

The MetLife Study of Gen X: The MTV Generation Moves into Mid-Life

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The MetLife Mature Market Institute®

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Executive Summary

Much attention has been given to the Baby Boomer generation over the years as they reached maturity and began entering their retirement years, but what about those Americans born 1965 to 1976? Sometimes referred to as the “baby bust” generation, but most commonly called “Generation X,” relatively little has been done to look closely at this generation. In the past, the MetLife Mature Market Institute (MMI) has looked at slices of Gen Xers lives, including:

- *Demographic Profile: America’s Gen X*
- *Multi-Generational Views on Family Financial Obligations: A MetLife Survey of Baby Boomers and Generations X and Y*
- *Women’s Views on Family Financial Obligations: A MetLife Survey of Intergenerational Findings of Baby Boomers and Generations X and Y*
- *Engaging the 21st Century Multi-Generational Workforce*

This study marks a first broad examination of Generation X, establishing a baseline of their current work and retirement plans, finances and housing, family life and their views about their health, aging and generational identity.

Introduction

While the term was popularized in the 1991 novel, *Generation X: Tales for an Accelerated Culture* by Douglas Coupland, "Generation X," or "Gen X," has stuck to this age cohort primarily as a symbol of their seeming lack of generational identity. The perception of Gen Xers was of unfocused "twentysomethings" lacking drive and taking an extraordinarily long time to grow up. While it may be true of any generation in their twenties, a new life stage called "emerging adulthood" was initially a result of this generation's inability to be fully self-sufficient until their late 20s.

A popular belief has been that Gen Xers appear to be dwarfed in the shadow of their Boomer older siblings. They were seen as lost and stuck between the Boomers before them and the Millennials, or "Generation Y," after them. Generation X might be depicted much like the Jan Brady character in *The Brady Bunch*, a popular TV show in the late 60s and early 70s. Always lost in the middle between her superstar older sister Marcia and her cute younger sister, Cindy, Jan is remembered for the line "Well, all day long at school I hear how great Marcia is at this or how wonderful Marcia did that! Marcia, Marcia, Marcia!" It seemed the superstar Boomers made the Gen Xers feel the same way, although the current study clearly belies this characterization. Depending on where they are in the Gen X cohort, there is considerable affinity with both the older and younger generations.

Generation X is a smaller cohort than the Boomers, coming in at about 50 million strong,¹ so the expectation has been that they don't have as much influence. But never underestimate a generation. Gen Xers were at the height of their pop culture influence in the 1980s and 1990s. As children and teenagers they saw the launch of MTV and the birth of the music video. During that time they were oft described as immature, cynical, grungy slackers donning flannel shirts and yet they were listening to an extremely wide range of music that appeared to illustrate the lack of one clear identity for their generation. During that time, Gen X music ranged from Pearl Jam, Smashing Pumpkins and Limp Bizkit to Spice Girls, Backstreet Boys and New Kids on the Block. And don't forget Vanilla Ice: also a Generation Xer. They identified with the kids of *The Breakfast Club* and *Ferris Bueller's Day Off*. As young adults they popularized the primetime soap *Melrose Place* and faced the calamities of young adulthood with Winona Ryder and Jeanine Garofalo in *Reality Bites*. Indeed, media would portray them as the *Friends* generation: rather self-involved and perhaps aimless...but fun.

Positive portrayals of Generation X have tended to revolve around their individualism, independence, proficiency with technology and high levels of education. They are arguably better educated than any generation before them. This study found almost half of Gen Xers grew up in homes where both parents worked and almost two in 10 grew up in single-parents households. Perhaps this

“I’m kind of like the middle I guess. There are certain things I want to accomplish so if I’m going to accomplish them I need a set plan, not going to wing it, and hopefully get some things done.”

“latch-key kids” phenomenon coupled with their experience as the first generation to grow up with computers spawned Gen Xers fierce self-reliance, desire for freedom, techie tendencies and focus on entertainment.

This study has found some support for the portrayal of Gen X as a group without a clear identity. The two defining characteristic traits Gen Xers most cited were polarized opposites: “hard-working” and “lazy.” At the same time, some

findings belie the stuck-in-the-middle label, as Gen Xers largely said they did not feel impeded in their careers by older or younger generations, and almost one-third related more with Baby Boomers than with the Generation X title. This finding is particularly interesting because the 2009 MMI *Boomer Bookends*² study similarly found that more than one-third of the youngest Boomers actually prefer to describe themselves as Generation X. Evidently, generational boundaries are not always clear-cut.

Gen Xers have grown up — almost three in 10 consider themselves to be in or approaching “middle age.” Their current age ranges from 36 to 47. Certainly Gen Xers are in an important life stage as their children are growing up and they are focusing more on planning and saving for their retirement years. Or they should be. This study indicates Gen Xers actually have a way to go when it comes to saving for retirement, as half report being behind on retirement savings. In fact, 7% haven’t started at all and 11% don’t even have retirement savings goals.

Gen Xers are planning to start collecting Social Security at age 65, or at least they were until the “information effect” came into play. Once they were given more information about when they could actually qualify for benefits, many changed their answers, raising their planned collection age to 66. It seems Generation X may not fully understand Social Security, and only three in 10 are somewhat to very confident that it will pay out all the benefits they will be eligible to receive. Nevertheless, they are counting on it for their retirement, believing, as a whole, that one-third of their income will come from Social Security.

Key Findings

Work and Retirement

- The majority (65%) of Gen Xers are currently working full-time. About as many of their spouses/partners are also working.
- Only about two in five are working in the career they intended when they entered the workforce. While Gen Xers may not largely stay with the same employer their entire career, almost a quarter have been with the same employer for fifteen years or longer.
- The average Gen Xer wants to retire by about age 62, but they doubt they will be able to retire until they are 67.

Finances and Housing

- Half of Gen Xers report they are behind in retirement savings. Women are less prepared than men.
- They believe nearly half their retirement income will come from pensions, 401(k)s and other retirement plans, with only one-third from Social Security and 21% from savings and investments.
- The average age a Gen Xer reported planning to begin collecting Social Security is 65. However, when respondents were given information about the ages at which they can be eligible to collect full or partial benefits, the average targeted age increased to 66. Most Gen Xers (70%) are not confident in the ability of Social Security to provide them with full benefits.
- Gen Xers are largely home owners (82%). Their homes have an average value of \$238,000, but 17% are “upside down” — owing more on their mortgage than the value of the home.

Family

- The majority of Gen Xers are married, and of those, only about two in 10 have been married more than once.
- Most (74%) have children, with an average of about 2.5 children, and most have children living with them now. Almost 20% have blended families that include a child from a previous relationship.
- The majority (63%) still have both parents living. Twenty-nine percent have only one parent, and only 9% have no parents living. Almost two in 10 provide regular care for older parents or other relatives, with an average of almost 11 hours of care per week.
- Fourteen percent of Gen Xers live alone, but most (70%) live with a spouse or partner. Just 6% live with their parents.

Health, Aging and Generational Identity

- The vast majority of Gen Xers rate their health as good to excellent, and the most common wellness activities they incorporate in their daily life are exercise/sports and special dietary habits. Two in 10 engage in brain health exercises.
- Gen Xers will describe themselves as “old” when they are 63 on average.
- Gen Xers are fairly evenly split on liking “Generation X” as a descriptor for their generation. The largest percentage (41%) identifies more with Generation X than with Baby Boomers or Generation Y, but a significant portion (28%) identify with the Boomer generation.
- Gen Xers are conflicted on the defining characteristic of their generation. The top two most common characteristics mentioned are opposites: hard working (8%) and lazy (5%).

Major Findings

Work and Retirement

Dual-Income Households, Stable Careers

Most Generation Xers are working full-time (65%) as are 70% of their spouses/partners, indicating Gen Xers largely live in dual-income households.

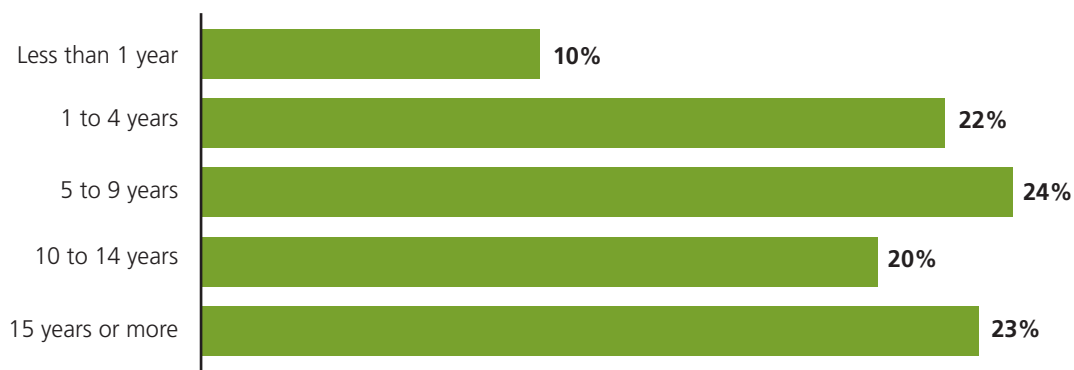
When asked who was the primary breadwinner in the household, Gen Xers were overall fairly evenly distributed between themselves bringing home the most money, their spouse/partner having the higher income or the two of them being equal earners in the household. Breaking down by gender however, 52% of men report themselves as the primary breadwinner as opposed to 23% of women.

“The two most important things when I retire are good insurance and financial stability.”

Almost a quarter of Gen Xers report having higher level occupations, including executive/administrative or managerial occupations. Almost two in ten are in the medical, legal, professional or consultant fields — also higher level positions requiring advanced education. Technical occupations, along with sales, administrative support and trade professions make up 15% of Gen Xer occupations and 13% are educators. Only five percent are self-employed.

On average, Gen Xers have stayed with their current employer for about eight years, but interestingly more than 40% have tenure of 10 plus years and nearly a quarter have remained with the same employer for 15 years or more.

Figure 1. Work History with Current Employer*



*Of those who are employed

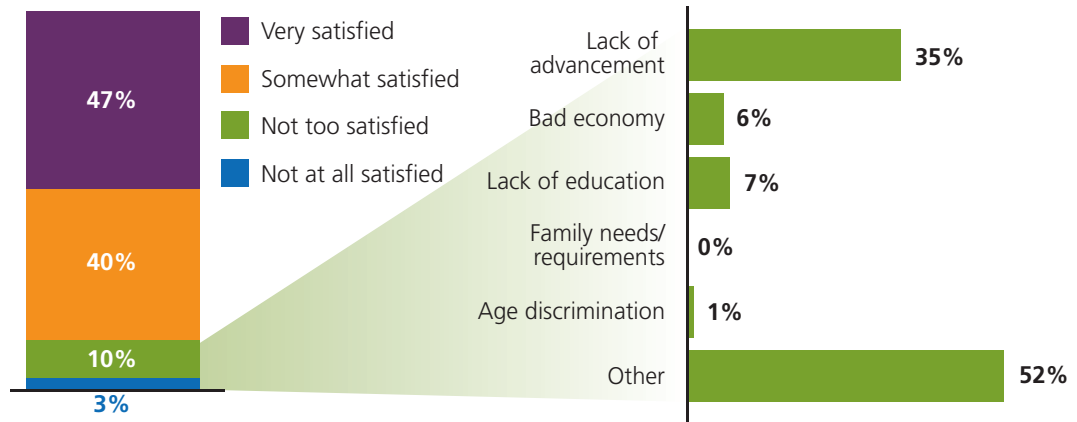
More than half (55%) of Gen Xers are not working in the career they had intended when they entered the workforce, yet most (87%) are somewhat or very satisfied with their career advancement. A little more than one in 10 are not satisfied with the advancement they've made in their careers. Just over one third of respondents gave lack of advancement opportunities as a reason for dissatisfaction. Only 7% credited lack of education as the reason behind their lack of career advancement, followed by 6% who blamed a bad economy for their dissatisfaction. Even though Gen Xers are perceived as being in the middle between Baby Boomers and Generation Y, the vast majority (89%) do not feel impeded by other generations in terms of their careers.

"I feel like, 'is there anything more?' I am in a stage where I do the same thing day after day. When I was younger I thought I would be more successful. We are successful but we have had to work really hard to get what we have. More people seem to have more."

Figure 2. Satisfaction with Career Advancement

How satisfied are you with your current career advancement?*

Why aren't you satisfied with your current career advancement?***



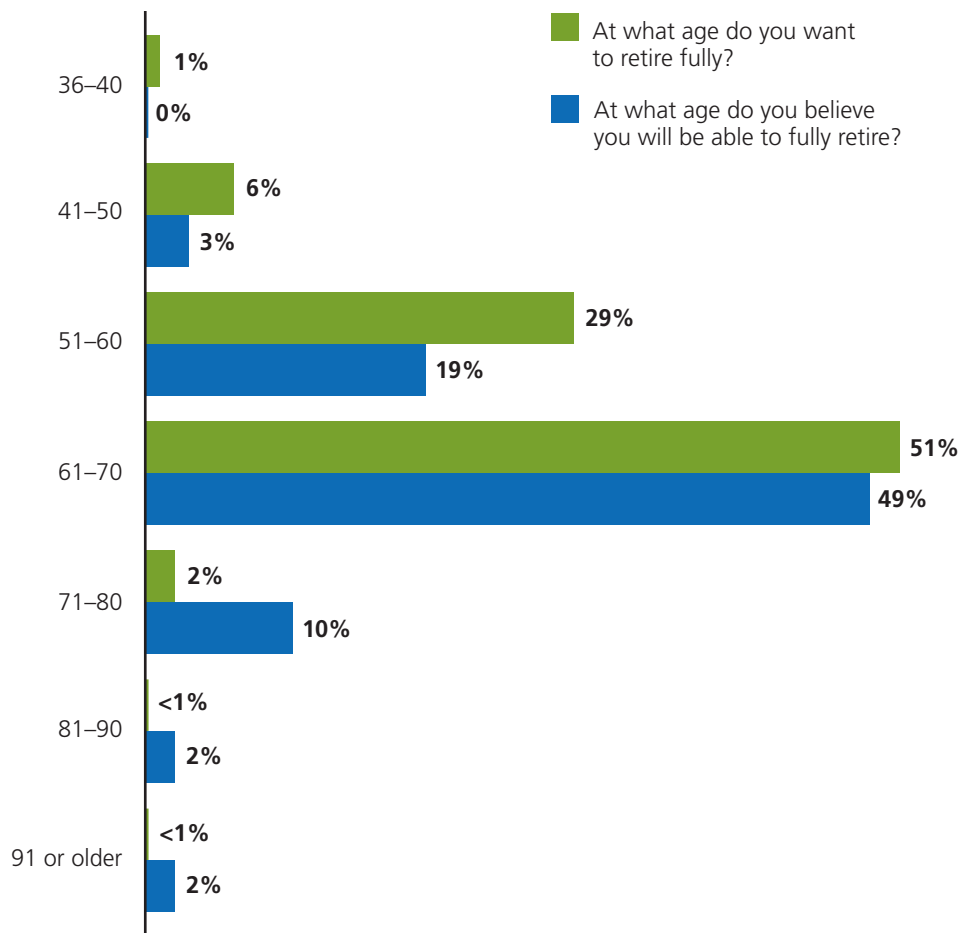
*Of those who are employed

**Of those who are not satisfied with their career advancement

Work (Work, Work!)

On average, Gen Xers, like the Baby Boomer generation before them, want to retire at about age 62. But the average age Gen Xers actually believe they will be able to retire is 67. Forty-two percent think they will have to retire later than they had hoped. Of these, most believe they will retire 5 years later or more. Only seven percent expect they'll be able to retire earlier than planned.

Figure 3. Retirement Age Planned vs. Able*



*Of those who are not disabled or fully retired

Traveling, spending time with family and relaxing are the three most cited activities among Gen Xers' top priorities for spending their time during

“In retirement I want quality of life, good food and someone to check up on me.”

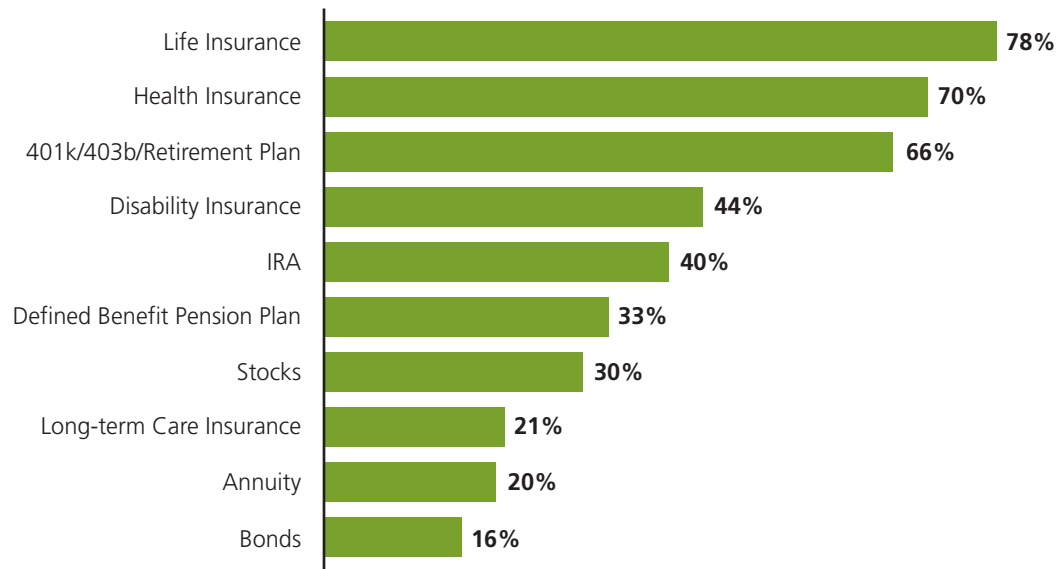
retirement. Just 15% say exercise and recreation will be a priority, which doesn't bode very well for their continued good health in their retirement years. Just over one in 10 prioritize engaging in volunteer activities. Only 7% included caring for family and friends in their top three priorities.

Finances and Housing

Many Are Financially Active

On average, Gen Xers own about four financial products, with those in higher income brackets much more likely to own more products. Those whose income is \$75,000 or more per year own five products on average, while Gen Xers with an income below \$50,000 only own two products. Most Gen Xers own life insurance (78%) and health insurance (70%). Other highly owned products are 401(k), 403(b) or Retirement Plans (66%). Just over four in 10 own disability insurance. A third owns a defined benefit pension plan. 21% of Gen Xers own long-term care insurance.

Figure 4. Financial Products Owned



Nearly two in 10 (19%) Gen Xers have received financial assistance from their parents, such as a house down payment, a business loan or tuition assistance for themselves or their children. For those who had received help with finances, it amounted to an average of about \$30,000. Furthermore, almost one in 10 Gen Xers have already received an inheritance from their parents, with an average value of about \$81,000. Three out of four Gen Xers don't expect to receive any inheritance from their parents in the future, but a quarter have the expectation of an inheritance at an average value of \$180,000 – more than double the amount reported by those who have inherited to date. Eleven percent of those anticipating an inheritance foresee a windfall of \$500,000 or more, but almost a quarter expect less than \$50,000.

High Home Ownership with High Expenses

Home ownership is extensive among Gen Xers as the vast majority (82%) owns their own home. The largest percentage of homeowners (52%) report their home value between \$100,000 and just under \$250,000, with an average home value of \$238,000. The average remaining home debt is about \$130,000. Unfortunately, nearly two in 10 Gen Xers (17%) report being “upside down” on their home mortgage — owing more than the current value of their home

Gen Xers in general have had some significant expenses recently, with about two thirds saying in the past five to 10 years they've had major expenses. Just over 40% have had housing expenses, the most commonly cited expenditure, which is not surprising given their high rate of home ownership. Fewer (28%) cited health and medical costs as significant recent outlays.

As Gen Xers' children moved into college-age, almost two in 10 said college was a key expense. Perhaps a result of the recent economic recession, a little more than one in 10 said they had helped family and friends with financial support. For those who had major expenses, 51% believe it will impact their ability to save for retirement. Another 21% think it will not have too much impact, and 28% expect no impact at all. Lower income Gen Xers are more likely to have concern.

“I had major expenses caring for my mother before she died.”

Most Retirement Savings Goals Not Achieved, But They're Working on It

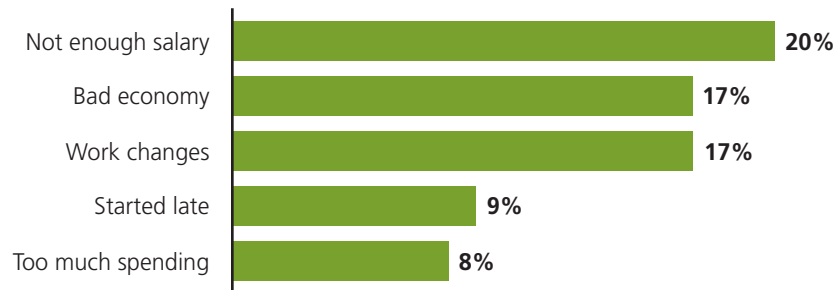
Half of Gen Xers are behind in saving for retirement. Seven percent haven't started saving and 11% don't have retirement saving goals. Just about one third

"My IRAs aren't doing very well. I'm ahead in some years and behind in some years. I've lost money three years in a row."

is on track or has already achieved retirement savings goals. Men are much more likely to be on track, as are those who have the advantages of higher education and a higher income, as well as those with better health. We can assume that Gen Xers with better health have had fewer health expenses to drain their savings.

Of those who are behind in terms of their retirement saving goals, the three most common commonly cited reasons are not enough salary (20%), a bad economy in general (17%) and work changes (17%). Fewer blame their own behaviors, such as starting to save late (9%), spending too much (8%), and accumulating too much debt (6%).

Figure 5. Top Five Reasons for Being Behind on Retirement Savings*



*Of those who are somewhat or significantly behind on retirement savings goals

Most Count on Social Security and Employer Plans for Retirement Income

When it comes to their retirement income, overall, Gen Xers are predicting they will rely heavily on pensions, 401(k) and other retirement plans. They believe nearly half of their income will come from those sources, while relying on one-third from Social Security. They believe savings, investments and other financial resources will contribute to just over twenty percent of their total retirement income. This picture is flipped when examined from the point of view of current income. Those with lower incomes now say they will depend on Social Security for more than half (56%) of their retirement income in the future and 401(k)

and other retirement plans will make up less than a third. Gen Xers who currently have a higher income believe 401(k), pensions and retirement plans will come in at 55% of their retirement revenue — but they predict fairly equal distribution of savings and Social Security.

When sliced by gender, forecasted retirement income proportions shift as well, with Gen X women relying more heavily on Social Security (37%) than men (29%). Still, women believe their retirement plans will make up 42% of their income — the largest portion. Men are planning on more income support from their 401(k), pensions and other retirement plans (49%). These anticipated amounts may be a little conservative, as Social Security accounts for (60% +/-) of retirement income for middle-income Americans.

“Well since I’m a stay at home mom, I will not have as much social security stored and I’m somewhat concerned about things like that.”

Table 1. Sources of Retirement Income (Mean) by Gender and Current Income

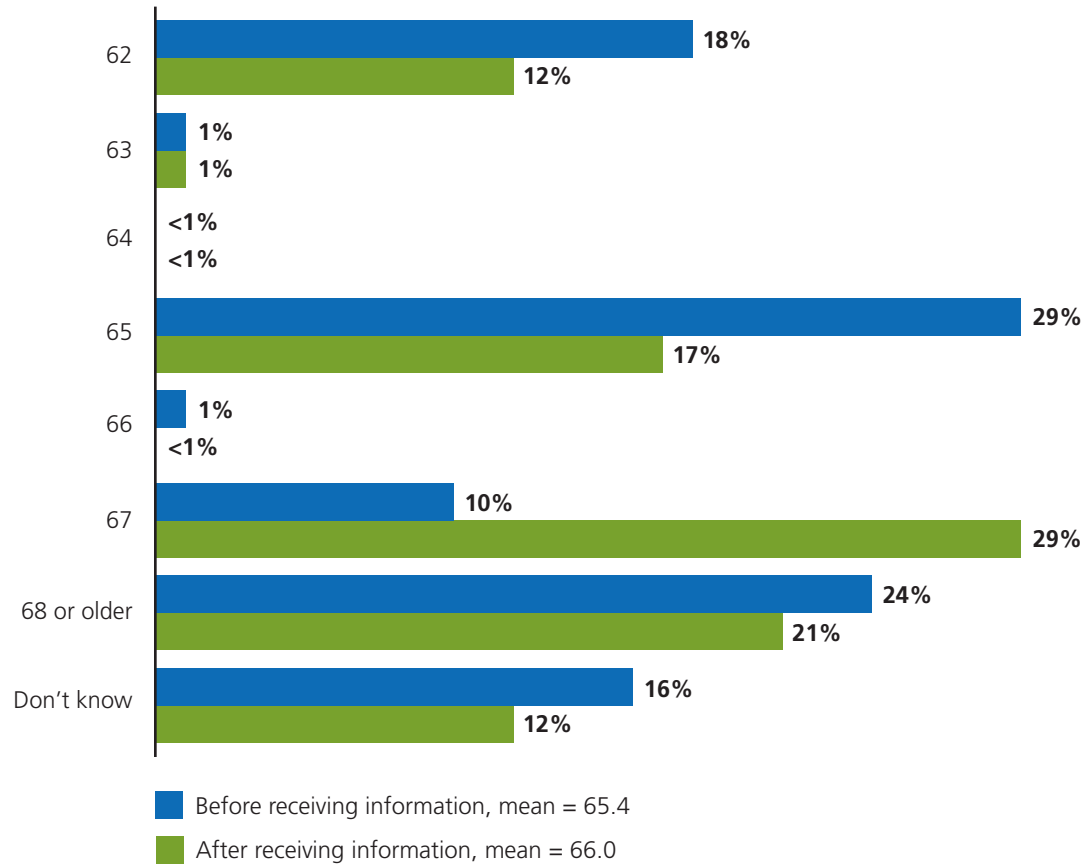
	Men	Women	<\$50K	\$50K-\$75K	>\$75K
Social Security	29%	37%	56%	33%	22%
Retirement Plans (pension, 401(k))	49%	42%	28%	44%	55%
Savings	21%	21%	16%	23%	23%

It appears that Social Security benefits are still not highly understood by Gen Xers. When initially asked at what age they plan to begin collecting Social Security, the average predicted age was 65. But then the “information effect” came into play. Respondents were given basic additional information and asked the question again:

“For those born in 1960 or later, the age at which you can collect full Social Security retirement benefits is age 67. The earliest you can start receiving benefits is as early as age 62, but at a reduced amount. Does this information change when you plan on taking your Social Security retirement benefits?”

Approximately one third of respondents did indeed change their response, adjusting the overall average planned benefits collection onset age to 66 — a full year later. Nevertheless, most did not change their response, and this new average age was still a year younger than they could possibly become eligible for full benefits. These results indicate Gen Xers may widely start out by collecting partial Social Security benefits.

Figure 6. Planned Age for Social Security Benefits*



*Of those who are not on Disability

Despite Gen Xers plans to collect Social Security and their belief that it will make up a significant portion of their retirement income, the majority — a full 70% — are not confident that all of their Social Security benefits will actually be available when they retire or start receiving benefits. Three in 10 are somewhat or very confident they will receive their full benefits. Interestingly, lower income Gen Xers are more likely to be confident they will receive all of the Social Security benefits they are supposed to get. Perhaps this hopeful thinking is because they also anticipate relying more heavily on Social Security in their retirement.

Family

Majority are Married with Children

The majority (70%) of Gen Xers are married, with one in five having been married more than once. Approximately 20% have never been married and 8% are divorced.

Most Gen Xers are parents (74%), with an average of 2.5 children. The largest age group for their children is age 12 or older. Two in 10 Gen Xers have children from their own or a spouse/partners' prior relationship. The sizable majority (88%) of parents have their children living with them with an average of two children in the home.

At an average age of 42, Gen Xers are not quite at the average age of a first-time grandparent yet (approximately 47³). Therefore, it is not surprising that, overall, only one in 10 is currently a grandparent, with an average of about two grandchildren. Of those, about two in 10 have at least one grandchild living with them.

"I'm middle-aged. Fifty and under, but that makes me feel old. At a point where parents become grandparents."

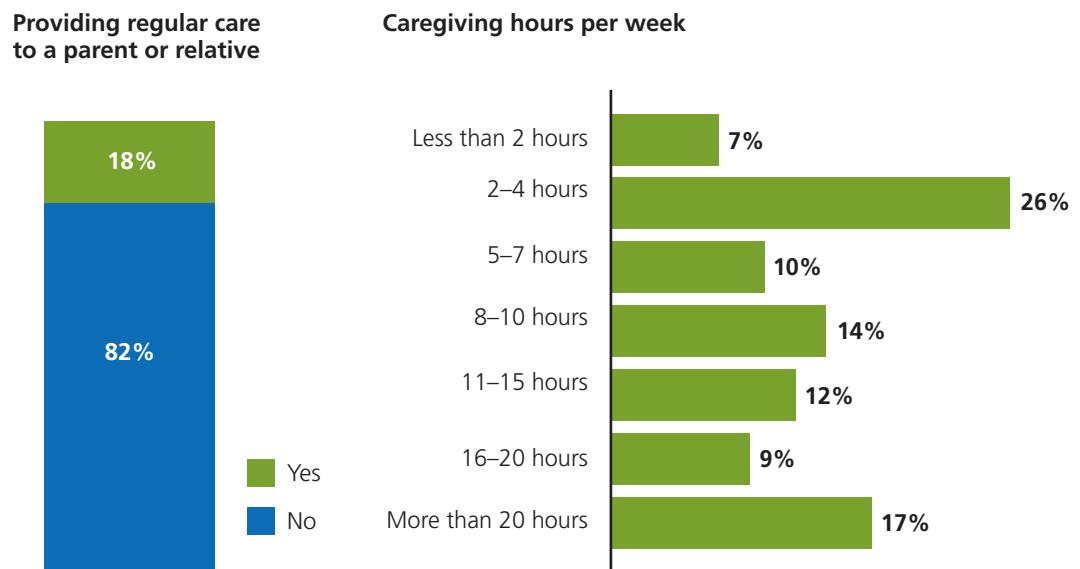
When all Gen Xers (not just parents) were asked about their household living arrangements, just 14% reported living alone. The preponderance of Gen Xers live with their spouses (70%). Sixty-seven percent have children living in the household with them. Six percent dwell in multigenerational households with their parents and 4% reside with other relatives.

Gen Xers were the first largely "latchkey kids" generation. Nearly half (46%) of Gen Xers grew up in families in which both parents worked full-time or part time. Almost two in 10 grew up in single-parent households. Another 37% had one parent working while the other parent stayed home.

Their Parents are Living, Few Need Care Yet

Currently, most (63%) Gen Xers still have both of their parents living. Just about one in 10 have lost both parents, and almost 30% have only one parent still living. Nearly 20% of Gen Xers or their spouses/partners are providing regular care for their parent or another older relative, helping with tasks such as shopping, household chores, making meals or providing transportation. They spend an average of 11 hours per week providing such care, but 17% provide more than 20 hours of care per week.

Figure 7. Caregiving to Parents



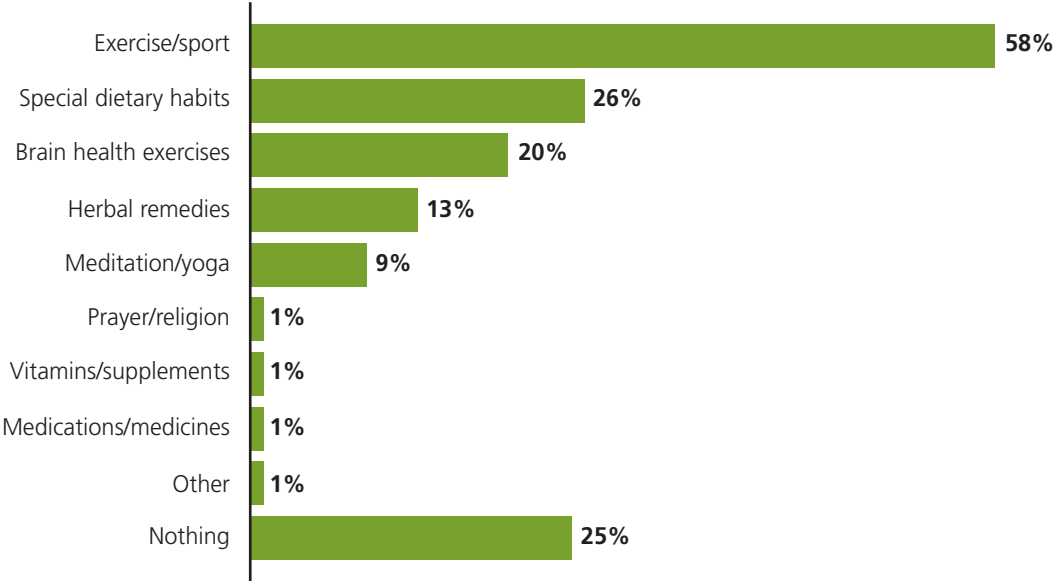
Health, Aging, and Generational Identity

A Healthy Generation with Good Health Habits

In general, Gen Xers predominately consider themselves to be a healthy group, with the vast majority (87%) reporting good, very good or excellent health. Almost 60% say exercise or sports are incorporated into their day-to-day lives. About a quarter of Gen Xers say they have special daily dietary habits to stay healthy, and two in 10 do brain health exercises. More than one in 10 (13%), use herbal remedies and nearly one in 10 is meditating or practicing yoga. A quarter of Gen Xers don't report doing any of the listed health and wellness practices on a regular basis.

"I am in the child-rearing stage of my life. I am in a career building phase, community building and I do volunteer work. I am also coming into myself, where I know what I like and don't like and try things that I would not when I was younger."

Figure 8. General Health and Wellness Practices



Almost three in 10 of Gen Xers felt they were mentally sharpest in their twenties (only 4% felt their teens were their best brain years.) But the largest portion — almost half — feels their thirties were the years when their minds were the quickest. Just two in 10 feel their brains are functioning at full-tilt during their forties.

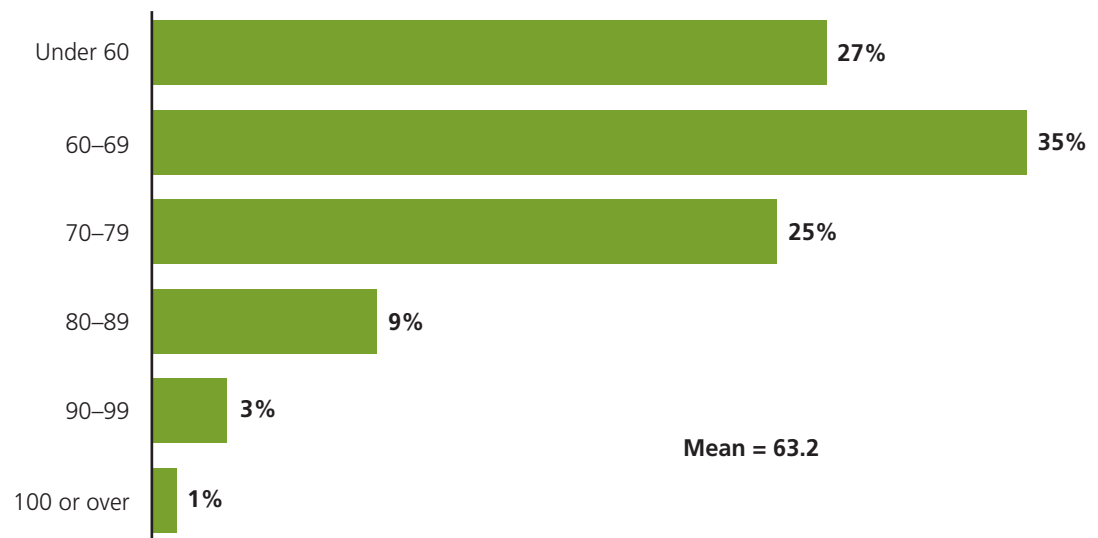
Feeling Old “When I’m 64”

Looking ahead, Gen Xers were asked at what age they will describe themselves as “old.” Just over a quarter felt they would be “old” before the age of 60. The largest portion (35%) felt that day would come between the ages of 60–69.

Another quarter felt their 70s would bring the “old” moniker, and about one in 10 felt their “old” age will come after they reach age 80. The average age Gen Xers will feel old? Riffing from the classic Beatles’ song, about 63 — less than twenty years from now for the oldest Gen Xers and before most of them even plan to begin collecting Social Security.

“I am seeing the first signs of wrinkles and I’m trying to get used to the fact that I am aging.”

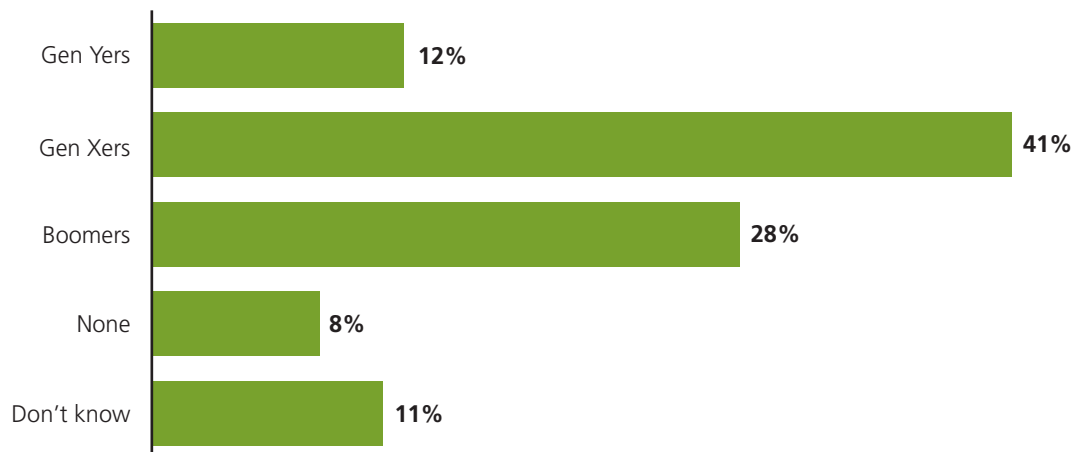
Figure 9. When Will Gen Xers Feel Old?



Gen X Identity Crisis: Hard to Define Themselves

While there are many interpretations of the “Generation X” moniker, those born between 1965 and 1976 are evenly split when it comes to their opinion of the term. Forty-nine percent don’t like it as a description for their generation and 51% like it or like it somewhat. However, when given the choice between identifying the most with Gen X, Gen Y or Baby Boomers, the largest group (41%) did choose Generation X, although still not the majority. Interestingly, 28% related mainly to Baby Boomers. Only about one in 10 felt more connected as Gen Yers, about the same as those just didn’t know which group they could relate to. The smallest group (8%) didn’t feel a connection with any of these groups.

Figure 10. Generational Identification — Who Do Gen Xers Relate Most With?

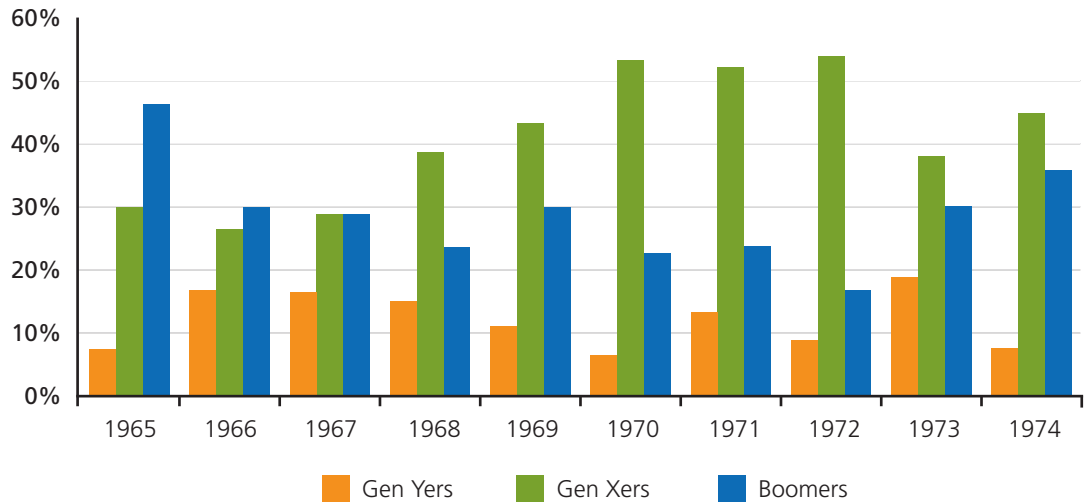


Looking at generational relating by age, the largest percentage of Gen Xers who identify more with Baby Boomers were, not surprisingly, the oldest Gen Xers born in 1965. But, overall, those who related more to Boomers did remain fairly steady throughout the Gen X age-span. Those relating more with Gen Y had a less predictable pattern. While there were fewer relating to Gen Y overall, there was a good deal of fluctuation over the age-span, with the highest percentages being both in older Gen Xers and younger Gen Xers. Perhaps relating to a generational identity is more influenced by family, values, interests, abilities and personal experience than by age.

“I think we got ***** between Gen Y and Boomers.”

Figure 11. Generational Identification by Age

Do you relate more to Gen Xers, Gen Yers, or Boomers?



“I would describe myself as middle-aged. Not quite there; almost. Somewhere in between.”

Gen Xers were asked how they would describe the life stage they are currently in, and they answered with a wide variety of responses ranging from neutral (average, normal, OK, living day-to-day) to very negative (“bad, mundane, miserable”) to very

positive (“in my prime” or “living my best years”). The top three most common response categories related to being:

- In or approaching mid-life (28%).
- Happy, satisfied and contented with life (23%).
- Family-oriented, raising a family or having young children (10%).

When asked what one word best describes their generation, almost four in 10 (38%) Gen Xers used positive descriptors such as ambitious, driven, motivated, fun-loving, technological, innovative, successful and hard-working. Less than one-third described their generation negatively, using terms such as confused, entitled, greedy, misguided, ignorant, in debt, lost/no direction, spoiled, stressed, apathetic and lazy. When it comes to the distinctive personality of their generation, it seems that Generation X feels a bit conflicted about itself. Overall, the two most common responses were hard working (8%) and lazy (5%). This attitudinal conflict coincides the most of all the findings with the perception that this generation has a lack of identity.

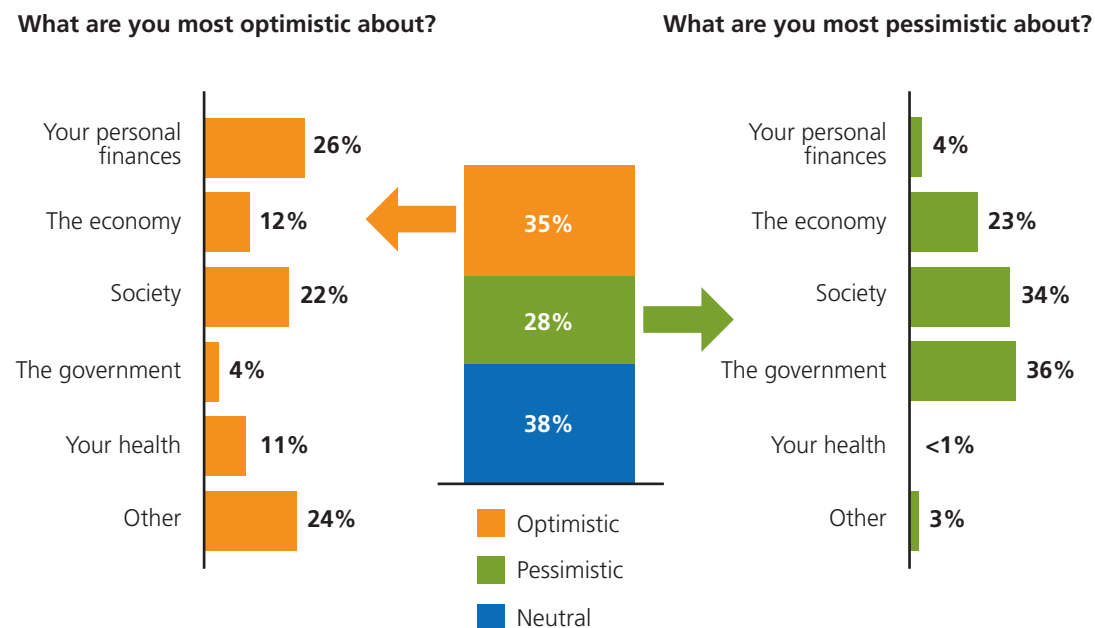
A Generation on the Fence About the Future

When asked how they feel about the future, Gen Xers are fairly evenly split between the optimists (35%), those who are neutral about the future (38%) and the pessimists, although they were the smallest group at 28%. Of the pessimists, most feel negatively about big picture issues which they may not feel they have any personal control over, such as the government (36%), society (34%) and the economy (23%). Fewer than five percent have bad feelings about the future because of individually-focused issues such as personal finances and health.

“It’s the light at the end of the tunnel. My kids are about to leave the home; we’ll have money and time.”

For optimists, however, the emphasis is reversed; they are most upbeat about their personal finances (26%). Optimists are not especially optimistic about the government (only 4%) but almost a quarter are optimistic about society in general and one in 10 optimists feel good about the future economy and a similar portion are positive about their own health. Optimists were more likely to choose “other” for what they feel optimistic about, indicating they may have other personal issues that make them see a bright future.

Figure 12. Feelings About the Future



Implications

Work and Retirement

- **Not So Stuck** — Characterizations of Gen Xers as feeling stuck in the middle between Boomers and Gen Yers did not bear out in terms of the workplace in this study, with very few feeling their careers were impeded by older or younger generations. The vast majority were generally pleased with their career advancement as well. The minority (43%) Gen Xers have remained in the same type of career throughout their working years. But, rather than

“When I retire I will be doing things I want to do and avoiding things I have to do.”

viewing this as a lack of focus, a more useful outlook of this phenomenon may be that they are flexible workers who are able to adapt to market, technology and economic changes. More than 40% of Gen Xers have been with their employer for 10 years or more. It seems Gen Xers do have significant staying power and are nimble workers.

- **Caregiving — Not a High Retirement Priority Yet** — Only 7% of Gen Xers included caring for family and friends in their top three priorities for spending their time during retirement. This is worthy of note, considering currently 18% of Gen Xers report caregiving on a regular basis. Caregiving may not be a high priority in planning for the time after they stop working, but as lifespans continue to be extended, it can certainly end up being a reality during Gen X retirement years, making it something to keep on their retirement radar

“I’m in middle age — most productive. It’s a transition period for me where I don’t have to work quite as hard and relax a little more.”

Finances and Housing

- **Retirement Savings Education** — Gen Xers want to retire at the earliest possible opportunity — with most planning for about age 62. But they don’t think they will be able to stop working until age 67. Furthermore, the majority of Gen Xers aren’t excelling when it comes to retirement savings: half report they are behind, 7% haven’t even started saving and 11% have no retirement saving goals. Women are less prepared than men. These results point to the need for Gen X-targeted financial/saving education opportunities. With 75% of Gen Xers working full- or part-time, employer-sponsored retirement saving seminars and saving incentives, such as 401K match programs, in addition to financial education and coaching, could be effective in boosting the Gen X retirement saving rates.

- **Building Flexible Strategies for Major Expenses** — Two-thirds of Gen Xers say they've had major expenses in the past 5-10 years. Housing tops the list of major expenses as Gen Xers have grown their families and perhaps been impacted by the housing crisis late in the first decade of the 21st century. Health expenses come in second on the list with 28% of Gen Xers dealing with major medical expenses before they even begin to hit the age of 50. Half of those who had major expenses believe it will impact their ability to save for retirement. The MetLife MMI *Best Case Strategies for a Flexible Retirement*⁴ study indicated that everyone should be prepared for inevitable surprises and unexpected events when it comes to retirement planning. Financial professionals can help Gen Xers assess their own thinking about the ups and downs of retirement planning as well as their actual current retirement plans, helping them build in flexible, individualized “just in case” options and strategies.

“I do not want to be a burden on my family. I want to be financially independent and have enough money to do what I want to do, and good health.”

- **Social Security Education** — Gen Xers are largely (70%) not confident in Social Security to provide their benefits when they retire. Yet, despite their lack of confidence, Gen Xers on average believe one third of their retirement income will be Social Security benefits. In addition, many respondents were apparently unaware of the ages at which they will be eligible for full or partial Social Security benefits. These results emphasize the need for targeted education of Gen Xers so they can plan for their future armed with accurate information and participate in the national dialogue to ensure the long-term strength of the Social Security program.
- **The Three-Legged Stool** — Gen Xers seem to have gotten the message regarding the “three-legged stool” model of retirement income planning which emphasizes income sourced from pensions and savings in addition to Social Security. They are, at least in theory, spreading out their planned retirement income, believing one-third will come from Social Security and splitting the rest between pensions, 401(k) and other retirement plans (46%) and other savings and investments (21%). However, as noted earlier, about two-thirds of retirement income for current middle class retirees comes from Social security benefits, a much higher proportion than Gen Xers anticipate. Gen Xers do have relatively high ownership rates of 401(k) plans (66%), however, as defined employer pensions decline and Gen Xers increasingly reach decision-making points about Social Security options and balancing their retirement portfolio, they will benefit from education, financial planning and employer 401(k) match programs.

- **Long-term Care Concerns** — Only 21% of Gen Xers currently own long-term care insurance. At the current average age of 42, many Gen Xers most likely do not have high awareness or interest in purchasing this product. People often don't think about it until they are past the age of 50 and/or their own parents are experiencing long-term care challenges. But Gen Xers are rapidly in and/or entering the life-stage where long-term care insurance should be a consideration. Financial counseling and public education now about long-term care costs and choices, as well as the pros and cons of purchasing long term care insurance at a younger age could be helpful to Gen Xers, enabling them to make informed decisions.
- **Realistic Inheritance Planning** — While three out of four Gen Xers don't expect to receive any inheritance from their parents, those who already have inherited quote an average value of about \$81,000. A quarter of Gen Xers expect an inheritance in the future, but they estimate the value will be much higher — an average of almost \$180,000 and one in 10 expect \$500,000 or more. Are these Gen Xers including this anticipated influx of cash in their retirement income planning, and if so, are their expectations realistic? A significant portion of Generation X may be not only disappointed but financially in trouble when retirement comes along.
- **Upside-Down Housing** — The average value of a home owned by a Gen Xer is about \$238,000. If we apply this value to the 82% of Gen Xers who own homes we find their home values total more than \$9.5 trillion nationally. Yet, nearly two in 10 (17%) Gen X homeowners are "upside down" on their mortgage, owing more than the value of their home — that's approximately 6.8 million Gen Xers whose major asset has negative equity. Compared to Baby Boomers, Gen Xers in general have more time to recover from the housing crisis before retirement, so despite a slow recovery they should have more equity in their homes when they stop working. Still, it is a sizeable financial burden for millions of Gen Xers to carry into their 50s.

"I have young children. We are both parents working full-time and not really thinking about retirement."

Family

- **Kids at Home** — The majority of Gen Xers have children and they are largely still living in their homes, indicating an opportunity for generational marketing specific to Gen Xers as their children grow up and "leave the nest." There is still opportunity to provide support to Gen Xers around college savings and planning as well as preparing their children for work and independence.

- **An Emerging Market: Gen X Grandparents** — Just 10% of Gen X parents are also grandparents, but with the oldest Gen Xers reaching the average age of a first-time grandparent in the next year, they will begin to enter the grandparenthood life stage in droves. Most grandparenting research, product and program development has centered on Boomers in recent years, but it's important not to ignore the rising Gen X grandparent market whose views, abilities, preferences and needs may differ. In addition, about 20% of current Gen X grandparents have grandchildren living in the same household — more than twice the percentage seen among older grandparents (8% for grandparents age 45+⁵), so they are an important target for supportive programs for grandparent caregivers. Having grandchildren living in the home may also have a larger impact on their financial resources during retirement, especially if they are the primary caregivers.

"I'm living with three young children; keeping up with day-to-day life. I'm trying to enjoy living with children, spouse and work."

- **Current Caregiving Needs** — The majority of Gen Xers still have both parents living, and currently almost two in 10 provide regular care for older parents or other relatives, with an average of about 11 hours per week. The majority also still have children living in their homes. Gen Xers are not just sandwiched between the Boomers and Gen Yers - they are in the middle between children and parents also. Gen Xers could benefit from caregiving support and tools around such issues as eldercare, work-life balance, multigenerational living, time management and family relationships.
- **Future Caregiving Needs** — About 20% of Gen Xers have blended families, with children from previous relationships. These families may have more challenges in the future coordinating care for Gen Xers as they age. Blended families often deal with complicated family relationships, confusing roles and differing opinions about how to care for loved ones. Additional attention from employers and policy makers could assist them in their particular challenges.

Health, Aging and Generational Identity

- **Exercise/Sports Opportunities** — Almost six in 10 Gen Xers reported they include exercise and sports in their daily routines, yet only 15% said exercise and recreation will be a priority activity in their retirement. Given the plethora of current research indicating physical activity is vital to healthy aging, perhaps Gen Xers' strong interest in physical activity at mid-life presents opportunity for increasing their views of the importance of exercise and recreation as they continue to age.

- **Tech and Brain Health** — Only two in 10 Gen Xers engage in brain health activities, although most think they were sharpest in their 30s. This gap represents an opportunity for those who study, develop and market brain health games and activities. As the body of relevant research around brain health continues to grow, brain health games and activities can be shaped to entice tech-savvy Generation X by making them entertaining, fun and technologically challenging.
- **Identity as a Generation** — Some aspects of the negative stereotype of Generation X as lacking identity and stifled between Boomers and Gen Y were corroborated by this study, but not all. The ambivalence around the title of “Generation X,” as well as the conflict around their defining characteristics, seems to point to disagreement among Gen Xers regarding their generational identity. Majority or consensus appears to be missing. Many actually identified more with the Boomer or Gen Y cohorts.

“I know my generation is totally different from the older generations.”

As Gen Xers age, their path to and through retirement will unfold — will they follow a similar path as the Boomers before them? Is there a “digital divide” between Boomers and Gen Xers that will enable Gen Xers to age differently due to their lifelong proficiency with technology? With their good habits and focus on wellness, will they reach older age in better health than earlier generations? Is there a possibility, with their relative stability in family and work life and their knowledge of finances that they will be in better financial shape than the Boomers when they retire? More insights on this relatively unstudied, interesting, and sometimes surprising, generation will be required on the research agenda as they move full steam ahead into their retirement years.

“I would describe this time in my life as exactly as I had hoped it would be. I’m content, healthy, happy, looking forward to the future.”

Methodology

The nationally representative survey for *The MetLife Study of Gen X: The MTV Generation Moves into Mid-Life* was conducted by GfK Custom Research North America on behalf of the MetLife Mature Market Institute between November 29, 2012 and December 19, 2012. A total of 1,000 interviews were completed by phone — respondents were all born between the years of 1965 and 1976. Data were weighted by demographics to reflect the total Gen X population.

Demographics

Marital Status

Married	70%
Single, never married	19%
Domestic partnership	1%
Divorced	8%
Separated	1%
Widowed	1%

Ethnic Background

White/Caucasian	78%
Black/African American	13%
Asian	<1%
Other	9%

Hispanic Origin

Yes	14%
No	86%

Gender

Male	49%
Female	51%

Employment Status

Employed (NET)	75%
Full-time	65%
Part-time	10%
Stay at home Mom or Dad	9%
Self-employed	4%
On Disability	6%
Looking for work	3%
Fully retired, not working	1%

Education

Did not complete high school	3%
High school or GED	35%
Associate's degree	18%
Bachelor's degree	30%
Master's or doctorate degree	13%

Annual Household Income

Less than \$15,000	5%
\$15,000 - \$24,999	5%
\$25,000 - \$34,999	9%
\$35,000 - \$49,999	10%
\$50,000 - \$74,999	21%
\$75,000 - \$99,999	17%
\$100,000 or more	29%
Don't know/Refused	4%

Endnotes

- 1 According to the U. S. Census Bureau, as of July 2012 there were 49,197,918 Gen Xers.
- 2 MetLife Mature Market Institute. 2009. *Boomer Bookends: Insights into the Oldest and Youngest Boomers*.
- 3 AARP (2012). *Insights and Spending Habits of Modern Grandparents*.
- 4 MetLife Mature Market Institute. 2011. *Best Case Strategies for a Flexible Retirement: The MetLife Study of Thinking About Retirement in Uncertain Times*.
- 5 MetLife Mature Market Institute. 2012. *Grandparents Investing in Grandchildren: The MetLife Study on How Grandparents Share their Time, Values and Money*.

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