

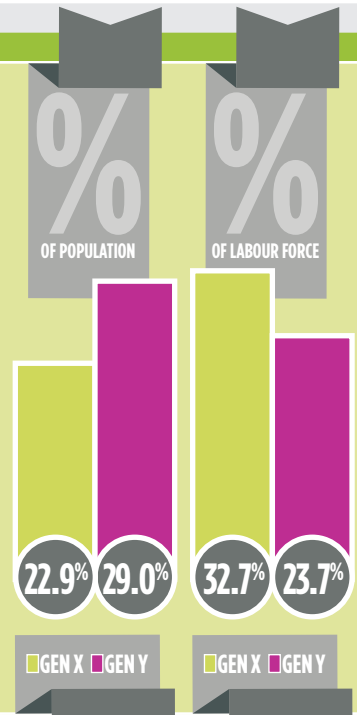
# WEALTH GENERATION: THE FINANCIAL CHALLENGES FOR GENERATIONS X & Y

Generation X (born 1965-79) are thought to be self-confident and demanding to have their opinions heard.

**GEN X**

Generation Y (also known as the millennials, born 1980-2000) is largely perceived as independent, confident, obsessed with social media, cynical and impatient.

**GEN Y**



## FINANCIAL PRIORITIES

### BUYING A HOME:

Gen Y is more positive about achieving home ownership: **72%** thought they would achieve it in their lifetime, compared to **65%** of Gen Xers.

- But average house prices have increased more than **100%** in 17 years, while income has only gone up **50%**, making home ownership harder.

### SAVING FOR CHILDREN'S EDUCATION:

Seven out of 10 from both groups said they're confident of being able to pay for their children's education.

- Both generations are having children later in life, making saving for children's education and saving for their own retirement difficult to balance.

### RETIREMENT:

In both groups, **65%** are confident of being able to afford a comfortable retirement.

- But **26%** of Gen Y is **very** confident, compared to **17%** of Gen X.
- **61.7 years**: the average age Gen X and Gen Y plan to retire – two years earlier than previous generations.

**Not saving for retirement inconsistent with levels of confidence.**

- **14%** of Generation Y and **10%** of Generation X not saving for retirement.

### Most see the importance in having a financial plan but few actually have one

The combination of these factors and a changing job market makes efficient retirement planning even more important for Gen X and Gen Y. However, **only 35%** actually have a financial plan.

Gen X (**93%**) and Gen Y (**95%**) rate financial planning as important to their long-term financial security.

### Both see budgeting as an important tool to prepare for the unexpected

- **79%** of Generation X and **77%** of Generation Y has a monthly budget

### Discerning shoppers that understand the importance of an emergency fund

- In both groups, **95%** shop around before making a purchase, **95%** say they can say no to a purchase if it's too expensive and **93%** say emergency funds are important, all of which are the same as the previous generation. **Only half have an emergency fund.**

### Insurance is an essential component for long-term financial security

- About **90%** of generations X and Y said life, health and disability insurance was important for their families' long-term financial security, but **only 73%** of Generation X and **75%** of Generation Y said they were familiar with life insurance.