Generation X Far More Ready To Take On Responsibility For Retirement Than Boomers

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-- Generation X expects to retire at 63.6 years and needs an average of $1.5 million to retire comfortably, PNC Survey finds

-- More than half of Generation Xers are saving more for retirement since the Great Recession

-- Nearly all respondents are expecting Social Security to be there for retirement

PITTSBURGH, April 14, 2015 /PRNewswire/ -- When it comes to retirement preparation and investing, members of Generation X tend to be more worried, are saving more and taking more responsibility for their nest eggs than baby boomers, according to new survey findings from The PNC Financial Services Group, Inc. (NYSE: PNC).

The survey, which measured the attitudes on retirement preparedness of Generation X, defined as those between the ages of 35 and 49, and baby boomers, between the ages of 50 and 68, also revealed that more than half believe they will need $1 million or more to be comfortable in retirement. Generation X expects to need an average of $1.5 million for retirement while baby boomers' average expectation is slightly lower at $1.3 million. However three-quarters (74 percent) of boomers have yet to reach the $1 million milestone.

In PNC's survey of 1,017 adults with investable assets of at least $50,000, 65 percent of Generation Xers responded "I believe I am solely responsible for my retirement (no Social Security, employer pension, inheritance, etc.)" vs. 45 percent of boomers.

The survey showed that while only one in seven (15 percent) of all survey respondents are still coping with the effects of the Great Recession, seven out of 10 changed their financial behavior as a result. A majority of Gen X (51 percent) say they are saving more for retirement, compared to 37 percent of boomers.

"One outcome of the Great Recession is that we are seeing meaningful changes in financial behavior in 71 percent of all survey respondents, especially among Generation X. One of the most challenging tasks is changing habits, particularly in managing spending and debt and increasing savings and seeking advice," said Celandra Deane-Bess, senior wealth planner for PNC Wealth Management and chair of PNC's national practice group for retirement.

Many of those surveyed know that their 401(k) or comparable plans will not be enough to get them over their retirement goal. On average, respondents invest 11 percent in their employers' retirement plan and another nine percent (on average) specifically for retirement outside of these plans.

Younger investors worry more that they will have enough to live on for the rest of their lives. Three quarters (73 percent) of Generation Xers agreed with the statement "I worry that my savings may not hold out for as long as I live" as opposed to 55 percent of boomers.

"It is important to note that the actual amount needed to retire comfortably is dependent on the individual level of spending in retirement and the cost of living in the area of the country one may reside. It is also affected by how effectively individuals have managed debt throughout their working years," Deane-Bess said.

Other insights from the survey included:

- No matter the age, an overwhelming number expect Social Security to be there for them. Ninety-four percent of all survey respondents agreed "I have earned my Social Security through paying Social Security taxes and therefore it is owed to me."
- Healthcare concerns high: 84 percent of all survey respondents fear that healthcare costs will be too expensive in retirement, topping the list of all concerns among respondents. Generation X is slightly more worried than boomers (89 percent vs. 83 percent).
- Control is important: Nearly all (95 percent) said "It (is/was) very important to me to be able to retire when I (choose/chose) to do so."
- Generation Xers expect to retire younger at an average age of 63.6 years while Boomers expect to retire, on average, at 65.5.
- Of those who participate in a 401 (k) program at work, seven in 10 (70 percent) are offered an employer match. Nine in 10 (90 percent) say that match is important to overall retirement savings.

An online media kit containing survey highlights and background information is available on PNC's website at http://www.pnc.com/pncpresskits.

The PNC Financial Services Group, Inc. (www.pnc.com) is one of the United States' largest diversified financial services organizations providing retail and business banking; residential mortgage banking; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management and asset management.

Survey Methodology

The Perspectives of Retirement Survey was commissioned by PNC to identify attitudes and behaviors of investors. The study was conducted online within the United States Feb. 13 – 25, 2015 among a nationwide cross section of 1,017 adults age 35 to 75, each with total investable assets of at least
$100,000 if age 45 or older, or and at least $50,000 if age 35 to 44. One in five of the sample had $1 million or more in total investable assets. Twenty percent of respondents are retired. Findings are significant for the total sample at the 95 percent confidence level with a margin of error of +/- 3.0 percent.

The survey was designed by Artemis Strategy Group (www.Artemissg.com), a communications strategy research firm specializing in brand positioning and policy issues.

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