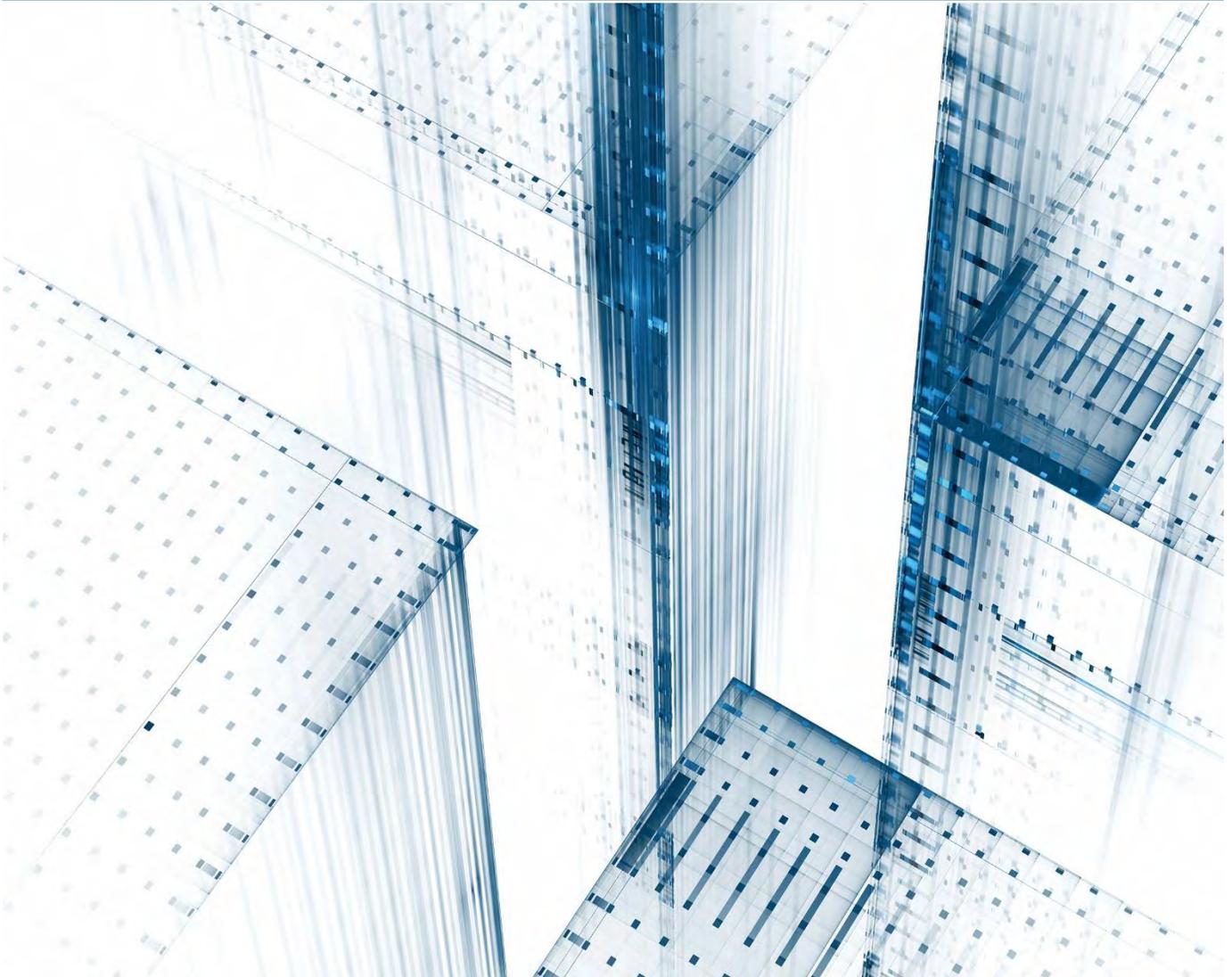




Aging and Retirement

Family Obligations Across Generations



Americans of all generations feel a strong sense of financial obligation across the generations, both to their children and to their parents. About two in five have provided financial support to a family member in the past year alone. Most think these financial responsibilities should be in both directions with parents helping adult children while not jeopardizing their own finances and adult children similarly helping older parents. The level of financial obligation is fairly consistent among the five generations studied, but is especially true for Millennials, who are likely to depend on their parents more than earlier generations while simultaneously strongly believing in supporting their parents when necessary.

This sense of financial obligations extends toward stepchildren as well, with 64% of respondents saying there should be no differentiation between stepchildren and “natural born” children in the help they are offered. The sense of obligation is not as strong when it comes to adult stepchildren helping their stepparent if needed.

This report is the third in a series that analyzes financial viewpoints and behaviors of the five generations of adult Americans. As part of its new Aging and Retirement research program, the Society of Actuaries engaged Greenwald & Associates to survey 2,001 individuals, including 398 Millennials (ages 20–38), 399 Gen Xers (ages 39–53), 403 Late Boomers (ages 54–63), 401 Early Boomers (ages 64–72) and 400 members of the younger portion of the Silent Generation (ages 73–83). Key financial issues around financial goals, concerns and retirement preparedness were examined. A full report with detailed data by generation can be found at <https://www.soa.org/research-reports/2018/financial-perspectives-aging-retirement/>. Percentages in the figures may not total to 100 due to rounding and/or missing categories. Some data points are not labelled due to space limitations.

Family Relationships

To fully understand the viewpoints of each generation toward providing support to family members, it is important to understand how the generations differ on key characteristics. For example, six in 10 Millennials have no children, much more than the 28% of the other generations (Figure 1).

Figure 1
DEMOGRAPHICS OF RESPONDENTS BY GENERATION

	Millennials	Gen X	Late Boomer	Early Boomer	Silent
Household Income	32% Less than \$50,000	27% Less than \$50,000	32% Less than \$50,000	43% Less than \$50,000	58% Less than \$50,000
	34% \$50,000 to \$99,999	31% \$50,000 to \$99,999	30% \$50,000 to \$99,999	29% \$50,000 to \$99,999	27% \$50,000 to \$99,999
	34% \$100,000 +	42% \$100,000 +	37% \$100,000 +	28% \$100,000 +	16% \$100,000 +
Children	58% None	34% None	26% None	28% None	10% None
	20% One	19% One	19% One	16% One	17% One
	22% Two or more	46% Two or more	55% Two or more	56% Two or more	74% Two or more
Stepchildren	90% None	82% None	86% None	80% None	86% None
	7% One	8% One	4% One	10% One	5% One
	4% Two or more	10% Two or more	11% Two or more	11% Two or more	10% Two or more

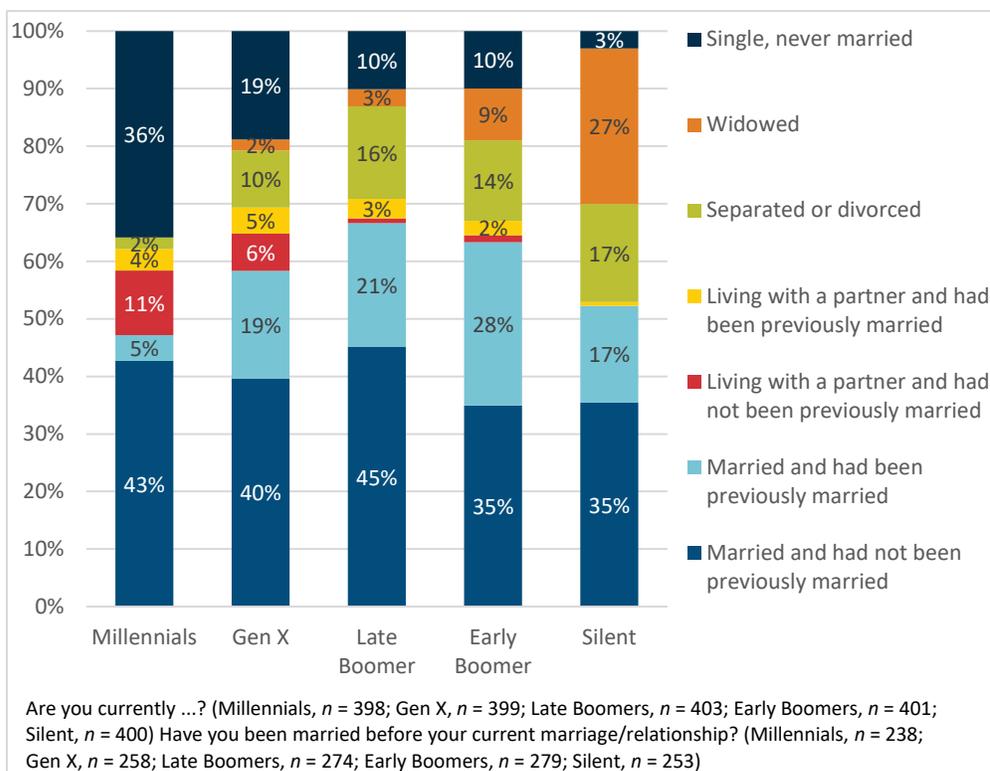
For more detailed analysis of the Millennial generation, see the report, “[Difficulties in Gaining Financial Security for Millennials.](#)”

Blended families, that is, a family consisting of a couple or individual and children from both current and previous relationships, are more common with the middle generations, especially Early Boomers of which 20% report having at least one child. Across all generations, 15% have at least one stepchild and for those who had been married previously and are currently married or living with a partner, 42% have at least one stepchild.

Millennials and the Silent Generation are the least likely to be married, with one-third of Millennials reporting they are single and have never been married and 43% of the Silent Generation reporting being

widowed, divorced or separated (Figure 2). Additionally, 46% of Early Boomers who are currently married or living with a partner have been married prior to their current marriage or relationship.

Figure 2
RELATIONSHIP STATUS BY GENERATION

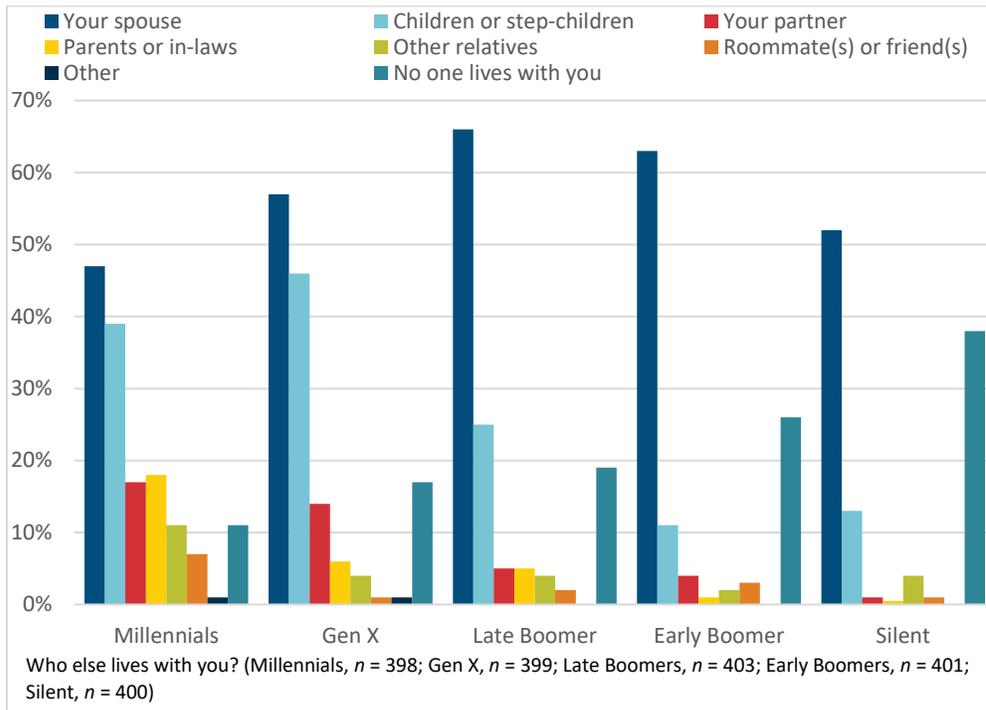


Housing and Family Relationships

Less than half of Millennials (47%) own the home they live in, compared to 78% of the older generations. Instead, Millennials are more likely than older generations to rent (37% vs. 18%) or live in arrangements in which they do not contribute to the cost of housing (12% vs. 2%).

Overall, one in five live by themselves. This increases with age and reaches a zenith with 38% of the Silent Generation living alone (Figure 3). Those who live with someone else are most likely to report living with an immediate family member, including a spouse, partner or children. One in five Millennials report living with their parents or in-laws. Across all generations, 73% of those who live with parents or in-laws do so without contributing to the cost of housing.

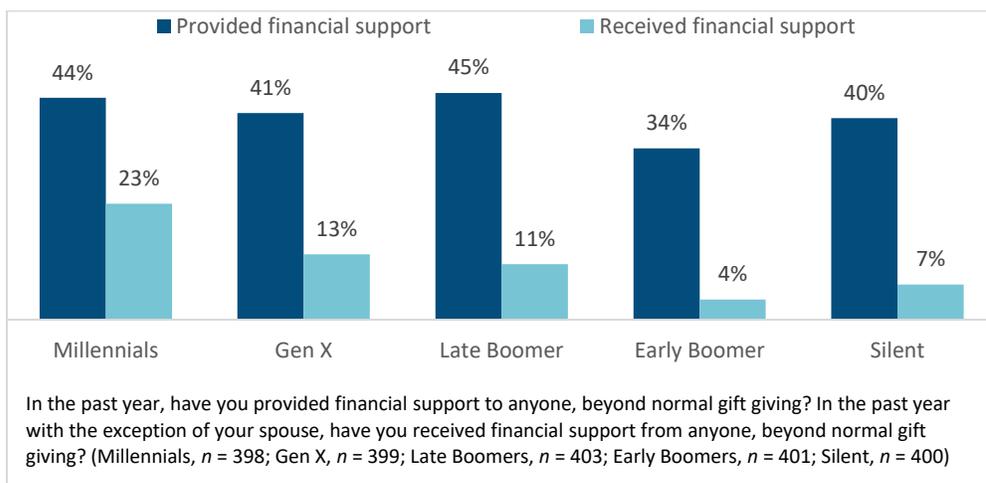
Figure 3
CURRENT LIVING ARRANGEMENTS BY GENERATION



Financial Support to Family Members

Four in 10 respondents say they provided financial support to someone in their family in the last year (Figure 4). 35% of Late Boomers provided support to adult children, higher than all other generations. Millennials are most likely to extend financial support to their parents (23%), parents in-law (6%) or siblings (11%).

Figure 4
FINANCIAL SUPPORT PROVIDED AND RECEIVED IN PAST YEAR



On the other hand, 15% of all respondents say they received financial support within the past year. One in four Millennials say they received financial support, higher than the 10% reported by the older

generations. Not surprisingly, 75% of Millennials who receive support were helped by their parents or their parents-in-law.

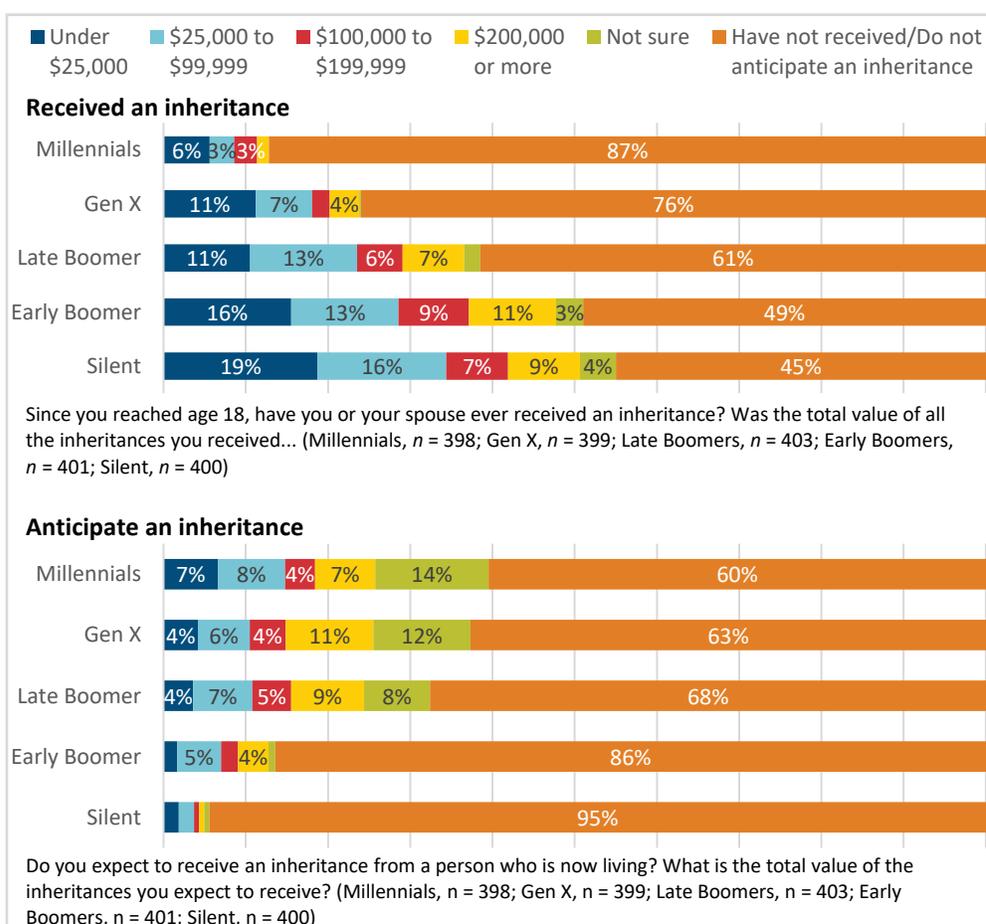
Interestingly, 21% of those who provided financial support also received support in the past year. This reciprocity reveals that many across all generations have integrated financial relationships with their families.

Inheritances

While inheritances have the potential to play a significant role in financial security, only one-third of all respondents believe it is extremely or very important to them that they leave an inheritance. This is much lower than the general sentiment around parents helping their children financially throughout their lives. In fact, half of all respondents have neither received an inheritance nor anticipate one in the future.

The likelihood of having received an inheritance increases with age from 13% of Millennials to 55% the Silent Generation (Figure 5). Among those who received an inheritance, almost two-thirds received \$100,000 or less.

Figure 5
RECEIVED AND ANTICIPATED INHERITANCES



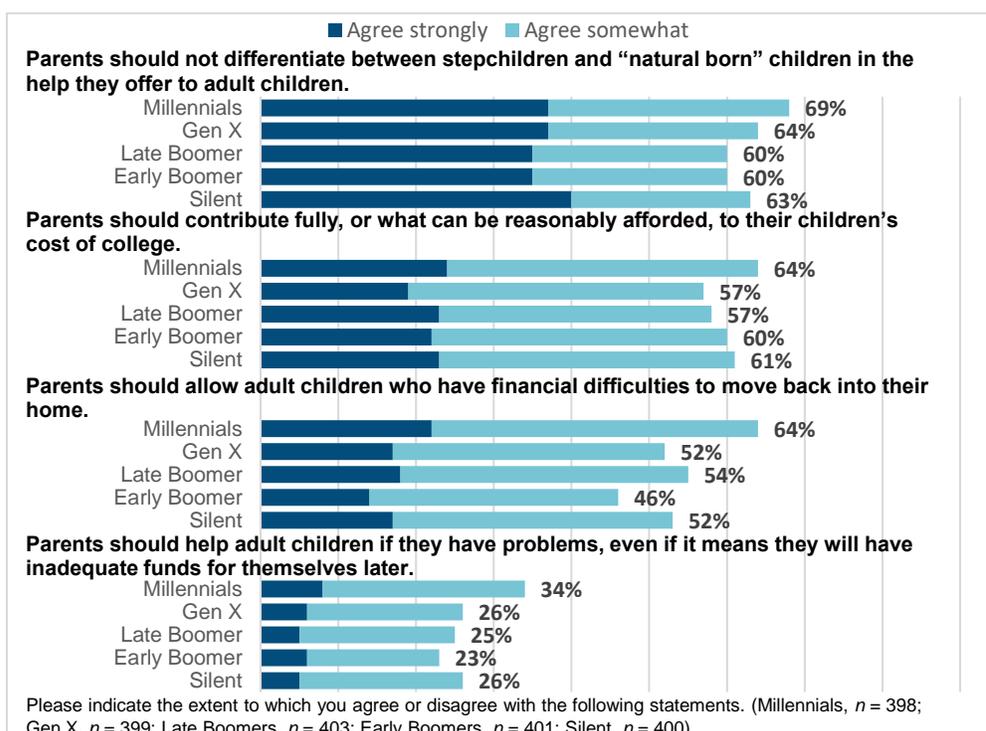
As expected, Millennials, Gen Xers and Late Boomers are more likely to expect an inheritance in the future from a person who is now living. Three in 10 are unsure of the value of their anticipated

inheritance, while 35% believe it will be less than \$100,000, 11% think it will be between \$100,000 and \$200,000, and another 24% think they will receive more than \$200,000.

Family Obligations

There is a strong sense of family obligations across the generations. Most agree that parents should fund or contribute what they can afford to their children’s college costs and allow their adult children to move back into their homes if needed, with Millennials more likely than older generations to agree (Figure 6). However, there are limits to what most think parents should do financially, as less than three in 10 think parents should put themselves in financial jeopardy to help their adult children.

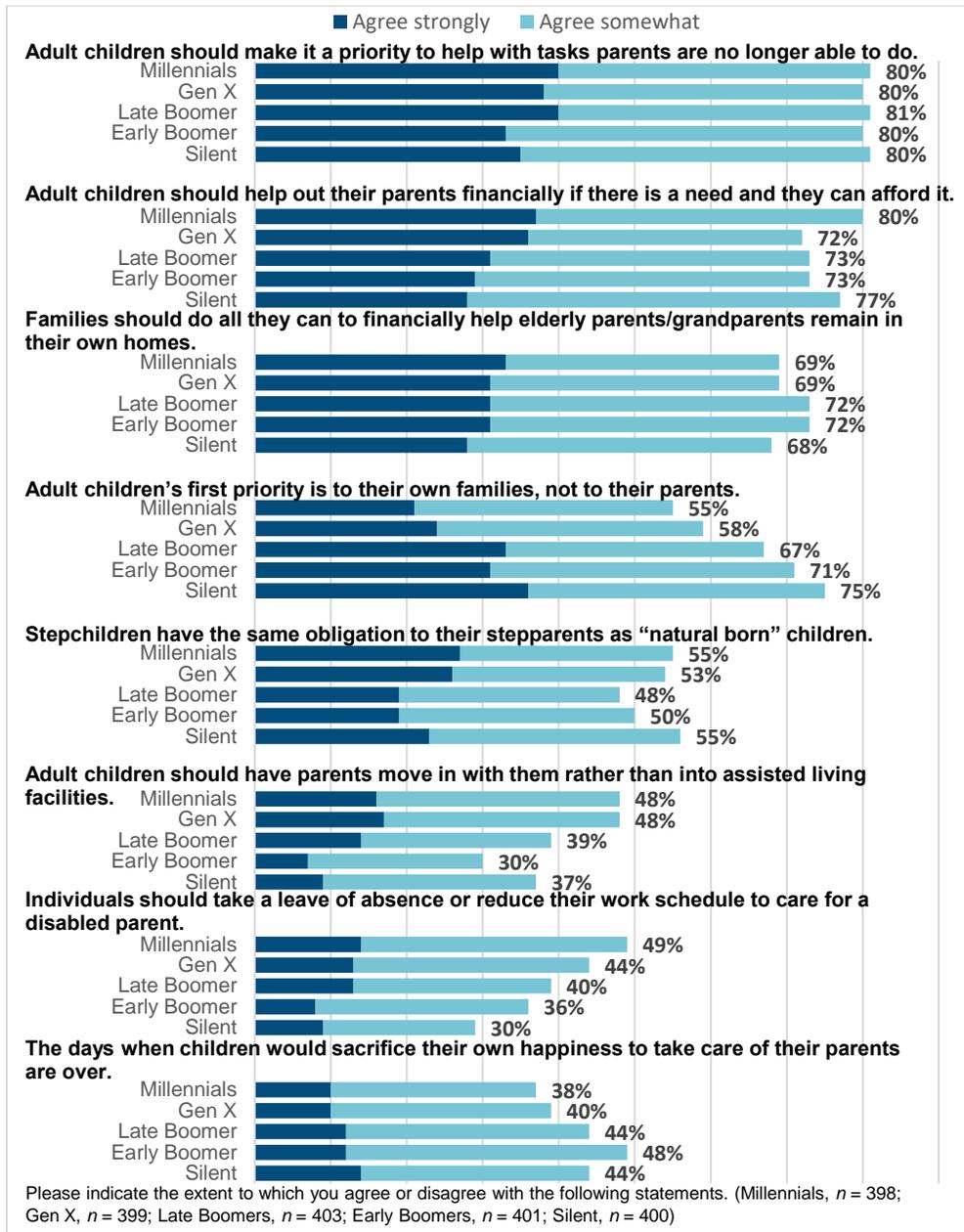
Figure 6
PARENTS’ OBLIGATIONS TO CHILDREN



Additionally, most feel strongly that family obligations are not one-sided. Across all generations, 80% agree adult children should help their parents with tasks they are no longer able to do, 76% say adult children should help their parents financially, and 70% believe families should do all they can to financially help their parents or grandparents remain in their own home (Figure 7).

Despite Millennials having a higher likelihood of relying on their parents for financial support, they express a strong sense of obligation to help their parents if needed. They are more likely than older generations to feel individuals should take a leave of absence or reduce their work schedule to care for a disabled parent. And it is the older generations that express greater agreement that adult children’s first priority is to their own families, not their parents.

Figure 7
ADULT CHILDREN'S OBLIGATIONS TO EARLIER GENERATIONS



While two-thirds of respondents believe parents should not differentiate between stepchildren and "natural born" children in the help they offer to adult children, only half agree that stepchildren have the same obligation to their stepparents as "natural born" children. Those who currently have at least one stepchild are more likely to agree that parents should not differentiate between their stepchildren and "natural born" children, but at the same time they do not feel any stronger that their stepchildren have the same obligations as "natural born" children.

Methodology

The report presents the results of research conducted by Greenwald & Associates, on behalf of the Society of Actuaries. Using Research Now's panel, Greenwald conducted an online survey of 2,001 individuals: 398 Millennials, 399 Gen Xers, 403 Late Boomers, 401 Early Boomers and 400 Silent Generation. The survey was conducted from July 17 through July 27, 2018.

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