Is Gen Z the new cohort of frontaliers?

Attracting young talent from abroad to drive the next generation of leadership in Asset Servicing

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For many years now, Luxembourg's Asset Management and Asset Servicing sectors have relied heavily on the so-called "frontaliers" crossing the borders from Germany, France, and Belgium each day to fill the demand for talent in this still fast-growing sector. To what extent though are we missing opportunities to attract such talent from further afield, even globally, to meet the ever increasing demand for educated talent, typically from a younger age group, and to what extent are the needs of this generation likely to be motivated by the prospect of living and working in Luxembourg?

That was a key question we asked ourselves, as the Working Group set up under the oversight and sponsorship of the Luxembourg Asset Service Provider Senior Leader Roundtable (ASP SLR) community initiative launched in 2023. This was a natural follow up to the recent assessment we made of the talent and capacity conundrum faced by our industry in general, as we sought to identify whether this younger generation (let's refer to them as Generation Z or Gen Z) could offer further solutions to that talent challenge, and if so what do we need to do to attract and retain them.

As with the previous assessment, we set about establishing facts around the hypothesis, through a tailored survey designed to target two broad cohorts:

- Gen Z who are residents of Luxembourg already, and who may or may not be working in the ASP sector; and
- Gen Z who have typically attained a good education outside of Luxembourg and currently reside abroad and may be considering Luxembourg as a potential place to work.

We believe the results offer us some intriguing insights to inform us as a country, as an industry, and as individual firms on the needs of the Gen Z and how to attract and retain them in Luxembourg.

For ease of reading, we have summarised our findings into the following sections:

- Aims of our research and methodology employed;
- Key findings around the Luxembourg resident cohort (let's refer to them as "Gen Z Luxembourg");
- Key findings around the non-Luxembourg resident cohort (let's refer to them as "Gen Z Abroad");
- Messages and conclusions, including some suggested calls to action.

1 Aims of the research and methodology

Most of our readers will be familiar with the term Gen Z, but can they define what it means? In the context of this paper, we would define Gen Z as the generation born in the late 1990's or early 2000's, immediately immersed in the internet era, with a device in their hands almost since birth. These are digital natives, very familiar with social media, and perhaps heavily "influenced" by devoting so much time to that as a source of knowledge, opinion, news and lifestyle preferences: "Zoomers". We had set the targeting criteria for respondents to <30 years of age and <4 years of professional seniority.

They are also typified as the generation set to inherit (or already have inherited) the biggest transfer of wealth in history. They are well educated, have a life expectancy statistically around ten years longer than their parents (or certainly their grandparents), and have a much more internationally mobile outlook and perspective. They also see a world of unicorns which inspire them to decry the corporate traditions of the past.

It is quite clear therefore that their needs and motivations will be different from previous generations, and yet they are crucial to attract as talent to continue to drive growth and leadership in our particular industry.

Our survey was designed therefore to draw out those motivations and identify how Luxembourg (and in particular our ASP sector) could attract and retain.

We targeted the two different cohorts, Gen Z within Luxembourg, and Gen Z not currently resident here but who have the profile of talent we need to attract. Questions were set to identify in particular:

- Origins of the respondents to assess whether we are attractive to particular geographic populations;
- Motivations which the Gen Z population demand, and their respective loyalty drivers;
- Awareness of Luxembourg as a financial centre and the particular attractions of the ASP sector; and,
- Living in Luxembourg: attractions and blockers.

To reach a meaningful sample of respondents, the Working Group used various channels to help socialise the survey and seek the most diverse sample profile possible. We used the Working Group members, who also include representatives from most of the local associations across the financial industry, and their networks, leveraged from their collaborations with universities in Luxembourg and abroad. The survey was further distributed through LinkedIn, presented at a job fair event in Luxembourg and shared through various company-internal networks and teams.

We believe the sample size and diversity allows very meaningful themes to emerge and allows us to make informed conclusions from the intelligence gathered.

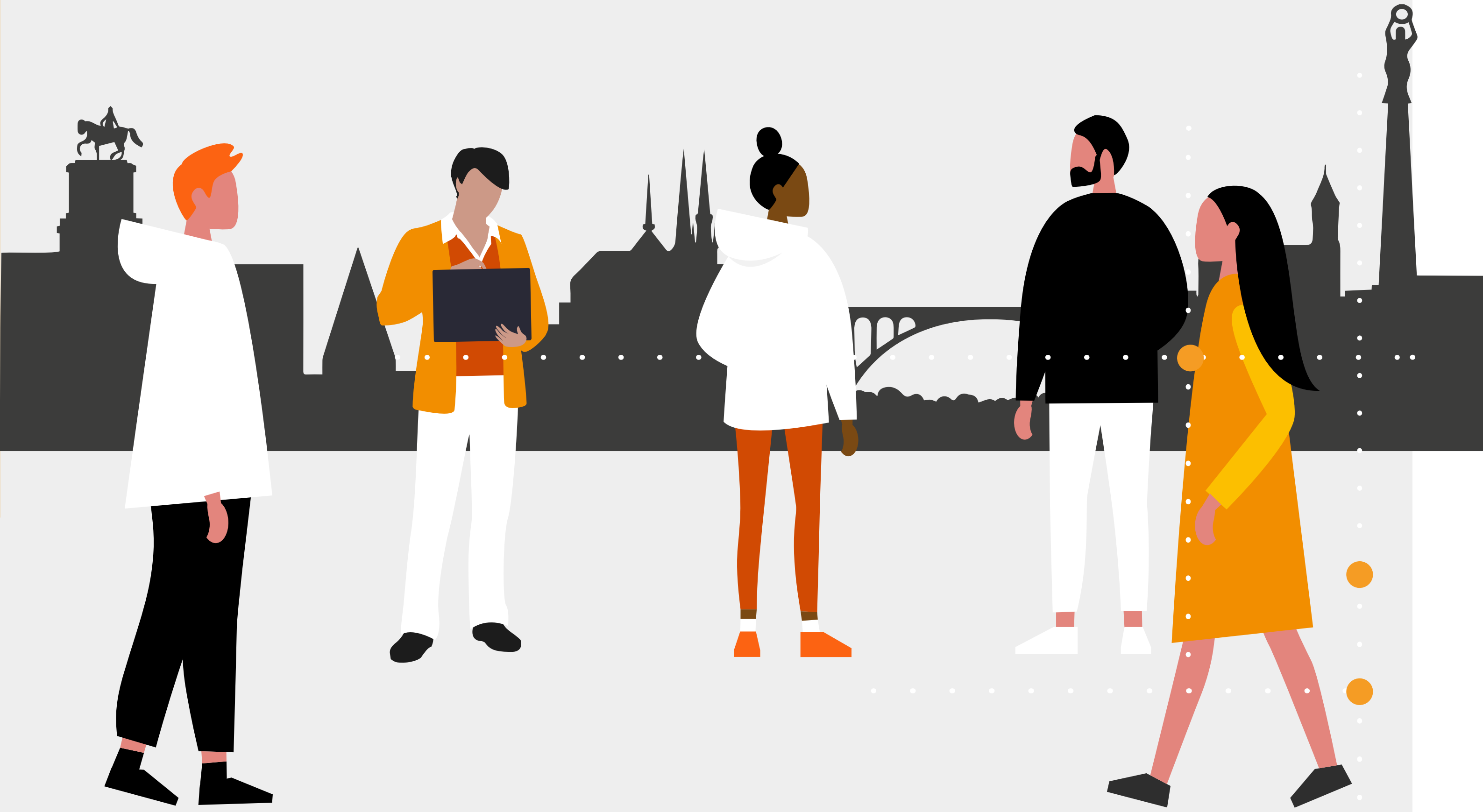
2 Key findings: Gen Z Luxembourg resident

2.1. Sample profile

We attracted responses from nearly 150 respondents, originating from 34 different countries, reflecting the much heralded multicultural population of Luxembourg in general. Around 50 respondents originate from Belgium/France/Germany/Luxembourg, and a further 39 from other European countries. Of particular note, none originated from the UK, and we hope this is just a quirk of the sample and not a reflection of post-Brexit challenges for UK Gen-Z to work in the EU.

Of the respondents originating from non European countries, there was no particular pattern, and a widespread set of such countries of origin.

The majority (nearly 75%) were in the age range 25-30, with more than half having worked here for up to two years already, and a further 25% for up to three years. In terms of education, 85% had a Masters or Bachelors degree. This reflects a desire to complete their academic education elsewhere before moving to Luxembourg, rather than seizing any opportunities to attain educational qualifications in Luxembourg itself as a prelude to then working here. We wonder if the Masters Degree initiative discussed in our recent paper on *Talent & Capacity in the Luxembourg ASP sector* may attract such talent to move here earlier, complete their education in a very focused and relevant way, then move directly into attractive roles in our sector—a point discussed further later in this paper.



2.2. Motivations to stay and build a career in Luxembourg

Whilst the sample population is relatively young, and typically attained an education before moving here, many (over 70%) had already worked at more than one firm, and in fact 30% had already worked at more than three firms. This reflects a propensity of this Gen Z cohort to seek change frequently, to be restless, to need stimulation, to have a short attention span, and so making this cohort difficult to retain for an employer. What we also observed though were reasons more specific to the work environment as to why the frequency of job change was so relatively high:

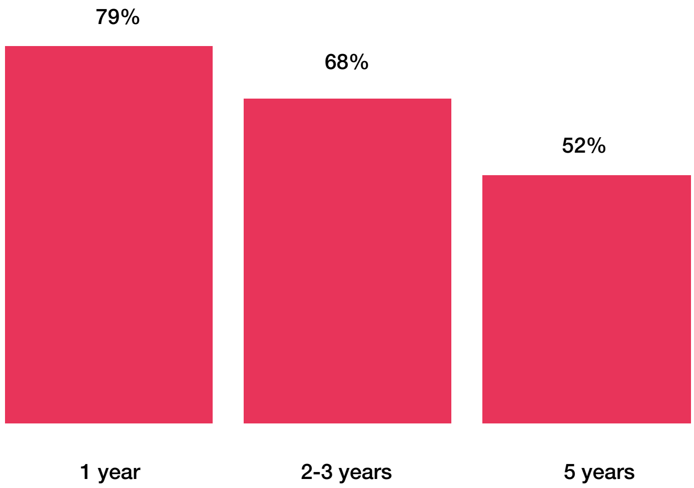
- the chance to pursue professional development at another firm;
- higher compensation (a general malaise of Luxembourg as revealed by *our recent talent survey*)
- the pursuit of a team atmosphere at work, especially amongst other "Zoomers", and an intolerance of a perceived "toxic" management culture in some cases;
- Work/life balance: Gen Z clearly have a wider spread of life needs than previous generations, who tended to make sacrifices to focus on a career rather than the realisation that people should perhaps "work to live" rather than "live to work".

In direct alignment, when asked what motivates them to stay with an employer, it was the experiencing of factors contrary to the negatives listed above: a great team environment, a supportive management culture, an encouragement of a work/life balance, opportunities to develop professionally.

We observe therefore how easy it is to lose a Gen Z employee if there is no specific focus on their needs. This group has little hesitation to move and is far more impressionable to the persuasions of another firm seeking to attract them. Firms who see this group as an intelligent, but low-cost resource will experience high turnover.

Having said that, when asked about intentions to stay with their current employer, the likelihood of staying for one year was 79%, whereas the likelihood to stay "for at least the next five years" was 52%, which we found rather high. This is somewhat surprising given earlier observations, and perhaps is more reflective of Gen Z being more impulsive with career decisions, and willing to take risks if new opportunities arise without actively seeking them. We suggest caution therefore in reading too much into the apparent loyalty intentions: Gen Z can be entirely satisfied with their current role, until the moment something comes along that is perceived to be better!

What are the chances you'll stay with your current company in the next 1-5 years ?



In general, however, we would conclude that firms embracing this cohort with specific and well crafted initiatives around a longer term "retain and grow" philosophy will be rewarded by the relative loyalty of next generation skills, attitudes, innovation and "can do" attitude.

2.3 Awareness of Financial Services, and of Asset Servicing in particular

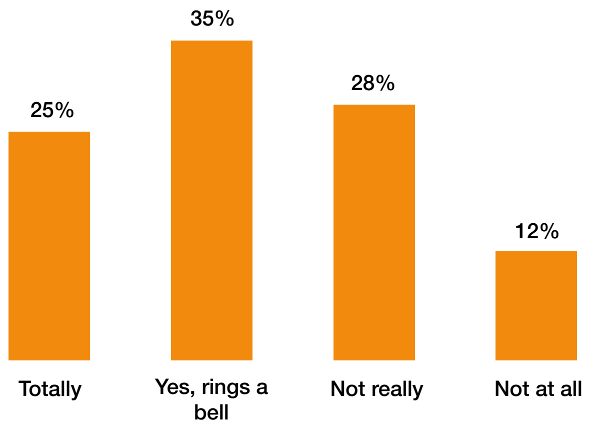
We were keen to establish awareness of the Asset Service Provider (ASP) sector within the broader Luxembourg financial services market. We hypothesised that awareness may be reasonably high amongst this particular cohort within the survey, given they are already residing in Luxembourg and have been working here for some time.

In fact, only 25% believed they could define ASP, and 40% had "no idea". This does reflect the 54% of respondents who have never worked within an ASP organisation. Indeed, more than half were non committal or "lukewarm" at best about considering a career in ASP.

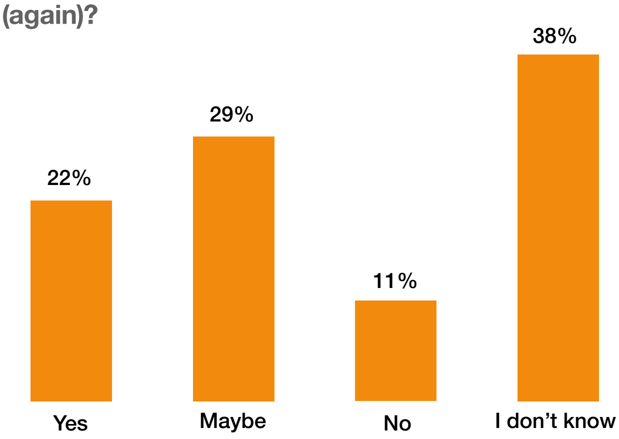
In terms of attraction towards a potential job in this sector, there is a large proportion of respondents (67%), who "don't know" or "maybe" want to work in Asset Servicing.

We wonder if however this is anything to be concerned about (or maybe an opportunity to advertise the sector to young students/graduates?). Perhaps at this relatively early stage in their careers it is more natural for awareness to be more at the Asset Management industry level, or even at the broader financial services level, rather than the nuance of an ASP sector within. What we can deduce however is that generally their academic education certainly did not specifically prepare them for the value chain elements of Asset Management and its attendant eco-system elements.

Do you know what Asset Servicing is?



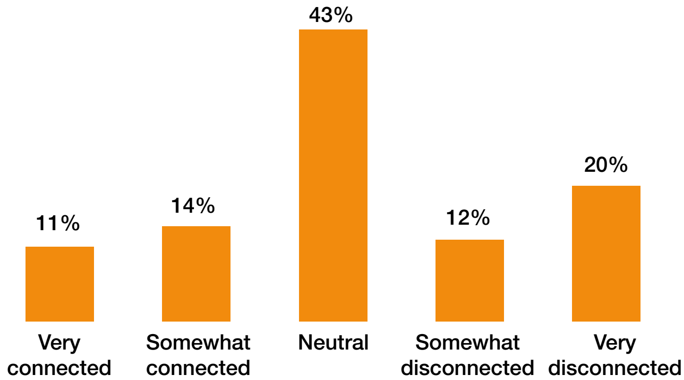
Could you image working in the ASP industry (again)?



2.3 Awareness of Financial Services, and of Asset Servicing in particular

In addition, very few feel a genuine "connection" to ASP. Perhaps this reflects limited opportunities to "network" amongst peers in ASP, and indeed a majority reflected an enthusiasm to attend such networking events and to use as both a social event and an opportunity to further pursue education and professional knowledge goals. This further supports the initiative explored in the earlier Talent paper around a Master's Degree in Asset Management with a heavy focus on ASP, which may shine a light on the broad and deep opportunities to explore career paths in Asset Management and ASP at a much earlier stage than appears to be the case today.

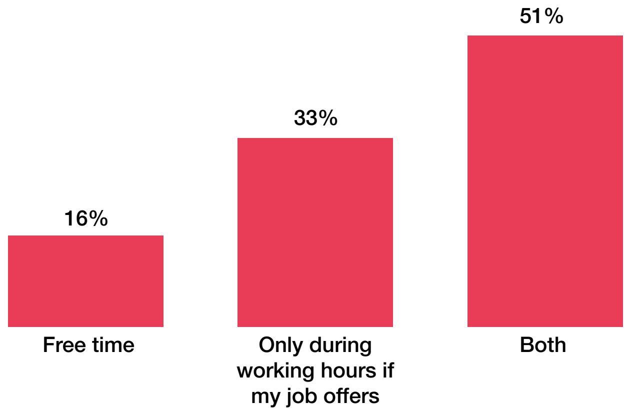
How connected do you feel to the wider community within Luxembourg's ASP sector?



If there were more initiatives organised by the community around asset servicing for young talents, would you be interested to take part?

***multiple choice question; hence, the percentages do not add up to 100; the results should be read as "92% of participants would participate in educational initiatives; 80% in ESG-related initiatives, etc.)

Would you take part in those during your free time, or mostly if your job offers to attend those?



2.4. Living in Luxembourg

Our final set of questions was designed to identify Gen Z experiences regarding Luxembourg as a place to live as well as to work.

Again, our paradigm thinking was that the cost of living would be a major concern, along with perhaps an absence of socialising opportunities. In fact, barely a mention of either. 75% reflected a satisfaction rating with living in Luxembourg, and a similar ratio reflecting satisfaction with professional life here. In addition, we should note that, by definition, this group of Gen Z has yet to be exposed to the challenges of schooling their children, historically cited as another obstacle to attracting talent in general to Luxembourg, although credit should go to the Luxembourg government in recent years to have added significant school capacity to offer flexibility on language and curriculum. Perhaps what is needed to complement the gains made here is to make the whole of Luxembourg attractive to live, thus relieving the massive concentration of jobs (and therefore housing and schools) to a 10km radius of the city.

We observed very little in the responses therefore which suggest any particular challenges or negatives with Luxembourg as a place to live whilst pursuing a career here. We should be cautious though: this particular grouping of the overall survey was already living in Luxembourg and had experienced it as such. The real challenge is perhaps persuading Gen Z to come here in the first place, with an image of being high cost, relatively dull, and no place for younger (particularly single) people to be attracted to. How we address those misconceptions is perhaps the key, and encouraging those Gen Z who have already made the transition and experienced life here to now be ambassadors to others could be crucial if we are to attract others to follow.

3 Key findings: Gen Z non resident of Luxembourg

As a reminder to readers, this next sample from the survey consists of Gen Z who have not yet made the move to Luxembourg as a career path, but given their educational background and motivation to participate in the survey, displayed a willingness to explore and to consider such a move. This is clearly therefore of interest to the ASP community seeking to expand the supply side of the talent gaps we have in our sector.

Assessing the responses of this group may therefore offer "calls to action" with respect to attracting such talent, whereas Section 2 of this paper offers more thought on how to retain such talent.

This Section 3 therefore focuses much more on Luxembourg as a place to live and work, as the general motivations to either stay with an employer or move to another, and general awareness of ASP, are broadly aligned with the findings of Section 2.

3.1. Sample profile

The sample size was somewhat larger than the sample analysed in Section 2, with nearly 350 respondents. Of this sample:

A) In terms of origins

- 39 were from Belgium/France/Germany.
- 53 from rest of Europe (including 20 from Portugal).
- Of respondents from outside Europe:
  - 54 from Nigeria;
  - 34 from India;
  - 12 from Pakistan;
  - 12 from Kenya.
- Only three were from the UK (prompting the same question we posed in Section 2, and our hope that this does not reflect a post Brexit loss of desire amongst UK Gen Z to consider EU countries to work).
- Only nine were from South Africa, which was surprising given the relatively advanced education system and a strong Asset Management/financial services sector.

We particularly note the number of participants from Portugal, which has recently emerged as the "near shore" centre of choice amongst many of the Luxembourg ASP community, and of course has over a century of historic ties to Luxembourg. Interest expressed by this subset of the survey could refer to either moving to Luxembourg, or being sufficiently aware to seek roles in Portugal as part of the emerging and rapidly growing "near-shore" eco-system.

B) Education profile and work experience

We noted a very similar pattern to Section 2, with over 80% holding a Bachelors or Masters Degree, so this is a well-educated sample.

The vast majority (90%) have been employed before, and yet around half now appear to be between jobs or unemployed. This indicates a relatively untapped talent pool if we were to find ways to make a transition to Luxembourg somewhat less complicated.

The sample reflected an age group where more than half were 25-30, and yet more than half have already worked for two or more employers.

In terms of places of work, 34% have worked in finance, and 14% in technology related roles, again reflecting a well aligned profile if we are to attract to Luxembourg.

3.2 Motivation for career progression and awareness of ASP

A very similar pattern emerged as for Section 2, including the propensity to move jobs frequently from an early age. The same reasons were prominent: pursuing a professional development opportunity, and a work/life balance (quite pronounced from across the world, not just a European phenomenon).

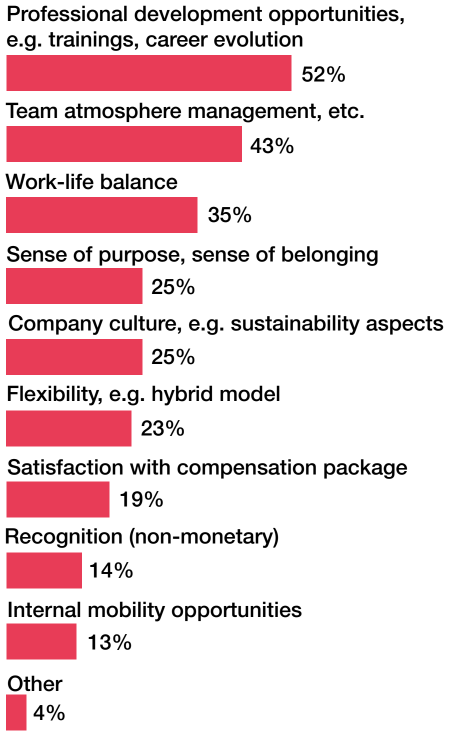
We want to highlight that (and this also applies to section 2), monetary compensation does not rank very high when it comes to employee retention. Of course everyone needs to be able to afford their living, but professional fulfilment and pleasant work environment are much more important than salary.

In terms of awareness of ASP, whilst 63% claimed some knowledge, we should be a little sceptical as 75% had never worked in the sector. We would caution against a false conclusion from this survey result, as the term ASP is not widely used in the broader (outside Luxembourg) financial services sector, and we fear this may be a reflex reaction from those in doubt how to answer a particular question.

What made you change jobs?

***multiple choice question; hence, the percentages do not add up to 100)

What made you stay?



***multiple choice question; hence, the percentages do not add up to 100)

3.3 The attraction of Luxembourg

As mentioned earlier, we were particularly keen to identify themes or patterns which reflect how attractive Luxembourg may be to this group of Gen Z, and whether they indeed display tendencies to encourage us to focus on them and attract them to Luxembourg.

We start by emphasising how the mere participation in this survey reflects some degree of interest in—and awareness of—Luxembourg. The Working Group sponsoring this survey is also following up with thoughts on why certain countries we may naturally expect to show high interest (e.g. UK, South Africa) had surprisingly low participation, but this section will focus on the positives emerging in terms of the apparent attractiveness of Luxembourg to Gen Z.

Let's start with three very pertinent facts from the survey:

- 95% of respondents said they would consider Luxembourg as a place to live and work, albeit with obvious conditions such as the need for there to be an opportunity in the first place.
- 52% said Luxembourg is their first choice when considering a move outside their own country.
- 41% said they see themselves working abroad within the next five years, with Luxembourg clearly a popular if not first choice.

These are really encouraging findings in terms of identifying fresh talent pools to tap in closing the gap between demand and supply in Luxembourg. So what did respondents identify as the key attractions of Luxembourg?

Firstly, career opportunities in what is perceived to be a strong and growing economy. Clearly if you are going to take a risk in moving across borders, and in some cases across continents, you will want to de-risk as much as possible, so an economy which is likely to always be hiring rather than contracting is a huge attraction.

Secondly, the multicultural environment of Luxembourg, both in the workplace and in everyday life, is seen as a huge plus. Moving to a country with a very nationalistic profile creates barriers in itself, with a natural fear of how to integrate, but the diversity of life in Luxembourg again minimises those concerns relative to most other countries.

Thirdly, the quality of life, funded by higher salaries, was highlighted by respondents. Clearly this is a perception, and upon scrutiny by those willing to move from "aspiration" to actually moving they would find higher salaries are needed to pay for higher cost of living, especially housing, but again we start from a positive position of a perceived great place to live and work.

Conversely, the concerns expressed by respondents included:

- high cost of living, especially affordable housing;
- visa issues or uncertainties; and
- language: this one surprised us, given the diversity positives mentioned above, so perhaps again it is a matter of perception, and clarity around business language typically defaulting to a common denominator of English, and around English being widely spoken in everyday life, including government and administration agencies.

In describing the ideal workplace, they may hope to find in Luxembourg, three elements dominated:

- recognition (non monetary, just frequent encouragement and motivation for doing a good job);
- flexible working (it would seem that Gen Z will be far more difficult to convince of a "return to office" culture, and far more receptive to employers offering them the chance to work hard at high pace for four days per week in return for one day off);
- team atmosphere and an enlightened management culture built around encouragement (the "carrot") rather than discipline (the "stick").

Respondents also mentioned three areas in particular they would hope to find in Luxembourg which would help with their professional goals:

- professionalised framework of continuous development and education (86%) (note, the Lifelong learning initiative in Luxembourg (*www.lifelong-learning.lu*) is a good example of how this concept could apply, if adapted towards the needs of our industry with perhaps an explicit focus on Gen Z).
- opportunities to Network with peers, learn from each other, compare notes, exchange views (66%); and
- mentorship (50%).

These align perfectly with the conclusions from the recent paper on talent, and the Working Group is encouraged these ideas apply not just to existing Luxembourg residents and workforce but to potential additions to the supply side coming from abroad.

4 Conclusions and calls to Action

We believe it is important at this stage in summarising the survey to make two key points: a reminder of the profile of a Gen Z potential employee we may wish to attract to Luxembourg or persuade into the ASP sector, and a realisation we perhaps should consider two sets of "actions" to focus on retaining those Gen Z already here versus attract those who may wish to come here.

By 2025 over 1 in 4 of the global workforce will be Gen Z. Employers failing to recognise the changes required to traditional workplace cultures by this digital generation, with their fresh attitudes around motivations, life balance and definitions of "success" will struggle to attract and retain. The challenge is to manage the transition as the "1 in 4" ratio implies of course 3 in 4 are not Gen Z!

Profile of a Gen Z

Whilst the survey questions were not intended to profile a Gen Z, the responses in aggregate offer a clear set of attributes this next generation of talent has or aspires to. These are important to note before we attempt to reach conclusions or define actions. We would highlight the following:

- Gen Z are more restless, are attracted by opportunities to advance, are willing to take risks, are inherently more mobile, and are digital natives who embrace the power of (and reliance upon) mobile devices and associated apps;
- They have an insatiable appetite to learn, and are natural problem solvers, through experimentation rather than academic learning;
- They are motivated as much by recognising their achievements as by monetary reward, but also need a work/life balance. For example, they may much prefer a four-day working week at high pace, in exchange for more free time;
- They are sensitive to culture and have a disdain for traditional corporate life. They wish to be treated with respect, to be set broad goals and not micromanaged;
- They have far less innate loyalty to an employer than previous generations and anticipate working for a large number of enterprises rather than devoting a career to one employer. Firms with a specific "retain and grow" focus will benefit;
- They cherish a sense of belonging to a community, although most have experienced this through social media more so than social intercourse;
- They clearly prefer hybrid workplace arrangements, but a fusion of remote and workplace digital infrastructure is becoming crucial. Environments and workplace design must encourage collaboration and personal well-being, and facilitate open and often informal ideas exchange.
- They wish to be empowered, not micromanaged meaning management/ leadership styles of the past will need to adapt.
- They have an innate sense of responsibility around social and environmental issues and will actively seek assurances their workplace conforms with such ideals.

Therefore, if we are to be successful in attracting talent from this relatively untapped pool, these characteristics must be front and centre of our thinking and reflected in our initiatives, and our conclusions which follow are set out with this in mind.

We summarise those conclusions in four categories:

- retention initiatives for those who are already here or who will eventually travel here;
- attraction initiatives to capitalise on a global catchment area for the supply side of talent in Luxembourg;
- living in Luxembourg as a Gen Z; and
- anomalies in our results which need attention.

4.1 Retention

Retaining and growing this cohort requires a different set of motivators to previous generations. Traditional approaches simply do not work, as the emphasis needs to be on constant learning, opportunities to achieve, encouragement to be innately curious and to experiment (especially with technology) and being treated with respect.

Initiatives which make a virtue of being different as an employer of a Gen Z will be instantly recognisable: the example mentioned earlier of a four day week at pace may well result in higher productivity in those four days than the traditional five-day week. Let this Gen Z apply themselves to delivering on broad goals, and not be trapped in rigid boundaries. Allow them the flexibility to achieve a work/life balance without compromising basic disciplines around deliverables and corporate goals.

Many ideas to "retain" this Gen Z were identified in the previous ***Talent & Capacity paper in the Luxembourg ASP sector*** and we shall not repeat them here. Suffice to say that retention policies must recognise the different motivators of Gen Z. Indeed, it would be fascinating to have Abraham Maslow time travel forward to today to refresh his theories from 1943 on the pyramid or hierarchy of needs for this Gen Z!

Final suggestion here, which may be blatantly obvious: initiatives which attempt to reach out to the Gen Z should maximise the use of social media as a way of communicating!

4.2 Attraction

The survey evidenced a clear attraction of Luxembourg to a significant proportion of Gen Z participants. This is encouraging and should incentivise us as a sector to collaborate in defining industry initiatives to de-risk the transition from "thinking about it" to actually "taking the plunge" and moving to Luxembourg.

Some ideas to start the debate as follows:

4.2.1 Awareness

Whilst there exists a degree of knowledge about Luxembourg amongst survey participants from around the world, we believe there is more to be done to market Luxembourg as a great place to build a career for Gen Z specifically. The Working Group believes we could leverage ALFI road shows and LFF missions to ensure messages are delivered to a target talent pool. In doing so, we should avoid marketing using traditional language and acronyms (such as ASP), but rather ensure the message is aligned to the needs of Gen Z, emphasising that roles are shifting from "mechanical" to "intelligent", where technology (in particular AI) is playing an ever important role, where curiosity is encouraged, where learning opportunities are plentiful, and where the full extent of the Luxembourg eco-system is evident and represents career opportunities which are broad and deep.

Gen Z cannot be placed in a box with boundaries, and need encouraging that careers can be built around their skills as much as the traditional needs (and rigidly defined roles) of the eco-system. Boredom and patience thresholds are much lower than previous generations!

4.2.2. Framework of Training & Education (T&E)

The Working Group is keen to synthesise a range of T&E opportunities we may define into a clear and logical suite of options, collectively reflecting on how Gen Z arriving in Luxembourg can look forward to a structured framework to leverage and learn. These elements could include:

- The master's degree (discussed in the previous ***Talent & Capacity in the Luxembourg ASP sector paper***) offering a chance to gain a relevant qualification at an early stage and be well positioned to enter the Financial Services sector, thus de-risking the move from their home country;
- The idea of a "boot camp" to encourage classes or intakes to experience a rapid learning framework making them ready in short time to enter the workplace, again de-risking the move from abroad;
- Networking opportunities for peer-to-peer discussions and the exchange of ideas to build a community of like-minded Gen Z.

4.2.3. Visa process

One of the biggest challenges in attracting Gen Z, particularly from outside the EU, is the requirement for work visas. This introduces uncertainty and delay for both employers and those Gen Z bold enough to want to risk an international move. Employers do not want to invest time and effort in a visa application which may ultimately fail, and those Gen Z applying do not want to risk resigning from a current role and make all the preparations to move unless/until their visa is certain. This adds further delay to the process. Why can't the industry work with relevant government agencies to agree upon a preferred profile of visa applicants, which if the employer and potential employee can clearly evidence alignment with, accelerate the visa application?

4.2.4. Working practices

As we have emphasised a few times already, our thinking in attracting and retaining Gen Z needs to begin with acknowledging their needs. The industry needs to adapt to those needs and consider what will really motivate them to perform and contribute at a high level.

Attracting talent must adopt social media to connect to Gen Z, but must also adopt digital collaboration platforms, AI powered digital aids, and digital learning platforms.

We mentioned ideas such as a four-day week, but other ideas (taken from the start-up and FinTech world with which our industry would compete for these talents) may include unlimited holidays, work from home flexibility, frequent role rotation, tolerating and encouraging mistakes (in a risk managed way of course) as a way of learning, setting broad goals not micro-managed targets, setting challenges of problem solving with relatively unlimited oversight.

Some of these may sound bold, if not dangerous, but they are just examples of the new thinking required to attract and retain this next generation of talent.

These are just a few ideas which could be pursued. Each one has a fundamental purpose, to de-risk the notion of an international move for this Gen Z talent pool. Whilst they are by nature more willing to take risks, the more uncertainty we can take out of the process the better, and by doing so we are more able to successfully attract this talent pool to add further to the diversity and skill sets we need to continue to grow.

4.3 Living in Luxembourg

Whilst the Working Group remains confident we can sell a great career opportunity story to attract Gen Z, and whilst they appear to appreciate the quality of life and high salary expectations, the reality remains Luxembourg is an expensive country to live in and not always able to fulfil the social lives of younger and often single people. Unless we manage expectations, we may well face early success in attracting the Gen Z but then risk losing large numbers if the reality bites. And that is before mentioning schooling challenges which of course most of the participants have yet to encounter or be aware of in Luxembourg, or even in their country of origin.

Two areas of attention in particular here:

Housing:

Even the high salaries struggle to fund affordable housing, and as an industry we could perhaps make a more collaborative and collective effort to address this. Recent headlines reveal that the European Court of auditors has made the bold move to rent large numbers of housing units ready to sub-let to junior auditors entering the profession is a good example of what could be done. Not only does this help moderate the impact of high-cost accommodation but also creates a community of like-minded people living in proximity. Other employers have specific policies in place to guarantee the required deposit for rented accommodation, relieving individuals of the need to lock-up substantial amounts of capital just to secure a property.

Community:

As mentioned earlier, the survey revealed a need and an appetite amongst Gen Z to meet regularly on a peer-to-peer networking basis. This not only assists with the thirst for constant learning and exchange of ideas to feed curiosity and innovation, but also allows a community to evolve based on social intercourse principles and need. The industry has a role to play to facilitate such sessions, and also to encourage the Gen Z community to organise themselves in a similar manner. Once this community is established, it is easy to imagine an active group of like-minded people enjoying life in the heart of Europe on high salaries rather than limiting our thinking around the confines of the Luxembourg border.

4.4 Anomalies

The Working Group wishes to follow up on certain "surprises" seen in the data and survey, as much as focus on the key findings. Two in particular are worthy of more attention:

Gen Z from UK and South Africa

Surprisingly few participants from these countries cause us to hypothesise on the reasons. It could just be a quirk of the survey methodology with insufficient marketing or distribution efforts to include these territories. However, it could also mean, in the case of the UK, a reluctance or loss of belief in Gen Z seeking international opportunities particularly in the post-Brexit EU.

This is worthy of follow up to test any hypothesis, as the UK and South Africa represent large potential pools of talent, many of whom would already be familiar with Asset Management and Asset Servicing eco-systems in their respective countries.

Gen Z from Luxembourg

Whilst not so much an "anomaly", it is again worth pointing out a similar observation made in our earlier talent paper, that so few indigenous Luxembourg talents choose to work in our industry. The same question must be asked of the Luxembourg Gen Z community, and what more can we do to encourage more of them to choose a career in one of Luxembourg's most important and successful industry sectors.

5 In summary

With the support of the ASP Senior Leaders Group, the Working Group sponsoring this survey of Gen Z is pleased to have concluded the first steps in gathering data to inform us on how best to attract, retain and grow talent into our Industry. We believe it allows Luxembourg to focus early on this relatively untapped talent pool, to our advantage as first movers and to the advantage of those Gen Z we persuade to build careers here.

We have recognised and profiled their quite different and distinctive needs and have provoked thoughts and ideas on how we may need to adapt our traditional thinking. Even a highly regulated sector such as ours can always find new ways of working, without compromising our very high risk and compliance standards.

We realise there are three sets of ideas to focus our thinking: to retain those already here, to attract new Gen Z talent from a worldwide catchment area, and to grow those talents into tomorrow's leaders. A number of those ideas overlap, and we are encouraged that many of those ideas also align well with those generated in our recent paper on Talent and Capacity in Luxembourg.

We cannot solve this problem or seize this opportunity in isolation as an ASP community. Clearly, we do need to collaborate and cooperate within our own sector, but it requires coordination with broader industry bodies such as LFF, ALFI, ABBL, L3A, LPEA and LHoFT. Attracting and retaining Gen Z talent is not unique to our industry.

Whilst the survey offers encouragement around the awareness and attraction of Luxembourg amongst global Gen Z, and indeed in many cases confirmed Luxembourg as first choice as an international option for them, we cannot rely on a laissez-faire approach. We do need to capitalise on that apparent desire to consider Luxembourg, to de-risk such a move for Gen Z, to remove as many uncertainties as we can, market ourselves better with a specific message targeting Gen Z and emerge as first mover.

If we can achieve that, we can position Luxembourg as "employer of choice" for Gen Z, unleash the talents of this relatively untapped pool, and create the next generation of leaders for our sector.

We are excited by that "prize", and welcome feedback on this paper and in pursuing those ideas which resonate best with our ASP community.

Notes

Notes

ASP Community Working Group on Talent & Capacity

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