

Don't you forget **about me**

Getting the MTV generation (Gen X) successfully
to and through retirement



Research from Corebridge Financial reveals important insights about Gen Xers' financial capabilities, concerns and retirement planning priorities.

Gen X: The often-forgotten generation nears retirement



Sandwiched between Boomers and Millennials, Gen X (born between 1965 and 1980) is often overlooked.

While the Boomers that came directly before them and the Millennials that came directly after garnered significant media attention over the years, Gen X has largely slipped below the radar. And today, all the buzz seems to be about Gen Z. But with retirement approaching for Gen X, it's about time they get the attention they deserve.

The 65 million Americans who make up Gen X are at a critical stage in their retirement planning and savings journey. Currently between the ages of 44 and 59, they are in their prime earnings and savings years, but with a smaller window of time to save for retirement than Millennials and Gen Z. As they become empty nesters, Gen Xers can also turn more serious attention to planning for retirement.

Gen X—Next in line for retirement

This year, more Americans will turn 65—the traditional retirement age—than at any other time in history.

This demographic milestone, dubbed Peak 65,[®] is being driven by the aging of the Baby Boomers.¹

As this final wave of Boomers begins to retire, they will largely be replaced in the workforce by Gen Xers, who are next in line for retirement. It's time for Gen X to make a focused saving and planning push—and to take action as retirement is rapidly approaching for many of them. Will they be ready?

Source for research findings: Corebridge Financial, "2023 Corebridge Financial Survey on Longevity." Please see back cover for more information about this survey. ¹Peak 65[®] is a registered trademark of the Alliance for Lifetime Income.

Riding an unending wave of change and innovation

Gen Xers were raised on MTV and John Hughes films, witnessed the fall of the Berlin Wall, and the rise of the personal computer. And when it came to music and fashion, they took the Grunge movement mainstream. Growing up, the phone in their bedroom—if they were lucky enough to even have one—featured a dial or push-button keys, and it was plugged into the wall. When they needed a ride somewhere (most likely the local mall or movie theater), they relied on the “Uber” driver of their day—their parents or a friend’s parent.

Gen Xers’ lives have been transformed by an unending wave of innovation and change. The way they save for retirement has also changed significantly. Members of Gen X entered the work force as many American companies were making the transition from defined-benefit pension plans to savings-based plans, such as 401(k)s and 403(b)s, which thrust more of the retirement-funding responsibility directly on to them.

Shaped by a series of major market and economic events

Gen Xers have also lived, worked, and saved while riding a roller coaster of economic ups and downs. They witnessed the bursting of the dotcom bubble in 2000, immediately followed by the economic shocks associated with the terrorist attacks of September 11, 2001. They experienced the financial crisis of 2008 (the worst economic downturn in the United States since the Great Depression), the cryptocurrency crash of 2018, and the COVID-19 pandemic which led into the highest levels of inflation in over 40 years.

When these economic challenges are combined with personal responsibilities, such as simultaneously caring for their parents and children, paying down a mortgage, and funding a child’s college tuition, it’s not surprising that saving for retirement has been a struggle for many of them.



65 million strong and quickly marching towards retirement, Gen X is a generation that should not be overlooked, discounted or forgotten.

Gen X: Feeling the pressure

Among all generations, Gen Xers are surprisingly the least confident in their financial abilities and their financial future.



- **Managing day-to-day financial priorities:** Less than half (44%) are very confident in their ability to manage their day-to-day financial priorities.
- **Covering unexpected expenses:** Just over a quarter (28%) are very confident in their ability to pay for unexpected expenses, such as a medical emergency.
- **Preparing for the future:** Only about a third are very confident in their ability to save for retirement (34%), plan for a successful financial future (32%), and manage their retirement money to provide income for as long as they live (32%).

And while they may lack financial confidence, Gen Xers make up for it in other areas. They are widely known to be highly educated, resilient, independent, and pragmatic.

Response totals shown above reflect extremely or very confident.

Gen Xers could benefit from the help of a financial professional.

This overall lack of financial confidence highlights the need for Gen Xers to work with a financial professional as retirement nears and their runway for saving and planning shortens. Perhaps due to their self-reliant nature, Gen Xers express lower interest than Millennials or Gen Zers in obtaining guidance from a financial professional in the next year, according to our research. Making this connection happen may require some proactive outreach from those in the financial services community; however, it appears Gen Xers see the value in financial guidance.

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Gen Xers who work with a financial professional are nearly twice as likely to say they are extremely or very confident in their ability to save for retirement and plan for a successful financial future.

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Gen Xers need to plan and prepare for a potentially long retirement.

Gen Xers may spend 30 or more years in retirement. With the advances in medicine that are on the horizon, living to 100 or beyond may not be out of the question. And while not everyone may reach such an advanced age, it's essential to take action to help prepare for that possibility. That includes investing for the long-term growth potential they're going to need. It also requires thinking through longevity risk and identifying financial strategies and solutions to help ensure they don't outlive their money.

Gen Xers are more concerned than excited about longevity.

Americans are living longer—and while that’s great news, some are less excited about it than others. In fact, only 52% of Gen Xers say they want to live to 100, compared to 53% of Boomers, 59% of Millennials, and 63% of Gen Zers. However, when thinking about living a very long life, such as to age 100, here’s what Gen Xers say are the top benefits:

What are the benefits of living to 100?

Continued meaningful relationships with family and friends	69%
More time to explore / have new experiences	65%
Witnessing new discoveries and watching the world evolve	56%

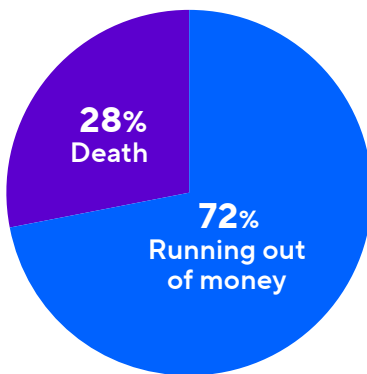
If they were to live to 100, Gen Xers are more concerned than any other generation about serious health problems, quality of life, independence in later life and being a burden on their family. These concerns—and their worry about not being prepared—may explain why Gen X is least likely to say they want to live to 100.

Gen Xers top concerns about living a 100-year life

1. Serious health problems 66%
2. Quality of life 64%
3. Running out of money 63%
4. Independence later in life 61%
5. Being a burden on family 56%
6. Being lonely 43%

Response totals shown above reflect extremely and very concerned.

Which of the following do Gen Xers fear more?



Outliving savings is a key Gen Xer worry.

While running out of money may not top the list, it is clearly an anxiety-producing thought, with nearly 3 out of 4 Gen Xers saying they fear running out of money more than death. Across all generations, this fear is greatest among Gen X.

When it comes to generating income from their retirement investments, only about 1 in 10 (11%) think their current retirement investments will be able to provide monthly income in retirement for as long as they need. Clearly, retirement income solutions that deliver lasting income are going to be important for Gen Xers.

Gen X is not thrilled about the idea of working longer.

While Gen Xers recognize they may need to work longer than they originally anticipated, they are not excited about the possibility of adding too many years to their working life. Half are extremely or very concerned about being able to retire when they want. Interestingly, the generations closest to retirement—Gen Xers and Baby Boomers—are the most likely to say they will need to work to age 70 or later before they can retire.

Until what age do Gen Xers think they'll need to work before they can retire?

50-61	12%
62-64	22%
65-69	40%
70+	27%

If they were to live to 100, more than half (51%) of Gen Xers would find it extremely or very concerning if they had to add 10 or more years to their working life, underscoring the importance of taking action on their retirement planning now.

One way that Gen Xers can boost their retirement security is to work part time at something they enjoy after retiring. Continuing to collect income can help them accumulate additional retirement savings, while also delaying the need to draw from their savings. Many retirees also find that staying active and engaged adds to their overall health and satisfaction. The same may hold true for Gen X.



Gen X: Facing financial obstacles but getting priorities in order

Gen Xers must quickly and delicately balance today’s financial realities with tomorrow’s financial needs.

Near-term financial needs and economic pressures are hindering Gen Xers’ ability to focus on long-term savings. Two-thirds (67%) say inflation is one of their most significant challenges, and half (51%) point to the rising cost of healthcare. What’s more, a majority (58%) say their daily living expenses have increased over the past three years, and a quarter (26%) say their non-mortgage debt has increased.

Most significant financial challenges facing Gen Xers today

1	Inflation	67%
2	Rising cost of healthcare	51%
3	Financially unable to save more	40%
4	Generating lasting retirement income	38%
5	Managing current financial needs	32%
6	Stock market volatility	31%



With inflation and rising healthcare costs cited as top concerns, and nearly one-in-three worried about stock market volatility, it will be important for Gen Xers to look for ways to keep their money invested to help capture the long-term market growth potential they need, while also managing downside market risk as they get into the critically important years just before and after they retire.

The latchkey generation is ready to latch onto lifetime income.

When growing up, Gen Xers were the first generation referred to as latchkey kids, because they were often left without adult supervision due to an increase in dual-income and single-parent families. Then when they entered the workforce, Gen Xers were affected by another significant workplace shift: the private-sector move from traditional defined-benefit pension plans to defined-contribution savings plans, such as 401(k)s and 403(b)s. This change shifted the burden of creating lifetime retirement income from employers to employees.

Most Gen Xers know they cannot rely on Social Security as their sole source of retirement income. More than half (54%) are extremely or very concerned that Social Security benefits will not be enough to cover their living expenses in retirement. A significant majority (62%) are also extremely or very concerned about whether Social Security will even be available when they retire.

For Gen Xers, lifetime income solutions will likely play an important role in their retirement portfolios. However, only 27% say they have a pension, and less than 10% have an annuity. Moreover, one in 10 Gen Xers say they do not have any retirement savings vehicles.

Nearly three-quarters (73%) of Gen Xers would feel more confident about living comfortably in retirement for as long as they live if they had a source of guaranteed monthly income beyond Social Security.

I want my lifetime income.

The good news is that in addition to ramping up their retirement savings, Gen X is also ready to take action to secure lifetime income. In fact, securing lifetime income is their top financial priority. And nearly two-thirds (64%) say having protected income for life in retirement has become more important over the past year.

Gen Xers top financial-related priorities

1	Secure lifetime income	94%
2	Increase or begin retirement savings	90%
3	Financial planning	88%
4	Start or grow an emergency fund	84%
5	Pay off debt/buy or increase life insurance	80%
6	Create an estate plan	68%



Moderate, high or highest priorities



It’s not too late for Gen Xers who may be short on retirement savings to gain significant ground.

Older Gen Xers can take advantage of retirement plan catch-up contributions starting at age 50. And younger Gen Xers in their mid-forties still have perhaps two decades to sock away savings. What’s more, Gen Xers of all ages can take advantage of the benefits of compound interest, especially with retirements lasting upwards of 30 years or more. Tax-deferred and tax-free savings solutions can also play a valuable role in helping Gen Xers of all ages maximize the growth of their savings and reduce current taxes.

For Gen X retirements, all is not lost, but action is required.

When it comes to preparing for retirement, all is not lost for the forgotten generation. Although Gen Xers may lack confidence in their financial abilities and their financial future—and they face some key planning challenges—their financial priorities suggest they clearly know what’s missing and they know what they need to do next. Now is the time to conquer inertia and put priorities and plans into action.

While many in this generation take well-deserved pride in their sense of independence and self-reliance, seeking out professional financial guidance may be a game changer for them. Working closely with a financial professional can help Gen Xers get closer to where they need to be as retirement nears.

At Corebridge, we believe that great things can happen when people take action. Action is everything. We’re committed to helping Gen X actively plan and prepare for retirement through the resources, tools and solutions we offer—and through the financial professionals and institutions we proudly partner with.

Our “8 Retirement Action Steps for Gen X” makes it easy for Gen Xers to take action for the future.

For a copy, go to:
corebridgefinancial.com/genx



Action today can lead to great things tomorrow. **Action is everything.**

The 2023 Corebridge Financial Survey on Longevity was conducted online May 2-11, 2023, by Morning Consult among a national sample of 2,284 U.S. adults, ages 22-75, with household incomes and assets of at least \$35,000 each.

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