

GENERATION

Generation X: The Forgotten Retirement Segment

37% of Gen X-ers say they won't be able to afford to retire.

They were born in the mid-sixties to the early eighties. They were latchkey kids and were the driving force behind tech startups and small businesses. Their penchant for entrepreneurship has earned them the title of Generation 1099.

They're also a generation in which males saw their incomes dropping 12% below that of their fathers, says a report released by Pew Charitable Trusts, the American Enterprise Institute, the Brookings Institute, the Heritage Foundation and the Urban Institute.

Likewise, Generation X was the one most impacted by the recession, says a 2013 Pew Charitable Trust survey.

On average, most Gen Xers have saved just 30% of what they think they'll need to retire, says a Bank of Montreal study.

With approximately \$28,400 in student loan debt, children to care for, and aging parent to consider, it comes as no surprise that Generation X is in the worst financial shape of any generation, says a 2015 Northwestern Mutual Planning & Progress Study.

It's also why 37% of them say that most likely won't be able to afford to retire. In a new study from TD Ameritrade, 43% of Gen X-ers say they're behind in their savings, 49% worry about running out of money in retirement, and 17% say they aren't saving or investing.

Moreover, pensions disappeared as companies tightened belts. Options too shrunk, leaving a generation of plan participants trying desperately to catch up. For retirement advisors, it's not too late to help Gen X-ers turn it around. A few ways advisors can get them back on track include:

Seeing the full picture.

Gen X-ers already know their debts quite well. What they may not know is their potential for saving. Advisors can show them the possibilities that exist for helping them catch up on their missing retirement savings. By going over various savings options – automatic renewal, incremental increases in retirement plan contributions, and catch-up contributions – can give Gen X-ers a clear idea of how much more they can put away for retirement.

Putting their retirement first.

Gen X-ers could well be feeling the financial burdens coming from their parents and children simultaneously. Unfortunately, too many Gen X-ers prioritize these needs ahead of their own retirement needs. Advisors should educate Gen X-ers on the importance of saving now so that their children are not burdened by their parents later in life, and to impart to them that helping their children through college should not be at the expense of their own financial well-being later on.

"They lost benefit options over the years, including pensions. How advisors can help GenXers mind the gaps and improve retirement savings."

Devising together a simple strategy.

Advisors can educate their Gen X clients on their options, then walk them through how to make the most of their investments by sticking with the strategy. Also, advisors would do well to meet regularly with their Gen X participants to ensure their strategy is working the way they'd hoped.

Generation X has lost its way when it comes to retirement savings. With just a little focus and direction, advisors can make sure Gen X-ers find their financial footing well before they head off to retirement. ■