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# Generation X: Ready for Retirement?

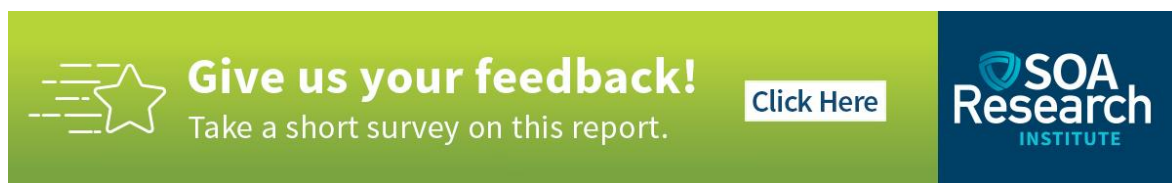






# Generation X: Ready for Retirement?

**AUTHOR** Greenwald Research

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## CONTENTS

<b>Who Are Gen Xers? .....</b>	<b>4</b>
<b>Why Focus on Gen X? .....</b>	<b>5</b>
<b>Gen X's Financial Picture.....</b>	<b>6</b>
<b>Preparing for Retirement.....</b>	<b>7</b>
<b>Impact of the Pandemic and Comparisons to Previous Years.....</b>	<b>8</b>
<b>Key Findings and Implications .....</b>	<b>10</b>
<b>Methodology .....</b>	<b>11</b>
<b>About The Society of Actuaries Research Institute.....</b>	<b>12</b>

# Generation X: Ready for Retirement?

In 2021, the oldest members of Generation X (Gen X) find themselves about 10 years out from the traditional retirement age of 65 years old, a period in which workers often find themselves in a crucial “make-or-break” time when it comes to retirement planning. As outlined in this study, instead of resembling the financial security and retirement readiness of the Boomer and Silent generations, many Gen Xers align closer with the financial behaviors and status of Millennials. Considering both how Gen Xers fall within normal working age and their proximity to retirement, Gen X is of unique and important interest when it comes to evaluating retirement readiness and financial security.

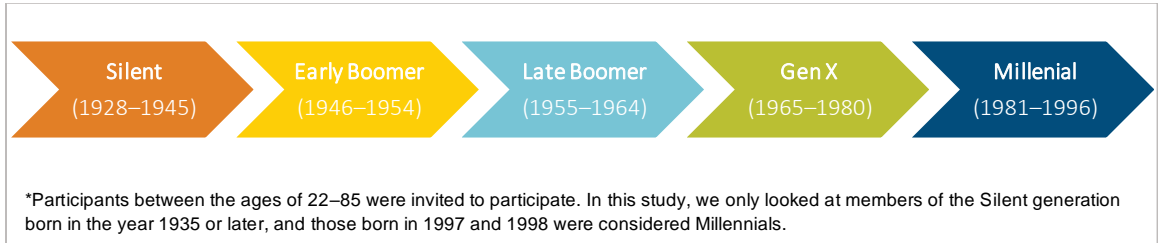
This report examines how Gen Xers are both unique in their financial status and planning behaviors and how they more closely resemble Millennials than older generations when it comes to their survey responses on financial planning, security, and retirement readiness. This report also explores how Gen Xers have fared during the COVID-19 pandemic and how this may affect their ability to have a financially secure retirement.

Data presented in this report were gathered from an online survey in January 2021 of 2,017 individuals including Millennials, Gen Xers, Late Boomers, Early Boomers, and the younger portion of the Silent Generation. Key financial issues around financial goals, concerns, and retirement preparedness were examined. An additional oversample of 520 Black/African American, 516 Asian American, and 495 Hispanic/Latino respondents was also collected. Full reports with detailed data by generation as well as race and ethnicity can be found at [www.soa.org/research/topics/aging-ret-res-report-list/](http://www.soa.org/research/topics/aging-ret-res-report-list/).

## Who Are Gen Xers?

Before looking in detail at the financial priorities, financial status, and retirement planning behaviors of this generational group, it is important to make several demographic notes. First, in this report, Gen X includes those born between 1965 and 1980 and were between the ages of 40 and 56 at the time of fielding of this survey (Figure 1).

**Figure 1**  
**GENERATIONAL TIMELINE (YEAR OF BIRTH)**



As seen in Table 1, Gen Xers are unique in their position as parents—they are equally likely to have young children as they are to have adult children (39% for each). They are much more likely than the Boomer and Silent generations to have young children but are also significantly more likely to have adult children than Millennials.

**Table 1**  
**DEMOGRAPHICS OF RESPONDENTS**

	Millennial (n=406)	Gen X (n=405)	Late Boomer (n=402)	Early Boomer (n=403)	Silent (n=401)
<b>EMPLOYMENT STATUS</b>					
Working for pay	72%	72%	46%	17%	7%
Retired	1%	4%	32%	80%	90%
Unemployed	9%	7%	7%	1%	1%
Something else	18%	18%	15%	2%	2%
<b>EXPECT TO RECEIVE/RECEIVING PENSION</b>					
Yes	34%	33%	47%	54%	55%
<b>HOUSING</b>					
Own	60%	73%	82%	83%	81%
Rent	28%	22%	15%	13%	16%
Do not contribute to costs of housing	10%	3%	2%	1%	1%
<b>CHILDREN</b>					
<18 years old	53%	39%	5%	4%	2%
Age 18+	7%	39%	67%	70%	75%
<b>2020 HOUSEHOLD INCOME</b>					
<\$50,000	25%	22%	29%	37%	50%
\$50,000–\$99,999	33%	28%	28%	30%	28%
\$100,000+	42%	51%	43%	32%	23%
<b>MARRIED/PARTNERED</b>					
Yes	64%	73%	70%	66%	58%

Gen Xers are more likely to live in a home that they own than Millennials, but more members of Gen X rent their homes than those older than them. Half of Gen Xers had household incomes of about \$100,000 and they are the generation most likely to be married or living with a partner. In other respects, such as those related to work and retirement planning, Gen Xers closely resemble Millennials in many aspects. Most Gen Xers and Millennials are working for pay, while less than half of Late Boomers say the same.

## Why Focus on Gen X?

Gen X is a generational group that makes up a large portion of the current American workforce that is nearing retirement. As a whole, they seem to be not as prepared for retirement when compared with older generations. Rather than resembling Boomers and those of the Silent Generation, Gen Xers report negative feelings about their financial status and report a lack of financial security that is more similar to Millennials. Even though Gen X is generally doing better than Millennials, they are also closer to retirement which makes higher financial insecurity more concerning.

Additionally, Gen Xers are less likely to have defined benefit pension coverage than older generations. Among our survey participants, 33% of Gen Xers report they (or their spouse/partners) will receive pension benefits compared to about half of Boomers who say the same.

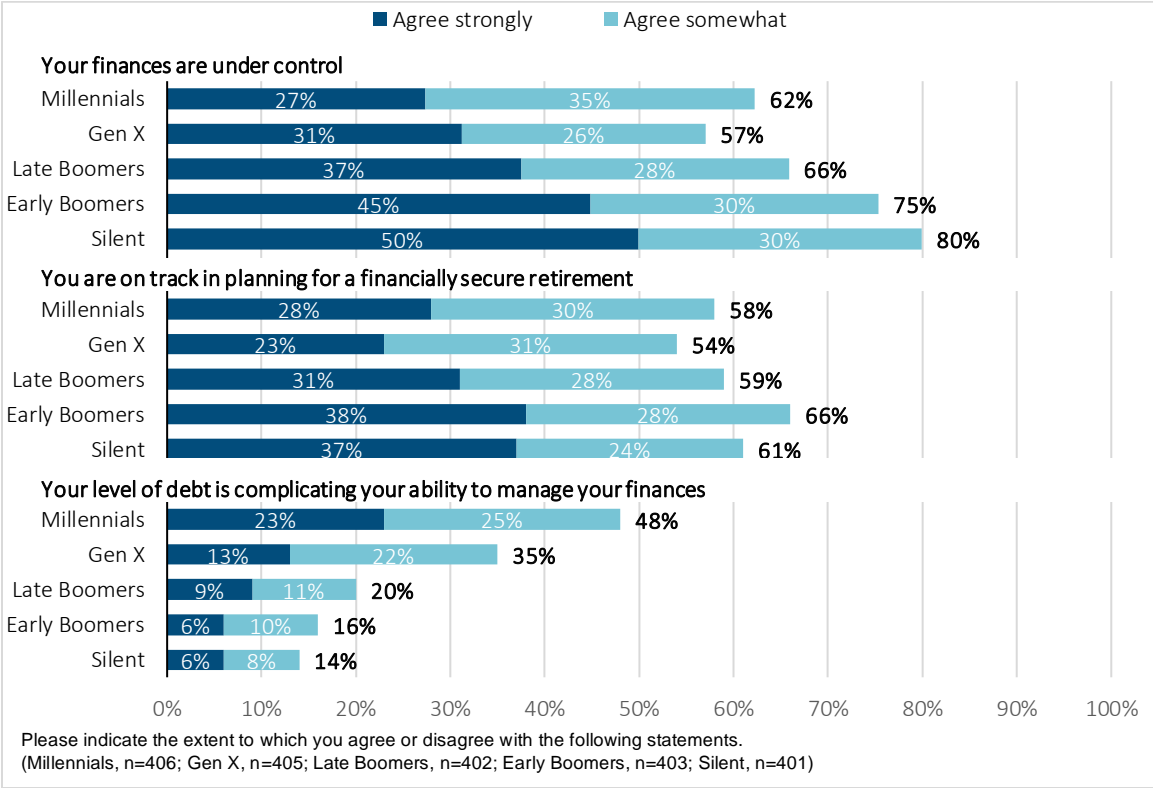
When considering who Gen Xers are and their current financial situation, the impact of the 2008 financial crisis cannot be overlooked. At the time of the 2008 downturn, Gen Xers were at the beginning to early half of their careers, some of the most important years for laying a solid foundation of financial security. The 2008 market crash,

economic downturn, recession, and subsequent employment crisis impacted much of the American workforce, and Gen Xers were at a particularly vulnerable place in the workforce during this time.

### Gen X’s Financial Picture

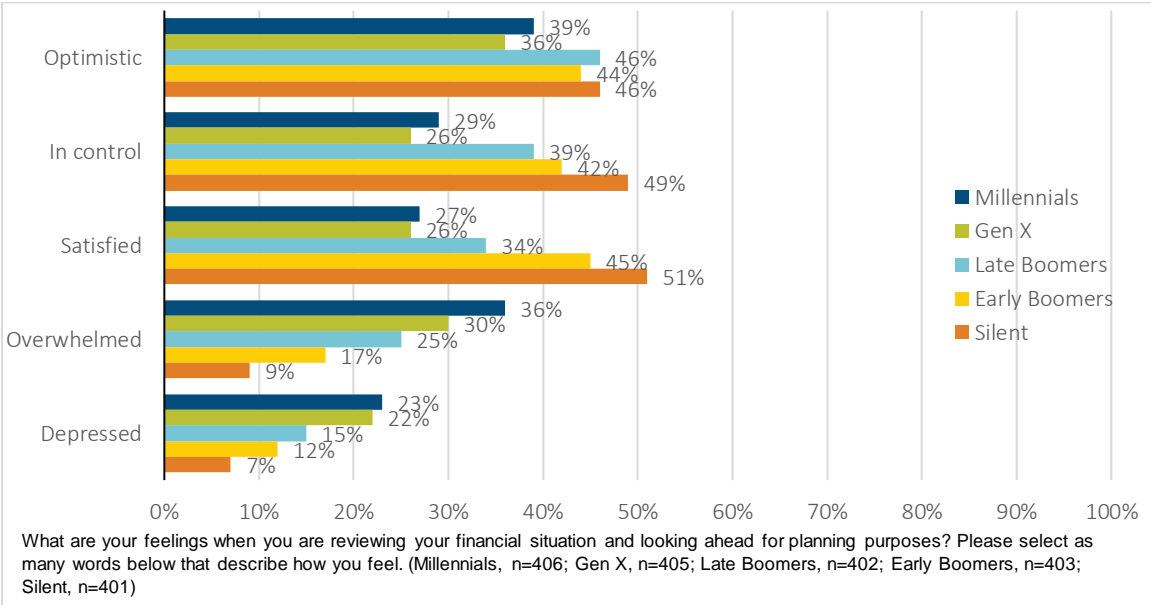
In particular, Gen Xers seem to stand out as a less than confident group when it comes to their own financial situation. When asked if they agreed or disagreed with the sentiment that their finances are under control, only 57% of Gen X respondents agreed—the lowest of any generational group (Figure 2). Additionally, only 54% say they feel on track for a financially secure retirement—again the lowest of any generational group. When it comes to debt, 35% of Gen Xers say that their level of debt is complicating their ability to manage their finances. Although this is less than the 48% of Millennials who say the same, it is still significantly higher than Boomers and the Silent Generation.

**Figure 2**  
**FINANCIAL PICTURE: UNDER CONTROL, RETIREMENT PREPAREDNESS, AND DEBT COMPLICATION**



When asked what emotions come to mind when thinking of one’s financial situation and looking ahead, Boomers and those in the Silent Generation, most of whom are already retired, respond largely with words like “optimistic,” “in-control,” and “satisfied” (Figure 3). The picture is a lot less clear cut for Millennials and Gen Xers—many say they feel optimistic (39% of Millennials and 36% of Gen X), but 36% of Millennials and 30% of Gen Xers say they feel “overwhelmed.” Additionally, over a fifth of Millennials and Gen Xers say they feel depressed compared to only about a tenth of older respondents. And since 2018, the share of younger generations reporting optimism or feeling in control has dropped.

**Figure 3**  
**FEELINGS WHEN FINANCIAL PLANNING**

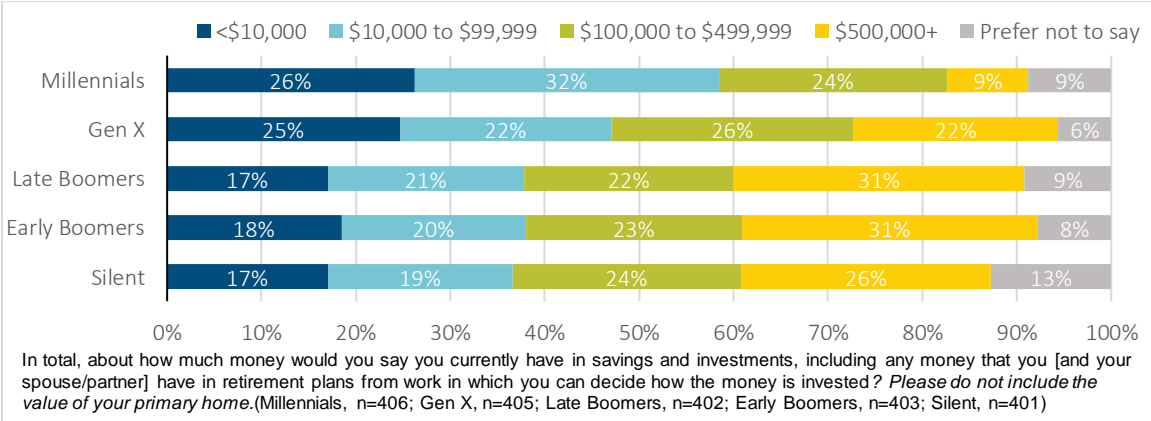


Despite many Gen Xers being in the middle of their careers and nearing crucial decisions around retirement, Gen Xers report the lowest level of interaction with financial professionals (27% vs. 31% of Millennials, 35% of Boomers, and 34% of the Silent Generation). This is especially worrisome when half of Gen Xers say they tend to financially plan at most 12 months ahead (vs. 63% of Millennials, 36% of Boomers, and 30% of Silent). Gen Xers as a group are not exceptionally confident in approaching their finances, let alone ready for a financially secure retirement. More often than not, they resemble those earlier in their career instead of those in or approaching retirement.

### Preparing for Retirement

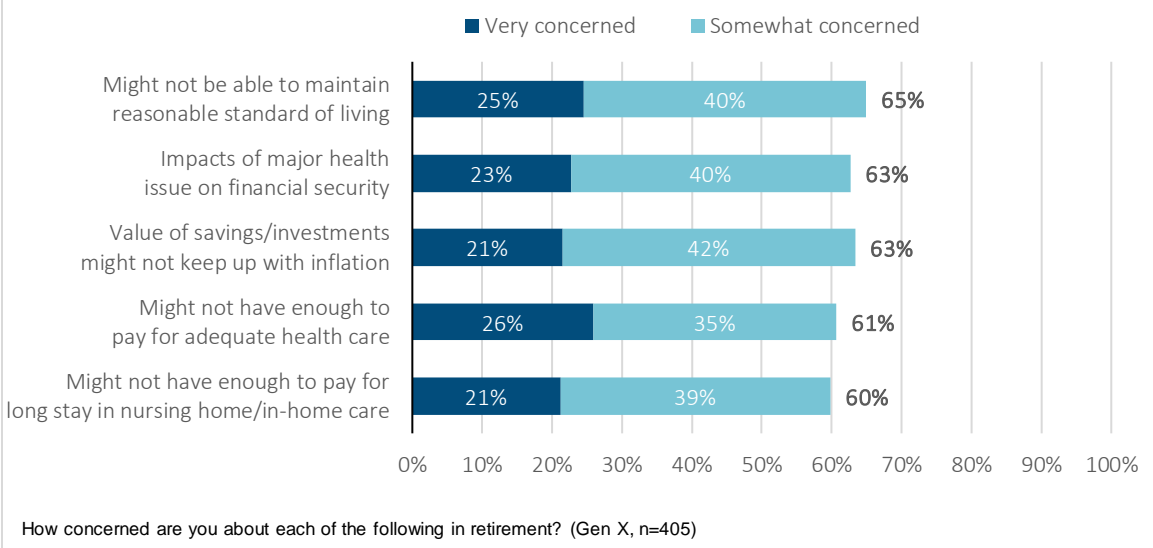
In terms of saving for retirement, savings among Gen Xers is very widespread. In total, 22% of Gen Xers have over half a million dollars in their savings and investments. However, a quarter say they have less than \$10,000, virtually the same as Millennials (Figure 4). Despite this, Gen X anticipates a median retirement age of 65.

**Figure 4**  
**AMOUNT IN SAVINGS AND INVESTMENTS, INCLUDING RETIREMENT SAVINGS**



In addition, Gen Xers have many concerns when it comes to retirement. Over six in 10 Gen Xers are concerned about not being able to maintain their standard of living, the financial impacts of a major health issue, savings not keeping up with inflation, paying for health care, and paying for a nursing home (Figure 5).

**Figure 5**  
**TOP RETIREMENT CONCERNS OF GEN X**



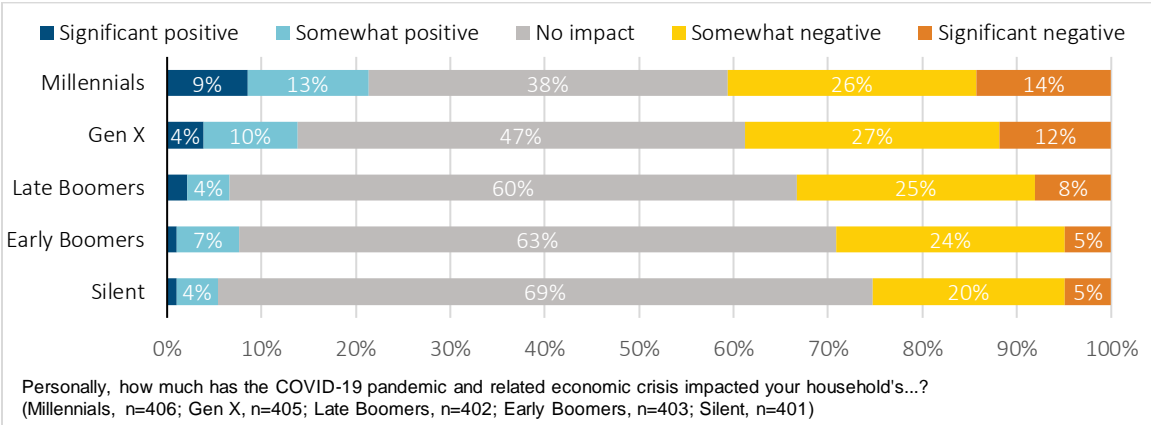
### Impact of the Pandemic and Comparisons to Previous Years

Compared with answers given during the [2018 Aging and Retirement report](#), Gen Xers and Millennials now report a more negative outlook. Gen Xers are now less optimistic (36% in 2021 vs. 48% in 2018), feel less “in control” of their finances (26% vs. 36%), and feel more depressed (22% vs. 15%). Additionally, along with Millennials, Gen Xers are more likely to say that their debt is complicating their finances (Millennials: 48% vs. 34%; Gen X: 35% vs. 26%).

One of the biggest changes that occurred between the 2018 and 2021 surveys was the rise of the COVID-19 pandemic. Compared with older generations, young people are more likely to report negative effects of the pandemic. Four in 10 Millennials and Gen Xers report feeling an overall negative impact on their finances, and this percentage decreases with increased age (Figure 6). A third of Gen X also report their level of income was negatively impacted, as were 27% in terms of their debt, and 24% in terms of their asset level.

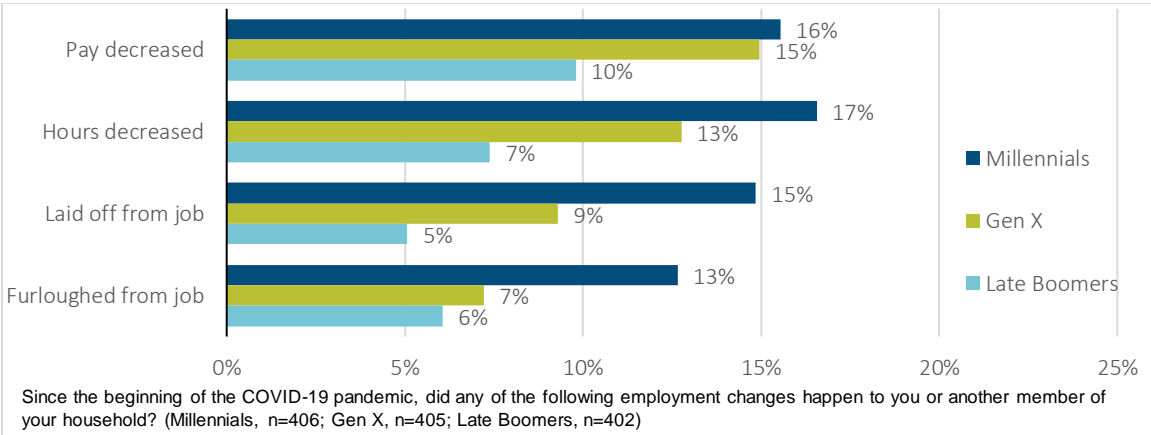


**Figure 6**  
**EFFECT OF COVID-19: IMPACT ON FINANCES OVERALL**



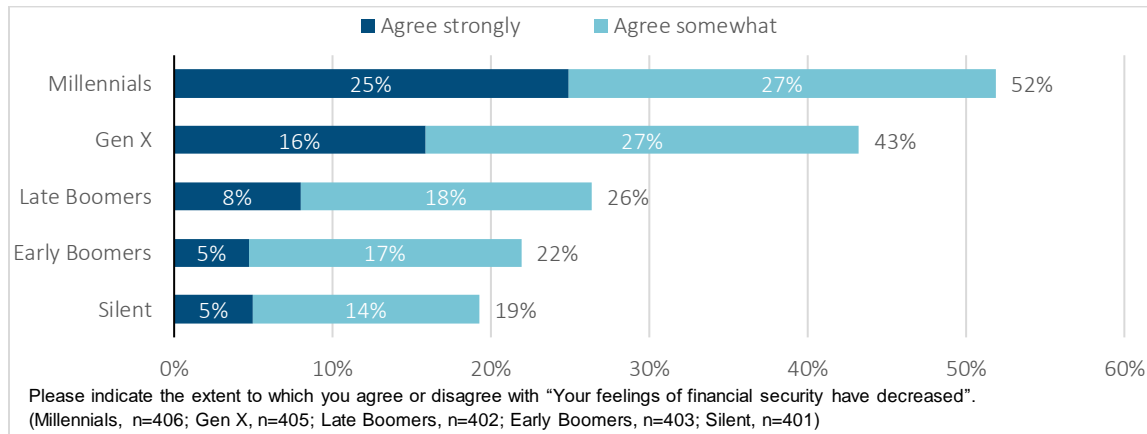
The negative financial impacts may be at least partially explained by employment changes due to the pandemic that are more common among younger workers. In total, a third of Gen Xers experienced job loss or pay decrease including 15% with a pay decrease, 13% with decreased hours, 9% laid off, and 7% furloughed (Figure 7).

**Figure 7**  
**NEGATIVE EMPLOYMENT CHANGES AS A RESULT OF COVID-19**



In addition, both younger generations are much more likely to agree that their feelings of financial security have decreased since the COVID-19 pandemic began (Figure 8). In addition to Millennials, Gen Xers are more likely than Boomers or the Silent Generation to say the pandemic has made short-term goals a bigger priority than long-term goals, managing day-to-day finances has been more difficult, and the pandemic created major financial challenges. One potential positive—about half of Millennials and Gen Xers say they have placed a greater emphasis on building up an emergency fund since the pandemic began.

**Figure 8**  
**FEELINGS OF DECREASED FINANCIAL INSECURITY AS A RESULT OF COVID-19**



## Key Findings and Recommendations

Gen Xers do not appear to be as well prepared as older generations for retirement. They are in a different situation than the group before them—they face higher student loan debt, have less access to defined benefit plans, and many are looking ahead without much savings for retirement. Some recommendations to increase retirement preparation include:

- Have a specific goal to work towards
- Increase savings for the next few years and don't tap into retirement savings prematurely
- Save enough in an employer-sponsored retirement plan to obtain maximum employer matching contributions
- Work longer, possibly on a modified basis
- Plan to claim Social Security at a later age
- Keep skills and contacts up to date to improve employability
- Increase financial and retirement literacy, including investment basics and longevity
- Take advantage of financial wellness programs and resources offered by employers
- Look for ways to reduce expenses
- Avoid high-cost debt, e.g., credit card debt or "pay day" type loans
- Maintain health and consider the potential need for and benefit of health, life, and disability insurance

## Methodology

The report presents the results of research conducted by Greenwald Research, on behalf of the Society of Actuaries Research Institute. Greenwald conducted an online survey of 2,017 individuals: 406 Millennials (born 1980–1998), 405 Gen Xers (1965–1979), 402 Late Boomers (1955–1964), 403 Early Boomers (1946–1954), and 401 Silent Generation (1935–1945). An oversample of 520 Black/African American, 516 Asian American, and 495 Hispanic/Latino respondents were also collected. The survey was conducted from January 5 through January 27, 2021.



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Representing the thousands of actuaries who help conduct critical research, the SOA Research Institute provides clarity and solutions on risks and societal challenges. The Institute connects actuaries, academics, employers, the insurance industry, regulators, research partners, foundations and research institutions, sponsors and non-governmental organizations, building an effective network which provides support, knowledge and expertise regarding the management of risk to benefit the industry and the public.

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