

# Prudential Pulse Survey

## Gen X: Retirement Revised



### Generation X confronts harsh new reality of retirement: unreadiness

- **More than one third of Gen Xers have less than \$10K in retirement savings.**
- **Largely missing out on “Great Wealth Transfer,” from boomers to millennials.**
- **Working much longer and rethinking “snowbird” lifestyles.**

America’s 65 million Generation Xers (born between 1965 and 1980) are confronted with a new set of financial challenges that are redefining their plans for retirement, just as they enter their final working years, according to Prudential Financial, Inc.’s latest Pulse research survey, “[Gen X: Retirement Revised](#).”

### Key findings of the survey include:

- **Nest egg empty.** Up to 30 million (46%) Gen Xers do not think they will have enough saved to live comfortably in retirement. Those fears reflect Gen X’s savings reality: 35% have less than \$10,000 saved, and 18% — reflecting up to 12 million Gen Xers — have nothing saved.
- **Delaying retirement.** Almost half (47%) of all working Gen Xers expect to retire later than anticipated. Forty percent plan to work part-time after retirement.
- **Won’t bet the house.** Only 16% of Gen X plan to use their home value to help fund retirement. Most of Gen X are not planning to follow in the footsteps of baby boomers, who are tapping into record home equity and currently make up the highest share of buyers and sellers nationwide.<sup>1</sup>
- **Not flying south.** Approximately two-thirds (65%) of Gen X plan to stay in one city or town in retirement. Only 15% plan to split time between locations.
- **Disrupting the “Great Wealth Transfer.”** A mere 12% say an inheritance will be a source of retirement income, even as boomers are expected to pass down over \$70 trillion.<sup>2</sup> What’s more, 84% of Gen Xers are *not* planning to leave an inheritance.

“Gen X faces one of the most complex landscapes for retirement readiness in decades, including the decline of defined benefit pension plans which supported prior generations’ retirement, as well as significant

uncertainty about the economy and long-term Social Security benefits,” said Prudential Vice Chair [Rob Falzon](#). “This data underscores how important it is for Gen X to adopt a new set of retirement strategies designed to protect and grow their savings, and, when possible, translate their assets into reliable sources of future income.”

### **Additional retirement obstacles identified in the survey**

Gen X is facing complex situations not seen by previous generations. At the same time, they are not currently following a retirement strategy, saving enough, or accounting for long-term expenses and situations.

- **Social Security ... not so secure.** Despite projections that Social Security trust fund reserves could be depleted by 2033,<sup>3</sup> 58% of Gen X say they will rely on it as a source of retirement income.
- **Pensions in the past.** Only 20% of Gen X plan to use pensions as a source of retirement income, and only 11% will *mostly* rely on a pension. This reflects the known steep decline in the number of pension plans, which fell by 73% between 1985 and 2020.<sup>4</sup>
- **Saving without a plan.** Almost half (48%) are saving, but don’t have a plan.
- **Inflation.** More than two-thirds (68%) of working Gen Xers are concerned about reaching their savings goals due to inflation, and nearly three-quarters (72%) of all Gen Xers say the current environment makes it hard to plan beyond day-to-day.
- **Work worries.** While an economic downturn still ranks as the biggest threat to job security among working Gen Xers (35%), fears of being replaced by younger (29%) and less expensive (26%) workers are close behind.
- **Critical expenses overlooked.** Nearly two-fifths (38%) are not factoring in healthcare costs, and three-quarters (75%) are not accounting for assisted living expenses.

“Gen Xers are contemplating significantly different approaches than prior generations to achieve retirement security,” said Dylan Tyson, president, Prudential Retirement Strategies. “Together, we must find ways to incorporate the fundamental best practices of traditional pensions into today’s defined contribution-based retirement system. Strategies like protected accumulation and protected income planning are required to help Gen Xers avoid the potential hazards of longevity risk and market volatility on otherwise well-balanced financial plans.”

To learn more about potential retirement strategies and solutions, click [here](#).

### **ABOUT THE PRUDENTIAL PULSE SURVEY – GEN X: RETIREMENT REVISED**

The Prudential Pulse survey was conducted on behalf of Prudential by Brunswick Group from March 31 to April 6, 2023, among 2,000 pre-retiree Gen Xers in the United States. Generation X are those individuals born between 1965 and 1980, ages 43 to 58. The sample includes 1,717 occupied/working Gen Xers, defined as those currently working full- or part-time, seeking work, or studying. The interviews were conducted online, and quotas were set to reflect a nationally representative population based on age, gender, race/ethnicity, educational attainment, and region. Results from the full survey population have a margin of error of +/-2 percentage points at a 95% confidence level.

### **ABOUT PRUDENTIAL**

Prudential Financial, Inc. ([NYSE: PRU](#)), a global financial services leader and premier active global investment manager with approximately \$1.4 trillion in assets under management as of March 31, 2023, has operations in the United States, Asia, Europe, and Latin America. Prudential’s diverse and talented employees help make lives better and create financial opportunity for more people by expanding access to investing, insurance, and retirement security. Prudential’s iconic Rock symbol has stood for strength, stability, expertise and innovation for nearly 150 years. For more information, please visit [news.prudential.com](#).

<sup>1</sup> National Association of REALTORS® [report](#).

<sup>2</sup> Total wealth figure according to Federal Reserve [data](#).

<sup>3</sup> The Trustees of the Social Security and Medicare trust funds [report](#).

<sup>4</sup> Department of Labor [data](#).

1070580-00001-00

**Contact(s)**

John Garretson

+1 973-943-0804

[john.garretson@prudential.com](mailto:john.garretson@prudential.com)