

Nearly 60 percent of future retirees think they will need a paycheck in retirement that's as big or bigger than what they receive today to live comfortably

As retirement looms, the majority of Gen X Americans say their retirement nest egg is just three times their annual salary or less

While nearly two-thirds of Gen X says it's likely or highly likely they will experience a long-term care event, just 36% say they have planned for it financially

Long-term care risks remain high for many Boomers and Gen X'ers

MILWAUKEE, Oct. 29, 2024 /PRNewswire/ -- The oldest members of Generation X will turn 60 next year and many are starting to think about retirement. Meanwhile, 58% of Gen X'ers and 64% of Boomers+ who are not yet retired say they expect their monthly income in retirement will need to be the same or more as their current monthly income to retire comfortably. These are the latest findings of [Northwestern Mutual's 2024 Planning & Progress Study](#), the company's proprietary research series exploring Americans' attitudes, behaviors and perspectives across a broad set of issues impacting their long-term financial security.

To retire comfortably, do you believe your monthly income in retirement will need to be more, less, or the same as your current monthly income? When estimating, use today's dollars and don't factor in the impact of inflation over time.		
	Gen X	Boomers+
More	33 %	29 %
The same	25 %	35 %
Less	27 %	25 %
Not sure	15 %	10 %

Adding to the financial challenge, more than half of Gen X (51%) says their retirement savings are just three times larger than their annual income or less – while many financial experts recommend saving approximately 10 times an annual salary or more before retirement.

As a multiple of your current annual income, approximately how much money do you currently have saved for retirement?		
	Gen X	Boomers+
Less than 1x my income	16 %	10 %
1x	8 %	5 %
2x	14 %	8 %
3x	13 %	10 %
4x	9 %	4 %
5x	7 %	9 %
6x	5 %	5 %
7x	5 %	4 %

8x	2 %	4 %
9x	1 %	3 %
10x	4 %	8 %
More than 10x my income	7 %	23 %
Not sure	6 %	9 %

Additionally, a majority of both Gen X'ers (52%) and Boomers+ (51%) who are not yet retired say they do not think they will be financially ready for retirement when the time comes, the lowest confidence reported among any generation.

Do you think you will be financially prepared for retirement when the time comes?					
	Total	Gen Z	Millennials	Gen X	Boomers+
No	46 %	36 %	44 %	52 %	51 %
Yes	54 %	64 %	56 %	48 %	49 %

"For millions of Gen X'ers who are fast approaching 60, the difference between retiring on time and feeling comfortable or working longer and lowering retirement expectations will come down to financial planning," said Kamilah Williams-Kemp, chief product officer at Northwestern Mutual. "It's never too late to take action, but the challenge and the stakes rise the longer people wait."

Older generations say long-term care risk is real, but many don't have a plan for it

According to Richard W. Johnson Urban Institute, [seventy percent of adults who live to age 65 will experience a long-term care event during their lifetime](#). As the Baby Boomer generation matures into their 60s and 70s, the financial risks associated with a long-term care event like dementia, a stroke or heart attack, diabetes or a serious fall are becoming increasingly apparent. In fact, Boomers+ include long-term care concerns among their top three burning retirement questions – the only generation to rank the risk so highly.

Below are a set of common "burning questions" regarding retirement planning. Please select up to three that are most important to you.	
	Boomers+
How much money will I need to retire comfortably?	34 %
Is it possible I could outlive my savings?	31 %
How can I plan for potential long-term care needs?	28 %
How will taxes impact me in retirement?	28 %
What if inflation rises when I'm retired?	26 %
How should I budget for healthcare expenses?	24 %
Will Social Security be there when I qualify for it?	20 %
Will I have enough to leave behind assets for loved ones or charitable causes I care about?	15 %
What if the stock market drops when I'm retired?	14 %

None	17 %
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Further underscoring Americans' awareness of long-term care events, majorities of both Generation X and Boomers+ believe it's likely or highly likely they will need to provide long-term care for themselves eventually. Many also believe it's likely they will need to provide care for a loved one.

What do you think is the likelihood that you'll need to provide long-term care for <u>for yourself</u> at some point?		
	Gen X	Boomers+
Likely or highly likely	63 %	50 %
Unlikely or highly unlikely	22 %	27 %
Not Sure	15 %	23 %

What do you think is the likelihood that you'll need to provide long-term care for <u>for a loved one</u> at some point?		
	Gen X	Boomers+
Likely or highly likely	56 %	36 %
Unlikely or highly unlikely	28 %	48 %
Not Sure	16 %	16 %

Despite this widespread awareness of long-term care events and their impact on people's financial lives, far fewer older Americans say they have planned for the possibility that they will need to provide care for themselves or a loved one.

Have you planned financially for the possibility that you'll need to provide long-term care for...		
	% Yes	
	Gen X	Boomers+
Yourself	36 %	40 %
A loved one	31 %	28 %

"A sound financial plan should help people to do two things: build wealth and protect what they've already created. Without accounting for long-term care, people are left vulnerable to risk that's real and significant. On the other hand, planning in advance for a long-term care event is the best way to ensure that someone's wishes to age gracefully are followed and funded," said Williams-Kemp. "Addressing long-term care in a comprehensive financial plan is also the best way to ensure that the financial burden of a life event is not passed along to the next generation."

About The 2024 Northwestern Mutual Planning & Progress Study

The 2024 Planning & Progress Study was conducted by The [Harris Poll](#) on behalf of Northwestern Mutual among 4,588 U.S. adults aged 18 or older. The survey was conducted online between January 3 and January 17, 2024. Data are weighted where necessary by age, gender, race/ethnicity, region, education, marital status, household size, household income, and propensity to be online to bring them in line with their actual proportions in the population. A complete survey methodology is available.

About Northwestern Mutual

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<https://news.northwesternmutual.com/2024-10-29-Nearly-60-percent-of-future-retirees-think-they-will-need-a-paycheck-in-retirement-thats-as-big-or-bigger-than-what-they-receive-today-to-live-comfortably>