

Gen-X and Retirement Savings

Today we're going to discuss the unique financial challenges for Generation X and how that may play into retirement. Generation X, or simply "Gen-X" are the generation of people whose birthdays in 2018 saw them turn the ages of 42 to 53, having been born between 1965 and 1976. Gen-Xer's, who the Pew Research Foundation called "[the neglected middle child of America](#)," find themselves bookended in between two much larger generations: the older baby boomers, and the younger millennials.

Gen X tends to fall in the middle in many demographics as well. They are between millennials and baby boomers in percentage married between the ages of 18 and 32, percentage who are religiously unaffiliated and nine other demographics found by the Pew Research Foundation. You can almost imagine the entire generation as a frustrated Jan Brady exclaiming, "Marcia! Marcia! Marcia!"

Members of Generation X may be the single most financially challenged generation alive today. However this doesn't mean that a happy retirement is not on the horizon for members of Gen X. It's more about the economic, social and financial landscape you are born into than anything else.

The main financial strain on this generation is due to their "middle child" status. Many members of Generation X find themselves either financially supporting elderly baby boomer parents, or raising millennial or Gen-Z children, who will need more financial assistance than previous generations before them to attend college and have healthcare.

According to [Experian's State of Credit: 2017 report](#), Generation X has around \$125,000 in consumer debt — things like mortgage, auto, credit card, student loans – when compared to the national average of consumer debt, which is just \$88,000 per adult.

In grappling with more financial responsibilities than the generations previous, simply put, Gen-Xers have the most debt of any generation. So it may be more appropriate to imagine Jan Brady exclaiming, "Debt! Debt! Debt!"

It's not hard to see why this group is pessimistic about their financial future. Many find it difficult to earmark money for retirement while they have this staggering amount of debt to pay down. It can be hard to look ahead when there is a giant boulder blocking the road.

However, despite what we've mentioned, they too are making progress towards a more stable financial future; their average credit score in 2017 rose to 658, which was up from 655 the year before.

With so much consumer debt, as I mentioned earlier, sometimes people can lose touch with how much they can actually afford to spend within their means.

Over time, with this type of continued spending, things can become cloudy as to what you believe is a comfortable degree of spending. In fact, it could be ever-so-slowly snowballing your debt, like with credit cards or various types of loans.

With an improved housing market, many Gen-Xers may be able to build back some of the equity that they may have lost in their home during the housing bubble. The retirement outlook for members of this generation is still looking up, and Gen-Xers seem to be very realistic with what they expect as far as a standard of living goes, in retirement.

As the first generation to have access to 401(k) plans for the majority of their careers, they may have a nice little nest egg to fall back on after all is said and done. However, [a recent study by Allianz](#) showed that the median amount that Generation X has in retirement savings is only \$35,000, which is equal to the median level for millennials.

This is perhaps the biggest issue. Generation X should be well ahead of millennials when it comes to saving for retirement. That means for many members of Generation X, there is a need to ramp up retirement savings. The good news is that many members of Generation X are looking at two to three more decades in the work force. So there is time to make the correct adjustments.

If you are a member of Generation X and have questions about your retirement savings, your options and possibilities, I recommend meeting with a financial services professional. It's never too soon to create your retirement strategy.

Thanks again for reading my blog. Once again, I am Tim Sullivan with Strategic Wealth Advisors Group, Inc. And finally, if you want any more information on what we discussed today feel free to give us a call at (586) 203-2275 or visit my website at: www.strategicwealthadvisorsgroup.com. I will be glad to provide you with a FREE copy of my book or provide you with a complimentary consultation to go over your situation.

Sources:

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