



Comparing the Financial Status of Baby Boom, Generation X, and Millennial Families: How Do the Generations Stack Up?

EBRI Webinar

January 19, 2022

Speakers



**Craig Copeland,
Senior Research
Associate, EBRI**



**Drew Kettering,
Head of Digital
Solutions,
Retirement Plan
Services, Charles
Schwab**



**Rodney Bolden,
Field Engagement
Specialist,
Financial Wellness,
Morgan Stanley**



**Moderator: Jason
Jagatic, Head of
Global and
Workplace Thought
Leadership, Fidelity
Investments**

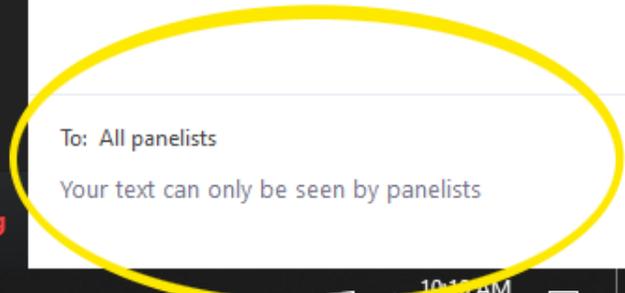
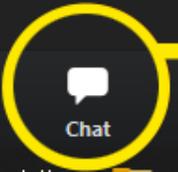
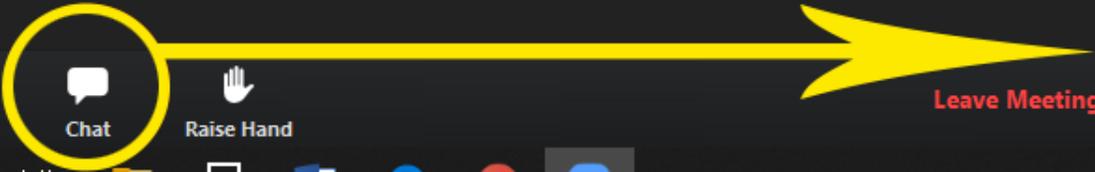
Enter Full Screen

Zoom Webinar Chat

John Doe

Click this button

Type question(s) here



Leave Meeting

Audio Settings



Generational Comparisons of Various Financial Measures

Craig Copeland, EBRI

EBRI Webinar

January 19, 2022

Data Definitions

Data Source: Survey of Consumer Finances (SCF)-triannual survey from the Federal Reserve-considered the best source for wealth of American families — 2019 (latest) and every 3 years before that 2016, 2013, 2010,

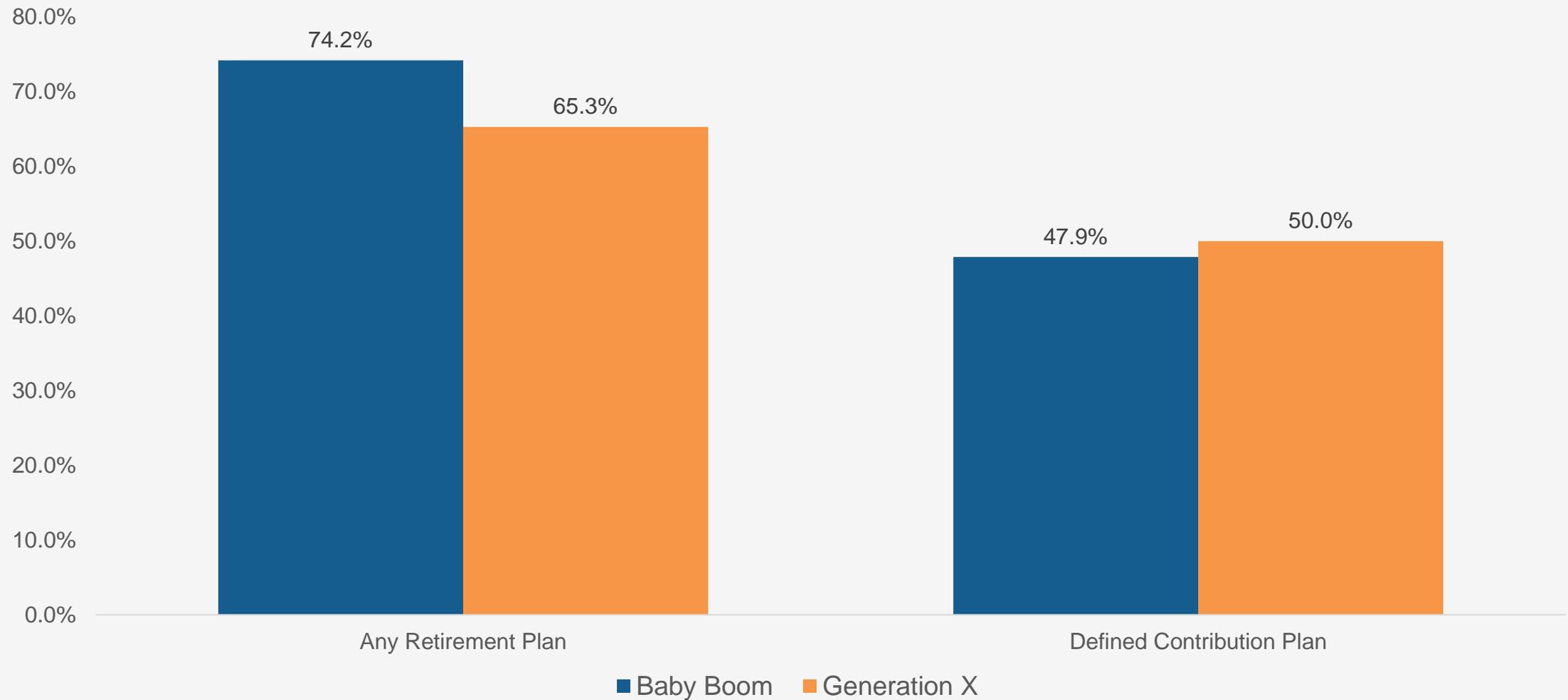
- Generations (birth years)
 - Baby Boom (1946-1964)
 - Ages in 2001 37-55
 - Generation X (1965-1980)
 - Ages in 2019 39-54
 - Ages in 2001 21-36
 - Millennials (1981-1996)
 - Ages in 2019 23-38
- For nonoverlapping Baby Boom and Generation X families, the closest SCF year is 2001, so ages 39-54 are used.
- Due to unequal generation birth years, the same clean separation does not work between Generation X and Millennials, so the ages are 25-36 for this comparison. Age 25 is used because family formation is most likely by that age.
- The racial/ethnicity categories from SCF are self-identified and include White, non-Hispanic; Black/African American; Hispanic; and other, which consists of those races/ethnicities not defined in the three prior categories, such as Asian Americans and those who identify as multiracial. SCF is at the family level, so the characteristics of the family head (or the reference person) are used to categorize the families.

Presentation Overview

- Retirement plans
 - Ownership including defined contribution plans
 - Median defined contribution plan balances
- Net worth
- Student loans
 - Incidence
 - Median balance
 - Distribution of debt sources
- Income and race/ethnicity
 - Breakouts for these financial measures as relevant

RETIREMENT PLANS

Comparison of Baby Boom and Generation X's Ownership of Various Assets and Debt When They Were Ages 39-54

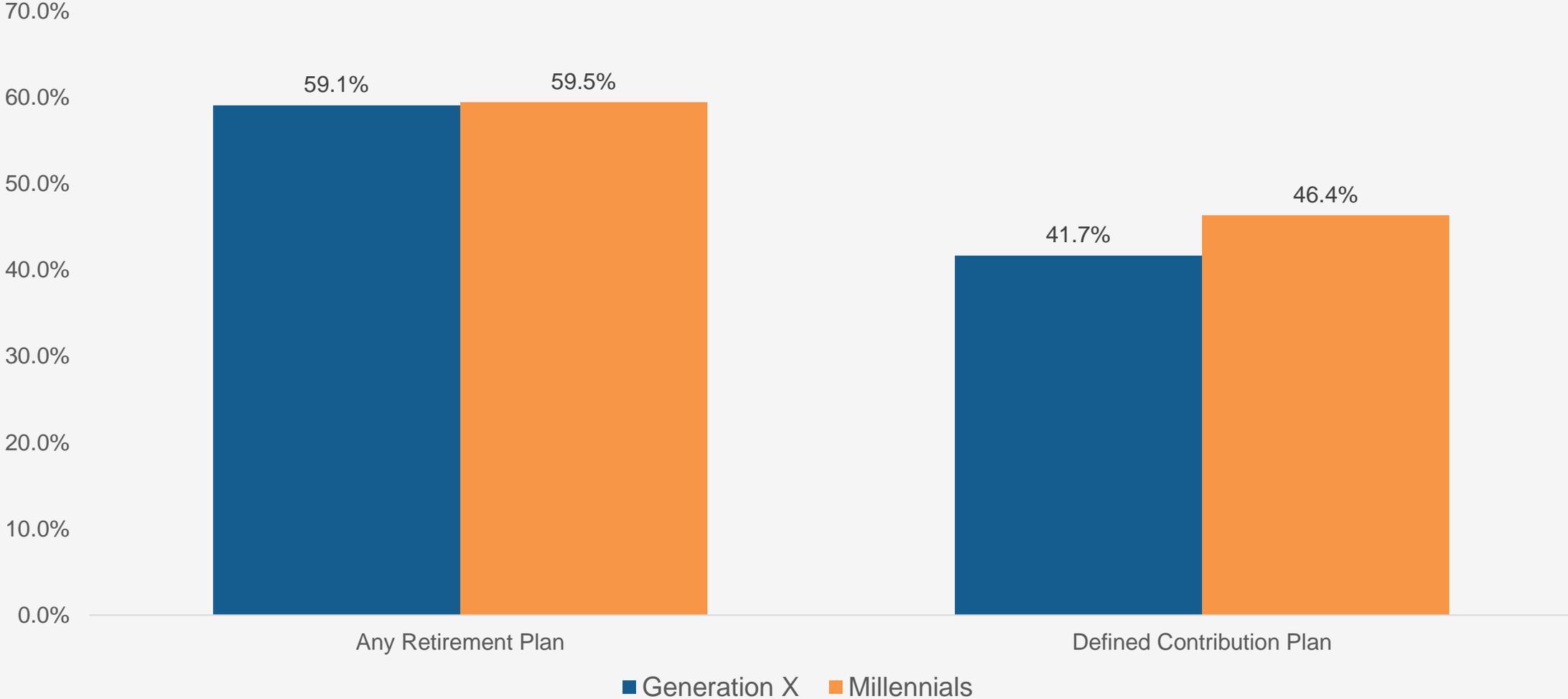


Comparison of Baby Boom and Generation X's Median Defined Contribution Plan Balances When They Were Ages 39-54, by Income Quartile

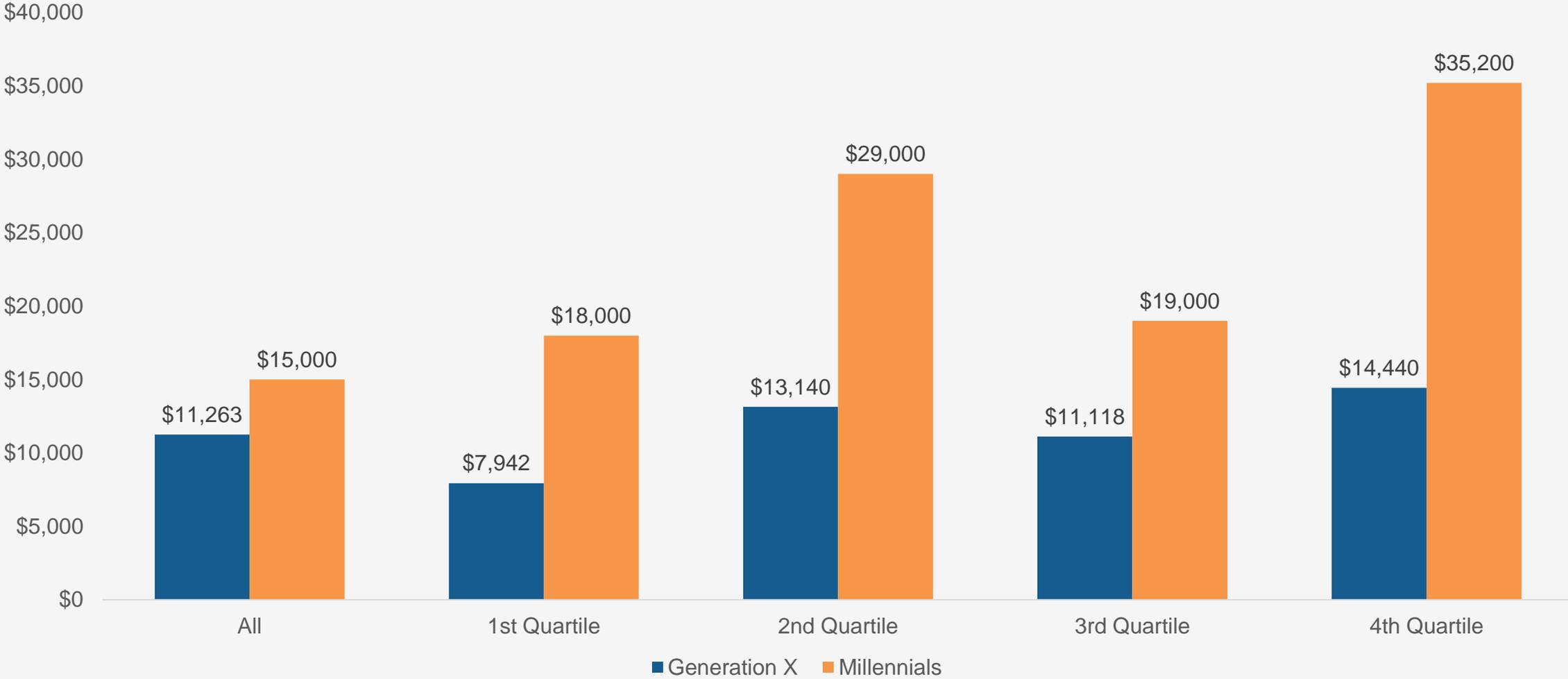


Note: All estimates in 2019 dollars.

Comparison of Generation X and Millennials' Ownership of Various Assets and Debt When They Were Ages 25-36



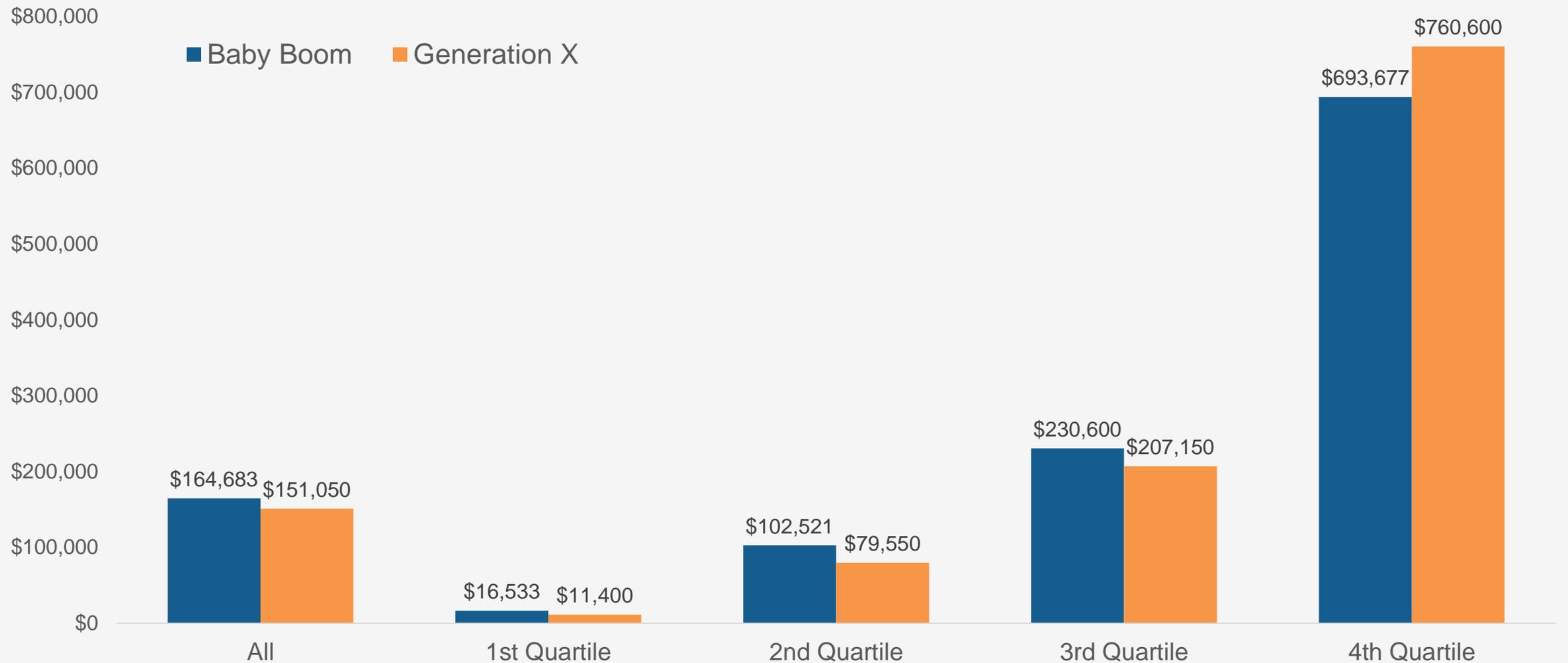
Comparison of Generation X and Millennials' Median Defined Contribution Plan Balances When They Were Ages 25-36, by Income Quartile



Note: All estimates in 2019 dollars.

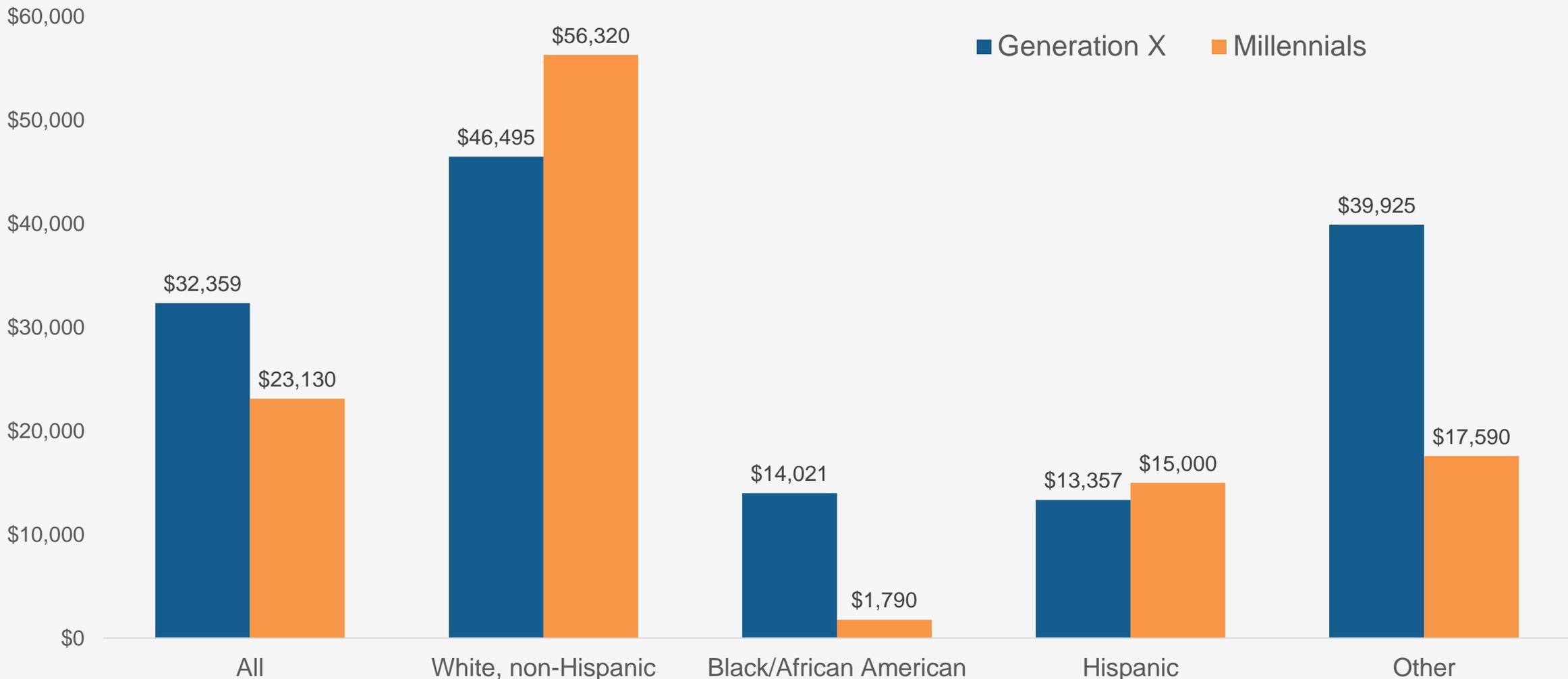
NET WORTH

Comparison of Baby Boom and Generation X's Median Net Worth When They Were Ages 39-54, by Income Quartile



Note: All estimates in 2019 dollars.

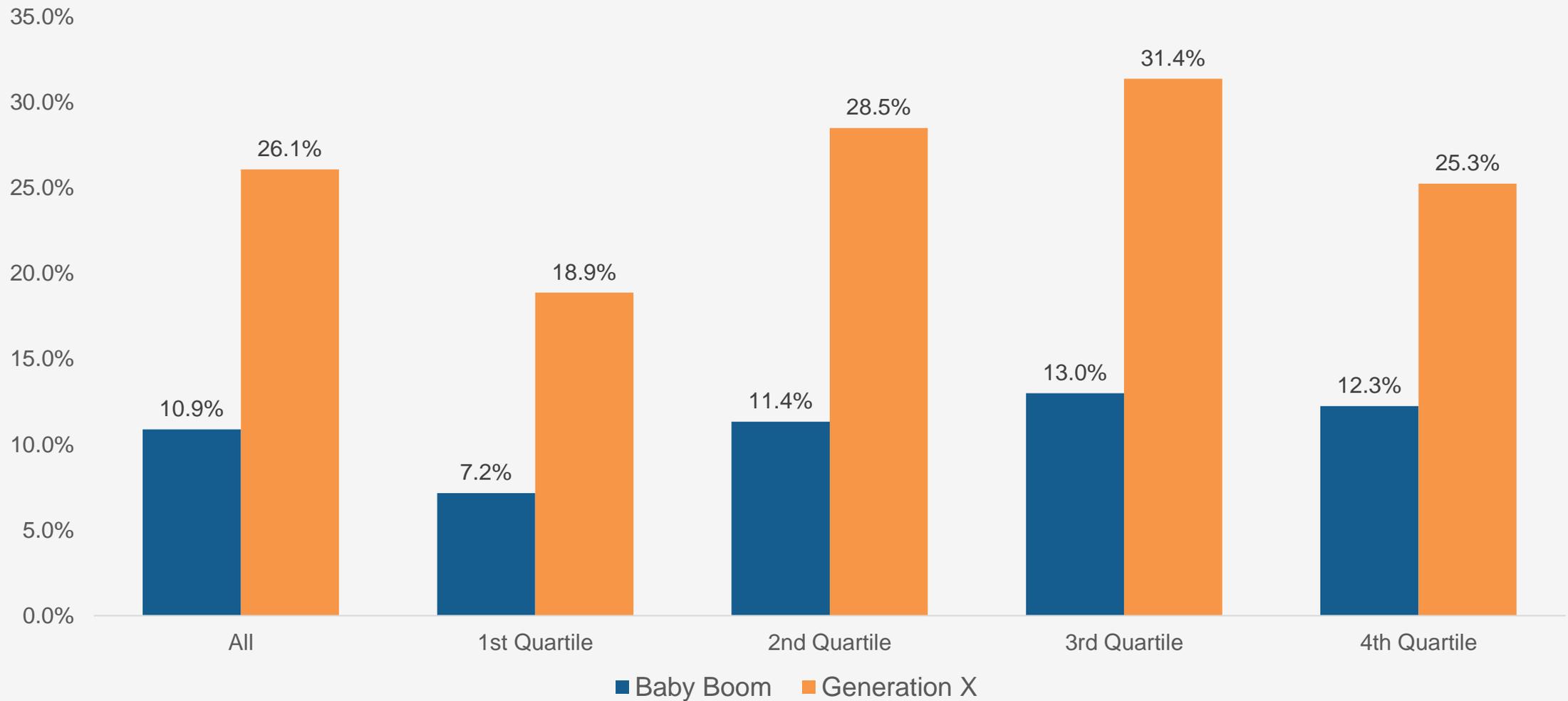
Comparison of Generation X and Millennials' Median Net Worth When They Were Ages 25-36, by Race/Ethnicity of the Family Head



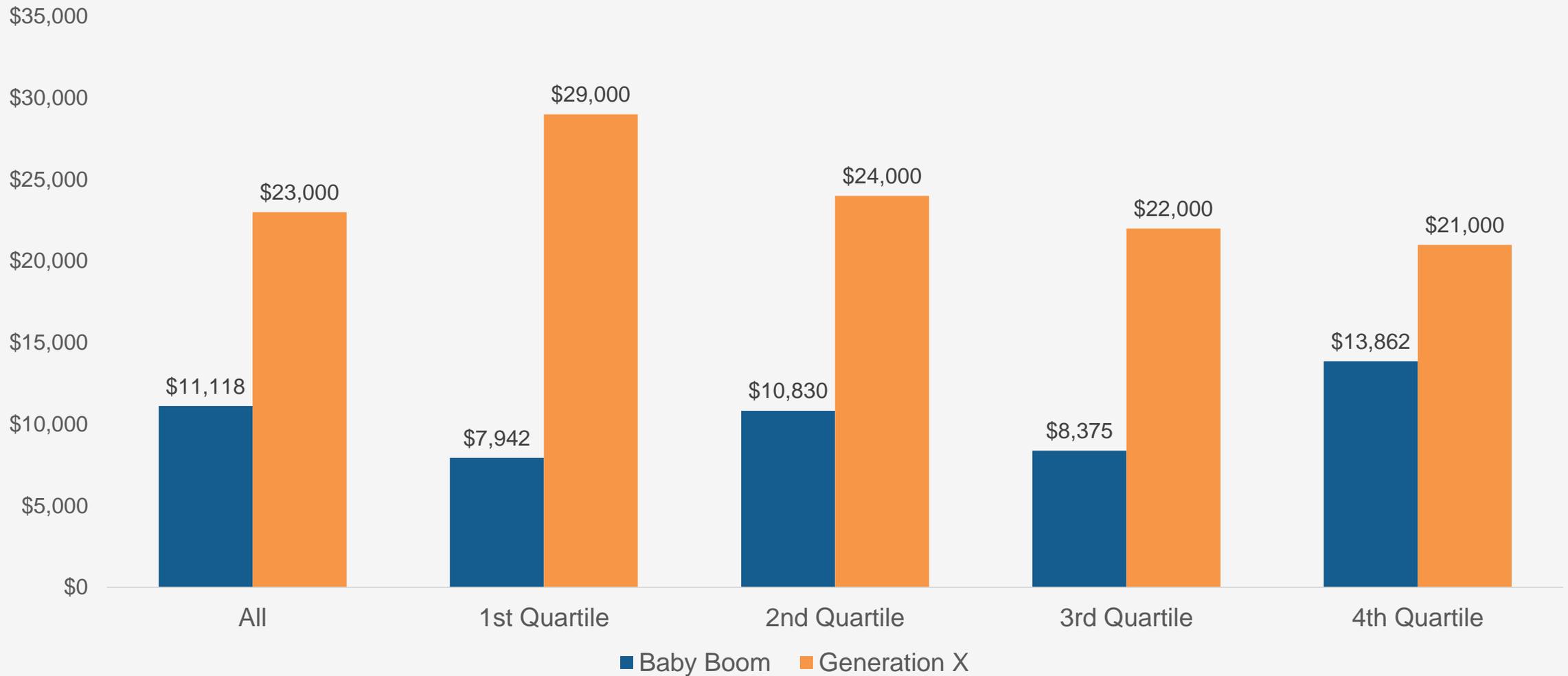
Note: All estimates in 2019 dollars.

STUDENT LOAN DEBT

Comparison of Baby Boom and Generation X's Student Loan Incidence When They Were Ages 39-54, by Income Quartile

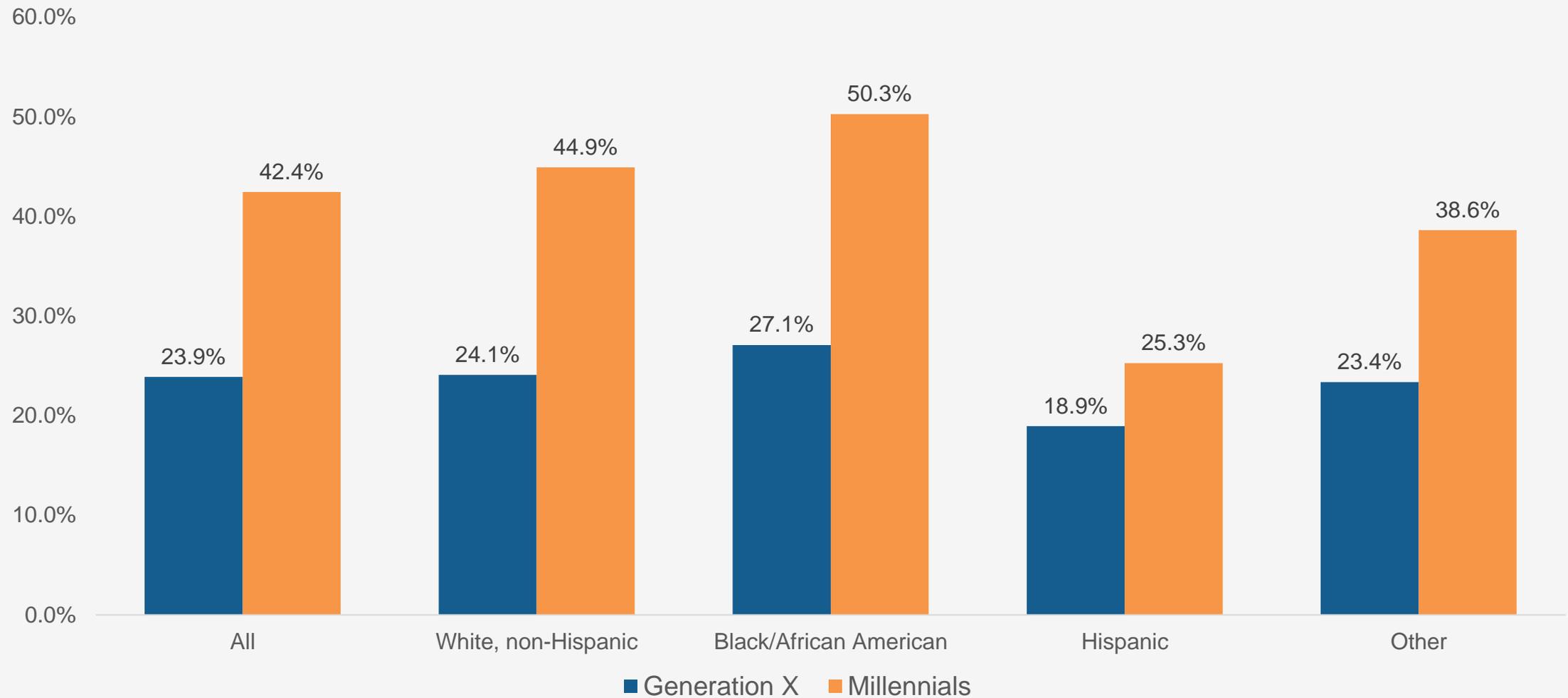


Comparison of Baby Boom and Generation X's Median Student Loan Balances When They Were Ages 39-54, by Income Quartile

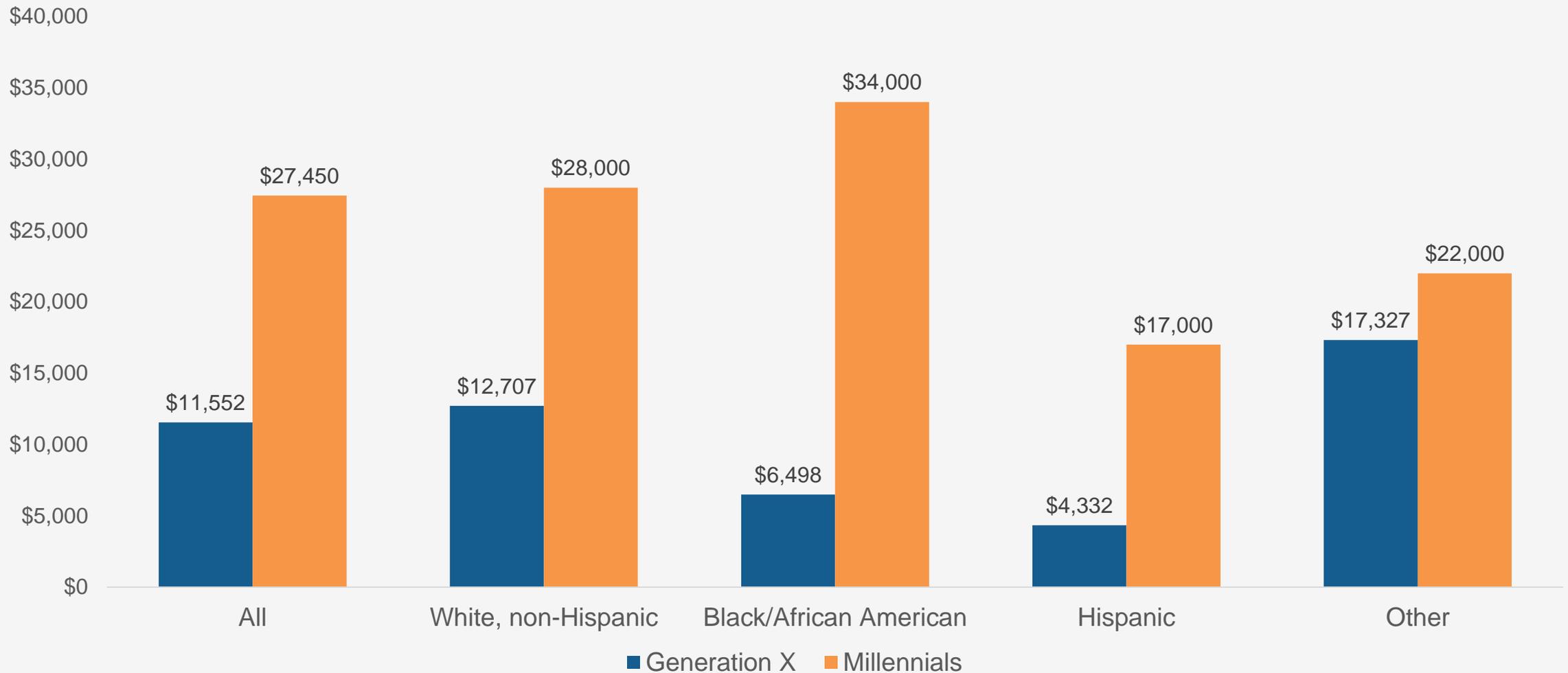


Note: All estimates in 2019 dollars.

Comparison of Generation X and Millennials' Student Loan Incidence When They Were Ages 25-36, by Race/Ethnicity of the Family Head

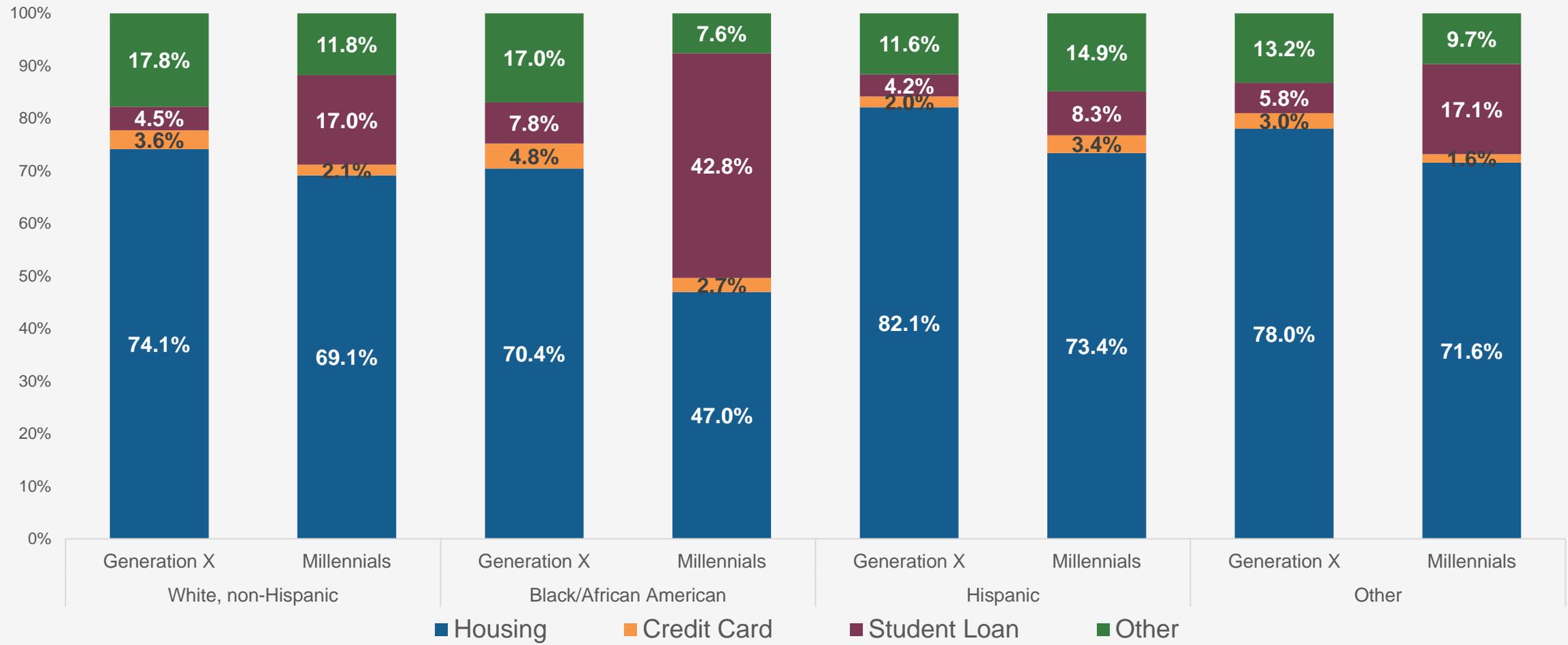


Comparison of Generation X and Millennials' Median Student Loan Balances When They Were Ages 25-36, by Race/Ethnicity of the Family Head



Note: All estimates in 2019 dollars.

Comparison of Generation X and Millennials' Distribution of Debt Sources When They Were Ages 25-36, by Race/Ethnicity of the Family Head



2021 401(k) Participant Study – Gen Z Focus

September 2021

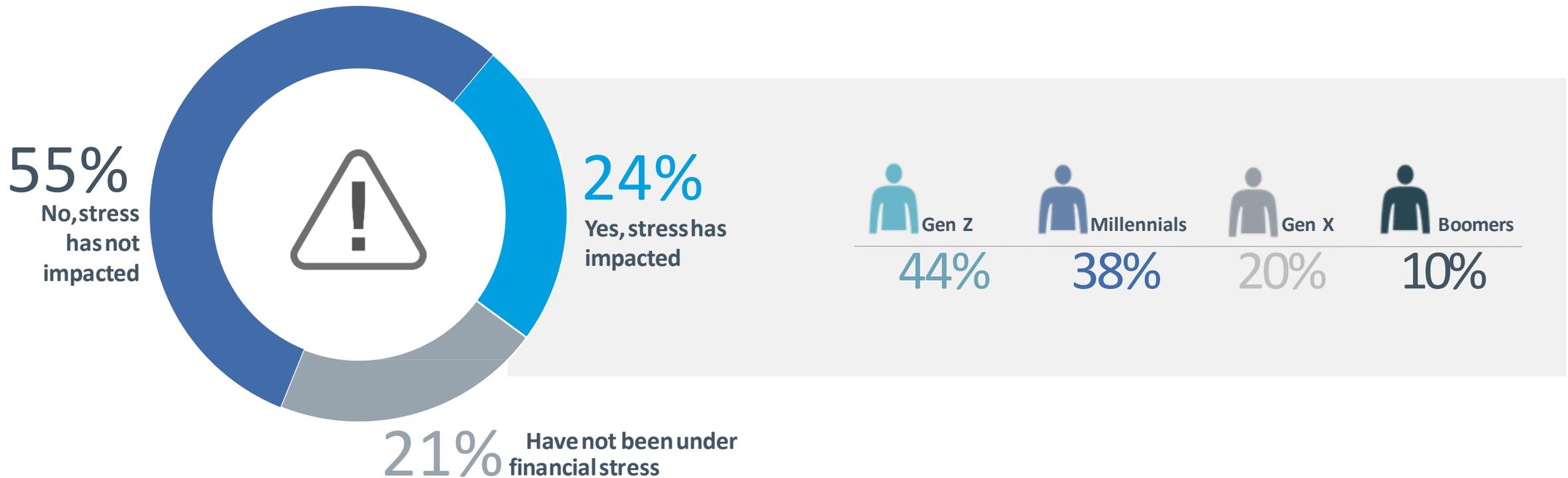
charles
SCHWAB

Own your tomorrow.

Impact of COVID-19

Stress about finances has had an outsized impact on the ability of Gen Z and Millennials to do their jobs during the pandemic

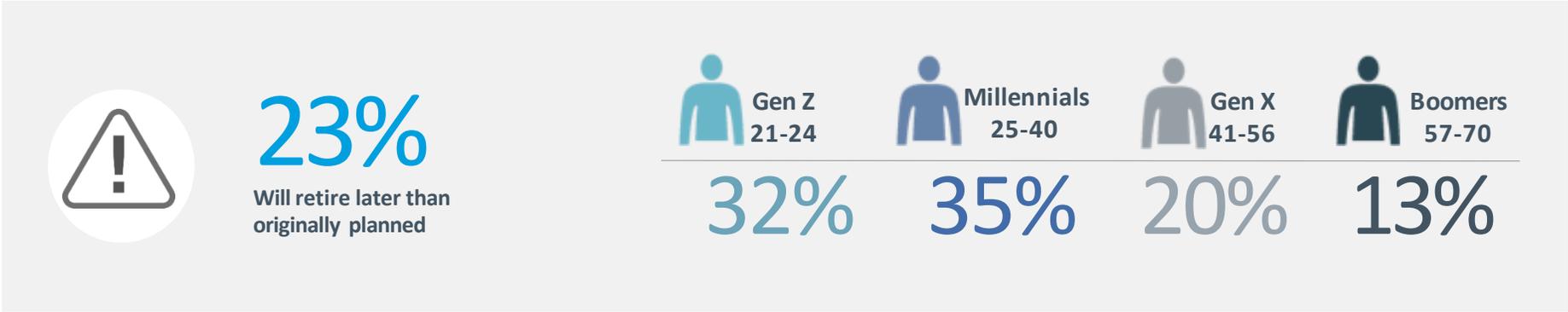
Stress' impact on ability to do job



Has stress about your financial situation impacted your ability to do your job over the last 12 months? (Base: Gen Z = 140; Millennials = 299; Gen X = 375; Boomers = 286)

Impact of COVID-19

About one third of younger 401(k) plan participants predict that their retirement will be delayed because of COVID-19



Is this later than you originally planned as a result of the coronavirus pandemic? (Base: Gen Z = 140; Millennials = 299; Gen X = 375; Boomers = 286)

Impact of COVID-19

About one quarter of Gen Z workers and one third of Millennials say their loyalty to their employer has increased because of how their employer managed COVID-19



Based on how your employer handled the COVID-19 pandemic, has your loyalty to your employer...? (Base: Gen Z = 140; Millennials = 299; Gen X = 375; Boomers = 286)

Advice

Almost two thirds of Gen Z participants say their financial situation warrants advice from a professional

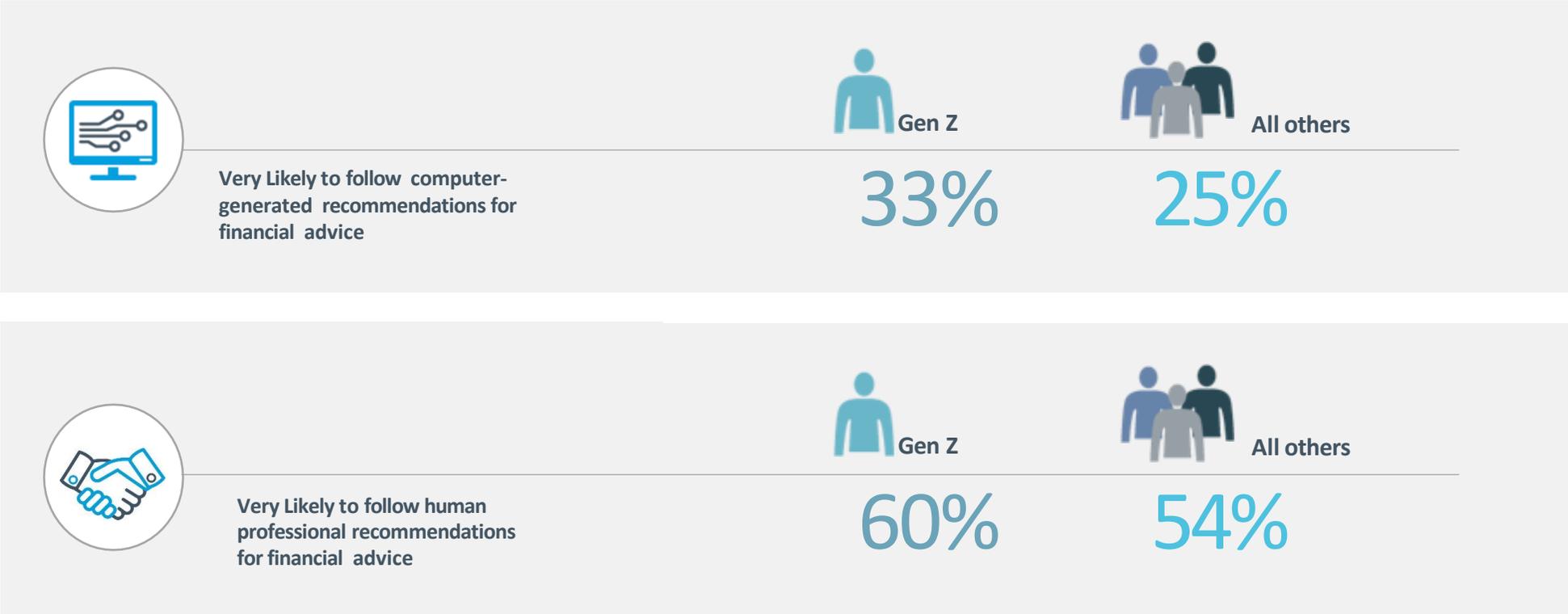


Do you think your current financial situation warrants financial advice from a professional? (Base: Gen Z = 140; Millennials = 299; Gen X = 375; Boomers = 286)

Advice

Compared to older generations, Gen Z is more willing to follow computer generated and human advice

Professional vs. computer-generated advice

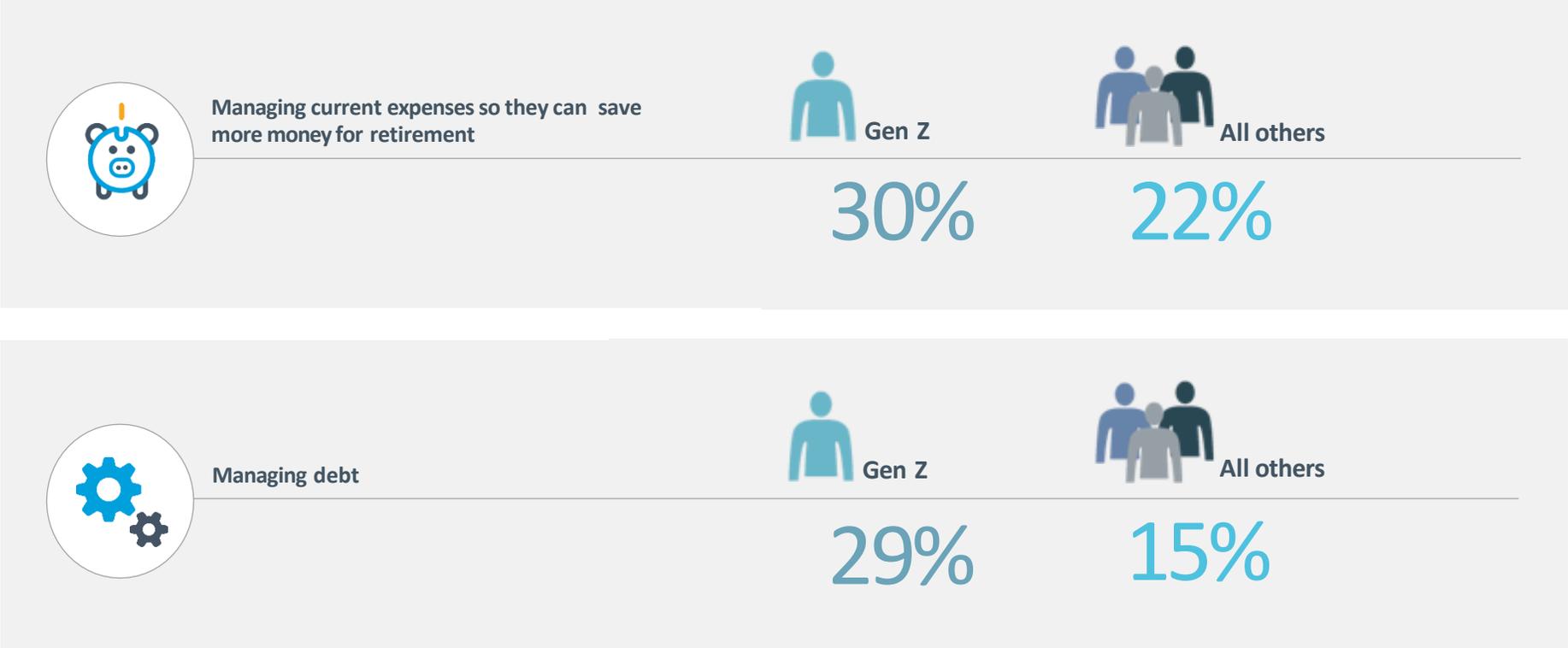


If you received the following types of financial advice, how likely are you to follow it? (Base: Gen Z = 140; All others = 960)

Advice

Gen Z workers are looking for help to manage their financial lives today

Help wanted for...

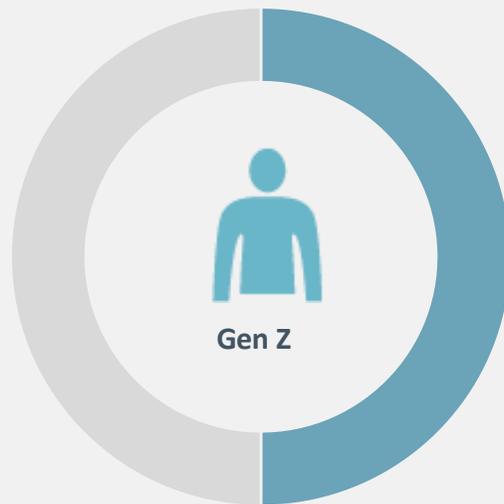


If you could get help with retirement planning, what would you like help with? (Base: Gen Z = 140; All others = 960)

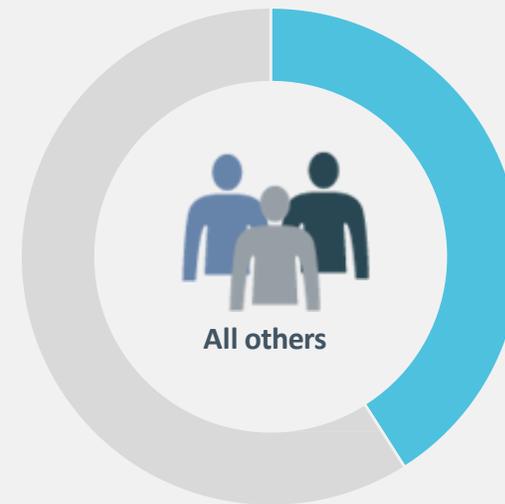
Advice

About half of Gen Z participants welcome online assessment tools that can give them an overall financial picture and action plan

Use an online tool to give overall financial picture and action plan



50%
Very Likely



41%
Very Likely

How likely would you be to use the following financial wellness tools or resources, if offered to you by your employer? (Base: Gen Z = 140; All others = 960)

Savings and debt behaviors

Looking ahead to a post-pandemic world, Gen Z is more optimistic than other generations about adopting positive financial behaviors

Top behaviors going forward: Will more likely...



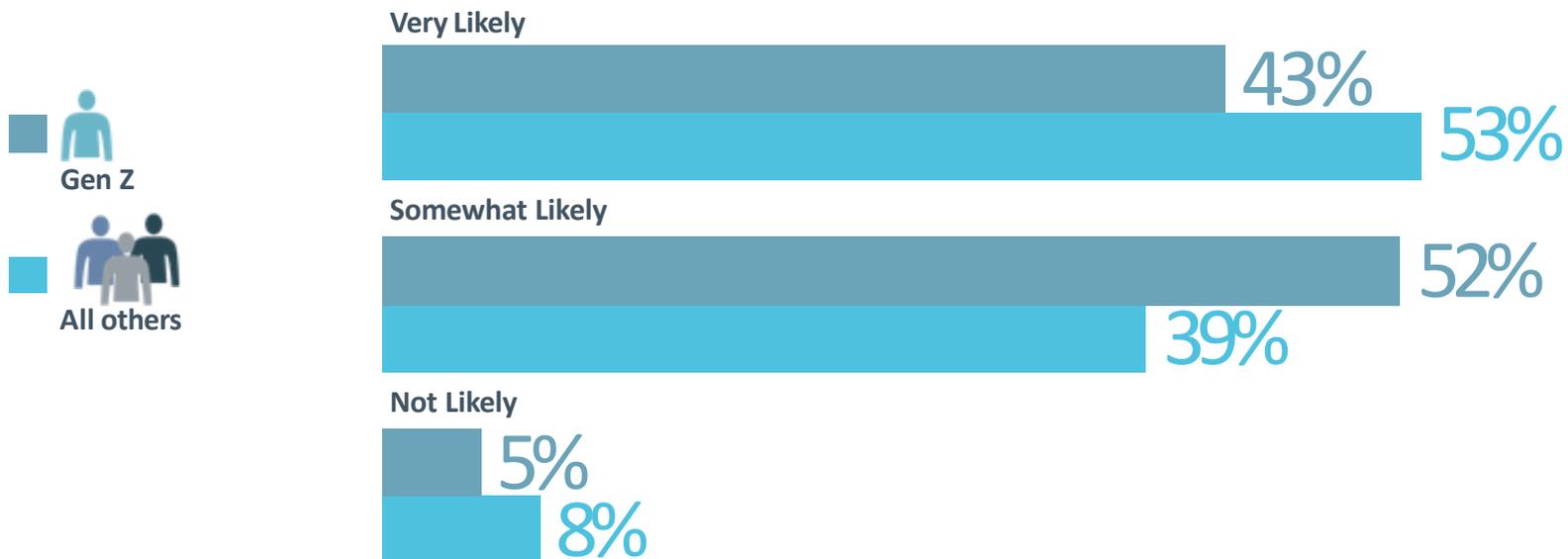
Now please think about how your behaviors have changed, if at all, due to COVID-19. Going forward are you more or less likely to ...? (Base: Gen Z = 140; All others = 960)



Retirement

Gen Z is less optimistic about reaching their retirement goals

Likelihood to achieve retirement savings goals

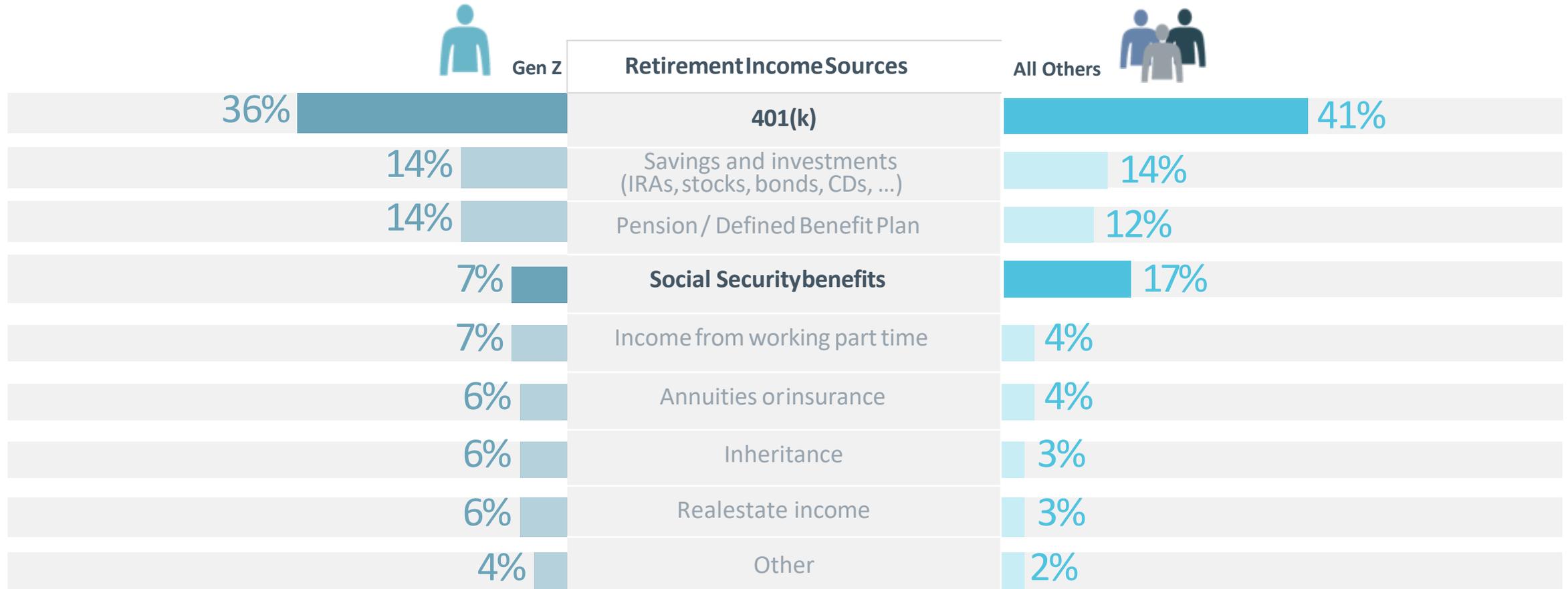


How likely do you think you are to achieve your retirement savings goals? (Base: Gen Z = 140; All others = 960)



Retirement

Gen Z workers expect more of their retirement income to come from 401(k) savings and less from Social Security than other generations

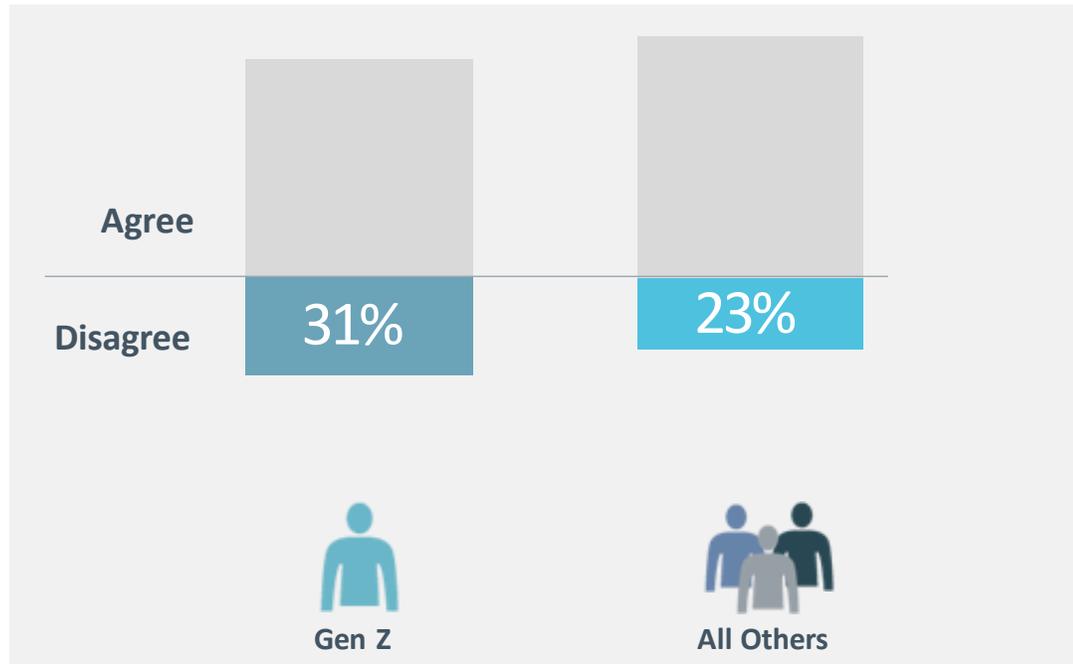


Thinking about the different sources of income for your retirement, what percentage do you expect to come from each source listed? (Base: Gen Z = 140; All others = 960)

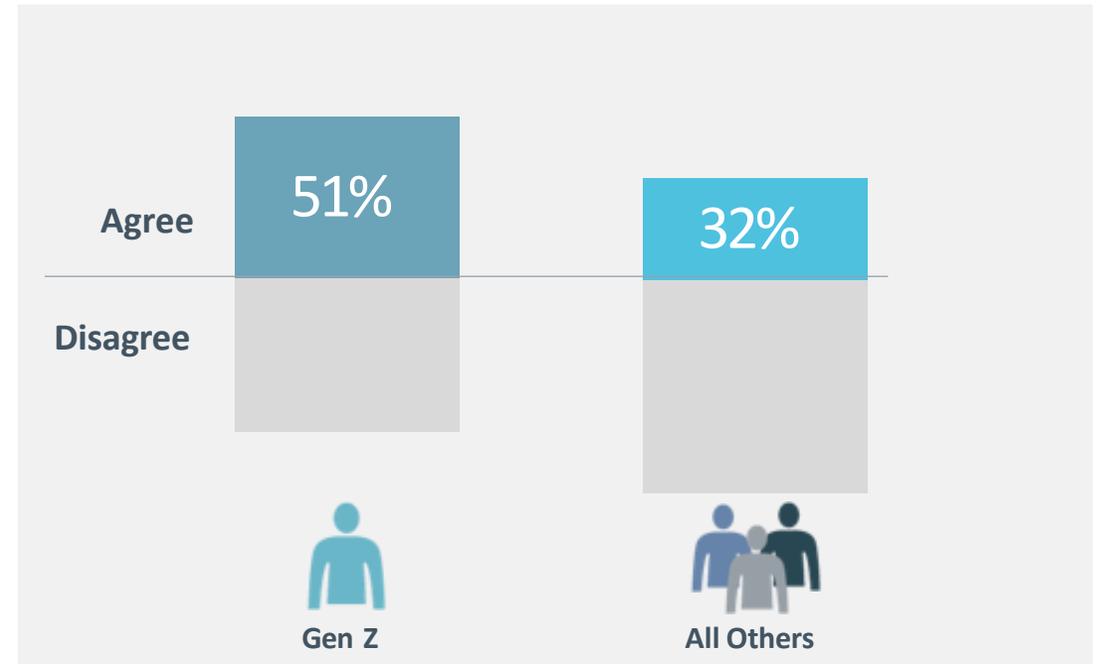
401(k) behaviors

More Gen Z participants feel they are not on top of their 401(k) and agree they don't know what investments to choose for their 401(k)

I'm on top of my 401(k) investments



I don't know what 401(k) investments to choose to have enough to retire

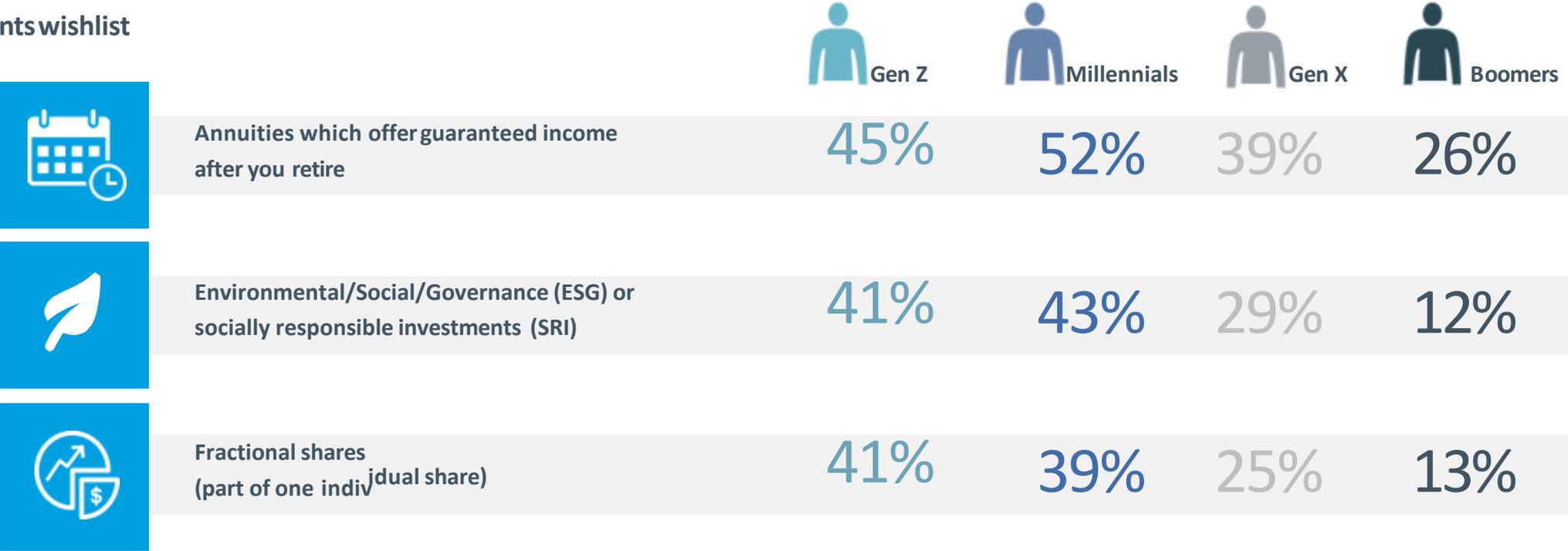


For each of the statements below, please indicate whether you agree or disagree.. (Base: Gen Z = 140; All others = 960)

401(k) behaviors

Many Gen Z participants do know they want more investment options in their retirement plans, a desire they share with Millennials

Investments wishlist

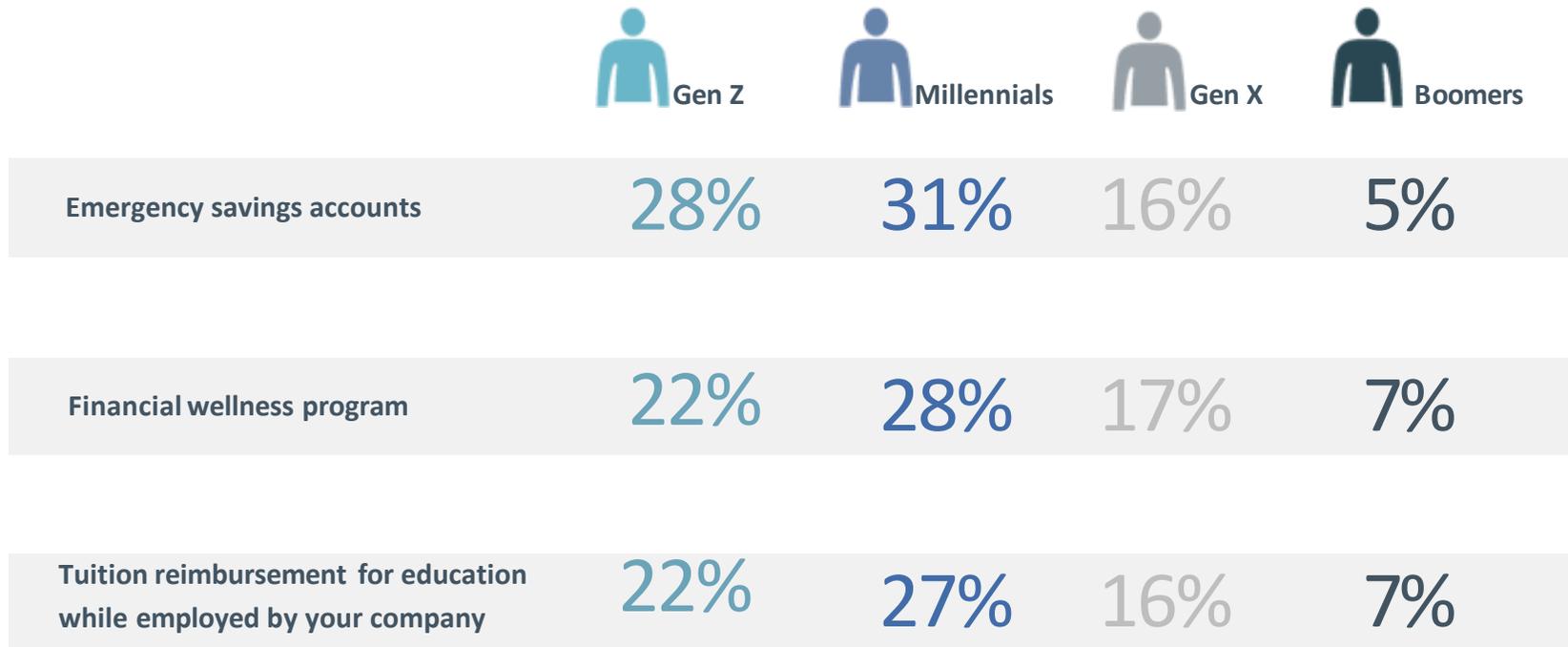


When looking at your current 401(k) investment choices, do you wish you could invest in any of the following? (Base: Gen Z = 140; Millennials = 299; Gen X = 375; Boomers = 286)

Must-have benefits

Gen Z and their Millennial colleagues have a higher degree of interest than Gen X or Boomers in benefits beyond the 401(k)

Considered a *Must Have* Benefit When Looking for New Job
(Selected items)



If you were looking for a new job, which benefits or work options would you see as “must haves,” “nice to haves” and which don’t you care about? (Base: Gen Z = 140; Millennials = 299; Gen X = 375; Boomers = 286)

Methodology

- The 401(k) Participant study is an online study conducted for Schwab Retirement Plan Services, Inc. by Logica Research.
- Logica Research is neither affiliated with, nor employed by, Schwab Retirement Plan Services, Inc.
- The study was conducted from April 1 through April 15, 2021.
- 1,000 401(k) plan participants completed the survey.
 - Ages 21-70
 - Work for companies with 25+ employees that have 401(k) plans
 - Currently contribute to their companies' 401(k) plans
- 100 additional Gen Z plan participants completed the survey.
- Generational definitions:
 - Gen Z: 2000-1997 (21-24)
 - Millennials: 1981-1996 (25-40)
 - Gen X: 1965-1980 (41-56)
 - Boomers: 1951-1964 (57-70)
- Survey respondents were not asked to indicate whether they had 401(k) accounts with Schwab Retirement Plan Services, Inc.
- The typical (median) survey length was 11 minutes.

Disclosures

Schwab Retirement Plan Services, Inc. provides recordkeeping and related services with respect to retirement plans.

The material contained herein is for informational purposes only. None of the information constitutes a recommendation by Schwab Retirement Plan Services, Inc. This information is not intended to be a substitute for specific individualized tax, legal or investment planning advice. Where specific advice is necessary or appropriate, you should consult with a qualified tax advisor, CPA, financial planner or investment manager. Schwab Retirement Plan Services, Inc. does not guarantee the suitability of any particular information source. Certain information presented herein may be subject to change.

0921-1C4V

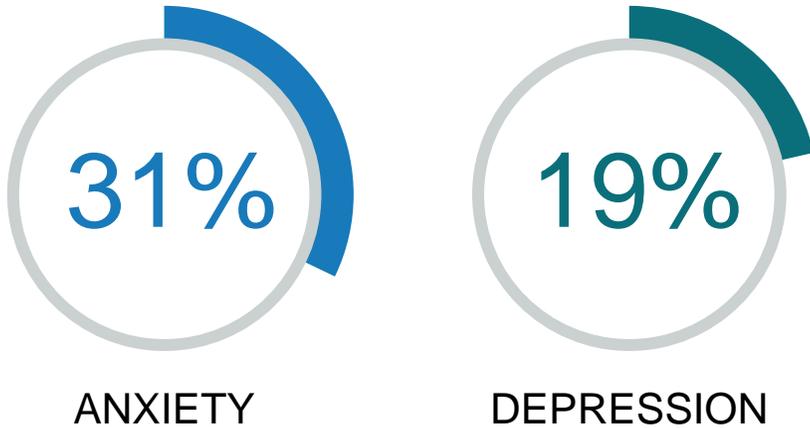
©2021 Schwab Retirement Plan Services, Inc. All rights reserved.

Unlocking the Full Potential of Financial Wellness Benefits for Every Generation in the Workforce

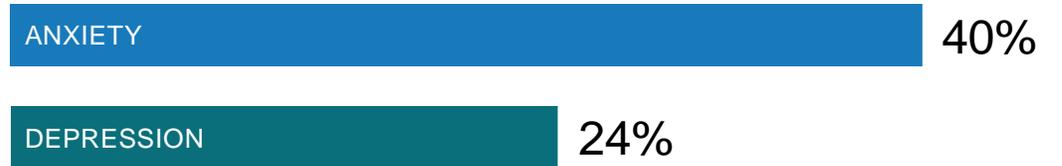
Morgan Stanley at Work services are provided by Morgan Stanley Smith Barney LLC, member SIPC, and its affiliates, all wholly owned subsidiaries of Morgan Stanley.



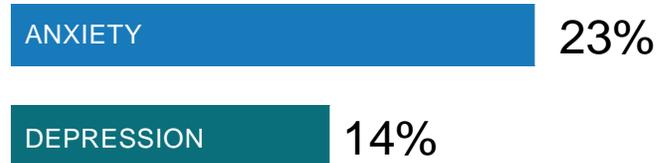
% of Working Americans Reporting Finance-Related Anxiety or Depression During COVID*



Working Women



Working Men

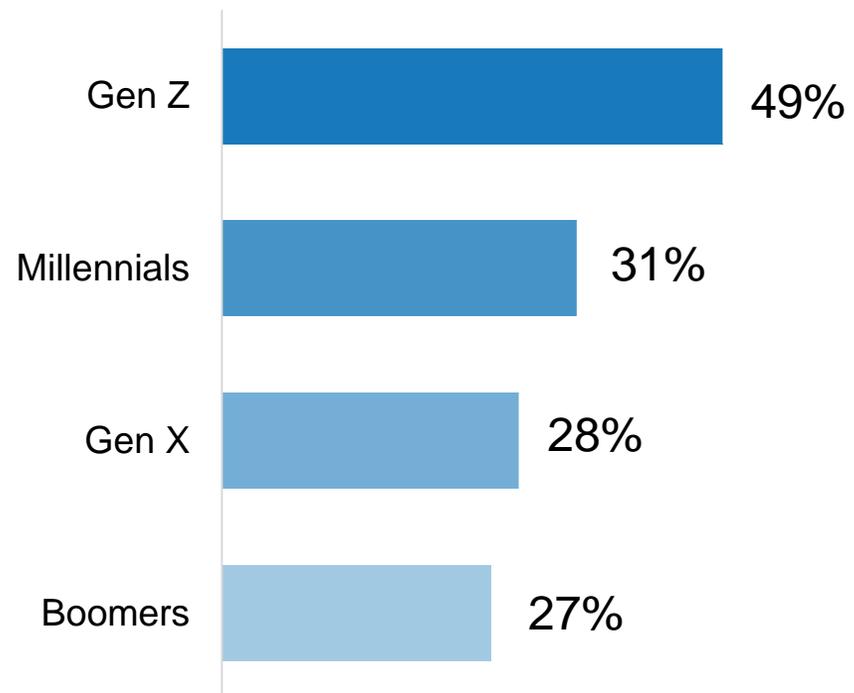


Only 9% of working Americans say they have talked to a health practitioner (medical doctor, therapist, psychologist) about the health impacts they have experienced due to financial stress

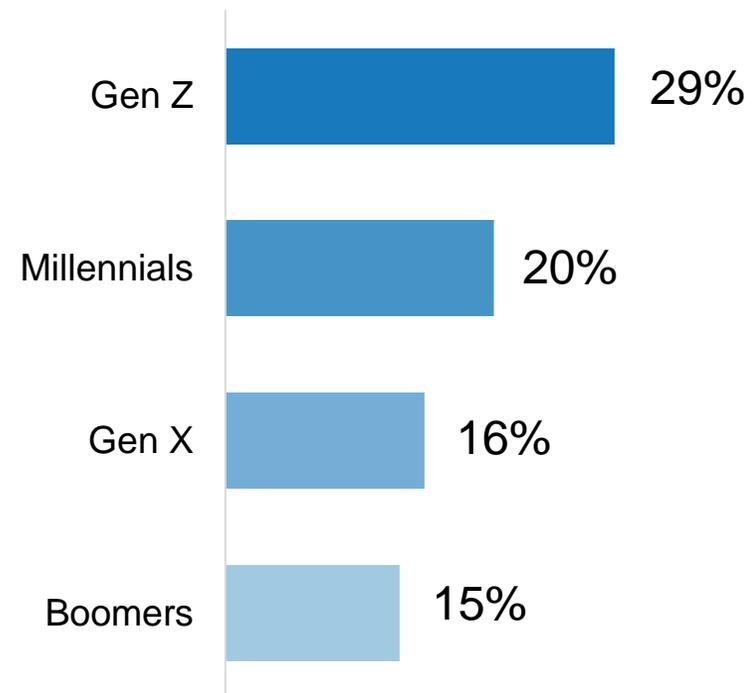
* 2021 SHRM-Morgan Stanley: Unlocking the full potential of financial wellness benefits report

% of Working Americans Reporting Finance-Related Anxiety or Depression During COVID (by Generation)*

Anxiety



Depression



* 2021 SHRM-Morgan Stanley: Unlocking the full potential of financial wellness benefits report

Boomers are Most Likely to Feel Financially Confident and on Track to Meet Their Goals

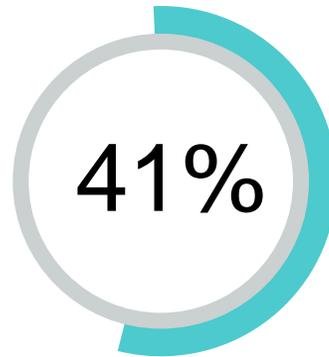
% of Working Americans that agree with the following statements*

	TOTAL	Gen Z	Millennials	Gen X	Boomers
I am confident in my ability to manage my finances.	75%	71%	70%	76%	89%
I am confident in my ability to make financial decisions.	73%	63%	68%	78%	84%
I can comfortably manage my debt payments	68%	51%	65%	74%	78%
I am on track to meet my short-term (6 - 12 months) financial goals.	60%	47%	59%	62%	66%
I am confident in my financial knowledge.	59%	51%	58%	61%	63%
I am on track to meet my long-term (more than 3 years) financial goals.	51%	22%	56%	53%	57%

* 2021 SHRM-Morgan Stanley: Unlocking the full potential of financial wellness benefits report

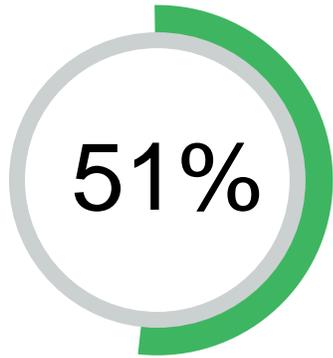
The Great Resignation

Over 40 percent of U.S. workers are actively searching for a new job right now, or plan to soon*

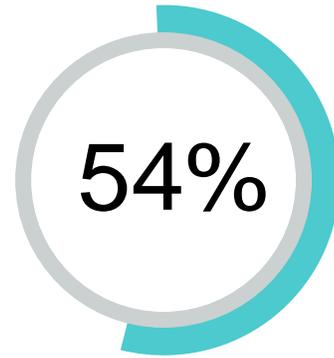
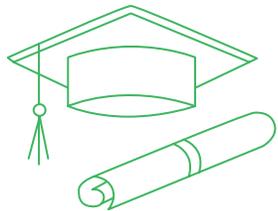


* 2021 <https://www.shrm.org/hr-today/news/hr-news/pages/deconstructing-the-great-resignation.aspx>

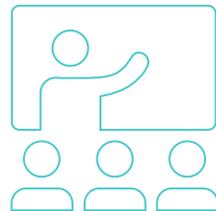
% of Working Americans Who Want Personalized Financial Wellness Benefits*



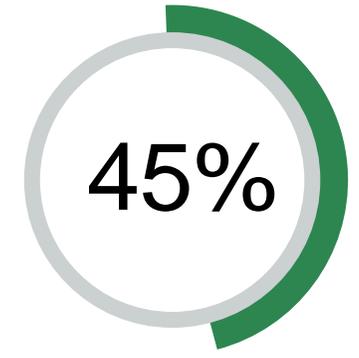
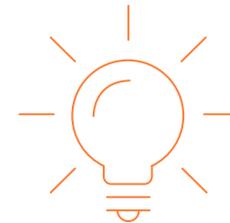
Financial Education



Financial Coaching



Financial Planning

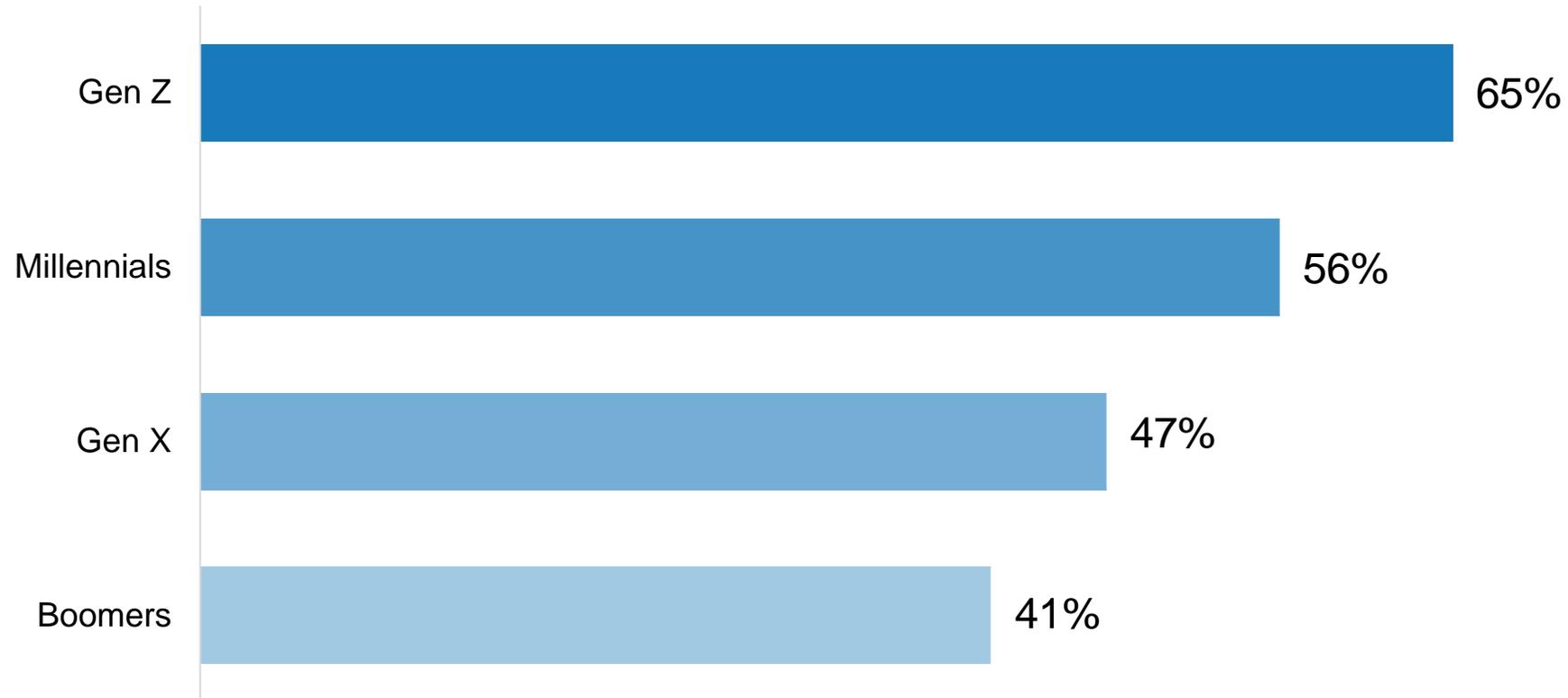


Education Finance



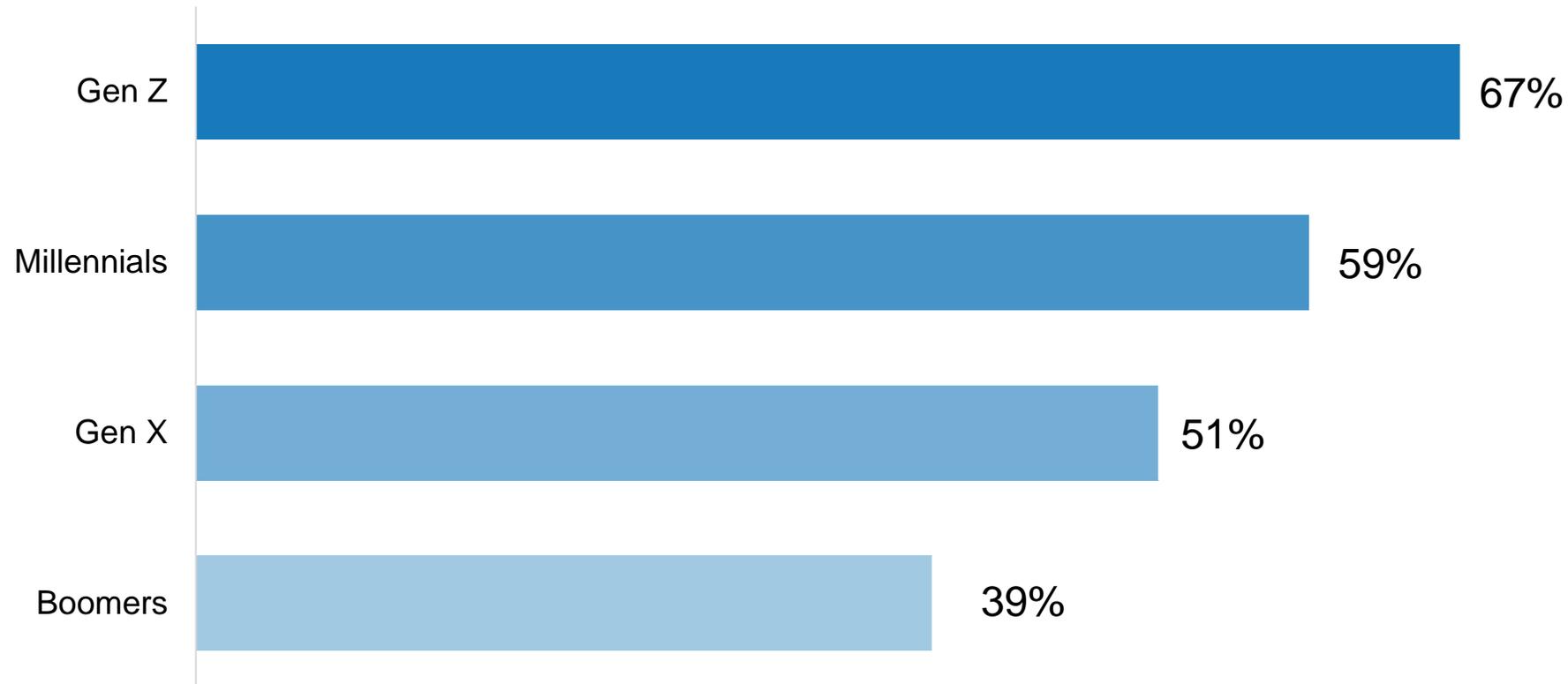
* 2021 SHRM-Morgan Stanley: Unlocking the full potential of financial wellness benefits report

% of Working Americans Who Want Personalized Financial Education Benefits (by Generation)*



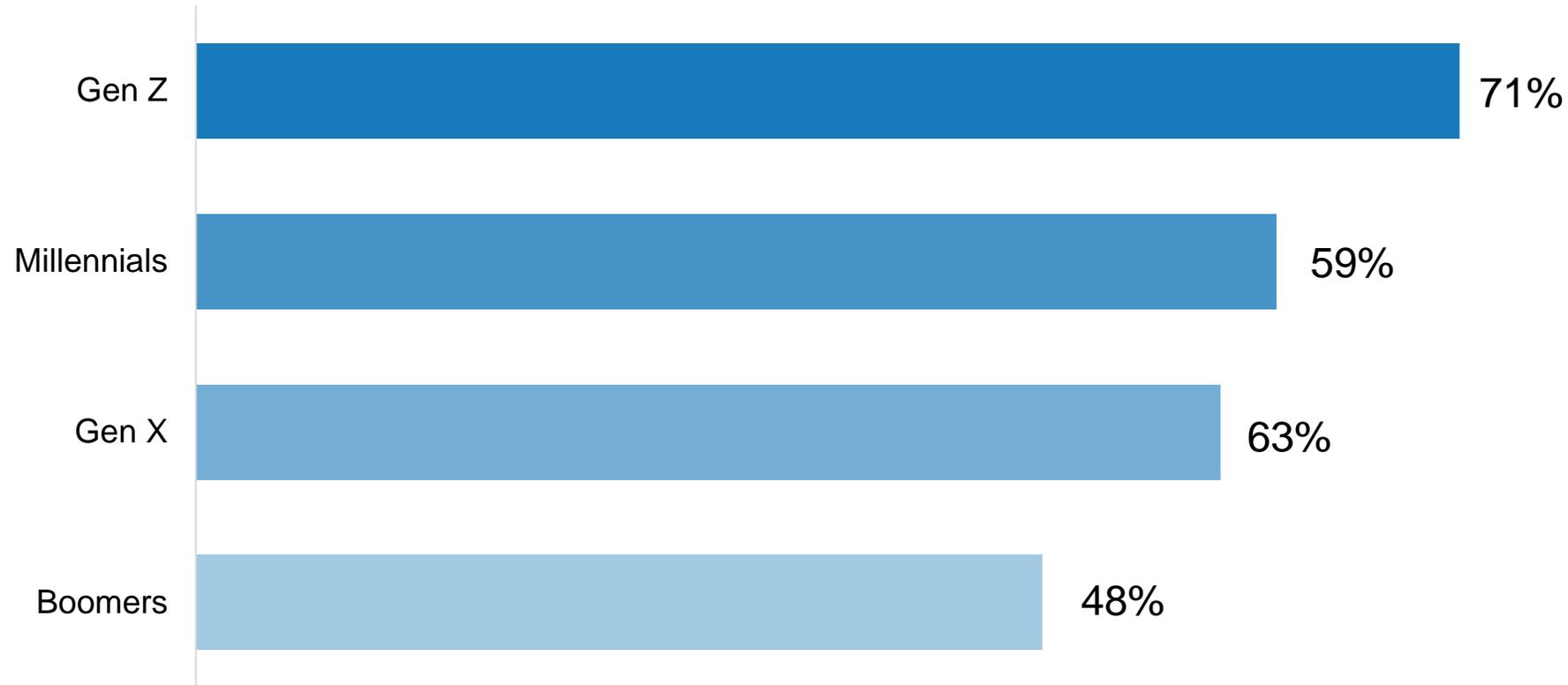
* 2021 SHRM-Morgan Stanley: Unlocking the full potential of financial wellness benefits report

% of Working Americans Who Want Personalized Financial Coaching Benefits (by Generation)*



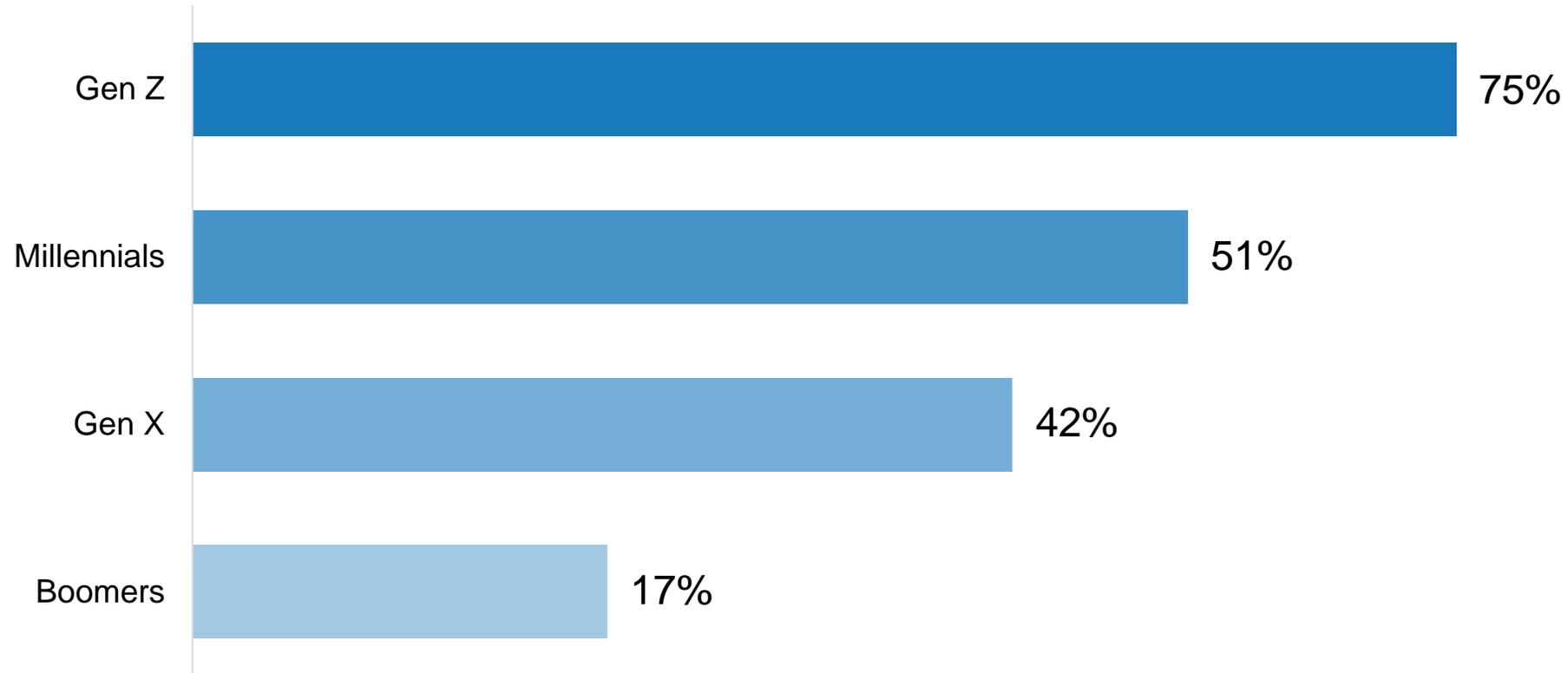
* 2021 SHRM-Morgan Stanley: Unlocking the full potential of financial wellness benefits report

% of Working Americans Who Want Personalized Financial Planning Benefits (by Generation)*



* 2021 SHRM-Morgan Stanley: Unlocking the full potential of financial wellness benefits report

% of Working Americans Who Want Personalized Education Finance Benefits (by Generation)*



* 2021 SHRM-Morgan Stanley: Unlocking the full potential of financial wellness benefits report

How to Build an Effective Financial Wellness Program

Checklist for employers who want to attract, retain, and motivate a healthy, productive workforce by focusing on financial well-being benefits that support not just their own employees, but their potential talent pool.



Assess



Strategize



Plan



Personalize



Communicate



Review

Q&A



Upcoming Events

February 2 — Wellness in the Workplace: Findings From the 2021 WWS

February 23 — Making Workplace Wellness Programs Fit the Needs of Black and Hispanic Workers: Findings From the 2021 WWS



Please visit ebri.org for more information.

Align your brand – Sponsor these events: contact Betsy Jaffe, jaffe@ebri.org

Engage With EBRI

Check out our website – www.ebri.org

Join EBRI as a Member – Contact Betsy Jaffe at jaffe@ebri.org

Sign up for *EBRInsights*