GOOD MORNING AMERICA | YAHOO NEWS

Generation X Fares Poorly During Recession, Says Study

By Abby Ellin | ABC News Blogs – 22 hours ago

Members of Generation X, the so-called slackers weaned on Saturday morning cartoons, divorce and cynicism, are now in their late 30s to late 40s. And according to a recent report, they really do have something to complain about.

A Pew Charitable Trust study, titled "Retirement Security Across Generations," examined the savings behavior of five age groups before the Great Recession hit and found that Gen Xers - the group of Americans following the baby boomers and range in age from 38 to 47 - fared especially poorly during the recent economic down swing. As a result, their retirement years will likely be more tarnished than golden.

The study, using data from 1989 through 2010 collected by the Federal Reserve Board and the University of Michigan, found that between 2007 and 2010, Gen Xers-which the report defined as those born between 1966 and 1975-lost nearly half of their overall net worth, an average of about $33,000, and also had higher levels of debt than previous generations.

A large part of the reason their debt is so high is because of student loans and credit card debt, Erin Currier, who directs Pew's economic mobility project, told ABC News. "They're younger in their professional career relative to other cohorts," she said. "Wealth is a mixture of all kinds of things - savings, personal accounts, investments."

What's more, although Gen-Xers (who earned their moniker from Douglas Coupland's 1991 novel, " Generation X: Tales for an Accelerated Culture"), did see high financial gains as a result of the housing boom, their overall rate of home ownership is lower than that of previous generations.

And while "early" baby boomers (those born between 1946 and 1955) and "late" baby boomers (those born between 1956 and 1965) also suffered during the recession, they lost only a small percentage of their median net worth: 28 and 25 percent, respectively. The report expects them to replace 70 to 80 percent of their pre-retirement income. Gen-Xers, on the other hand, will replace only about half (assuming they retire at age 65), according to the study.

So, should an entire generation quit working, move to Goa, and truly earn their slacker wings?

Not so fast. Currier believes policy changes are in order first. "As policymakers focus on Americans' retirement security, particular consideration should be paid to how younger generations of workers can make up for these losses and prepare for the future," she said.

"We know from past research that saving and assets are huge piece of the puzzle, that when families have financial capital they are in better positions to take advantage of possibilities that are mobility enhancing for them and their children.

Dan Schwabel, a generational expert and author of the forthcoming "Promote Yourself: The New Rules for Career Success," believes that members of Generation Y (or millennials, born between 1976 and 2000) are the real victims. "Almost 60 percent of millennials have a bachelor's degree, but the most common jobs are in retail," he told ABCNews.com.

Schwabel will, however, allow Gen Xers their frustration. Since boomers haven't retired, "it puts a lot of pressure on Gen X, because they want to be the executives of these companies, but they're not getting the opportunities," he said. "Gen X is stuck in the middle right now."

Also Read