

Critical Crossroads: Generation X and Saving for Retirement



Retirement is coming up fast for Gen X, the generation born between 1965 and 1980. Now is a prime time to target these participants in 401(k) communications.

Goals and Progress¹

- 77% of Gen Xers said “overall having financial peace of mind” was a major financial objective, and 80% report some or a great deal of progress.
- Saving for retirement in their current 401(k), workplace plan, or previous employer plan is a major objective for 65% of Gen X, and 83% report some or a great deal of progress.
- Gen X places more emphasis on saving for college and reducing student loan and other household debt than the other generations do.

Not Saving Enough

- Gen X members, on average, believe they should be saving 11% of pay in their 401(k) plan.
- T. Rowe Price’s rule of thumb is a rate of 15% (including employer contributions), but a higher rate may be needed for those who have under-saved.
- On average, Gen X members are saving 9%, and 59% save less than 10%.

Mixed Emotions

- 56% expect Social Security to be bankrupt by the time they retire.
- Only one-third expect to live as well or better in retirement as they did while working.
- 38% expect to have to reduce their standard of living.

Advice Wanted¹

- More Gen Xers want advice or support than their boomer counterparts.
- 22% want advice selecting investments in their current 401(k) plans.
- 33% want help tracking progress in their current 401(k) plans.
- 65% are okay without advice in maintaining an acceptable quality of life, but 35% would like help prioritizing in order to do so.

Debt Looms²

- With average non-mortgage household debt of \$84,000, this generation is in greater debt than either millennials or boomers.
- 36% report debt levels over \$50,000.



¹Progress and advice asked for those objectives cited as major or minor.

²For those with non-mortgage household debt.

Source: Retirement Savings and Spending 3 © 2017 Brightworks Partners, LLC. Conducted by Brightworks Partners (now part of NMG Consulting) for T. Rowe Price.