

Lean retirement looms for Gen X

By Jeanna Smialek, Bloomberg

Vera Johnson from Seattle is barely making do, let alone saving for retirement.

“I try to remain in the present moment and not live in fear of the future,” said Johnson, who has neither retirement savings nor a college fund for her two children. “My property is underwater, the properties around me are underwater, I’m not building equity in my home.”

The 45-year-old almost lost her home to foreclosure in 2010 after the housing-market collapse in the worst recession since World War II. She embodies the financial challenges facing America’s Generation X, those born between the mid-1960s and 1980, which lags behind other generations in building assets.

Good timing is not the age group’s forte. Many took out mortgages just before prices plunged, making them the most disadvantaged by the housing crisis, while the 2008 stock-market slump dealt them a further setback. Only one-third of Generation X households have more wealth than their parents, even though most earn more, according to the Pew Charitable Trusts.

When their working years end, Gen-Xers might have to live on just half of their pre-retirement income, compared with 60 percent for the Baby Boom generation, Pew said last year.

“Generation X is at this really critical historical spot,” said Diana Elliott, a research officer in financial security and mobility at Pew, a nonprofit global research and public policy organization in Washington. “They are not doing well relative to the last generation. It should give us concern as

a country.”

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