

2019 Retirement Confidence Survey Generation X Report

April 30, 2019

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2019 RCS Overview

29th Annual Retirement Confidence Survey (RCS)

The RCS is the longest-running survey of its kind, measuring worker and retiree confidence about retirement, and is conducted by the Employee Benefit Research Institute (EBRI) and independent research firm Greenwald & Associates.

The 2019 survey of 2,000 Americans was conducted online January 8 through January 23, 2019. All respondents were ages 25 or older. The survey included 1,000 workers and 1,000 retirees. The survey also included an oversample of 307 Gen X workers.

Data were weighted by age, gender, and education. Unweighted sample sizes are noted on charts to provide information for margin of error estimates. The margin of error is ± 3.16 percentage points for both workers and retirees in a similarly sized random sample.

Please note percentages in the following tables and charts may not total to 100 due to rounding and/or missing categories. Any trend changes or differences in subgroups noted in text are statistically significant.

2019 RCS Underwriters

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American Century
Investments
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J.P. Morgan
Lincoln Financial
Mercer
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PIMCO
Principal Financial Group
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Vanguard

Key Findings

Generation X Overview

Americans in Generation X have reached the ages (in this study born in 1965–1976, ages 43–54 in 2019) where they are in the process of or are sending kids to college at the same time as their parents are reaching ages where the parents are likely to be experiencing deteriorating health. Consequently, this generation could be experiencing financial pressures from both their children and parents, while needing to prepare for their own retirement during their prime earning years.

This report looks at how Americans in Generation X compare with those in the older (Baby Boomers — ages 55 or older) and younger generations (Millennials — ages 25–42). The comparisons are for workers across the three generations.

Furthermore, given the oversample, Generation X workers are examined across various characteristics and attitudes. This allows for examination of groups within Generation X who may be more or less prepared for retirement or affected by various financial situations.

The margin of error is ± 4.87 percentage points for the 421 Millennial workers surveyed, ± 4.02 percentage points for the 620 Gen X workers surveyed, and ± 6.23 percentage points for the 258 Baby Boom workers surveyed.

Key Findings

Confidence

Generation X workers are the least likely to say that they are confident in having enough money to be able to live comfortably throughout retirement, with 59 percent saying they are somewhat or very confident in doing so compared with 2 out of 3 workers in the other generations (Figure 1). In addition, Gen X workers report the lowest or match the lowest levels of confidence across many measures with regard to retirement, including being able to afford the same lifestyle in retirement, having enough money to last their entire life, doing a good job preparing for retirement, and being able to cover basic expenses, medical expenses, or long-term care expenses.

Generation X workers are also the least likely or equal to the least likely to have confidence in their ability to manage their finances in retirement (Figure 2). In particular, 55 percent of Gen X workers report being confident in knowing how much to withdraw from their retirement savings, compared with 66 percent of Baby Boom workers. Furthermore, Gen X workers are less likely to be confident in their ability to choose the right investment products, in knowing how much money they will need each month in retirement, and in knowing how much they need saved by retirement.

Key Findings

Retirement Preparations

Generation X workers are more likely to have saved for retirement than Millennial workers (65 percent vs. 57 percent), but both are below the 78 percent of Baby Boom workers who have saved (Figure 3). Generation X and Millennial workers report that 3 out of 10 have calculated how much money they will need to save for retirement, compared with 45 percent of Baby Boom workers.

Twenty-five percent of Millennial workers and 20 percent of Gen X workers have less than \$1,000 in savings and investments excluding their residence and any defined benefit plans, while only 10 percent of Baby Boom workers have this low amount of savings (Figure 4). However, 13 percent of Gen X workers report having \$500,000 or more in savings compared with 5 percent of Millennial workers. Both are substantially below the 25 percent of Baby Boom workers reporting this amount.

Key Findings

Debt

Generation X and Millennial workers have similar likelihoods of having a major problem with debt, as approximately 1 in 4 report having a major problem with debt (Figure 5). In contrast, only 11 percent of Baby Boom workers report having a major problem with debt. Correspondingly, about 1 in 3 Generation X and Millennial workers do not have a problem with debt compared with 1 in 2 Baby Boom workers without a debt problem.

When asked about various statements relating to debt, Generation X workers' likelihood of agreeing with the statements is between that of Millennial and Baby Boom workers (Figure 6). For example, 49 percent of Gen Xers say that debt is negatively impacting their ability to save, compared with 58 percent of Millennials and 37 percent of Baby Boomers. There is a similar pattern across the generations for those agreeing that they feel that they will never pay off their debt.

For statements about finances more broadly, the differences are not as consistent. For example, the percentages for each generation agreeing with the statement that preparing for retirement makes them stressed are not statistically different.

Key Findings

Retirement Expectations

In general, Generation X workers' expected retirement ages are between those of Millennial and Baby Boom workers. Millennial workers are more likely to expect to retire before age 60, while Baby Boom workers are more likely to expect to retire at ages 70 or older with Generation X workers in between (Figure 7). Each generation reports a likelihood of working for pay in retirement that is not statistically different, but Millennial workers are more likely to report that the income from working for pay is expected to be a major source in retirement (Figure 8).

Retirement Income Behavior

There are many similarities across the generations in what the workers who have a retirement savings plan will do with their money in the plan when they retire. However, Generation X workers are less likely to say they will purchase a product that guarantees income for life, while Millennial workers are more likely to report that they will cash out and spend the assets (Figure 9).

When asked about their financial priorities in retirement, a higher percentage of Millennial workers say that maintaining wealth and preserving assets is more important than for Generation X and Baby Boom workers (Figure 10). Generation X is more likely to say income stability is more important.

Workers are also asked about whether they are more likely to manage their own savings and investments or purchase a product that gives a guaranteed income for life. Millennial workers are more likely to say that they will purchase a product for guaranteed lifetime income, while Generation X and Baby Boom workers have similar likelihoods of choosing between the options (Figure 11).

Key Findings

Financial Wellbeing Programs

The likelihoods of each generation saying workplace programs that help with planning for health care expenses in retirement and help with calculating how much is needed to be saved for a secure retirement would be helpful in preparing for retirement are statistically equal (Figure 12). Millennial workers are more likely to say that help with basic budgeting would be helpful in preparing for retirement. Furthermore, both Millennial and Generation X workers are more likely to say that student debt assistance would be helpful in preparing for retirement than are Baby Boom workers. Student loan debt assistance is the least likely to be thought to be helpful in preparing for retirement across each generation.

Sources of Information for Retirement Planning

There are not many differences across the generations in what the workers say they will use for sources of information for retirement planning (Figure 13). However, Baby Boomers are more likely to say they will use a financial advisor and Millennials are more likely to say they will use friends and family (relative to Baby Boomers), Google or other search engines, and online personalized financial advice (relative to Gen Xers).

Unpaid Caregiving

The percentage of workers reporting that they have ever provided unpaid caregiving is similar across each generation, with about 7 in 10 saying that they have not provided the care (Figure 14). However, a higher percentage of Millennials report that the caregiving has had an impact on their financial life (Figure 15).

Key Findings

Closer Examination Within Generation X

In addition to the comparison with the other generations of workers, the characteristics, attitudes, and financial status of workers in Generation X provide details of issues related to subgroups within Generation X.

Retirement Confidence

6 in 10 Generation X workers report that they are confident in being able to have enough money to live comfortably throughout retirement (Figure 1). However, confidence is strongly correlated with the worker's level of household savings and investments excluding primary residences and defined benefit plans. 3 in 10 Gen X workers with savings and investments of less than \$10,000 are confident in being able to have enough money to live comfortably in retirement, compared with 54 percent of those with savings and investments of \$10,000–\$99,999 and 84 percent of those with \$100,000 or more (Figure 16). There is a similar finding with income results (Figure 17).

Retirement Preparations

Of the Gen Xers who are currently saving for retirement, 75 percent are confident in being able to have enough money to live comfortably throughout retirement, compared with only 35 percent of those who are not currently saving (Figure 18). Furthermore, 83 percent of Gen Xers who have calculated how much they will need to save for a comfortable retirement are confident in being able to live comfortably in retirement, whereas only 46 percent of those who did not do the calculation are confident. However, the percentage of workers who have made the calculation is correlated with savings and investments. Just 21 percent of Gen Xers with less than \$10,000 in savings have done the calculation, compared with 54 percent of those with savings of \$100,000 or more (Figure 19).

Key Findings

Expected Retirement Age

Generation X workers who expect to retire earlier than age 70 are much more likely to say that they are confident in being able to have enough money to live comfortably through retirement. Specifically, only 30 percent of those who expect to retire at ages 70 or older are confident, compared with 74 percent or higher for those retiring before age 70 (Figure 20). Not surprisingly, those with the lowest savings (less than \$10,000) are the most likely to say they expect to retire at ages 70 or older, while those with savings of \$100,000 or more are the most likely to say they expect to retire before age 65 (Figure 21).

Debt

The percentage of Gen Xers who consider debt to be a problem is much higher for those with less savings — only 14 percent of those with savings less than \$10,000 consider debt to *not* be a problem vs. 61 percent of those with savings of \$100,000 or more (Figure 22). The most common types of debt held by Gen Xers who hold debt are mortgage (49 percent), credit card (48 percent), and car loan (43 percent) (Figure 23).

The Generation X workers who consider debt to not be a problem are much more likely to be confident in being able to live comfortably in retirement (83 percent) than those who do consider it a problem (56 percent who consider it a minor problem are confident and 26 percent who consider debt a major problem are confident) (Figure 24). The extent that debt is considered a problem is correlated with other attitudes about finances such as among those who consider debt to not be a problem, only 40 percent say that preparing for retirement makes them stressed vs. 83 percent of those who consider debt to be a major problem (Figure 25).

Key Findings

Approaches to the Use of Retirement Assets

When choosing between managing their own savings and purchasing a product that provides guaranteed income for life, Generation X workers with \$100,000 or more in savings are more likely to say that they would manage their own assets (Figure 26). Those with lower levels of savings are split between the options. Of those who are confident in living comfortably in retirement, 38 percent say they would manage their own assets vs. 14 percent saying they would buy a product providing lifetime income (Figure 27). In contrast, the same share of workers who are not confident would choose managing their own assets and purchasing a lifetime income product (22 percent each).

Financial Wellbeing Programs

When asked about various workplace education or financial wellbeing programs being helpful in preparing for retirement, the level of the workers' savings and investments does not generally have an impact on the proportion saying they would be helpful (Figure 28). One exception is those with savings of \$100,000 or more are less likely to say that student loan debt assistance would be helpful. A similar result arises by whether debt is not considered to be a problem, but also, those not considering debt a problem were less likely to say that help with basic budgeting and day-to-day finances would be helpful (Figure 29).

Unpaid Caregiving

The reported level of the provision of unpaid caregiving does not change between Gen Xers who are or are not confident in being able to live comfortably in retirement and those with different levels of debt problems (Figure 30 and Figure 31).

Takeaways

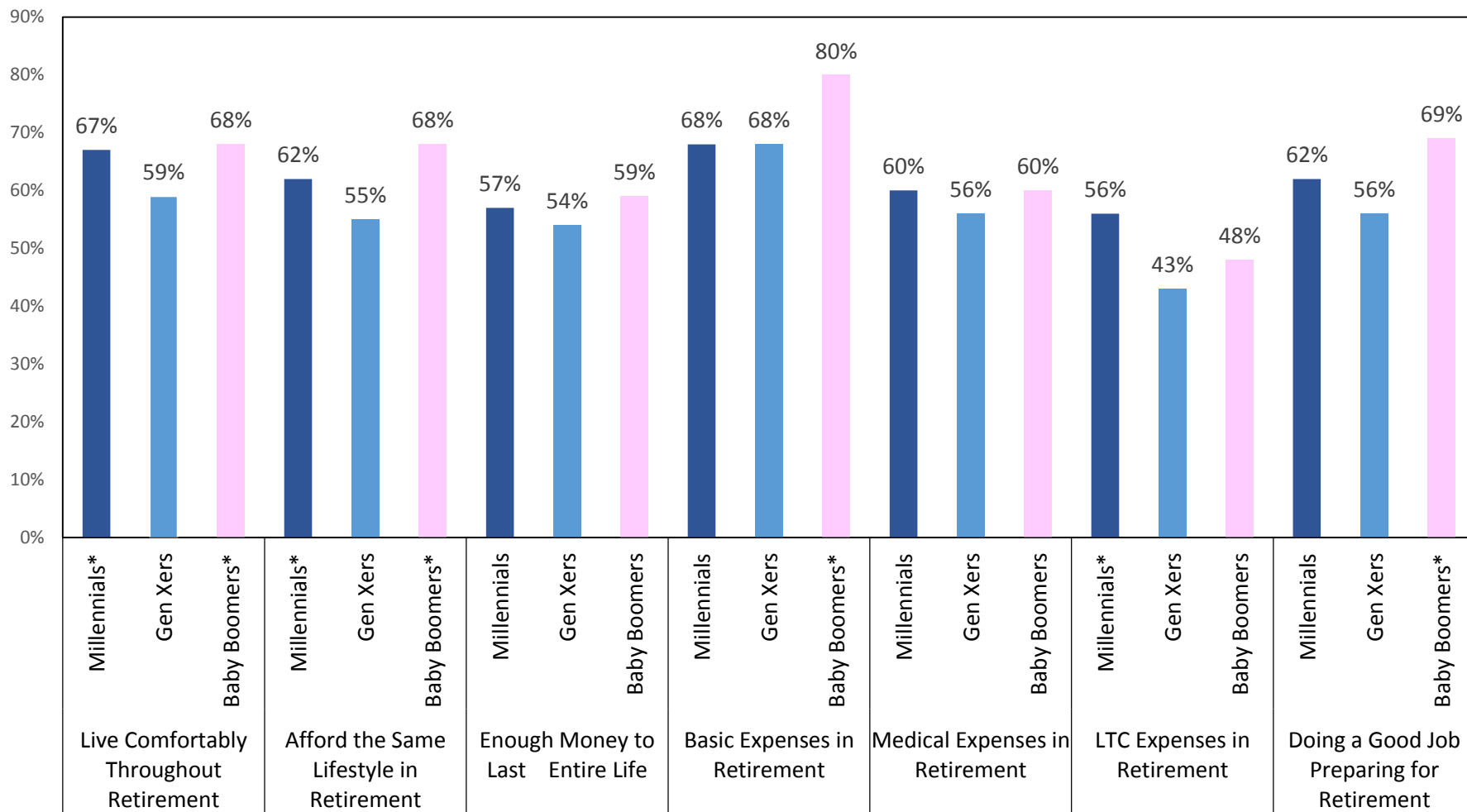
- Compared with Millennials and Baby Boomers, Generation X workers are the least likely to say they are confident in having enough money to live comfortably throughout retirement, are the least or equal to the least likely to be confident in their ability to manage their finances in retirement, and report levels of confidence that either are the lowest or match the lowest across various measures relating to retirement.
- However, Generation X workers' standing with regard to retirement tends to align with Millennial workers more than Baby Boom workers. Generation X workers are more likely to have saved for retirement than Millennial workers, but both are less likely to have saved than Baby Boomers. The same proportion of Generation X and Millennial workers have calculated how much money they will need to save for retirement — less than Baby Boom workers — and both groups are twice as likely as Baby Boom workers to have less than \$1,000 in savings and substantially less likely to have \$500,000 or more in savings compared with Baby Boom workers.
- Generation X and Millennial workers also have similar likelihoods of having a major problem with debt, as well as similar likelihoods of reporting they do not have a problem with debt, whereas Baby Boom workers are less likely to report having a major problem with debt and more likely to report not having a debt problem.

Takeaways

- Examining Generation X workers independently, the reported circumstances and expectations regarding retirement correlate with workers' levels of household savings and investments (excluding primary residences and defined benefit plans) as well as with their levels of income and debt. Those workers with more savings and investments and higher incomes are more likely to be confident in being able to have enough money to live comfortably throughout retirement.
- Those who are currently saving for retirement or who have calculated how much they need to live comfortably in retirement are also more likely to be confident in being able to live comfortably in retirement, and those with higher savings and investments are more likely to have calculated how much money they need saved for retirement.
- Debt levels also correlate with workers' confidence in their ability to live comfortably in retirement and other attitudes about finances, with Gen X workers who do not report having a problem with debt being much more likely to be confident in their ability to live comfortably in retirement and much less likely to report that preparing for retirement makes them stressed.

Figure 1

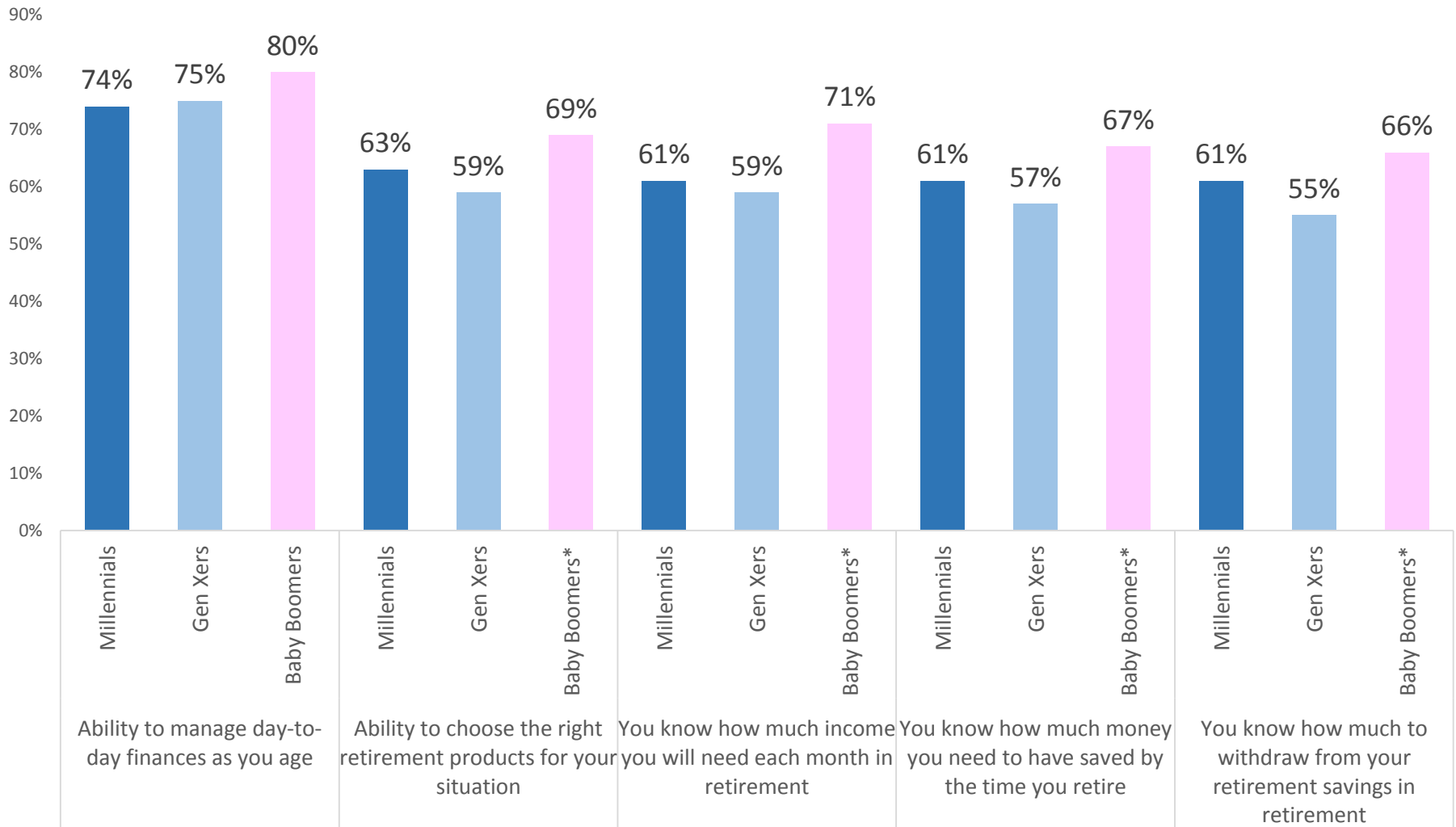
Percentage of Workers Who Are Confident in Various Aspects of Retirement, by Generation of Workers, 2019



*Statistically significant difference.
 Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 2

Percentage of Workers Who Are Confident in Various Aspects of Finances in Retirement, by Generation of Workers, 2019

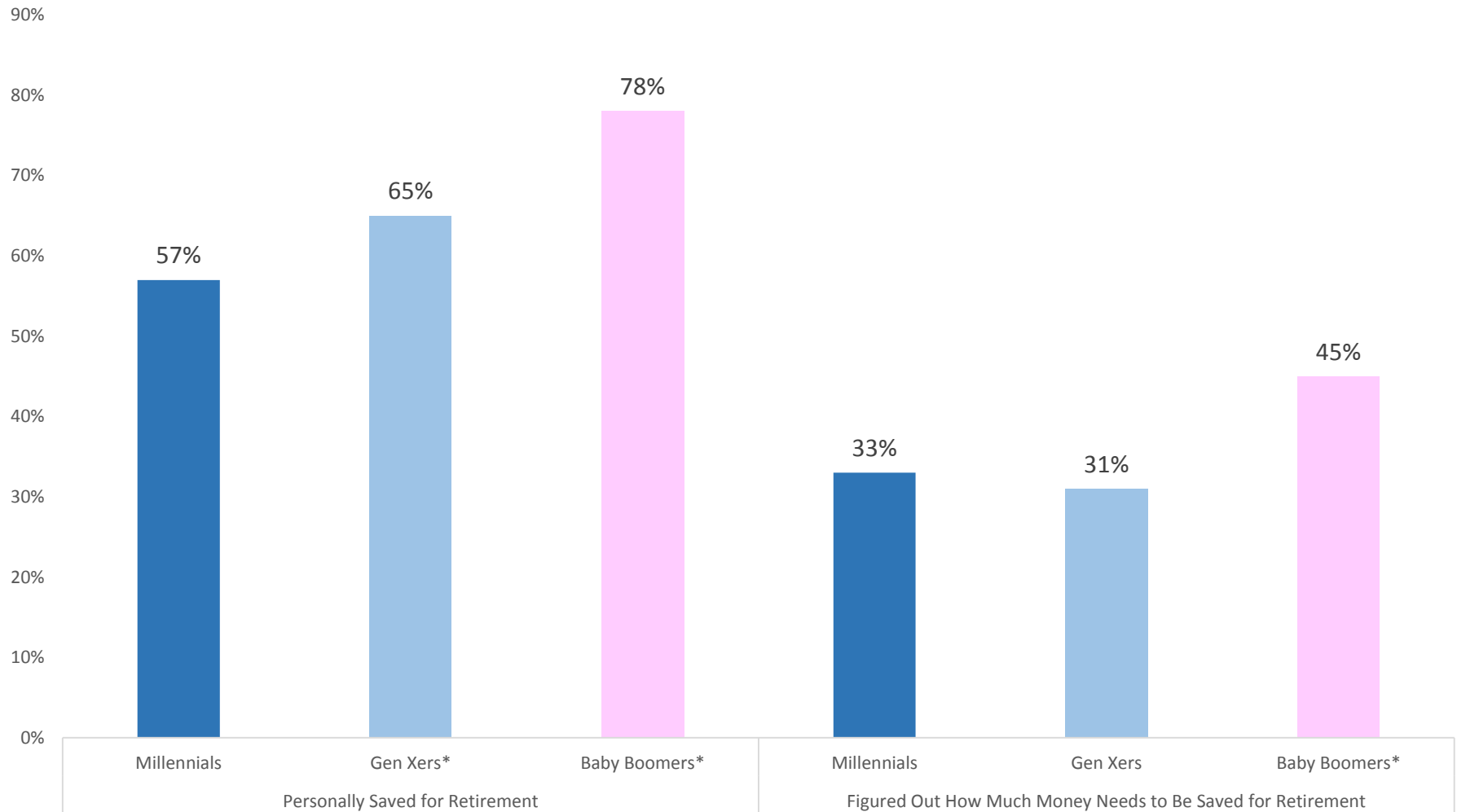


*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 3

Percentage of Workers Who Have Personally Saved for Retirement and the Percentage Who Have Figured Out How Much Money Needs to Be Saved by Retirement, by Generation of Workers, 2019



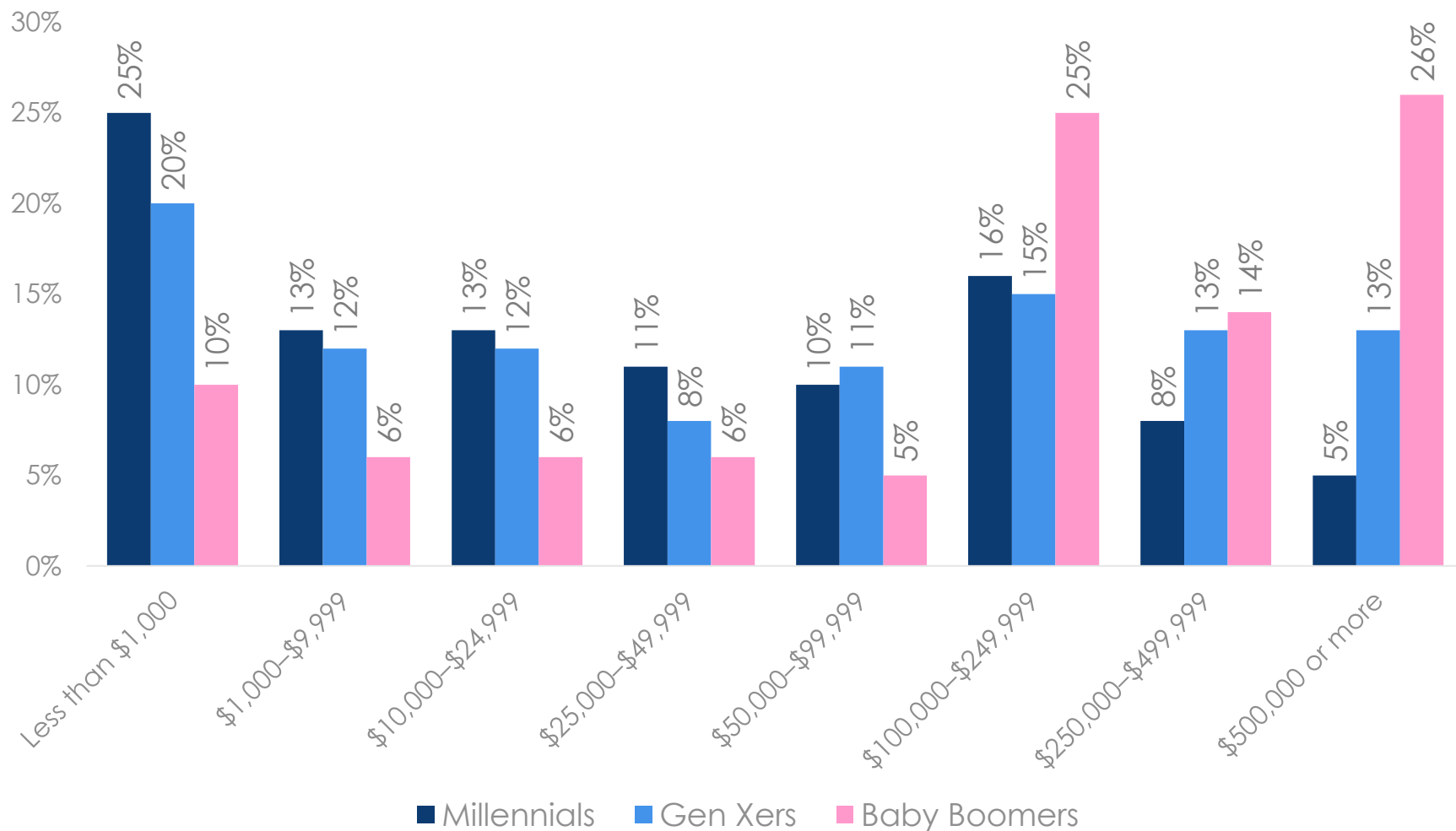
*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 4

Distribution of Current Savings and Investments of Workers, by Generation of Workers, 2019

(excluding the value of primary residence)

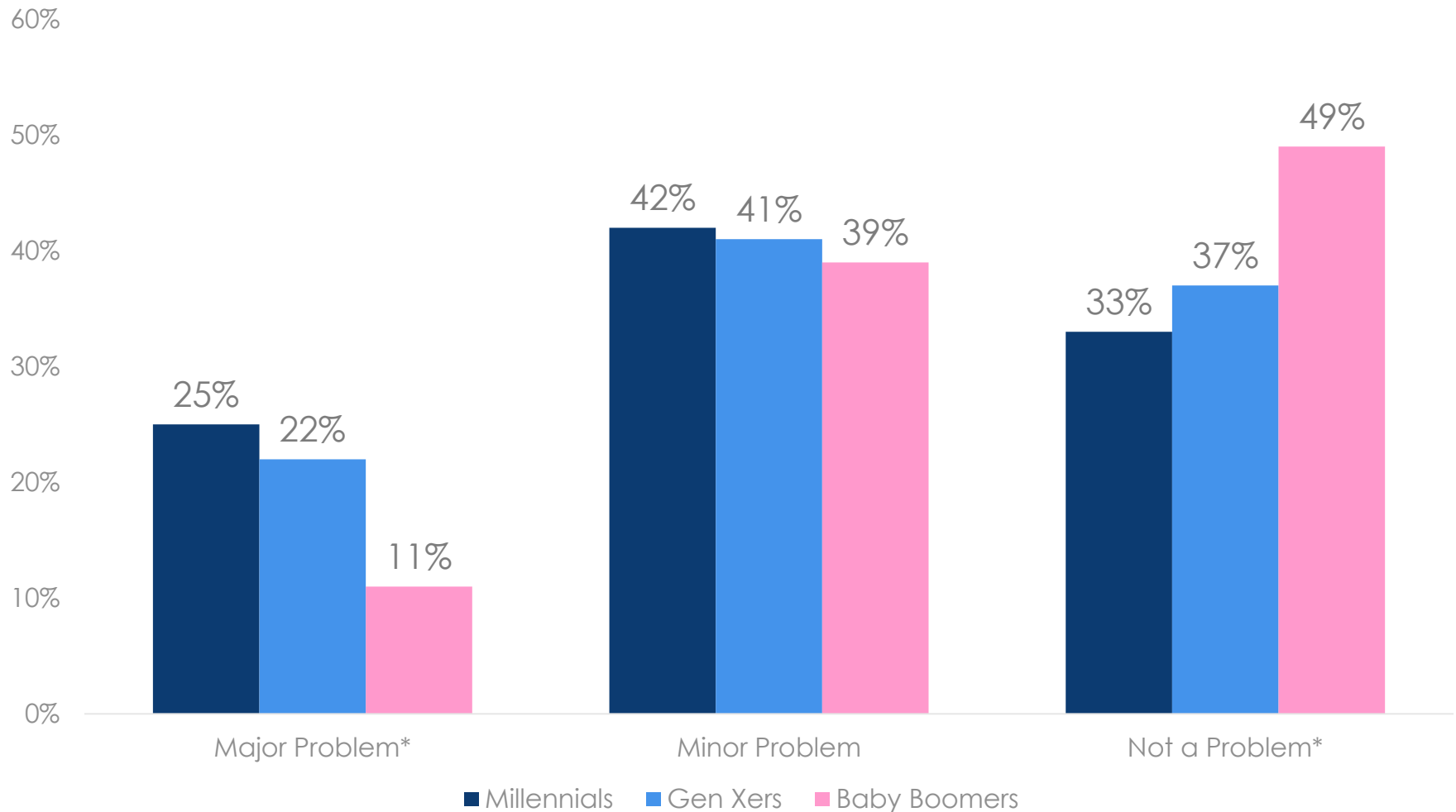


*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 5

Percentage of Workers Who Consider Debt a Major, a Minor, or Not a Problem, by Generation of Workers, 2019

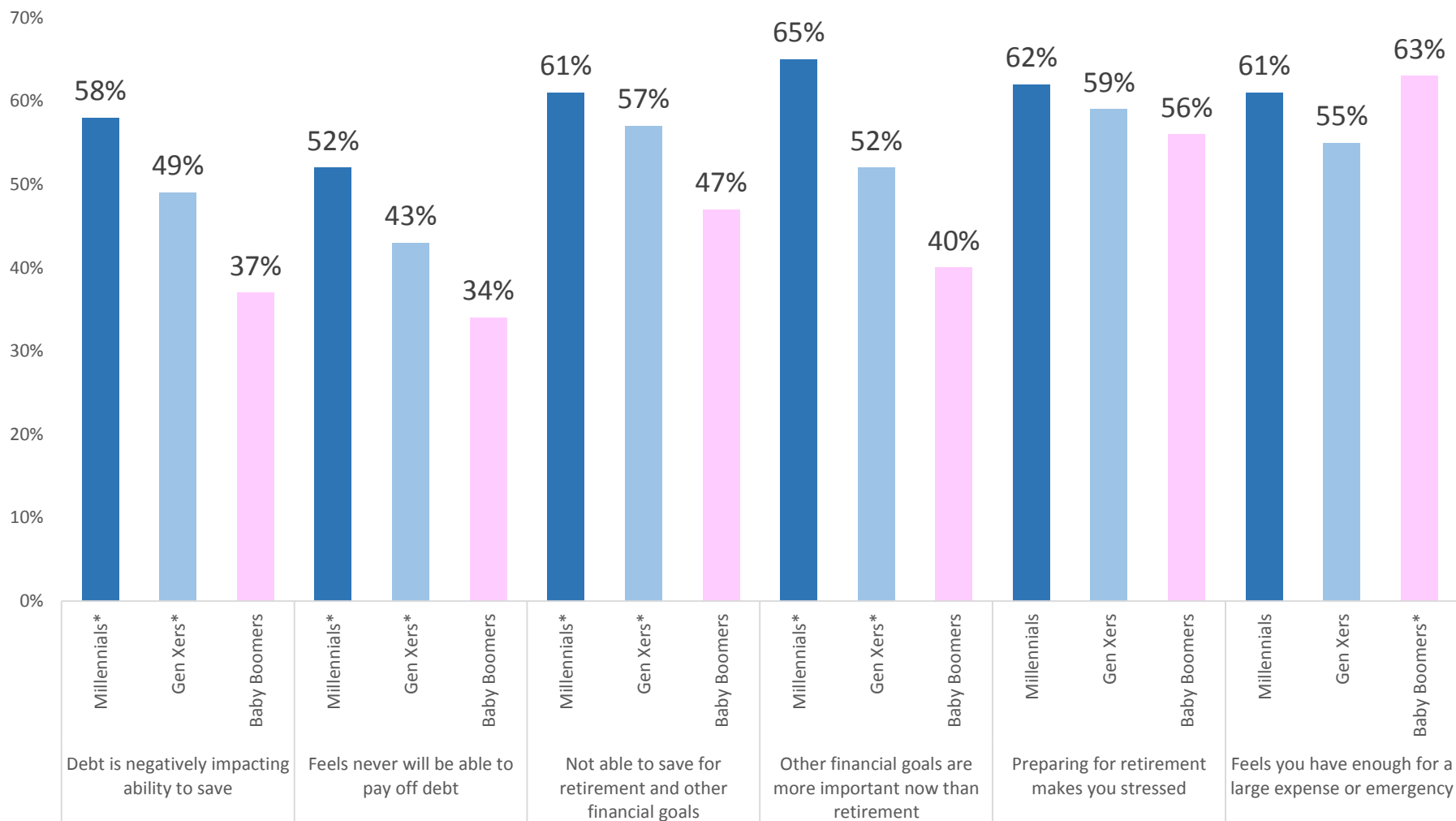


*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 6

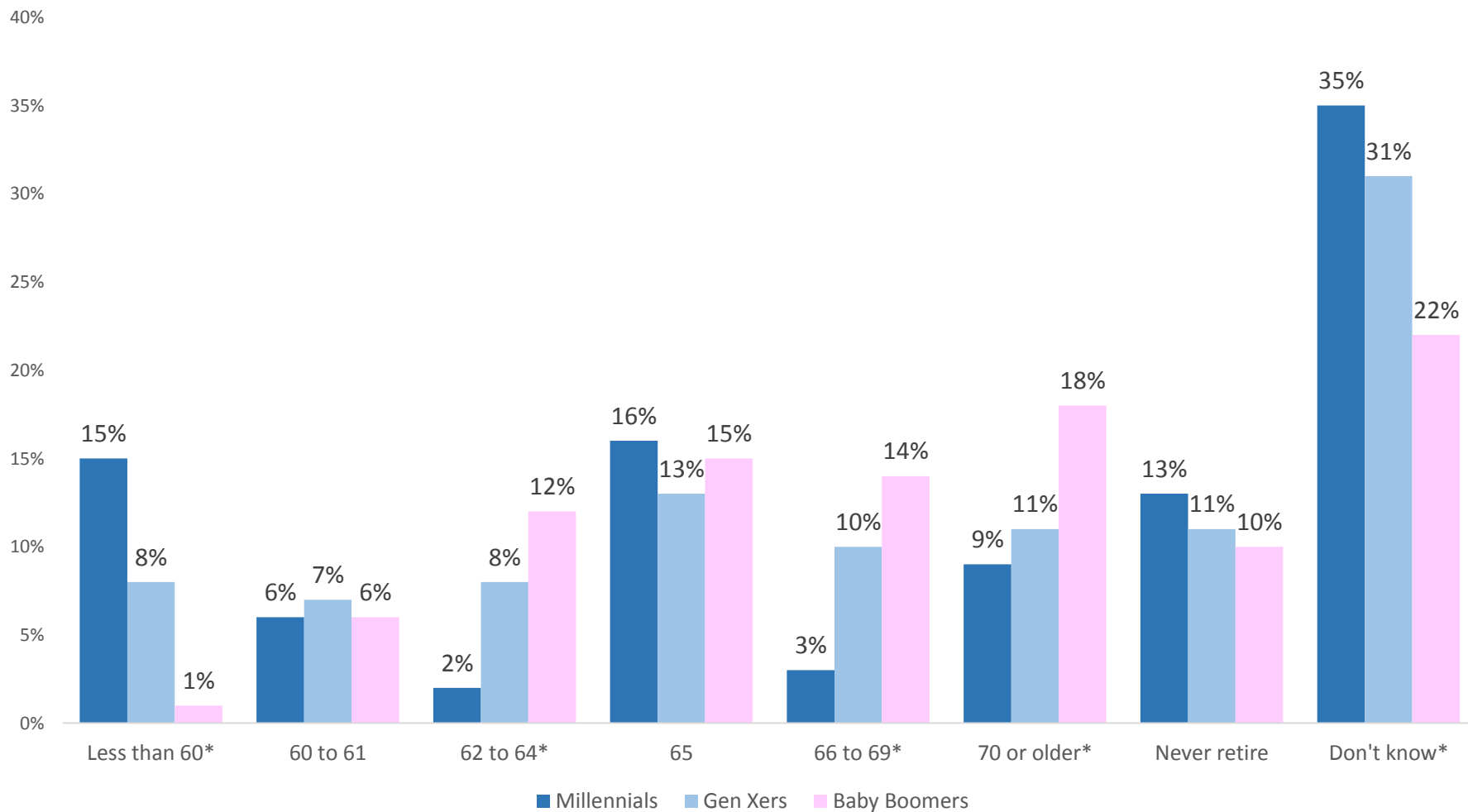
Percentage of Workers Who Agree With the Following Statements, by Generation of Workers, 2019



*Statistically significant difference.
 Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 7

Distribution of the Expected Retirement Ages of Workers, by Generation of Workers, 2019

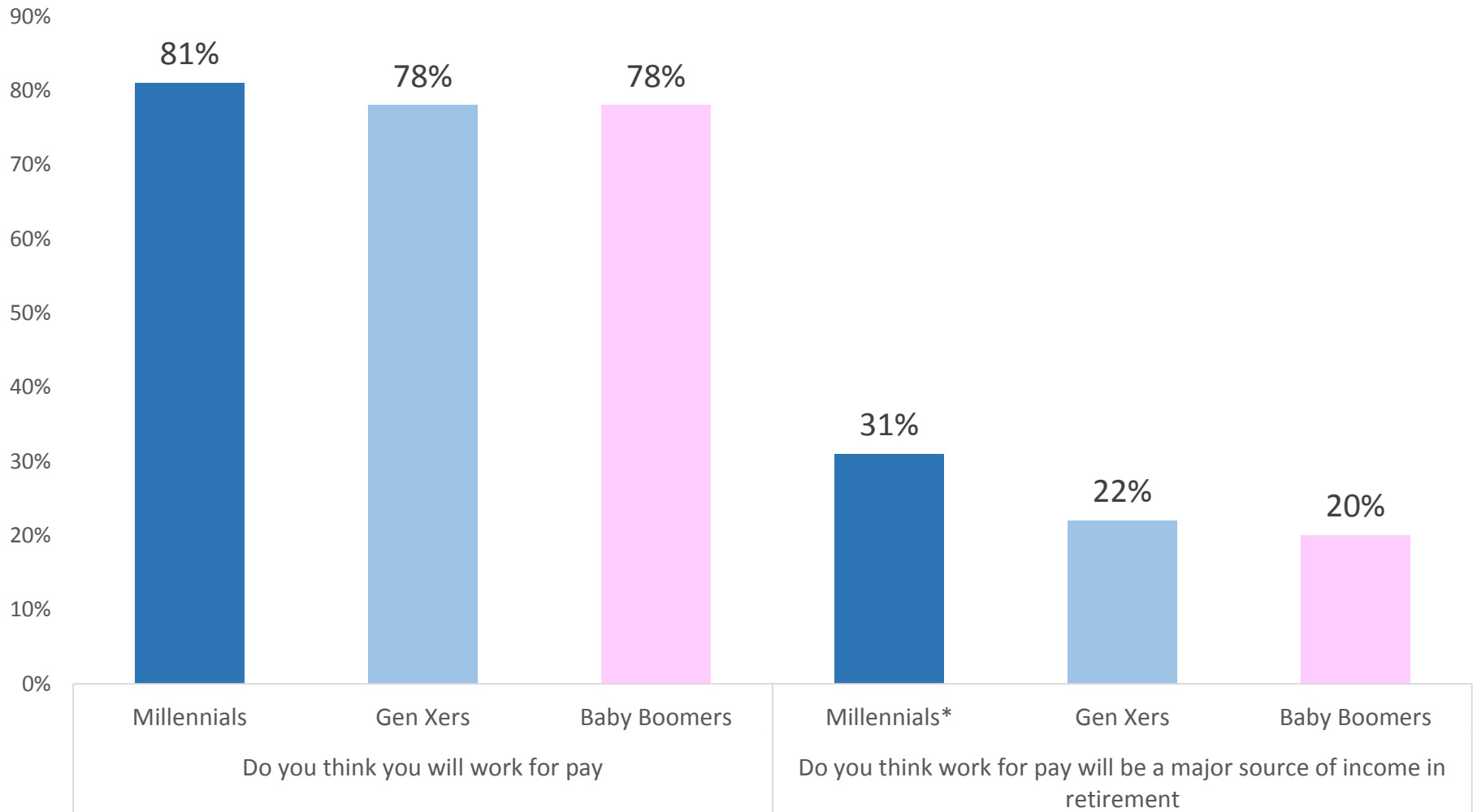


*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 8

Percentage of Workers Who Expect to Work for Pay in Retirement and Percentage Who Think It Will Be a Major Source of Income in Retirement, by Generation of Workers, 2019



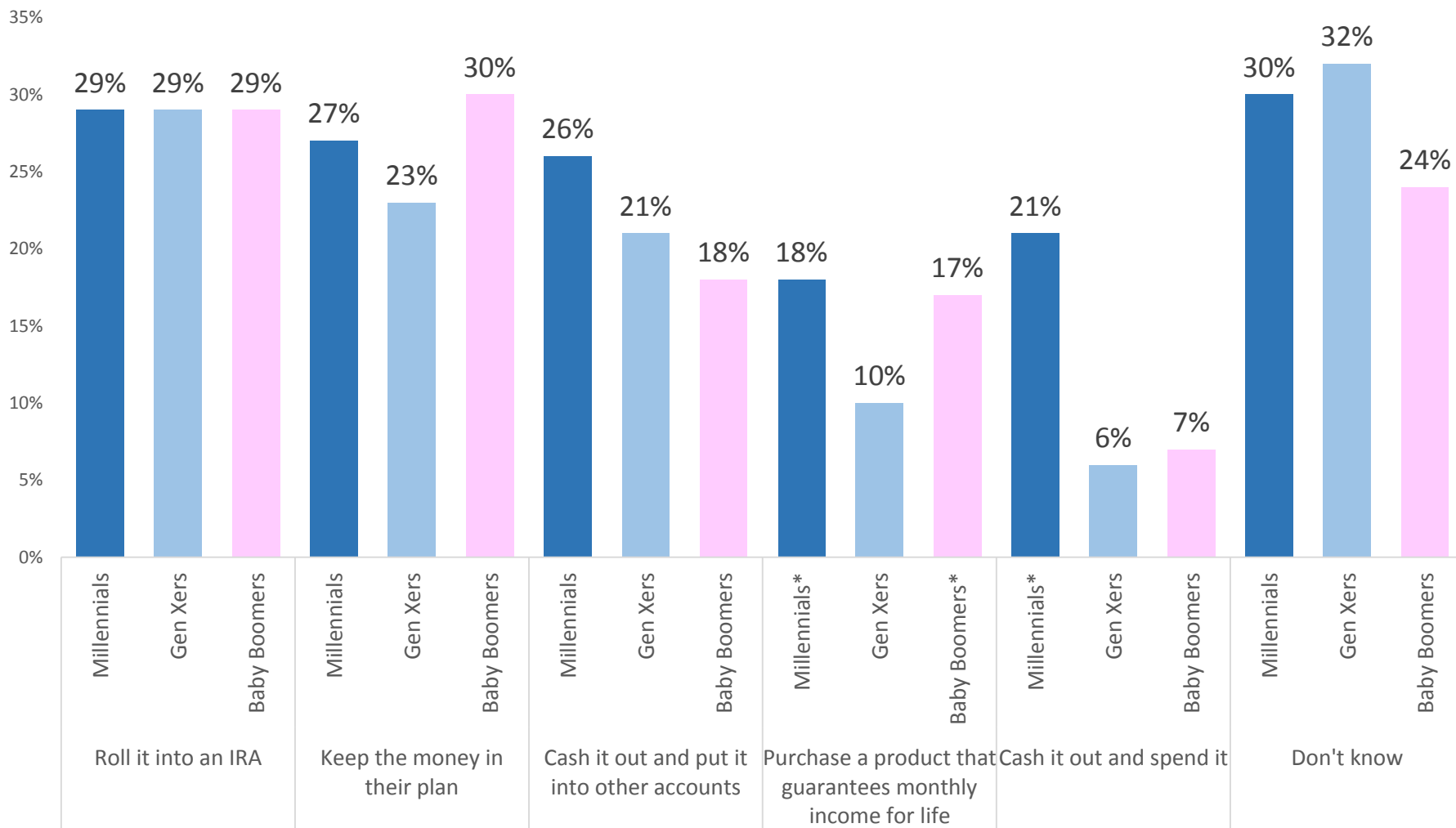
*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 9

Percentage of Workers Saying What They Are Most Likely to Do With the Money in Their Retirement Savings Plan When They Retire, by Generation of Workers, 2019

(More than one could be selected)

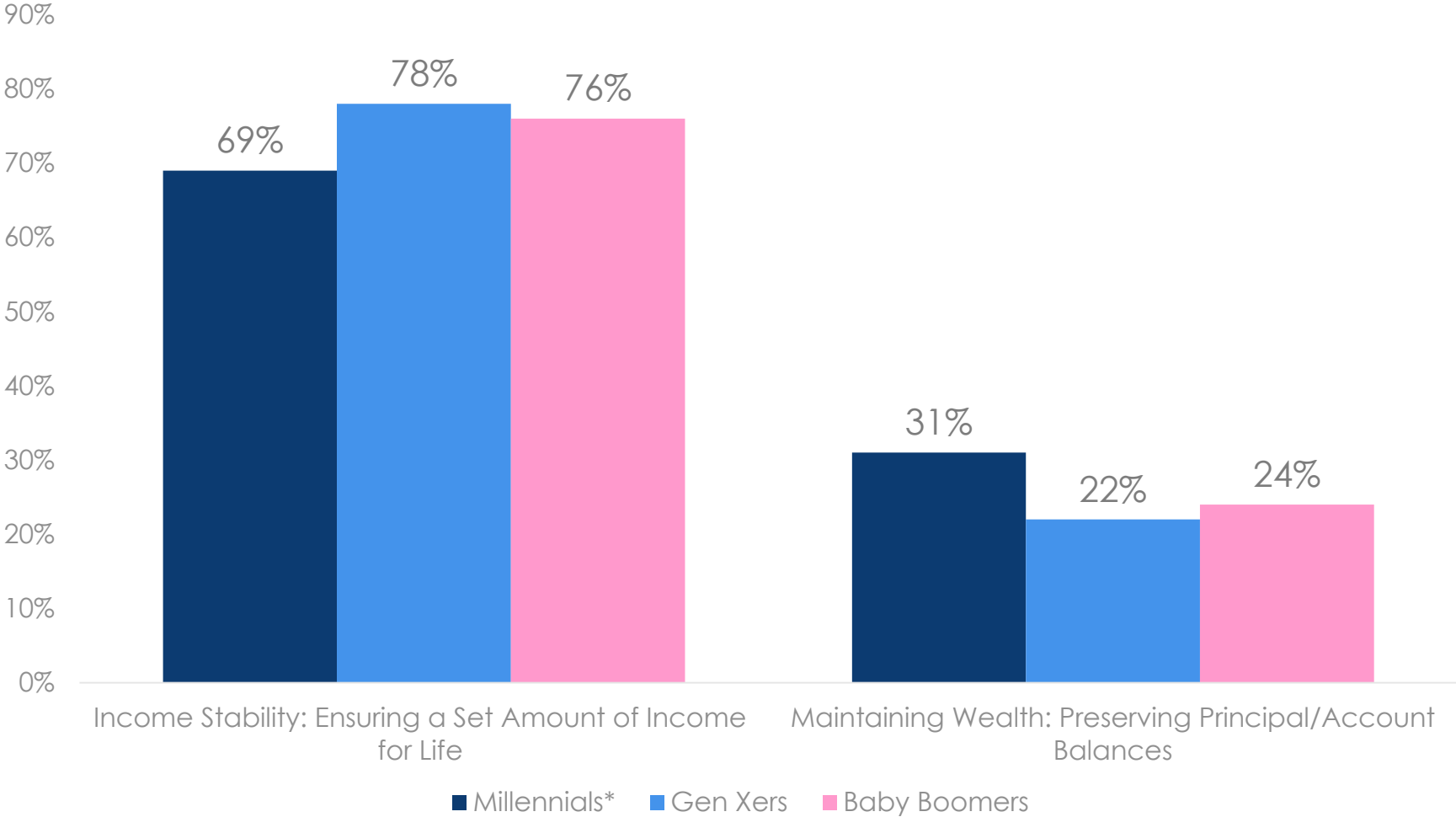


*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 10

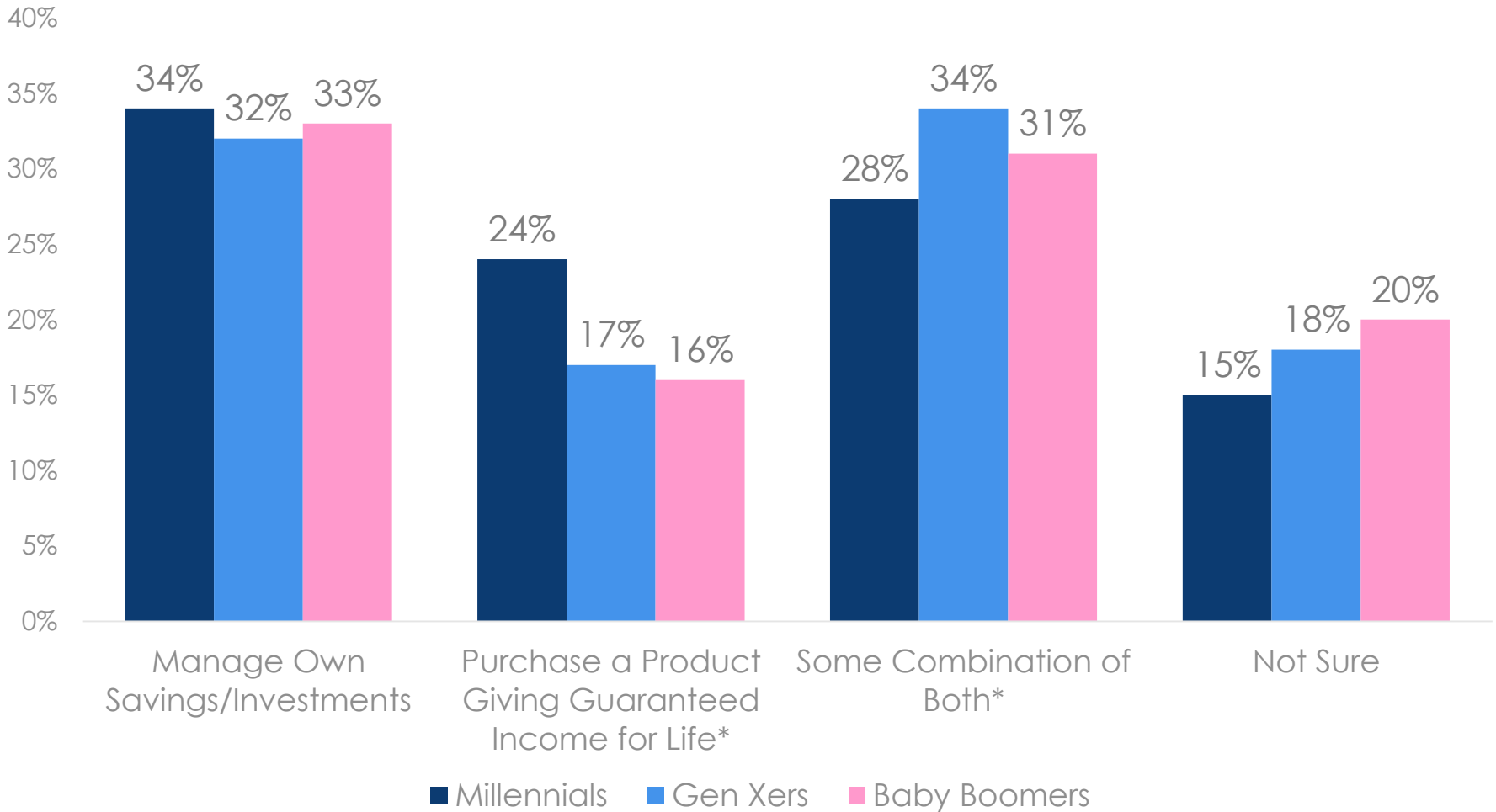
When Thinking About Financial Priorities in Retirement, the Percentage of Workers Who Think Each Priority Is More Important, by Generation of Workers, 2019



*Statistically significant difference.
 Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 11

Percentage of Workers Saying Which Approach They Are Most Likely to Take: Manage Own Savings/Investments or Purchase a Product Giving Guaranteed Income for Life, by Generation of Workers, 2019

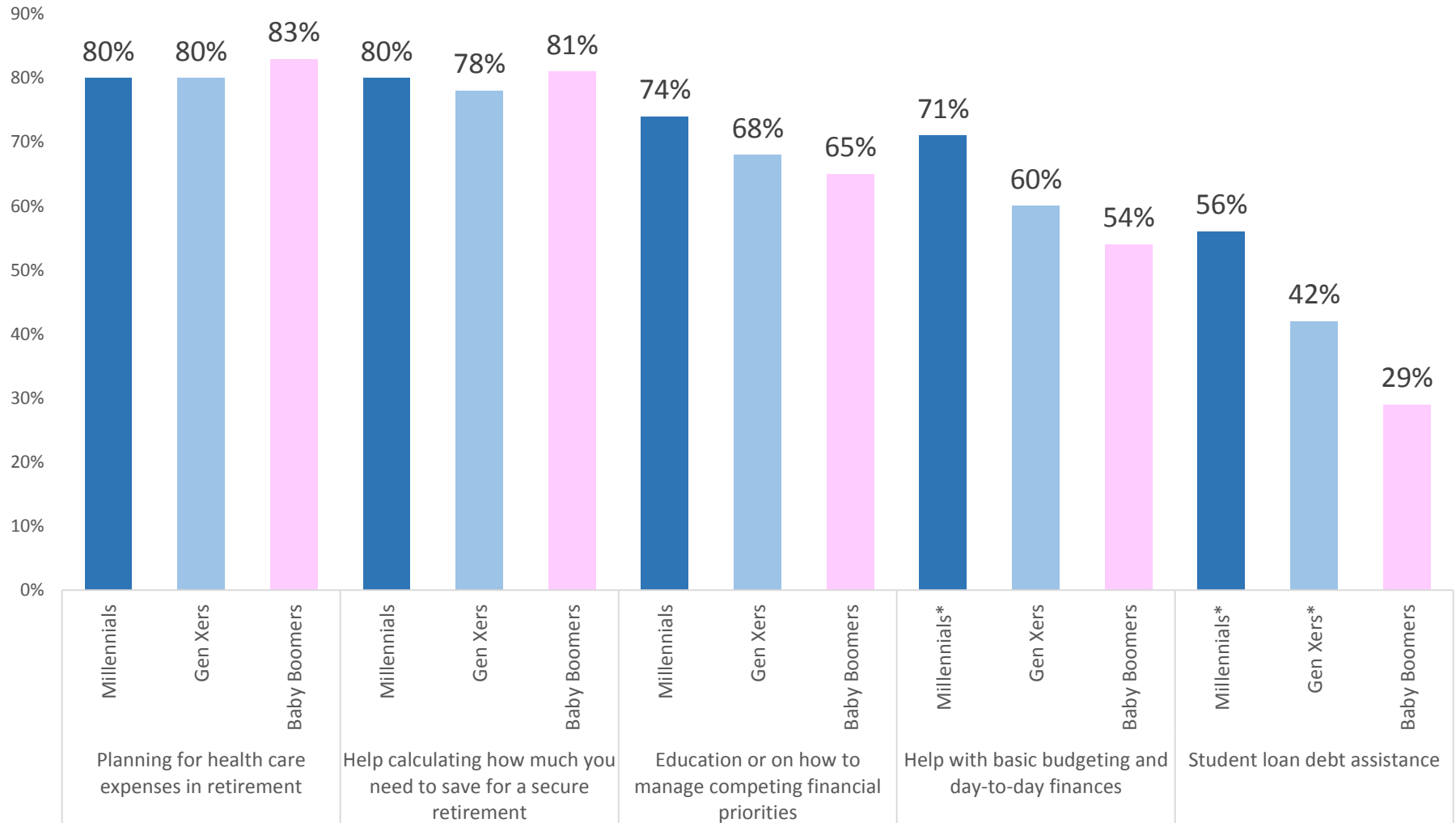


*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 12

Percentage of Workers Thinking That These Workplace Educational or Financial Wellbeing Programs Would Be Helpful in Better Preparing Them for Retirement, by Generation of Workers, 2019



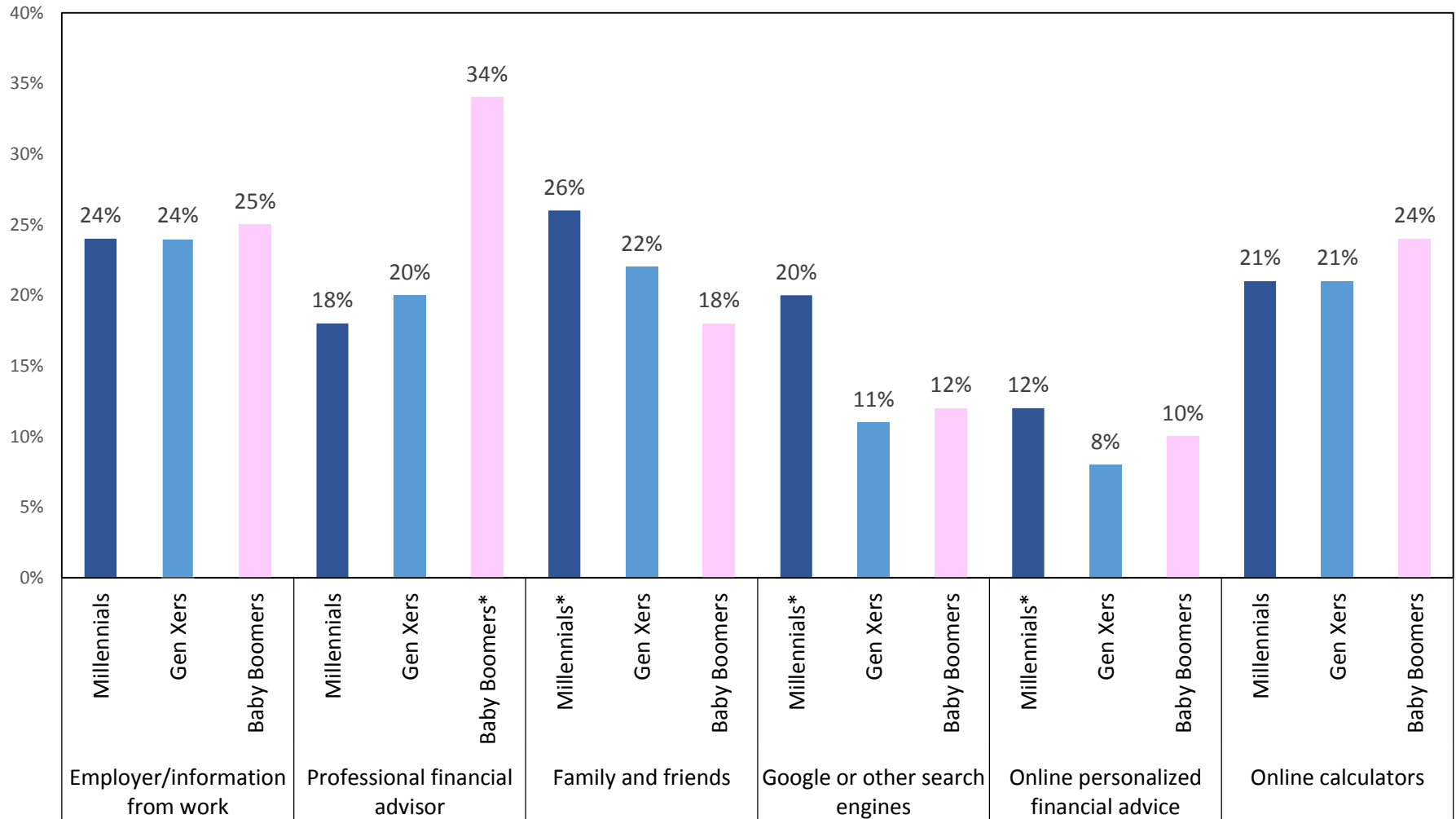
*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 13

Sources of Information Workers Use for Retirement Planning, by Generation of Workers, 2019

(Can choose more than one)

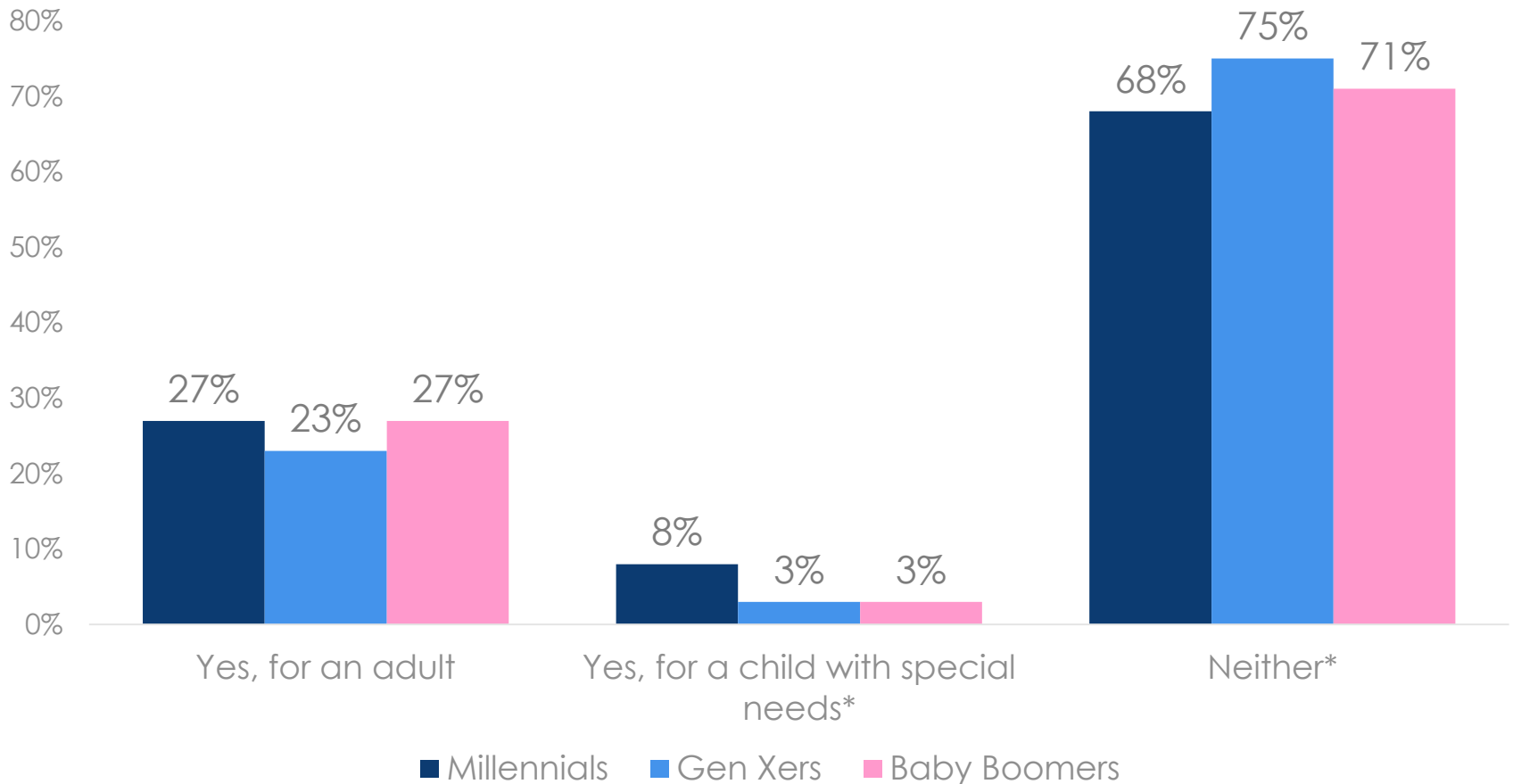


*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 14

Percentage of Workers Saying They Ever Provided Unpaid Care to a Relative or Friend to Help Them Take Care of Themselves, by Generation of Workers, 2019



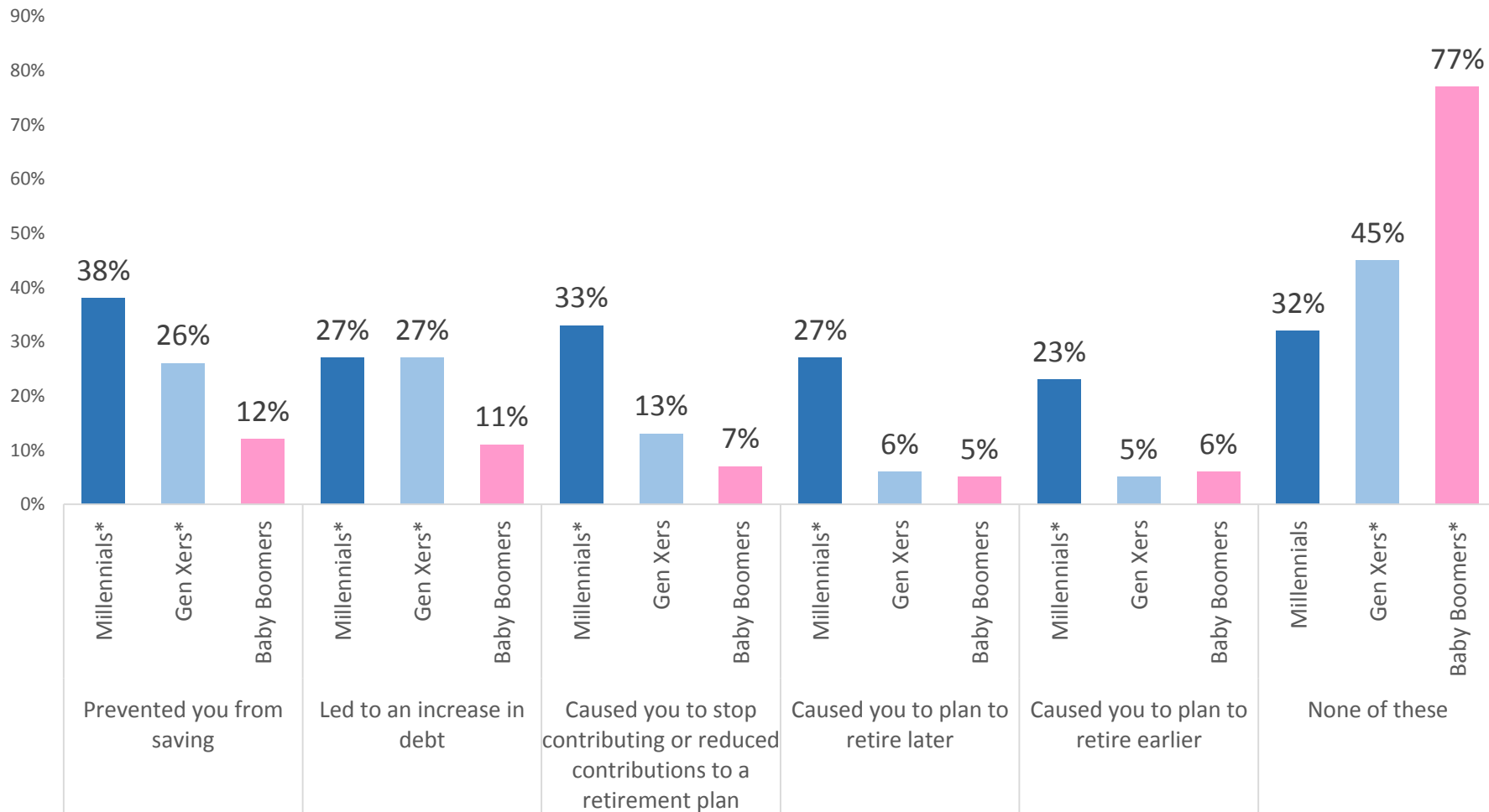
Unpaid caregiving typically includes helping an adult with personal needs or household chores, managing finances, or arranging for outside services. It includes caring for a child, but only care beyond what might typically be expected for a child of that age.

*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 15

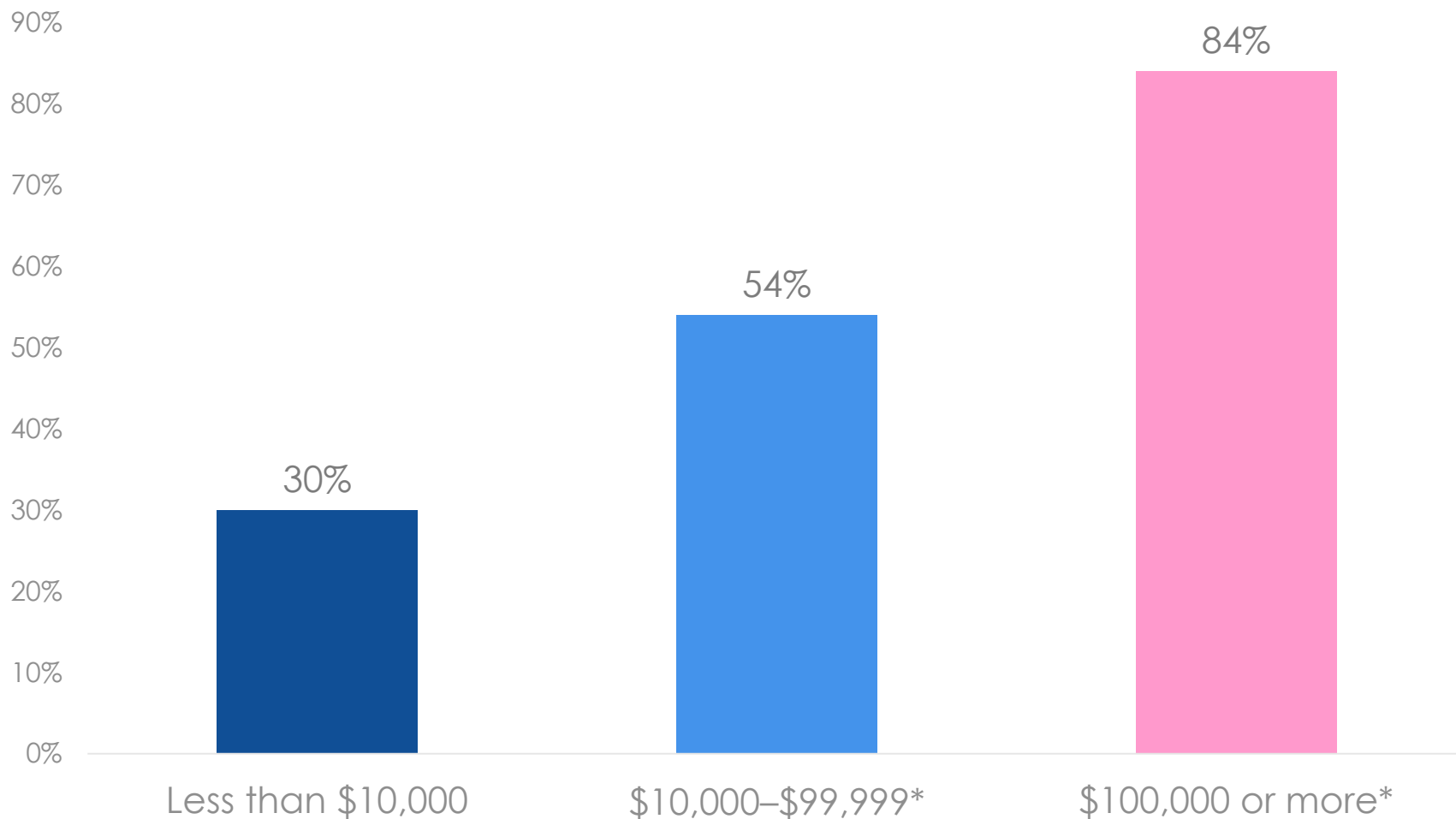
Percentage of Workers Who Said They Provided Caregiving Reporting That Any of the Following Impacted Their Financial Life, by Generation of Workers, 2019 (More than one selection possible)



*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 16
Percentage of Generation X Workers Who Are Confident That They Will Have Enough Money to Live Comfortably in Retirement, by Savings and Investment Levels, 2019

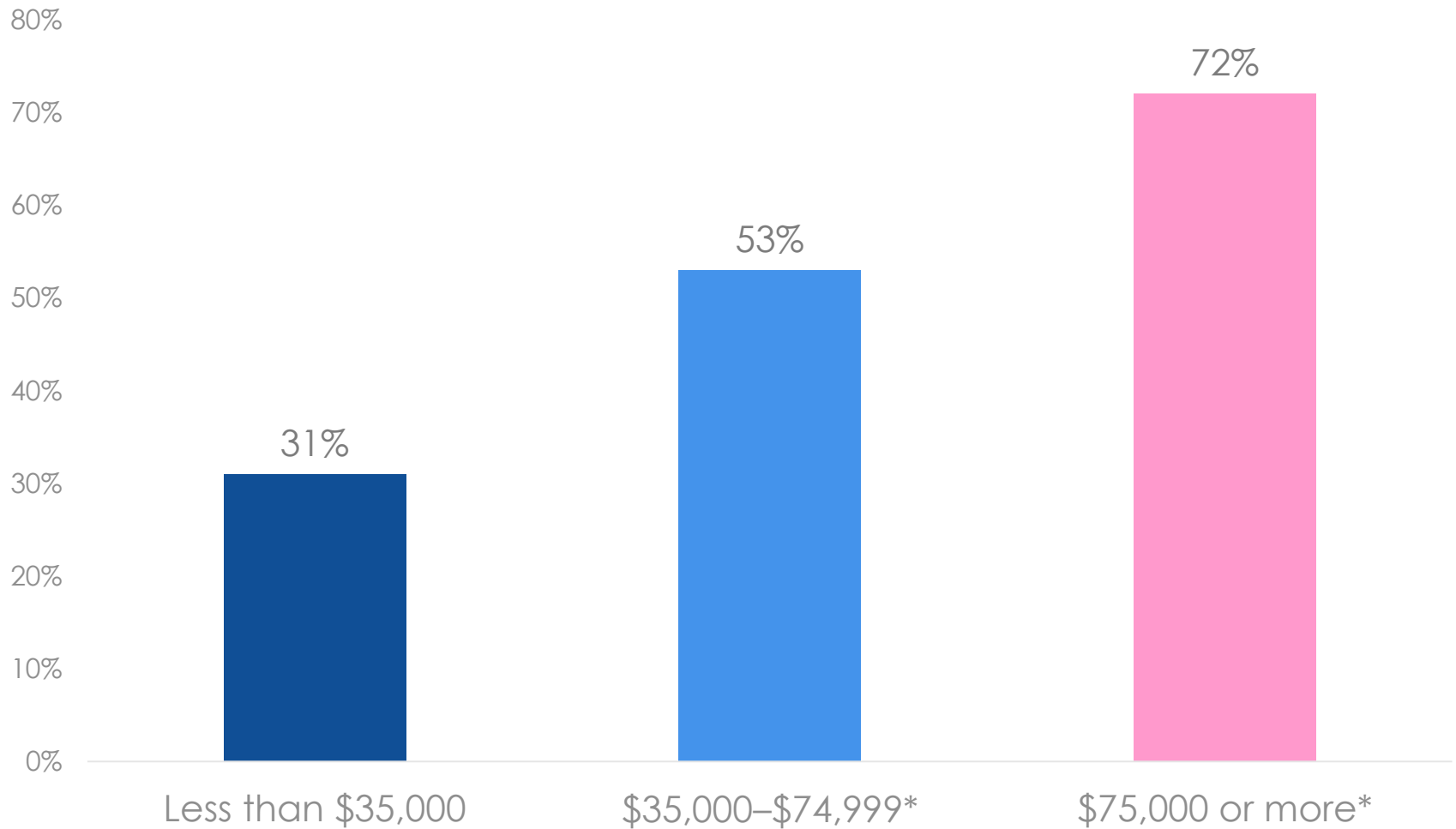


*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 17

Percentage of Generation X Workers Who Are Confident That They Will Have Enough Money to Live Comfortably in Retirement, by Income, 2019



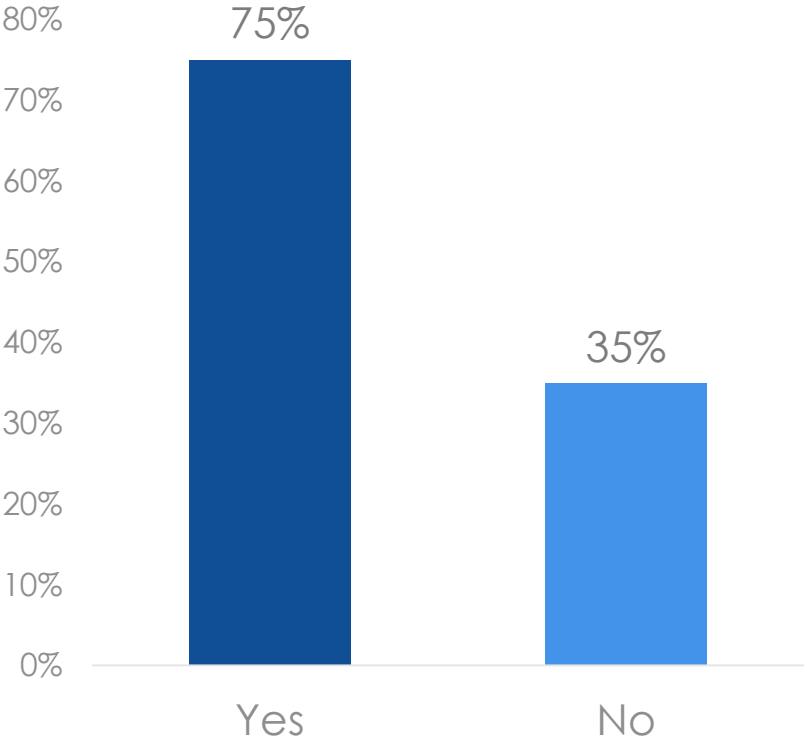
*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

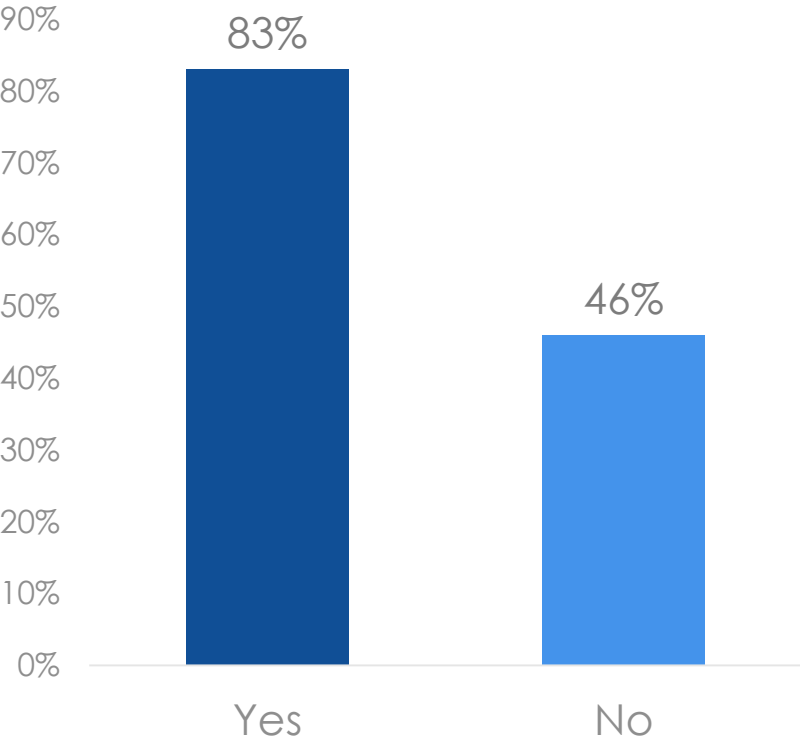
Figure 18

Percentage of Generation X Workers Who Are Confident That They Will Have Enough Money to Live Comfortably in Retirement, by Preparations, 2019

Currently saving for retirement



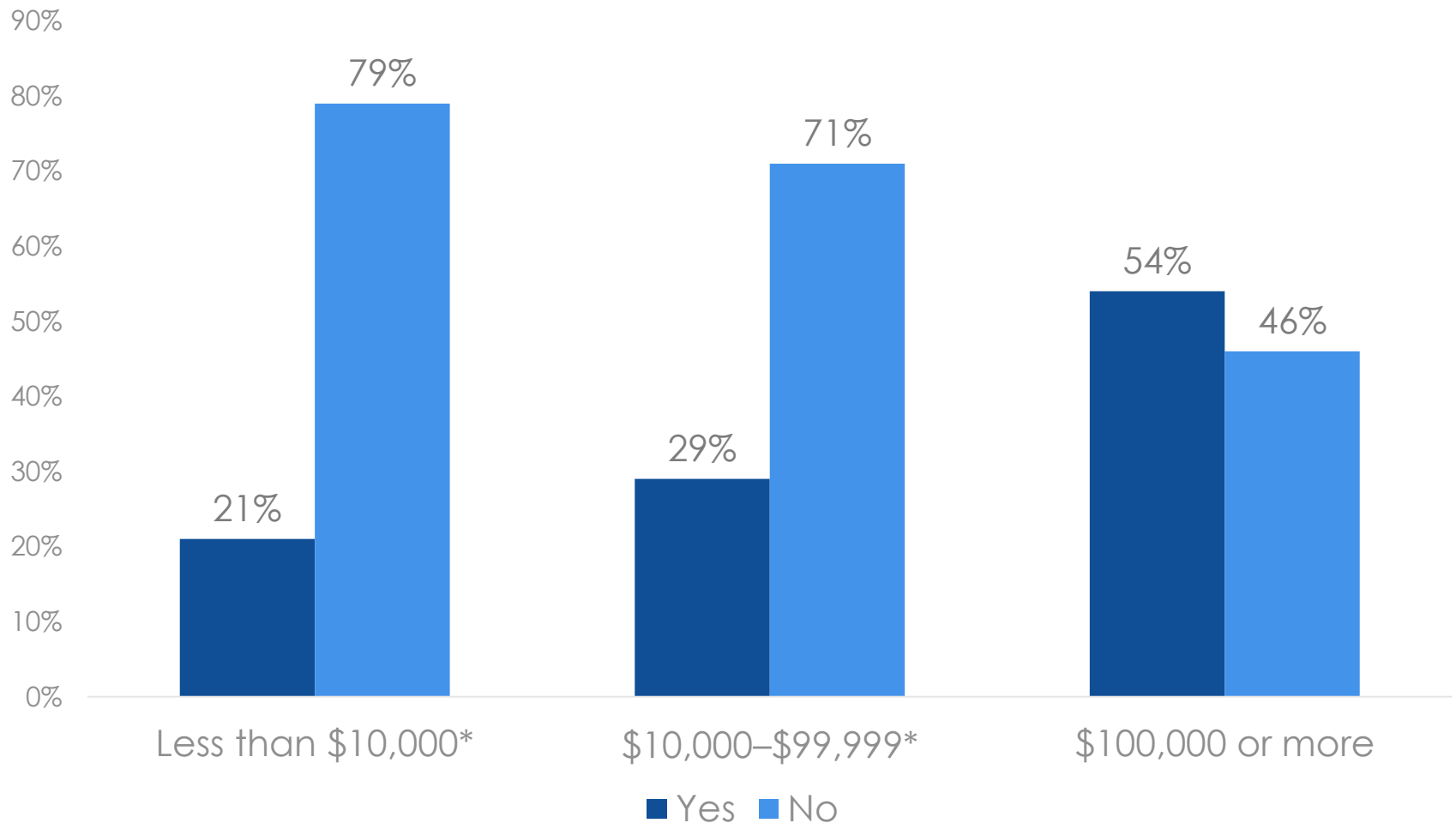
Calculated how much is needed to live comfortably in retirement



Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 19

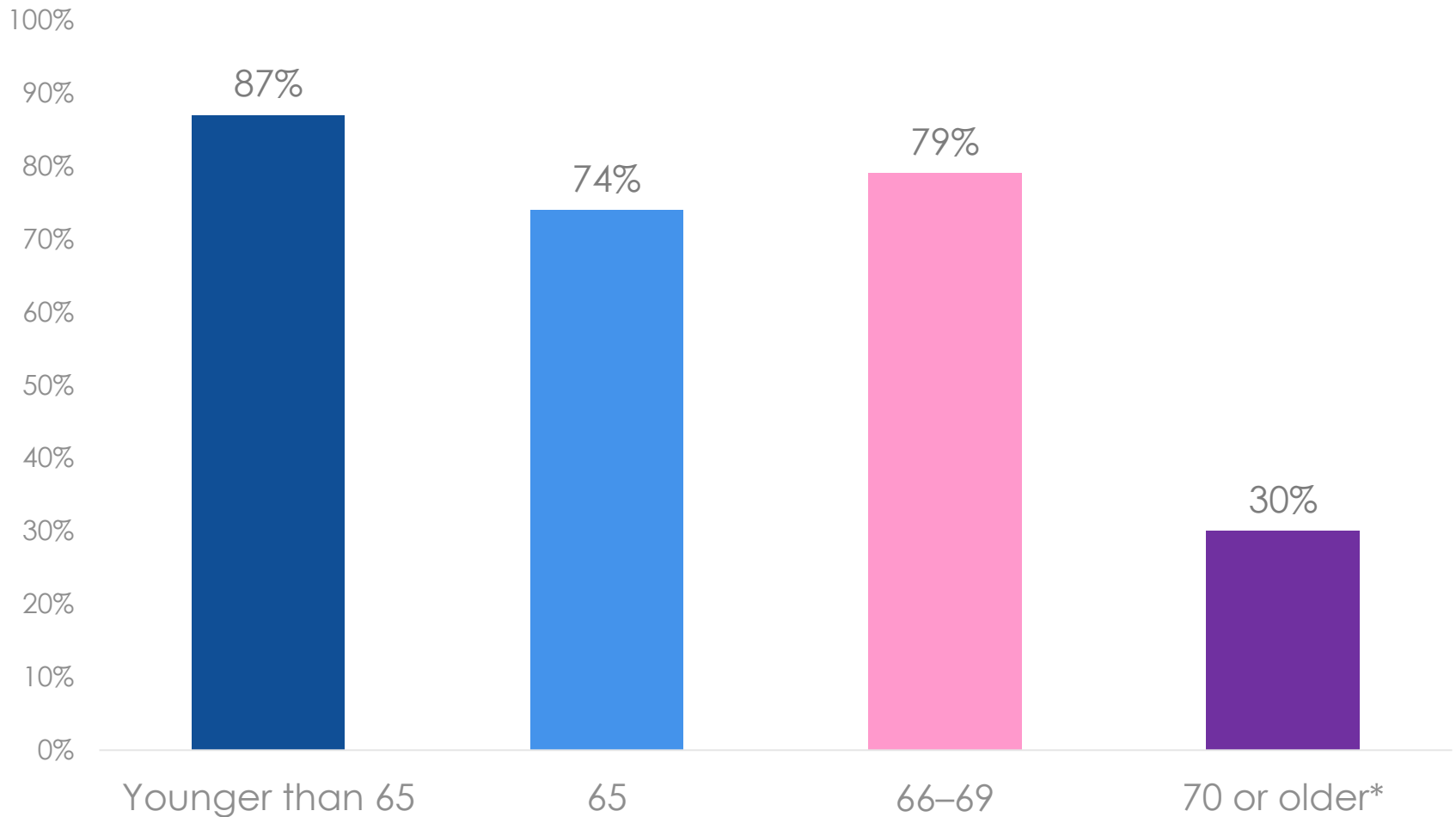
Percentage of Generation X Workers Who Calculated How Much They Need to Live Comfortably in Retirement, by Savings and Investments, 2019



*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 20
Percentage of Generation X Workers Who Are Confident That They Will Have Enough Money to Live Comfortably in Retirement, by Expected Retirement Age, 2019

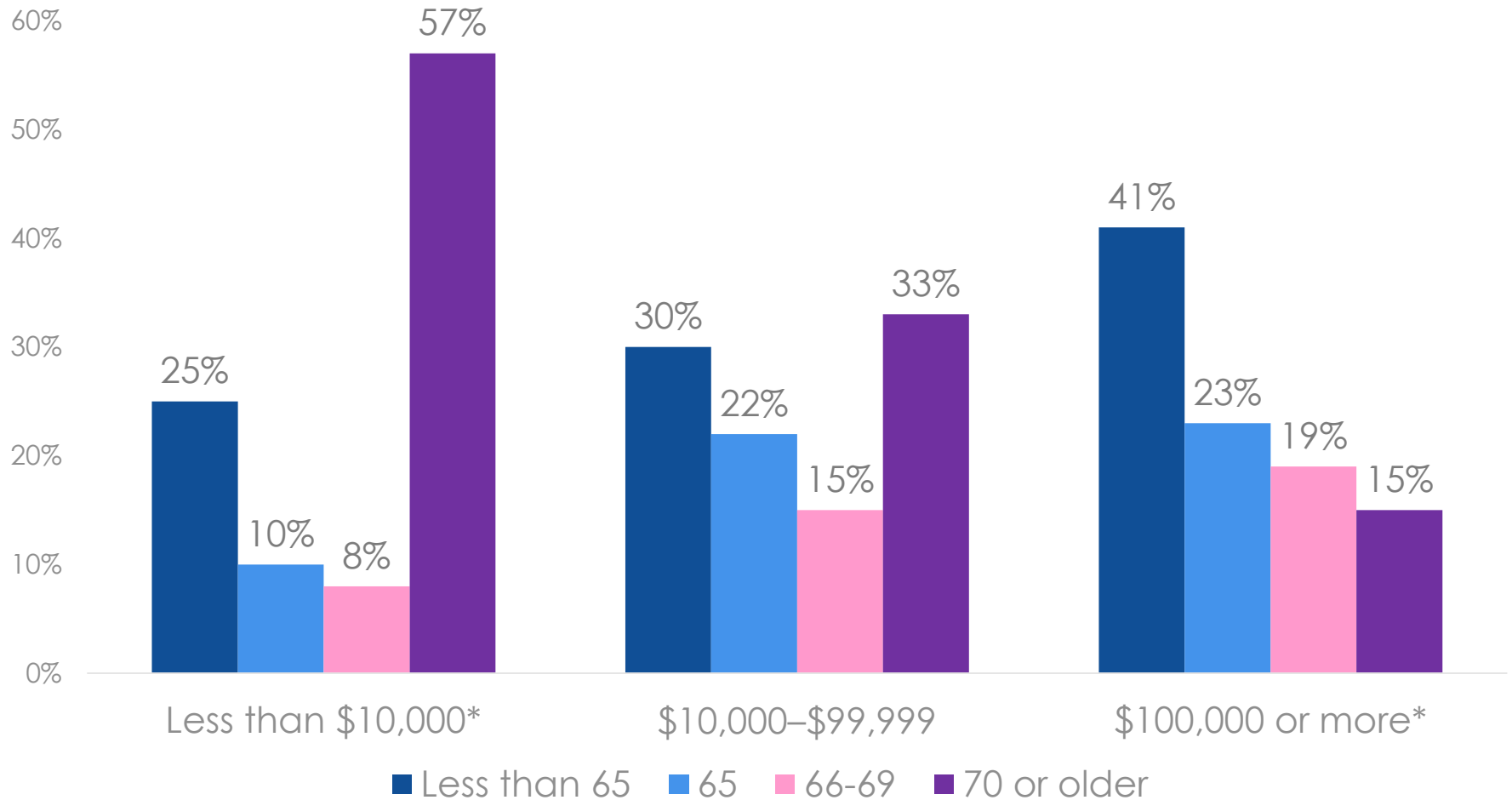


*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 21

Expected Retirement Ages of Generation X Workers, by Savings and Investments, 2019

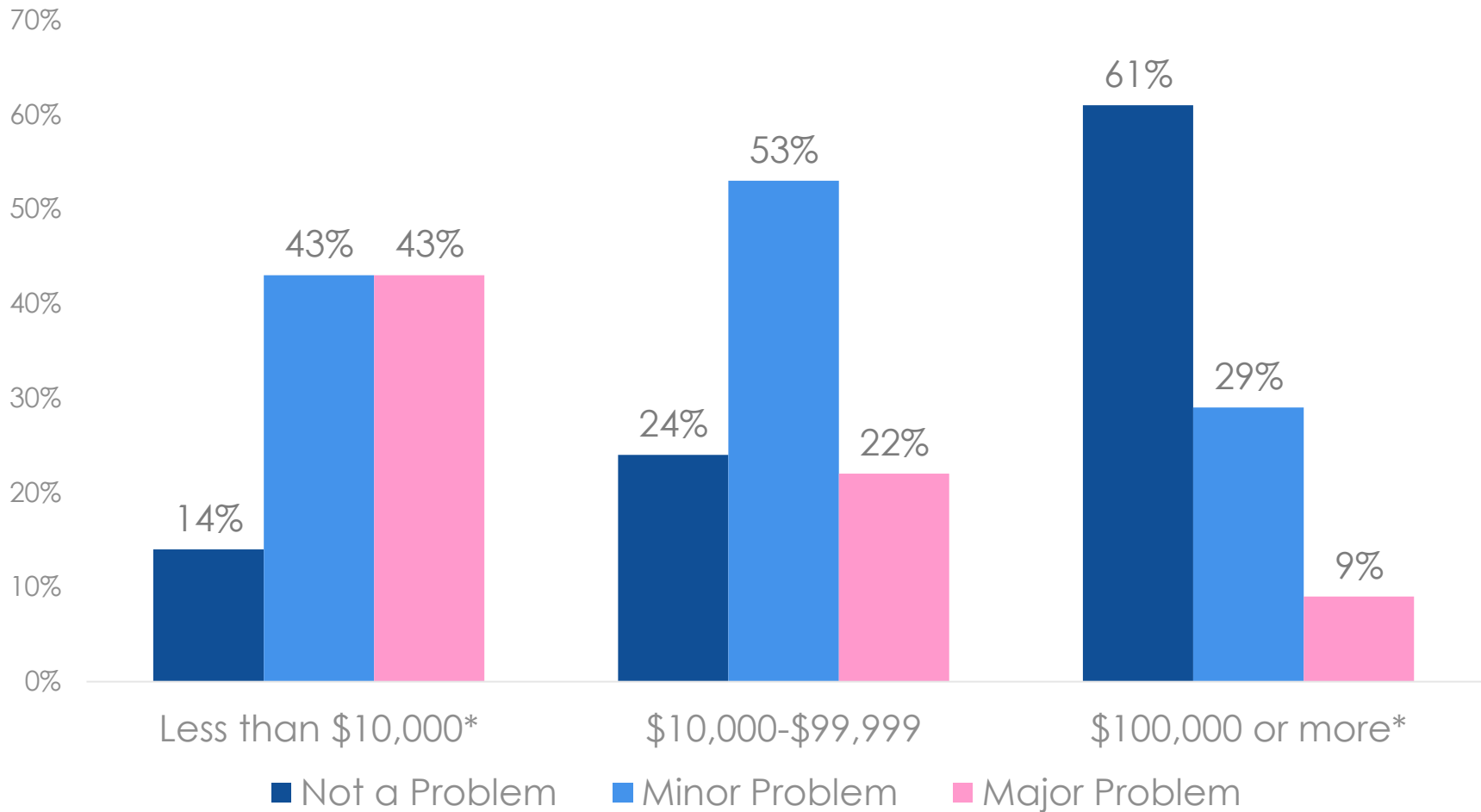


*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 22

Percentage of Generation X Workers Who Have a Problem With Debt, by Savings and Investments, 2019



*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 23

Percentage of Generation X Workers Who Have Various Types of Debt, 2019

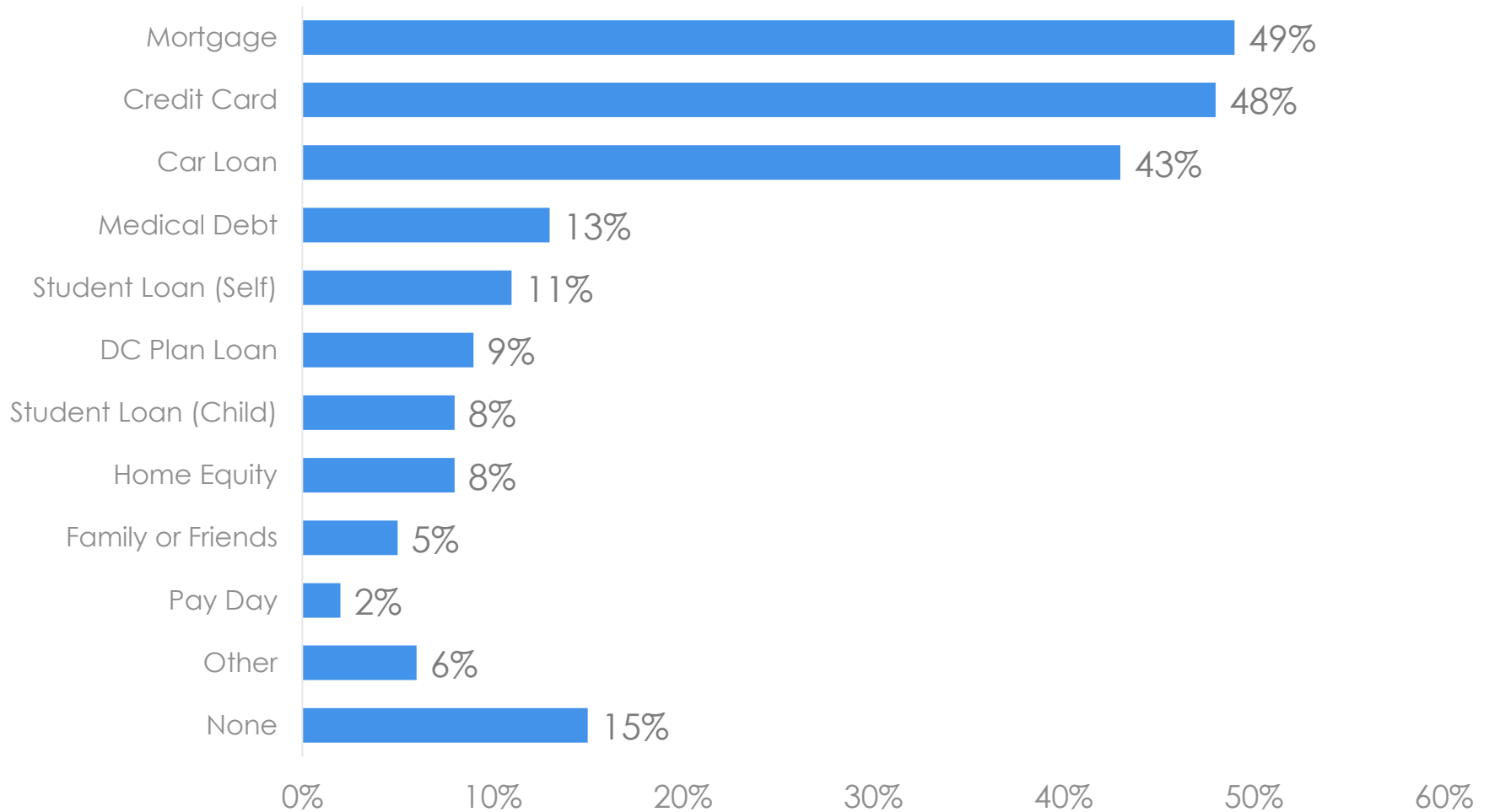
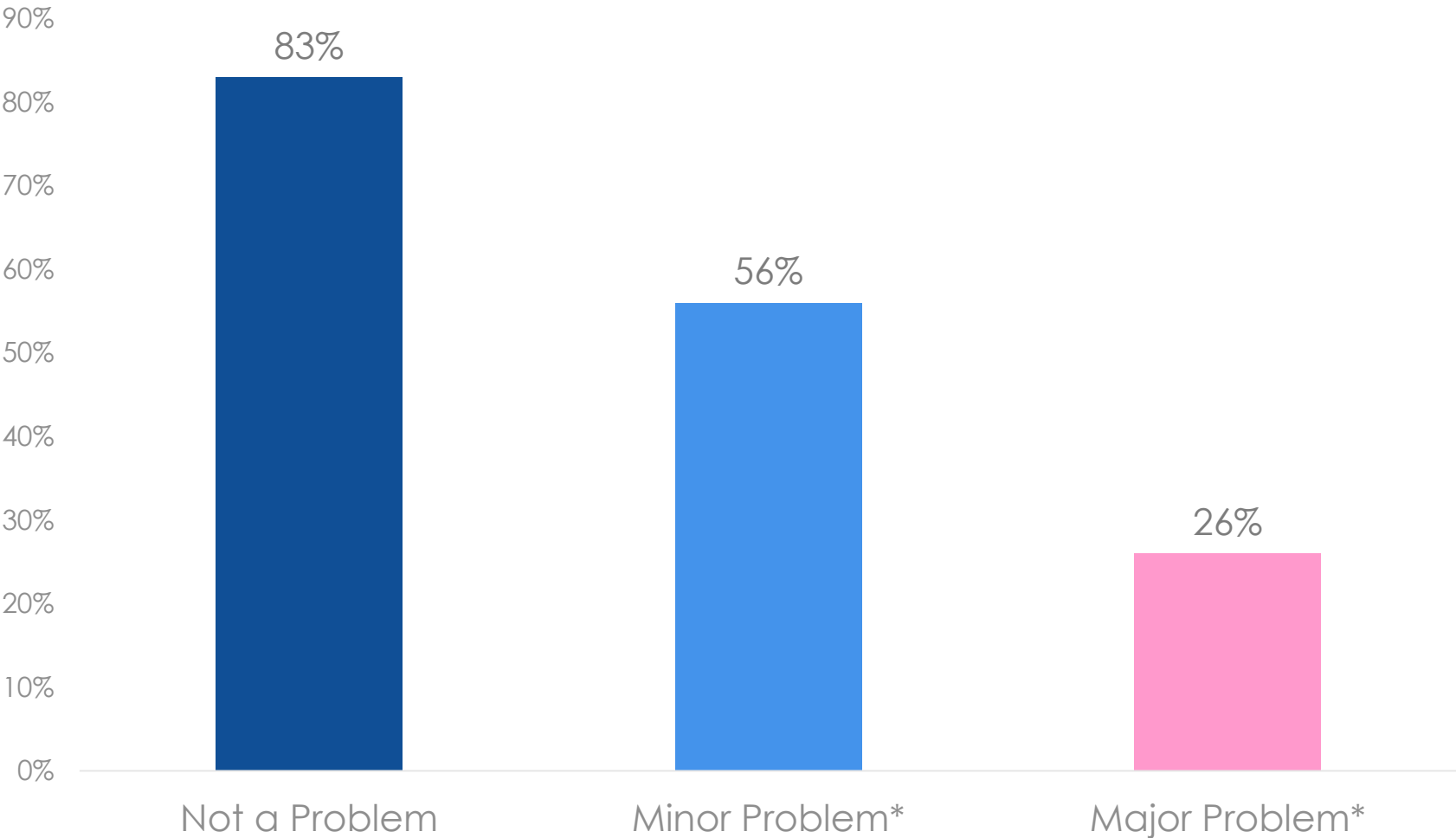


Figure 24

Percentage of Generation X Workers Who Are Confident That They Will Have Enough Money to Live Comfortably in Retirement, by Debt, 2019

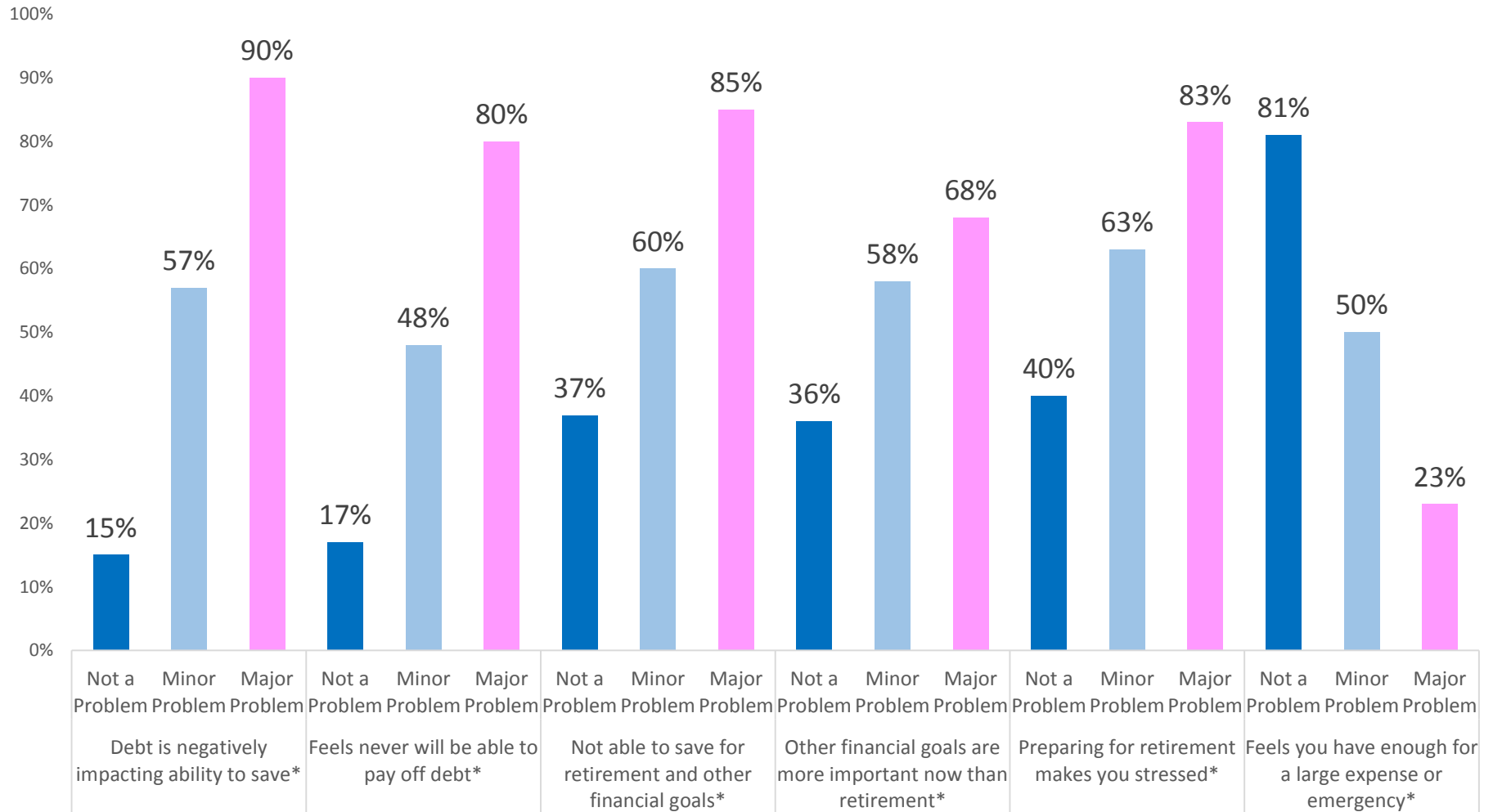


*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 25

Percentage of Generation X Workers Who Agree With These Statements, by Debt, 2019



*Statistically significant difference.

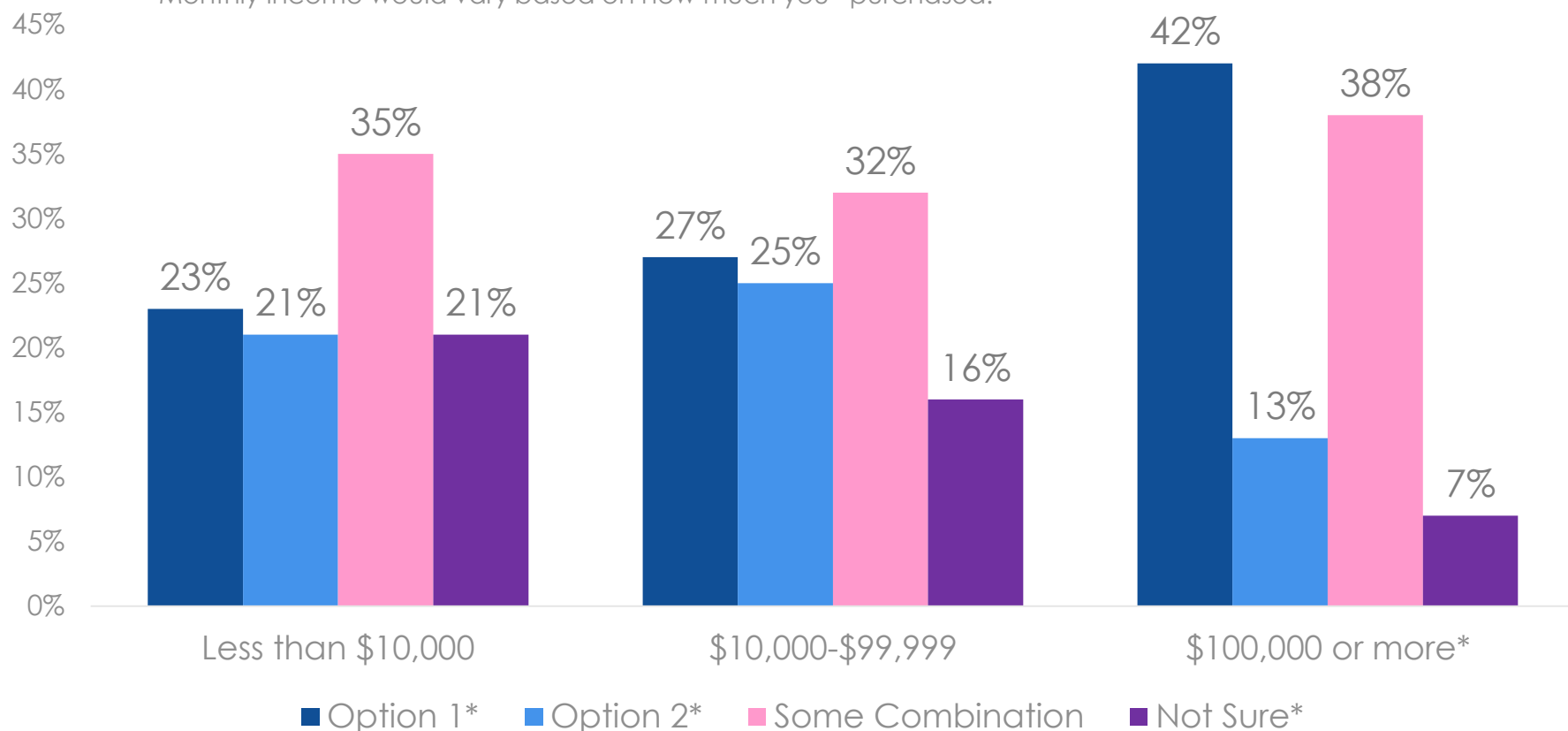
Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 26

Percentage of Generation X Workers Who Would Take Specific Approaches to Their Retirement Assets, by Savings and Investments, 2019

Option 1: You manage your savings and investments on your own and determine your own strategy for generating income. This approach gives you control over your investments and withdrawals.

Option 2: You purchase a product that guarantees you a set amount of monthly income for life. Monthly income would vary based on how much you “purchased.”



*Statistically significant difference.

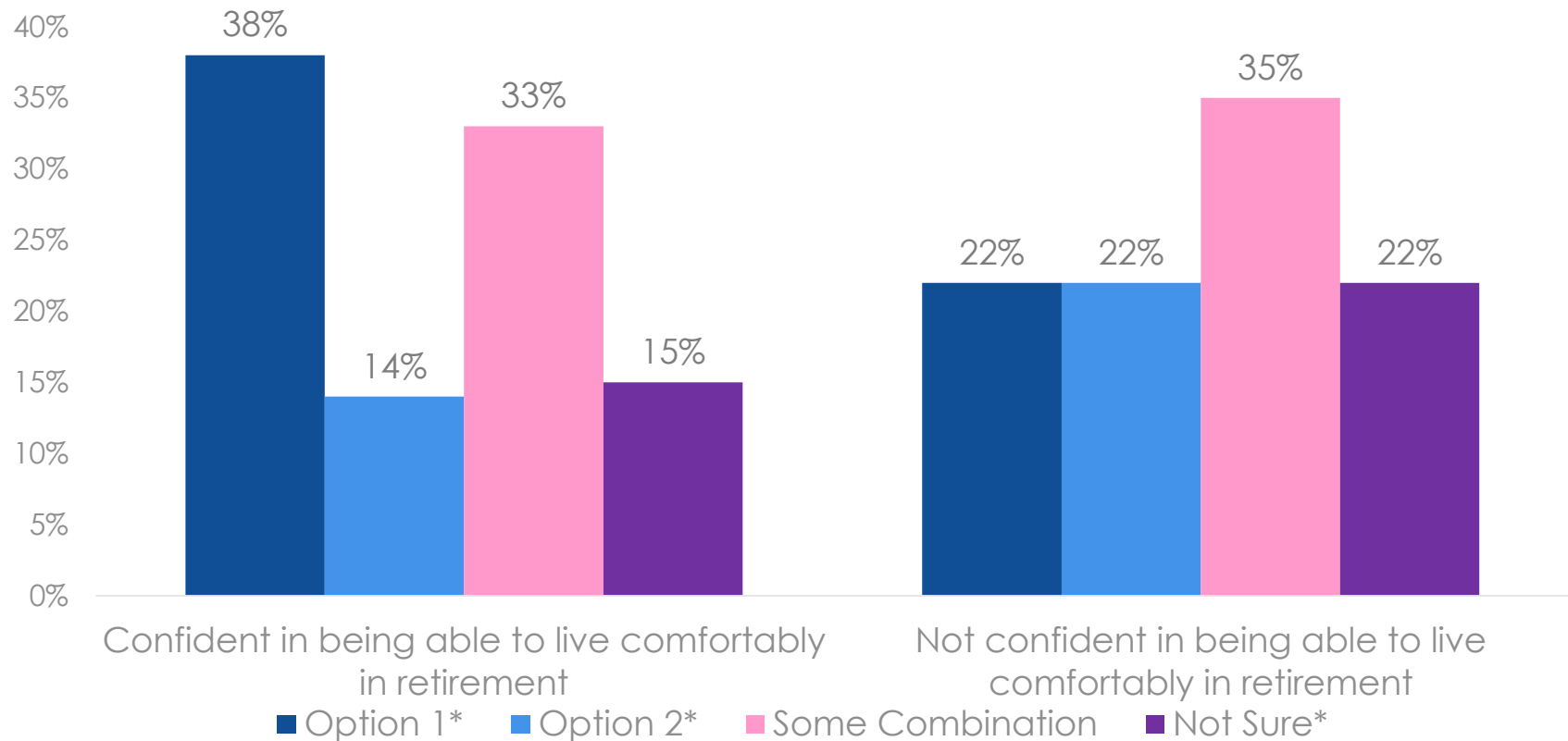
Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 27

Percentage of Generation X Workers Who Would Take Specific Approaches to Their Retirement Assets, by Confidence in Being Able to Live Comfortably in Retirement, 2019

Option 1: You manage your savings and investments on your own and determine your own strategy for generating income. This approach gives you control over your investments and withdrawals.

Option 2: You purchase a product that guarantees you a set amount of monthly income for life. Monthly income would vary based on how much you "purchased."

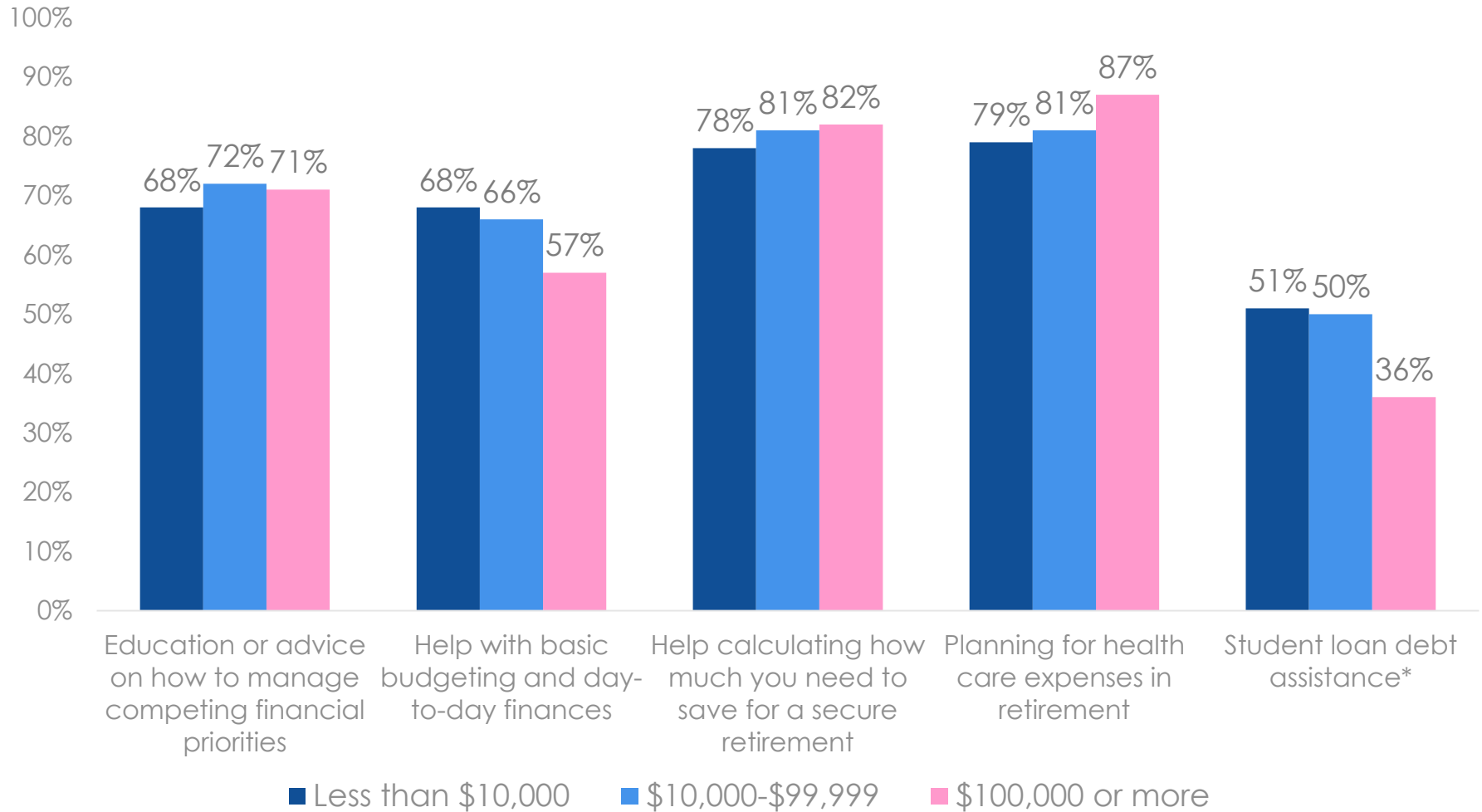


*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 28

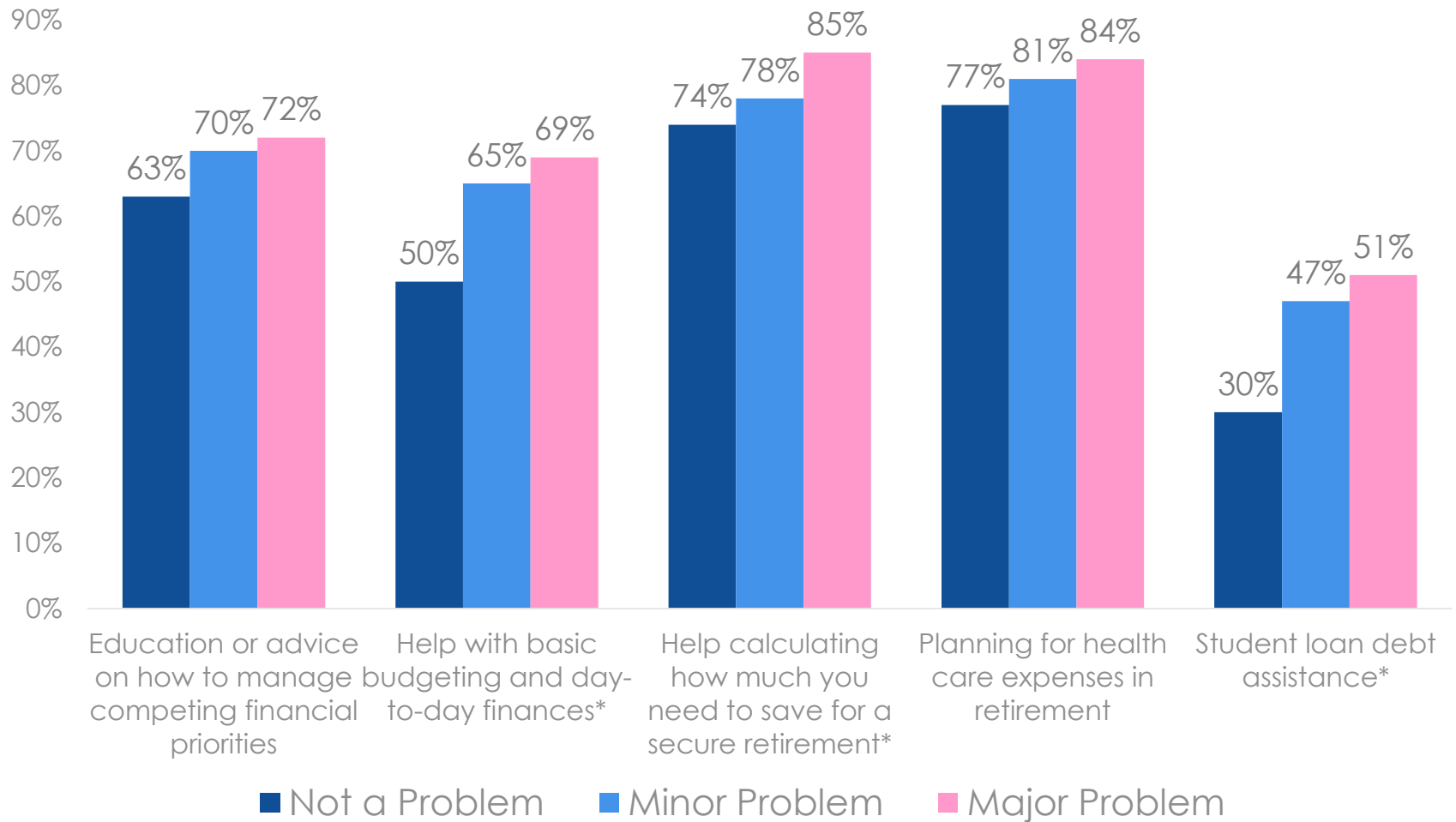
Percentage of Generation X Workers Who Say That the Following Workplace Education or Wellbeing Programs Would Be Helpful, by Savings and Investments, 2019



*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 29
Percentage of Generation X Workers Who Say That the Following Workplace Education or Wellbeing Programs Would Be Helpful, by Debt Problem, 2019



*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.

Figure 30

Percentage of Generation X Workers Who Provide Unpaid Care for a Relative or Friend, by Confidence in Having Enough Money to Be Able to Live Comfortably in Retirement, 2019

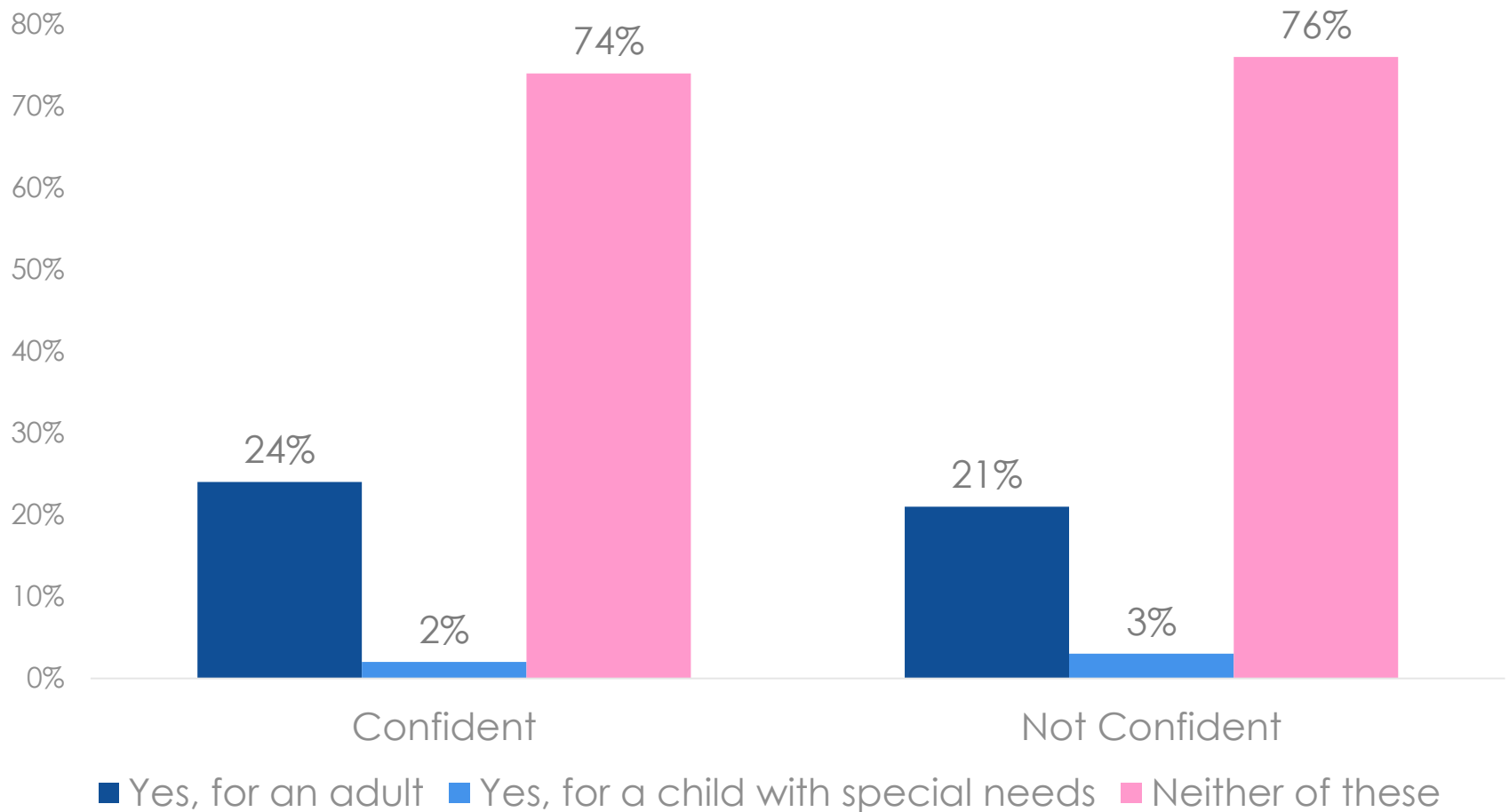
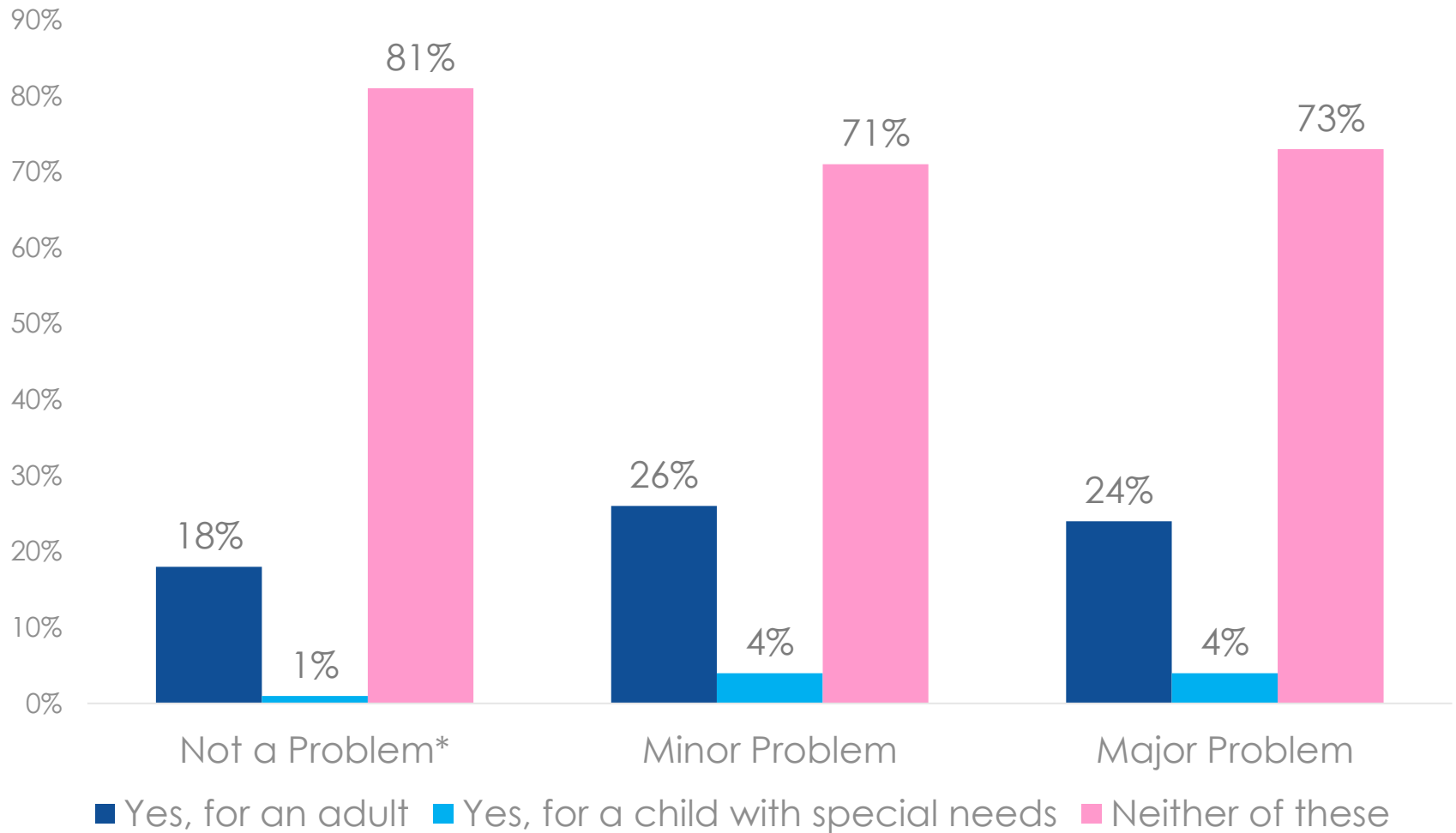


Figure 31

Percentage of Generation X Workers Who Provide Unpaid Care for a Relative or Friend, by Debt, 2019



*Statistically significant difference.

Source: 2019 Retirement Confidence Survey-EBRI/Greenwald©.