panel comprised of 1.8 million U.S. residents who have agreed to participate in YouGov's web surveys. YouGov conducted the surveys online with its proprietary web-enabled survey software using a method called Active Sampling. Restrictions are put in place to ensure that only the people selected and contacted by YouGov are allowed to participate. Margins of error do not include other sources of non-sampling error, such as selection bias in panel participation or response to a particular survey.

**2022 Data:** The margin of error for the 2022 survey is +/- 2.36% at the 95% level of confidence. YouGov interviewed 2,135 18–41-year-old respondents between August 01-17, 2022, who were then matched down to a sample of 2,000 respondents equally divided into 3 age groups (18-25, 26-32, 33-41) to produce the final dataset. The respondents were matched to a sampling frame on gender, age, race, and education.

**2021 Data:** The margin of error for the 2021 survey is +/- 2.2 percentage points at the 95% level of confidence. YouGov interviewed 2,472 respondents between July 19-29, 2021, who were then matched down to a sample of 1,999 to produce the final dataset. The respondents were split into three samples: Gen-Zs (18-24), younger millennials (25-31), and older millennials (32-40) before being matched to separate sampling frames of 666 or 667 based on gender, age, race, and education.

The frames were constructed by stratified sampling from the 2019 American Community Survey (ACS) 1-year sample with selection within strata by weighted sampling with replacements (using the person weights on the public use file). The matched cases were weighted to the full 18-40 sampling frame using propensity scores. The matched cases and the frame were combined, and a logistic regression was estimated for inclusion in the frame. The propensity score function included age, gender, race/ethnicity, years of education, and region. The propensity scores were grouped into deciles of the estimated propensity score in the frame and post-stratified according to these deciles. The weights were then post-stratified on 2016 and 2020 Presidential vote choice, and a four-way stratification of gender, age (3-categories identified above), race (4-categories), and education (4-categories), to produce the final weight.