EBRI Fast Facts
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Retirement Plan Ownership Over Three Generations, by Income Quartile

Generation X is being called the "sandwich" generation because they have reached the point in their lives where they are frequently paying for their children's expenses — including their college education — while also taking on the responsibilities of caring for their parents. This is happening as they close in on retirement. Thus, the resulting question has arisen: are the retirement prospects of Generation X families in greater peril than those of prior generations who have previously experienced these challenges?

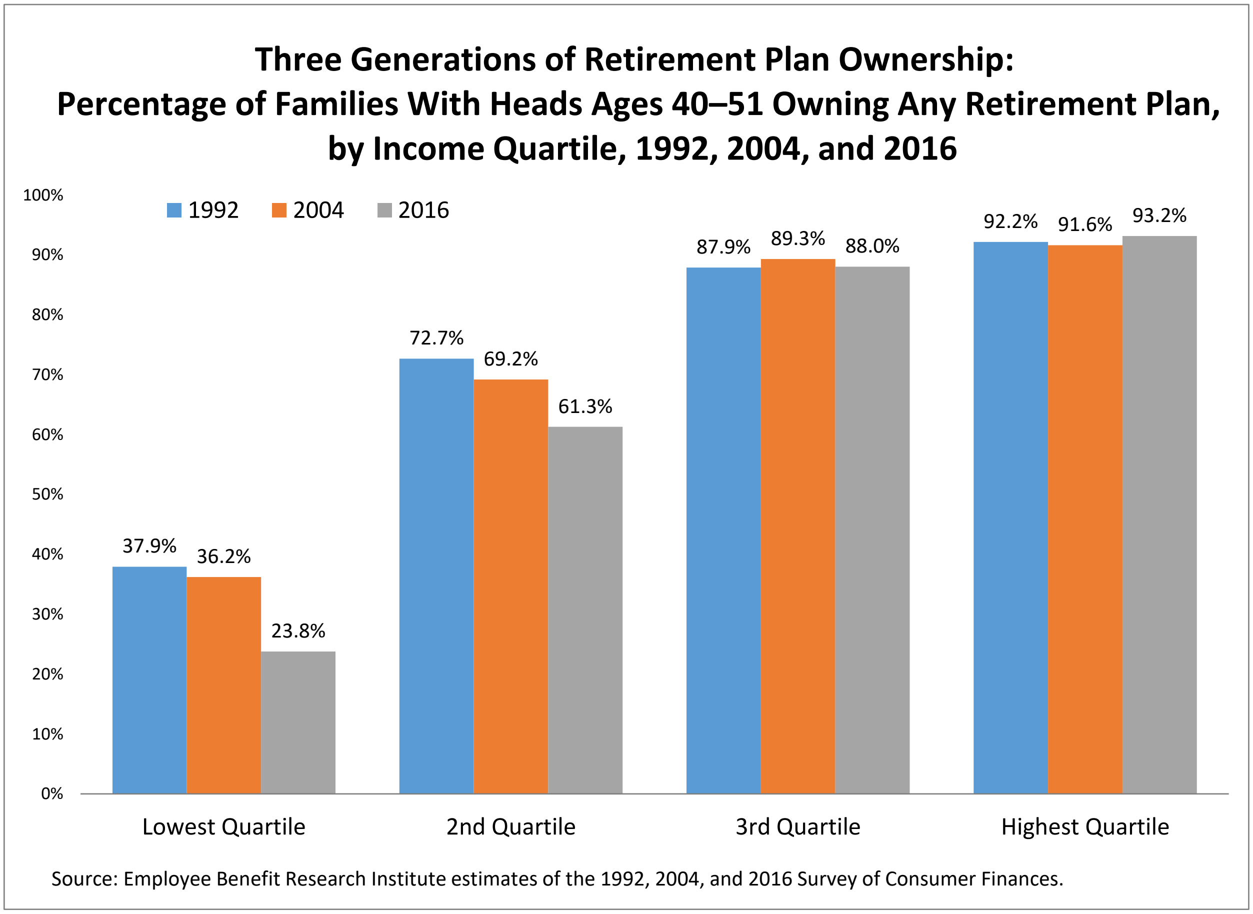
To address this question, the retirement plan ownership of Generation X families is compared with that of prior generations when they were the same ages — 40–51 — by using data from the Survey of Consumer Finances (SCF).[1] The age cohort is further broken out by income quartiles.

About the Data

Due to the constraints of the years available in SCF — the ages 40–51 cohort in the trend years of 1992 and 2004 does not match up with standard generational labels — in order to achieve a consistent comparison, Generation X families whose heads were ages 40–51 in 2016 are compared with families whose heads were ages 40–51 in 1992 and in 2004, regardless of which generation label applies to the families of those these ages in the comparison years.

The analysis finds that the percentages of families with heads ages 40–51 in 2016 (Generation X) in the two highest income quartiles with *any* retirement plan were similar to the percentages of families with heads these ages in the two highest income quartiles in 1992 and 2004. In contrast, the shares of the families in the two lowest income quartiles having any retirement plan were substantially less in 2016 than for the families of the same age cohort and income quartiles in 1992 and 2004.

[1] Any type of retirement plan is defined as including all employment-based plans (defined benefit and contribution plans) as well as Keogh plans for the self-employed and individual retirement accounts (IRAs).



The fact that the lower-income Generation X families' likelihood of having a retirement plan fell significantly relative to older generations raises further questions: how will those in this group use their remaining years of working in their aim to successfully finance retirement? Will they up their savings? Will they work longer? Will they reduce their debt? All these will be difficult to achieve for these lower-income families.

For a further discussion of the financial status of the Generation X families relative to those of other generations, see the *EBRI Issue Brief*, Craig Copeland, "Comparing the Financial Status of Generation X Families," *EBRI Issue Brief*, no. 485 (Employee Benefit Research Institute, June 27, 2019).

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