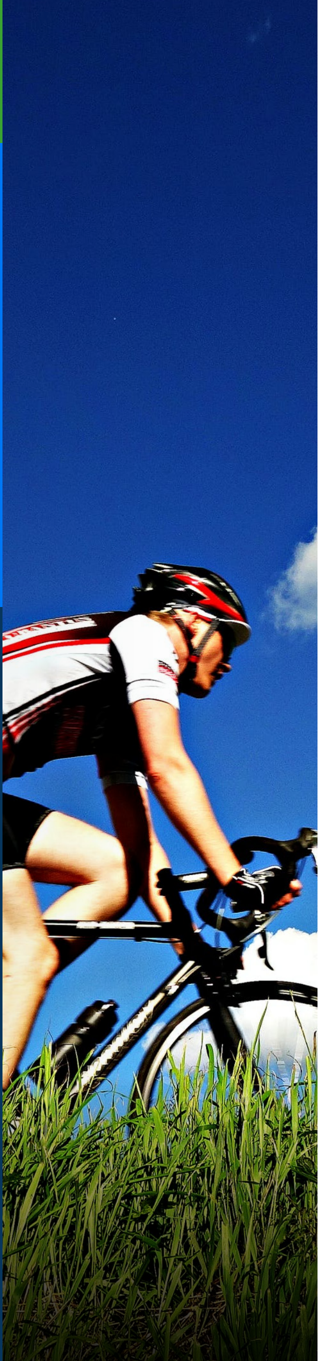

Dunstan Thomas

The Dunstan Thomas

'EXPLORING THE RETIREMENT PROSPECTS OF GENERATION X' Consumer Study

Management Report of Findings from a nationwide study of 39 to 54 year olds

Foreword

Our Trilogy of Generational Studies is now complete. Following our detailed consumer study of the longer-term savings expectations, behaviours and motivations of both Millennials and Baby Boomers during 2017 and 2018 respectively, we decided to fill the gap in our 'generations trilogy' of studies by taking an in-depth look at the retirement prospects and savings behaviour of Generation X.

Generation X is the age group which sits between their Millennial children and the older Baby Boomers. Gen Xers were aged 39 to 54 when we began work on this nationwide study in October 2019. They were born between 1965 and 1980.

Indeed, it's clear from reviewing our findings of this study, that pension savings habits and patterns have already been significantly disrupted during the working life of Generation X. While some (mostly employed in big businesses and in the public sector) can still look forward to generous final salary pension scheme pay-outs in retirement, most Gen Xers now have a patchwork quilt of retirement income sources which they anticipate drawing on in retirement. Many are also holding several dormant, often unconsolidated, pension pots.

Pension-based income is only one potential source of retirement income Gen Xers will be drawing on; saving shortfalls in pure pensions is already rife amongst Gen Xers. The amounts saved so far and the amount they are putting into a pension each month today reveal that story: the average total pension savings of the average Gen Xer resident in the UK is £159,837 and they put in just over £200 each month. Most are putting in the bare minimum, perhaps guided by those Auto-Enrolment minimum contribution recommendations. Many are aware that this is inadequate and will look to supplement pensions with other forms of income in retirement.

Knowledge gleaned from this study will inform our own research and development of: savings, investments and retirement planning and engagement portals for providers, platforms, wealth managers and pension administrators in the coming years, as the market braces itself for accelerating digitisation as well as the evolving working patterns and savings habits of a new generation.

These insights will also help us to help you meet your customer engagement requirements as retirement journeys become longer and more flexible, whether through Direct to Consumer or adviser platforms, and new digital interfaces such as Pensions Dashboard in the near future.

This Generation X report provides some valuable insight which I hope can contribute to your planning in the months and years to come. It would be interesting to hear any thoughts you have on it.

Yours sincerely,

Christopher Read

Group Chief Executive,
Dunstan Thomas Group

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Introduction

Setting the scene

In the last quarter of 2019, Dunstan Thomas collated and refined the questions we had for Generation X in this comprehensive consumer study.

Often called the 'Sandwich Generation', Generation Xers tend to be over-looked by statisticians and marketing executives alike as firms focus on the future - embodied most-readily by Millennials or, on serving today's key wealth-holding generation, the Baby Boomers. Yet, once Baby Boomers' retirement income has been optimised and their legacy arrangements put in place, supporting Generation X in their retirement planning efforts is surely the next highest priority for providers and IFAs over the next 15-20 years.

Age group

It is generally agreed that Generation X was born between 1965 and 1980 making this group 39 to 54 years old when we began the study. That said, there is no total agreement amongst demographers on the cut off for Gen Xers. (For example, in the US they often use 1976 as the last year of birth for Generation Xers.) We decided to go with the wider 15 year age range definition for Gen X which has the added benefit of matching the age range definitions we settled on for Millennials and Baby Boomers in our earlier studies. We believe that researching the population in these discrete chunks does help to bring into focus the needs of different age groups.

The oldest Gen Xers are the children of the 'Silent Generation' (themselves born between the two World Wars or during WWII); the younger Gen Xers are children of Baby Boomers (the generation born immediately after WWII studied in Dunstan Thomas' last piece of consumer engagement research published in 2017).

Societal & cultural changes

Generation Xers have seen significant shifts in societal values during their lifetimes. Sometimes referred to as the 'latch-key generation', they were affected by the increasing divorce rates of their parents. They witnessed the decline of the power of religion and community. Their teenage years saw an explosion of music genres, and the dawning of a digital, connected world.

Birth & rapid maturity of digitisation

Gen X has seen the internet connect all aspects of their lives – massively increasing communication flows, data volumes and unlocking huge productivity improvements.

However, it's fair to say that 'always on' IT has been at once liberating and disruptive. Gen X, more than any other extant generation, has experienced these changes. Gen X is therefore in the unique position of being able to look back into a pre-smart phone, pre-social media, even pre-Internet age when things seemed slower, if a little more predictable.

Tech have's & have not's

For those that were able to harness IT, money flowed their way. For others, less able to put new technology to work, the key result seemed to be longer hours of work and less stable working patterns, faltering income levels and worsening mental health for them and their children. This factor is likely to be one key reason for the widening gap between rich and poor (although the national media tend to point the finger at Government-led austerity cuts since the start of the Great Recession which have fallen unevenly on the poor and those relying on state benefits).

From 'Yuppie' excess to the Great Recession – the economic roller coaster

Gen Xers also witnessed the effects of the 'Yuppie' excesses of the 1980s (although most were not in full-time work until more sober economic times set in). Indeed, Gen X seems to have careers punctuated by a series of downturns, interspersed with relatively fleeting periods of economic recovery and growth:

- First, it was the recession of the late 80s, culminating in the UK crashing out of the European Exchange Rate Mechanism (ERM) in September 1992.
- Then the painfully slow recovery, marked by high costs of borrowing right through to 1996.
- Next came the dot com 'boom and bust' within three years in the UK (March 1998 through to March 2001), although the bubble lasted a little longer in the US (1995-2000).
- Culminating in the Great Recession from 2008-2013.

Many argue that the structural impacts of that deep recession are still with us today more than 10 years on since it started, even as we face the next economic shock heralded by the Coronavirus global pandemic.

Fourth Industrial Revolution

As Gen Xers work their way into leadership positions, they must now grapple with the so-called 'Fourth Industrial Revolution'. This revolution is typified by ubiquitous Cloud Computing, Artificial Intelligence, Autonomous Vehicles and (potentially) the removal of many low-skilled or calculation-based jobs which may be more efficiently done by a well-written algorithm, working with increasingly rich datasets, all being crunched by increasingly powerful computers.

Gen X grew up & cleaned up

Gen Xers have had to recognise the effects of Global Warming and become more environmentally considerate as the facts about the climate emergency become increasingly indisputable. Many have given up (or never taken up) smoking, have gone vegetarian, embraced recycling, reduced alcohol consumption, and started riding for miles on carbon fibre bikes.

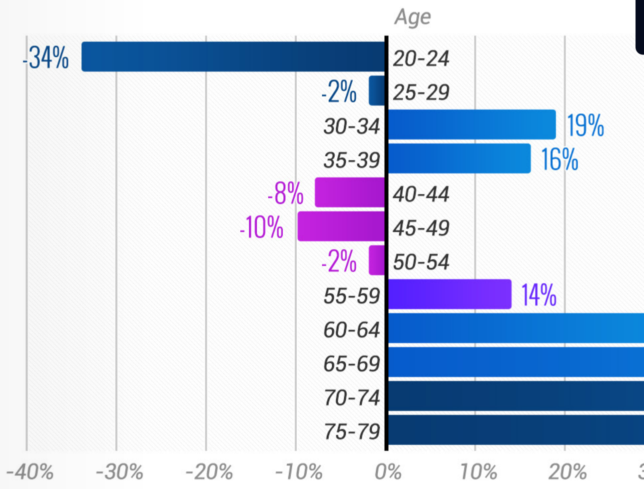
Birth rates falling but overall numbers still high

Developed world birth rates have fallen from 2.4 per woman in the 1970s to 1.9 today as many Gen X women elect not to get married or have children. That said, because of the size of the UK population even the lowest birth rate for 10 years in 2017 resulted in 774,834 new babies surviving birth in the UK. A recent peak in 2012 saw 812,970 successful births. So, whilst the birth rate has fallen, the numbers of successful births are still comparable with the Baby Boomer years of the 50s and 60s. Gen Xers don't need to worry that there won't be enough young workers to facilitate their retirement.

Many Gen Xers have gone backwards economically

Gen X-run households have seen negative growth in overall household disposal income and the 40 to 49 year olds have been particularly hard hit. According to one study we read:

Generation X has not seen the income growth enjoyed by older and younger generations



Percentage growth in household disposable income above or below national average growth rate from 1979 to 2010 by age of head of household or spouse.

Source: Luxembourg Income Study Database.

Many Gen Xers have struggled to be as financially successful as their parents. They are however set to inherit what's left of the wealth of arguably the wealthiest generation of all time. In many cases though they will just have to wait until deep into their late 50s or early 60s to begin to experience this wealth transfer (unless the government stimulates earlier transfers through new tax incentives and updates the archaic inheritance tax rules).

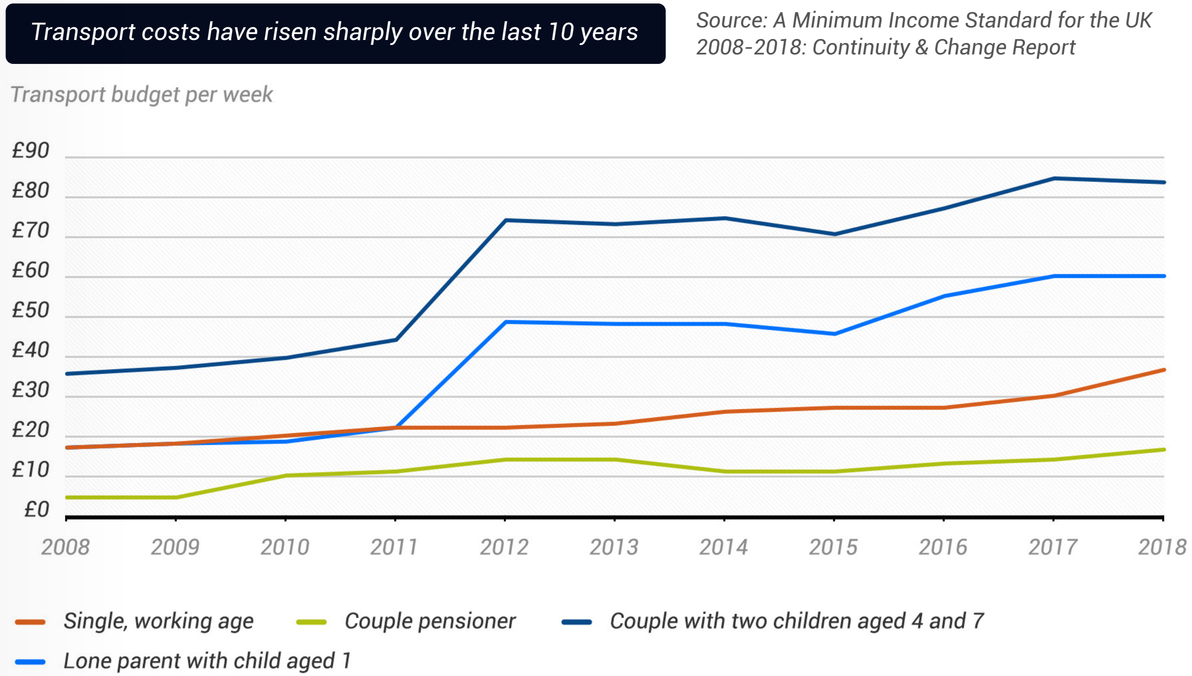
Energy, transport & childcare bills have seen largest increases in last 10 Years

One of the largest factors in the increasing cost of living for people in the last 10 years has been increases in the cost of gas, electricity and other domestic fuels which have risen by around 45 per cent since 2008 – nearly twice the overall rate of inflation.

Childcare costs have also risen sharply since 2008, hitting low income families especially. Families on low incomes are now finding paid childcare inaccessible, constraining working choices.

We came across one Gen Xer Dad (during our time video interviewing Gen Xers around the country in February) who was paying £1,200 per month on childcare provision for his two year old son.

A couple with two young children has seen their transport costs more than double to £85 per week over the last 10 years, primarily due to an increase in expectation of the need for two cars per working household and the rise in public transport costs, many of which are linked to the faster growing Retail Price Index (RPI) of inflation.



Total Minimum Income Standard (MIS) budgets, as laid out in the Loughborough University MIS Report 2018, indicate that rent and childcare costs have risen by around a third for most household types over the last 10 years. Over the same period (2008-2018) the Consumer Prices Index (CPI) rose by only one quarter.

The amounts that households need to earn in order to reach the MIS have risen from £13,400 to £18,400 a year for a single adult in the last 10 years, and from £13,900 to £20,000 each for a typical dual-earning couple with two children over that same period.

Retirement prospects focus

It was against this backdrop which we set about exploring in more detail how Generation X anticipate saving enough for retirement - understanding when they expect notional retirement income targets to be reached and what changes they are planning to make retirement affordable. We also sought to find more key factors which may make full retirement possible for most of this generation.

We hope you enjoy reading about some of the new findings we unearthed from putting more than 40 questions to over 2,000 Gen Xers nationwide working with our market research partner agency Opinium.

The online survey findings which came back by mid-November 2019 were then tested in the real world by going on the road with our video crew to interview 30 Gen Xers in London, Bristol and Liverpool during February 2020, just before the Coronavirus swept through the country.

Pension under-saving normalised

Total pension savings on course to deliver average of roughly £10,000 retirement income for Gen Xers retiring in their late 60s

The Dunstan Thomas Generation X Retirement Prospects study revealed the fact that the average total pension savings of UK Gen Xers aged 39-54 is £159,837 and they put in just £200 per month.

DB versus DC savings fault-line

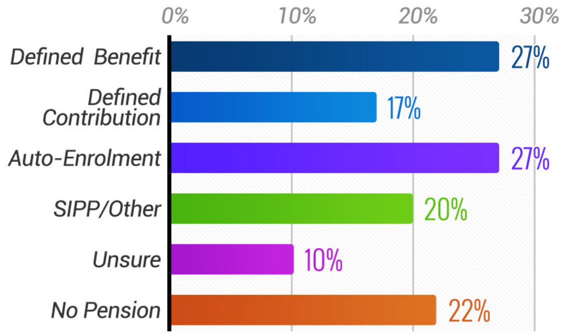
Generation X has experienced the decline of the more generous Defined Benefit (DB) pension during their working lives. Many of them were part of these generous final salary schemes in their early years. Only those working in the public sector or in a few large businesses are still paying into final salary schemes. Our study uncovered that Generation X has been exposed to a mixture of pension arrangements and many still have dormant and unconsolidated pension pots.

Dominic Wilson (Age 55)
Liverpool

"Prior to the last 10 years (when I gained access to a teachers pension) my pension savings regime has been a little bit chaotic and fragmented...I've got some savings in a very early final salary scheme, a little bit in a personal pension, but nothing really that would buy more than a cheese sandwich on retirement."

- Over a quarter (27 per cent) still have DB pensions
- One in six Gen Xers (17 per cent) are in Defined Contribution (DC) workplace schemes
- Just over a quarter (27 per cent) are in Auto-Enrolment workplace schemes
- 20 per cent have a SIPP or other personal pension
- One in 10 were unsure what type of pension they had but knew they had one
- More than one in five (22 per cent) claimed to have no pension whatsoever

Different types of pensions of Generation X



Understandably, Older Gen Xers have more exposure to DB pensions – a third (32 per cent) of 51 to 54 year olds have DB pensions, versus the youngest sub-group in this study, aged 39-47 years old, less than a quarter (23 per cent) of whom have a DB pension.

The opposite is the case for Auto-Enrolment (AE) pensions which did not reach all employers until April 2017. Less than a quarter (22 per cent) of 48 to 54 year olds have an AE pension today, whereas 32 per cent of 39-47 years olds have been auto-enrolled.

Furthermore, the older you are, the larger number of pots you are likely to have. For example, 10 per cent of 51-54 years olds have four or five unconsolidated pots, which is roughly two per cent above the whole Gen X population group captured by this study.

Three-quarters of Gen Xers have not consolidated their pots

Adviser firms will be interested to note that less than a quarter (24 per cent) of Gen Xers have completed consolidation of their pension pots. Those earning more than £4,500 per month tend to have consolidated more – over a third of these higher earners have completed at least one pensions consolidation round.

An aggregate average total of 70 per cent of Gen Xers know what's in their pensions - with 51 per cent knowing roughly what their pension savings are worth and one in five (19 per cent) knowing exactly what's in their policies.

Gender & geographic savings disparity

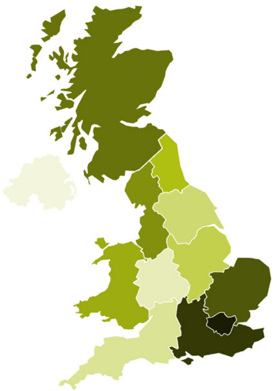
The average Generation X man has £186,611 in total pension savings, whilst his female counterpart averages just £117,854 in pension savings. Where you live is a more significant factor in determining pension size than age within this generation. Gen Xers living in London have an average of £223,790 saved in a pension so far, whereas in the West Midlands retirement savings are less than half that at £103,746.

The average Gen X man pays £253 each month into their pension whilst the average woman aged 39-54 puts aside slightly over half as much for retirement– just £139 per month.

Average total pension savings value and monthly contribution amounts by UK region

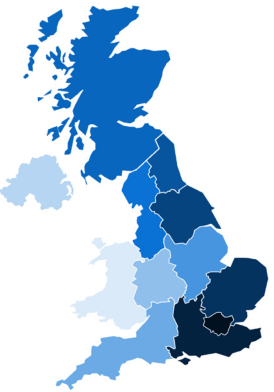
Average total pension savings value

London	£224k
South East	£191k
East of England	£175k
Scotland	£163k
North West	£152k
Wales	£145k
North East	£134k
East Midlands	£125k
Yorkshire/Humberside	£123k
South West	£115k
West Midlands	£104k
Northern Ireland	£73k



Average monthly contributions

London	£319
South East	£229
East of England	£206
Yorkshire/Humberside	£194
North East	£179
Scotland	£170
North West	£163
East Midlands	£159
South West	£155
West Midlands	£139
Northern Ireland	£136
Wales	£130



Only 5 per cent paying in IFoA and PLSA-recommended pension contributions

The October 2019-published study by the Institute and Faculty of Actuaries (IFoA), which built on the Pensions and Lifetime Savings Association's (PLSA) Retirement Living Standards research, calculated that those on average incomes need to set aside £799 per month to afford a 'moderate retirement lifestyle' from State Pension age. Our study (conducted just a month later) found that only five per cent of all Gen Xers are saving more than £750 per month in a pension. A factor the nation has really not yet appreciated is that a prolonged period of low interest rates and low investment returns means that more has to be paid in to achieve the same output.

Gen Xers are generally only putting minimum contributions into their pensions:

- 29 per cent have never paid more than the original minimum 'default' contribution amount.
- 28 per cent of 51-54 year olds (the oldest tranche of Gen Xers) are still paying in less than five per cent of total income.
- Over a third (35 per cent) of Gen X women currently put in less than five per cent of total income into their pension. Many have taken lengthy pension contribution holidays during tougher times.

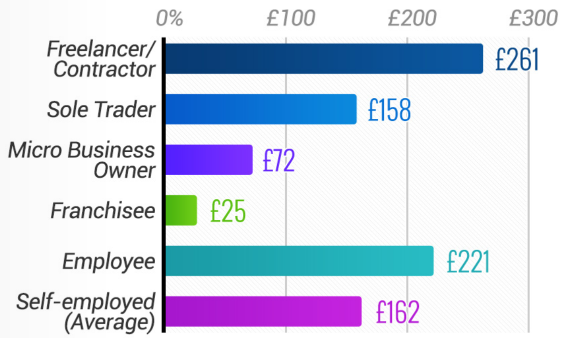
Adrian Boulding, Director of Retirement Strategy at Dunstan Thomas:

> "If you look at the average levels of pension savings built up to date, together with the average monthly pension contributions of roughly £200 today you can project forward an average of 20 years to Gen Xers' retirement in their late 60s - calculating that a typical Gen X pension pot should deliver a retirement income roughly worth £10,000 annually. However, many are saving less than that. It's clear from these numbers that most Gen Xers cannot rely on their pensions alone to bank roll even a moderate retirement lifestyle."

Employment status and earnings biggest factor in contribution levels

Of the growing numbers of self-employed Gen Xers, micro business owners and franchisees are the most vulnerable to pension under-saving. Employees are generally making monthly pension contributions nearly £60 higher than the average self-employed person.

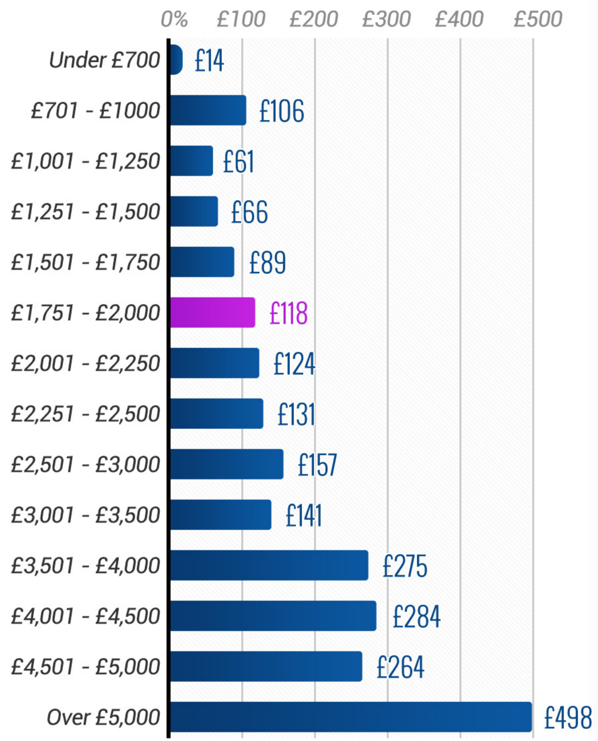
Average monthly pension contribution by employment type



Total household earnings were an even more significant factor affecting pension contribution levels. Those with total household 'take home' income of over £5,000 per month were making individual monthly pension contributions of £498.40 each month on average.

However, those closer to average UK household take home pay (which was £1,961 per month based on average household income in the UK in 2019 of £29,400, according to the Office of National Statistics) were making regular pension contributions which were well below the overall average. In this study, the average earning household group is captured within our £1,750 to £2,000 per month total 'take home' household income bracket. This group were able to make average monthly pension contribution of just £118. At this level of saving, Gen Xers are unlikely to build a pension pot large enough to provide a retirement income of much over £7,500 per year assuming they want to give up all paid work from age 68.

Average monthly pension contribution by household take home income bracket



Redundancy reduces pension savings by over 40%

- More than four in every 10 (42 per cent) Gen X workers have been made compulsorily redundant at least once in their careers.
- Four per cent have been hit by compulsory redundancy four or more times in their careers.
- A fifth (21 per cent) have taken voluntary redundancy and three per cent have accepted voluntary redundancy four or more times in their careers.
- Over a fifth (22 per cent) have moved of their own accord to get a better job or further their career four or more times.
- 22 per cent moved at least once due to relocation of partner's job or some other reason unrelated to furthering their own career.

Compulsory redundancy events are a big factor in determining value of pensions:

- The average pension value for those hit by one or more compulsory redundancies is £120,634.
- The average savings pot for Gen Xers not subject to compulsory redundancy was over 40 per cent higher at £202,017.
- Gen Xers not subject to compulsory redundancy are on average £81,383 better off in pensions savings terms today.

Gen Xers subject to voluntary redundancy have an average of £138,834 in pension savings as opposed to £178,329 average for those not affected by voluntary redundancy – so voluntary redundancy on average reduced pension pots by £39,495.

We might have hoped that at least part of a redundancy pay-off would have been tipped into a pension scheme. However, the evidence is clear that if this is happening to any extent then it doesn't offset the damage of missed contributions from time out of the labour market or taking a new job at a firm with less generous pension provision.

Nearly two-thirds of Generation Xers describe themselves as either coping or struggling:

- 41.07 per cent are coping financially
- 19.05 per cent reckon they are struggling to make ends meet
- Just under 40 per cent are financially 'comfortable' (39.43 per cent).

Adrian Boulding, Dunstan Thomas:

"All the Gen Xers we spoke to in our tour of Britain conducting video interviews as part of this study have been blown around by adverse work and life events which have knocked them of course. Indeed, most started saving money in a pension early but plans often went on hold either because of a job change or the Great Recession which forced a reduction in earnings. Getting back into regular retirement habits has been a big challenge for the generation which has a highly variable career pattern rather than the predictably-rising earnings history of yesteryear."

Great Recession hit Gen Xers' pension savings levels exponentially

Aged 28-43 when it struck, the Gen Xers' pension savings were hardest hit by the 2008-13 Great Recession. They had established their careers but because they were early to mid-stage into them, they were exponentially affected by this recession's disruptive impact on job stability, earnings and pension savings levels.

Over a quarter of male Gen Xers (26 per cent) experienced a moderate or major negative impact on pension savings during the 2008-2013 period. Over quarter (26 per cent) of the youngest tranche of Gen Xers captured by this study (now aged 40-42) were moderately or majorly impacted financially by the Great Recession – 18 per cent of them were moderately impacted, eight per cent majorly impacted.

"I run a construction company here in Liverpool…we were hit very hard in the Great Recession and I decided back in 2008 to defer pension contributions for a while….I should have gone back to it after a few years but I didn't."

Interestingly, although less were affected (23 per cent being majorly or moderately impacted by the Great Recession), the oldest tranche (aged 51 to 54 years old) showed the highest percentage: seeing a major impact extending to 'retirement savings going on hold during all or nearly all of that period'.

A tenth (10 per cent) of older Gen Xers aged 51 to 54 year old today had put their pension savings on hold for nearly all or the whole of that difficult five year period. This sub-group would have been aged between 40 and 43 when the Great Recession struck and 45 to 48 when the market finally began to recover properly in 2013.

The region worst effected in terms of pensions savings levels was London: the financial services capital of the world. One third (33 per cent) of London-based Gen Xers were either moderately or majorly impacted by the Great Recession. Eleven per cent of London-based Gen Xers put their retirement savings on hold during most or all of that five-year period. Wales – a popular back office choice for financial services companies - was the second most affected region: 10 per cent of Gen Xers there had also put pension savings on hold for all or nearly all of the Great Recession. A further 16 per cent of Gen Xers living in Wales recorded a moderate impact on pension savings during the Great Recession.

Gen Xers with above average total household income today of £4,500-£5,000 per month were the ones hit hardest in pension savings terms in the

Great Recession. A quarter of this higher earning group indicated that they experienced a moderate impact on pension savings plans. A further nine per cent of this group had put their pension saving on hold for all or nearly all of the Great Recession.

Those with a total household income today of £2,250-£2,500 per month were the next most impacted, with 10 per cent of that group putting their pension saving on hold for all of nearly all of the Great Recession and a further 20 per cent indicating that the Great Recession had a moderate impact in terms of levels of saving.

Micro Business Owners were hit the hardest of all workers with 18 per cent of them recording a complete or near complete retirement savings freeze through that period. One in seven (14 per cent) self-employed people froze retirement saving during that period.

Sandwich generation effects most keenly felt by Gen X

Nearly one in 10 Gen Xers (8.8 per cent) have elderly parents living with them that they are supporting financially. A further 6.4 per cent of Gen Xers support parents financially, although they have not moved in. 85 per cent of Gen Xers are not yet having to support an elderly parent.

An average of 3.9 hours is spent caring for elderly parents during the working week by the 15 per cent of Gen Xers that perform care duties for their parents. Seven per cent of this group spent more than 16 hours per working week. The average amount of care provided by the oldest Gen Xers, aged 51-54 years old is 5.6 hours per week. The average amount spent per month supporting parents is £138, rising to £202.40 in the Southeast.

On the other side of the sandwich, nearly a third of Gen Xers captured in this study have children aged over 18 already. Of this group, the average amount given to children (whether in further education or in the workplace) is £142 per month. This rises to £299.80 for Londoners.

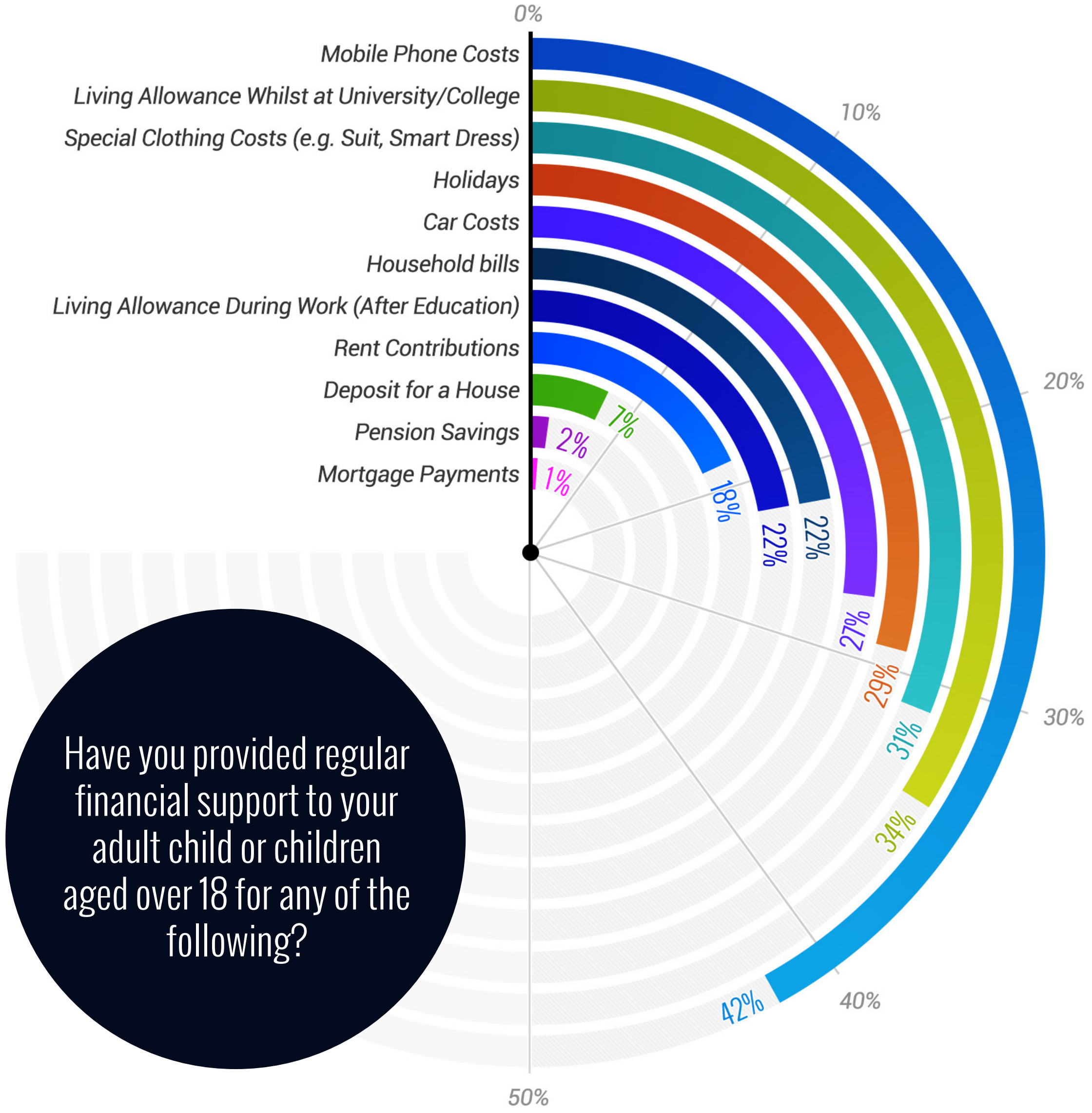
The amount given also rises with increased household income so that the highest household income group captured in this study, with over £5,000 monthly take home pay, hands over an average of £365.30 per month to their over 18-year-old children.

15 per cent of Gen Xers with children over the age of 18 with total household income of over £4,500 are already saving toward the deposit on their child's first home.

Two thirds of those with children over 18 are providing financial support at least once a year and, on average, parents are having to provide their adult children with financial support every four and a half months. They are most likely to be supporting their adult children with the costs for their mobile phone. Mobile phones are also the cost they are paying the most towards for their children. On average, they believe they are paying towards 72.5 per cent of the total cost of phone bills, with 58 per cent saying they are paying the whole cost.

Most other costs are shared more equally between parent and child. However, holidays are still proving pricey for mums and dad: they are stumping up, on average, 60 per cent of the cost of their offspring's' holidays. Gen X parents don't just help their adult children with ongoing bills, nearly one in five of them (19 per cent) are also actively saving for major expenses for their kids - with seven per cent saving for a house deposit for them, six per cent for a wedding and four per cent for a car.

For those who are providing financial support for their adult children, the estimated monthly cost is, on average £141.80 - an annual outlay of over £1,700.



Have you provided regular financial support to your adult child or children aged over 18 for any of the following?

Where has all the financial advice gone?

Only nine per cent of GenXers have regular access to independent financial advice today, yet the complex personal financial decision-making which came with Pension Freedoms has made advice all the more valuable and important even as the Retail Distribution Review (RDR) widened the Advice Gap.

Despite the complexities and scope for poor decision-making following Pension Freedoms, only nine per cent of Generation X has had access to regular financial advice. This percentage rises to 16 per cent for Gen Xers resident in London. Interestingly, the youngest Gen Xers captured in this study, aged 39 to 41, were also the most likely age group to have consulted an IFA in the last 12 months – 12 per cent of them claimed to have done so.

Steve Barlow (Age 47)
London

"I've never been fortunate enough to have a financial adviser but if I could get one I'd love to get some advice on what I'm owed and how I can retire. When I found out recently how much I was going to get from my pension scheme at maturity it caused me a lot of anxiety...it didn't seem very much so I need reassurance on that and also I'm due to inherit a property and need advice on how to maximise the potential of that.."

Alarmingly, 84 per cent of Gen Xers aged 39 to 54 years old were making key financial decisions alone or together with their partner. Nearly half (44 per cent) don't consult anyone at all!

A fifth (21 per cent) of Gen Xers source supporting financial information from online financial comparison sites like MoneySupermarket.com; 13 per cent rely on the national media personal finance pages; the same percentage go to friends and family for more information.

Adrian Boulding, Dunstan Thomas:

> "It's clear that Generation X has been left out in the cold as regulatory changes have led to the collapse of widespread mass market advice networks. For advisers that can still find a commercially viable business model, there is a clear need for advice amongst Gen Xers. The challenge for platforms and others in the D to C space is to deliver guidance clearly and convincingly to counter uninformed commentary that may be received from well-meaning friends and relatives."

Rebecca Saunders (Age 46)
Bristol

"My approach to financial advice is DIY. I don't trust professionals. I look at Martin Lewis' MoneySuperMarket site and discuss ideas with friends. One of my friends recently recommended a mobile savings app called Plum which allows me to save and invest in stocks and shares. It's very good and tells me how much I can put in ISAs each year."

The findings in this section serve to illustrate some of the areas where Generation Xers are fending for themselves, or simply blundering in the dark.

What's Pension Freedom?

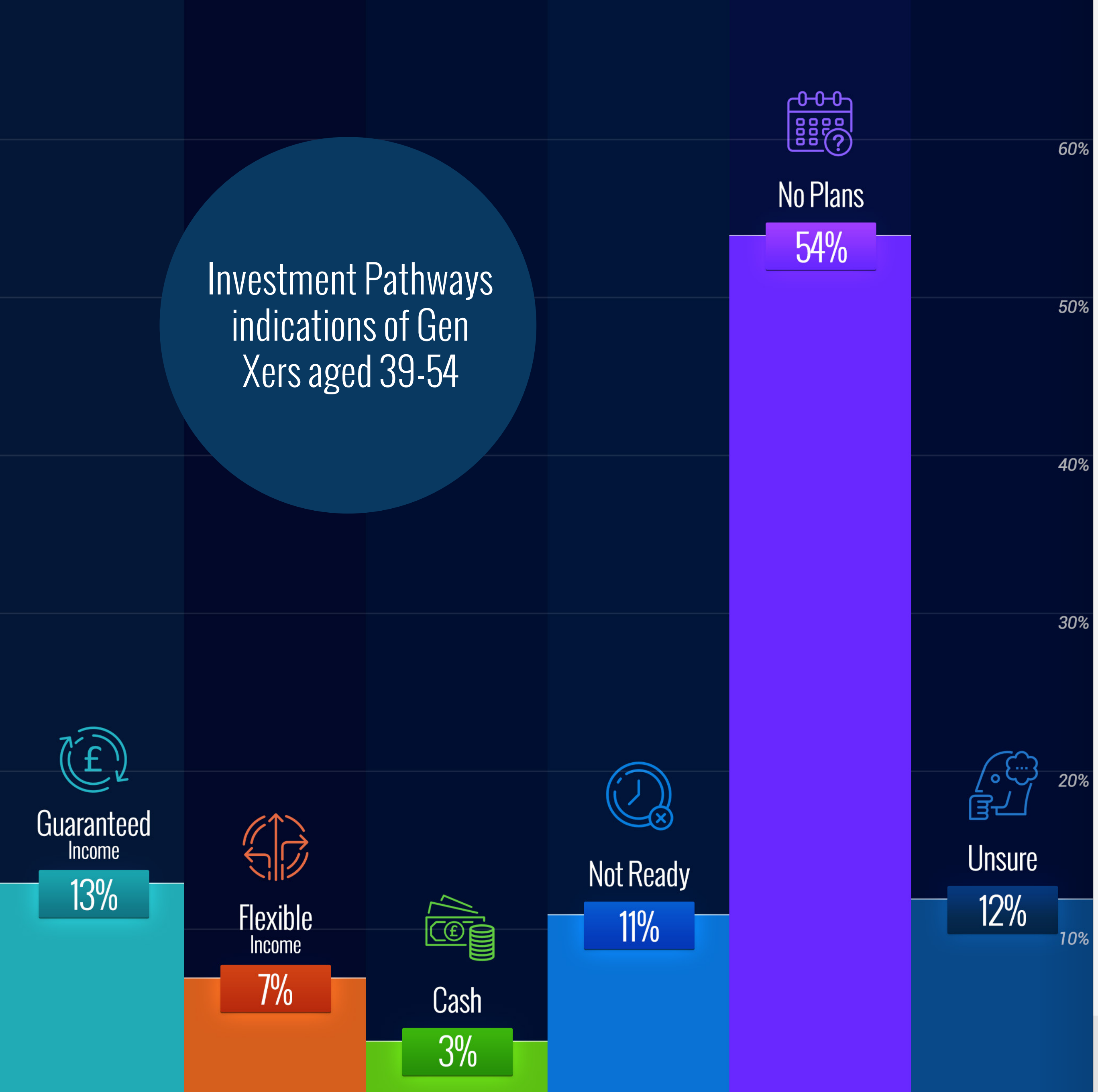
And the level and consistency of communication associated with the Pension Freedoms has been poor, our study found. Nearly half of Gen X women (48 per cent) and 34 per cent of 39 to 54 year old men had never heard of Pension Freedoms before answering our survey. A further 30 per cent had heard of it but knew nothing about it.

Lower income households were less likely to know about it: 61 per cent of single parent households had never heard of it and over half (55 per cent) of the group which described themselves as 'struggling' financially had never heard of Pension Freedoms. Only 12 per cent of households bringing in more than £5,000 per month after tax understood the choices which were available to them.

Investment Pathways indications

Early indications of which Investment Pathway older Generation Xers aged between 51 and 54, might opt for at decumulation were also uncovered in the survey:

- 13 per cent planned to use their pension in the next five years to purchase a Guaranteed Income (normally involving an annuity purchase)
- 7 per cent planned to access their pension flexibly within the next five years (probably going into Income Drawdown initially)
- 3 per cent wanted to cash out completely within five years
- 11 per cent were not making any decisions about what to do with the savings until the time is right (i.e. they are nearer retirement)
- 54 per cent had no plans to touch the drawdown pot for the next five years (these are the very ones the Investment Pathways initiative is designed to protect; they should probably be in growth assets but find themselves defaulting to cash after withdrawing their tax free lump sum at age 55)
- 12 per cent didn't know.



DB Transfer appetite remains strong

Just over a quarter (27 per cent) of Gen Xers have DB pensions today. Nearly half (44 per cent) of these said they would consider transferring pension savings out to a Defined Contribution (DC) pension scheme if they needed access to the money from age 55. Only 37 per cent (40 per cent of men and 34 per cent of women) were ruling out moving funds from DB to DC pensions when they reach age 55.

Nine per cent of Gen Xers were planning to cash in all their pension savings at age 55 (the younger you are the more likely you are to want to cash it all in at 55). 14 per cent of the youngest sub-group age 39-41 were considering cashing it all in at age 55.

Gen Xers rapid adopters of ESG thinking

Nearly one in five Gen Xers (18 per cent) think Environmental, Societal and Governance (ESG) factors matter more in investment selection today than they did just two years ago. A further nine per cent think ESG matters a little more than two years ago. Just a tenth of Gen Xers think that financial performance is the only measure of value of companies that they are investing in directly or indirectly through funds.

A small early adopter group representing four per cent of Gen Xers captured by this study already think ESG 'the only real criteria of importance' for investment selection.

"A lot of my pension funds are already in ESG-rated ethical funds and they do seem to be performing much better than the regular funds these days."

Regional differences are profound here: in London 31 per cent think ESG matters a lot more than two years ago, whereas only four per cent of Gen Xers living in Scotland think ESG matters a great deal more than two years ago. Anecdotally, investors in ethical funds had found that just in the last two to three years ethical funds they were invested in were starting to perform better than the market average.

Non-pension savings landscape

In recognition of the fact that Generation X seems set to derive retirement income from multiple sources, our study looked at the types and levels of non-pension savings which 39 to 54 years may be able to tap when they eventually retire.

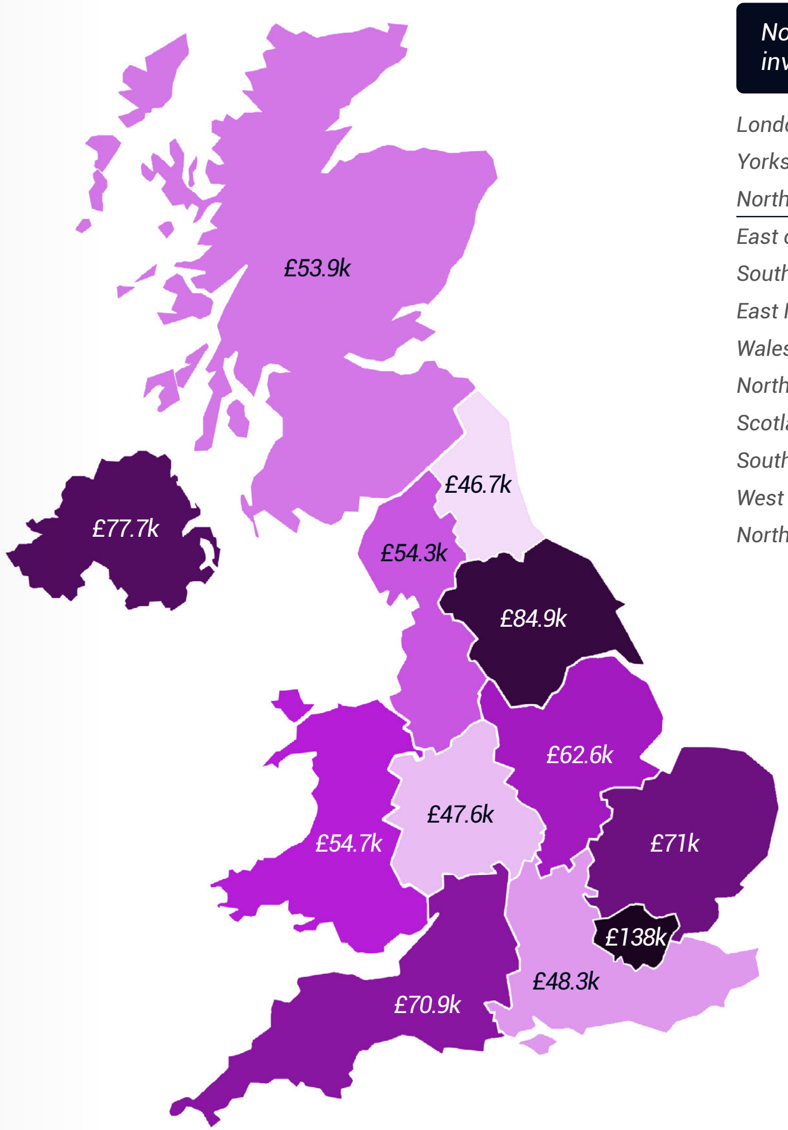
The average value of non-pension investments of this age group (amongst the three quarters of Gen Xers that have some non-pensions savings) is £71,591.

Savings levels rise steadily with age, so that 39 to 41 year olds have savings and investments worth an average of £63,809, whereas the oldest Generation Xers aged 51 to 54 have £78,375 held in savings and investments outside their pension.

There is some evidence that savings pot size does not start to push up significantly until age 48: average pot size for 48-54-year-old Gen Xers is £78,494 as against an average of £65,373 for 39 to 47 year olds.

Savings rise naturally with income as well: nearly half (48 per cent) of those earning up to £1,000 per month personal income have less than £5,000 savings. Yet Gen Xers with household income exceeding £5,000 per month have average savings and investments worth £223,454.

Those in more affluent regions seem to be saving more, perhaps linked to property values. The highest level of savings and investments is held by Generation Xers living in London – they have an average of £138,021 in non-pensions savings and investments. By contrast, Gen Xers living in the Northeast have saved just £46,720 on average.



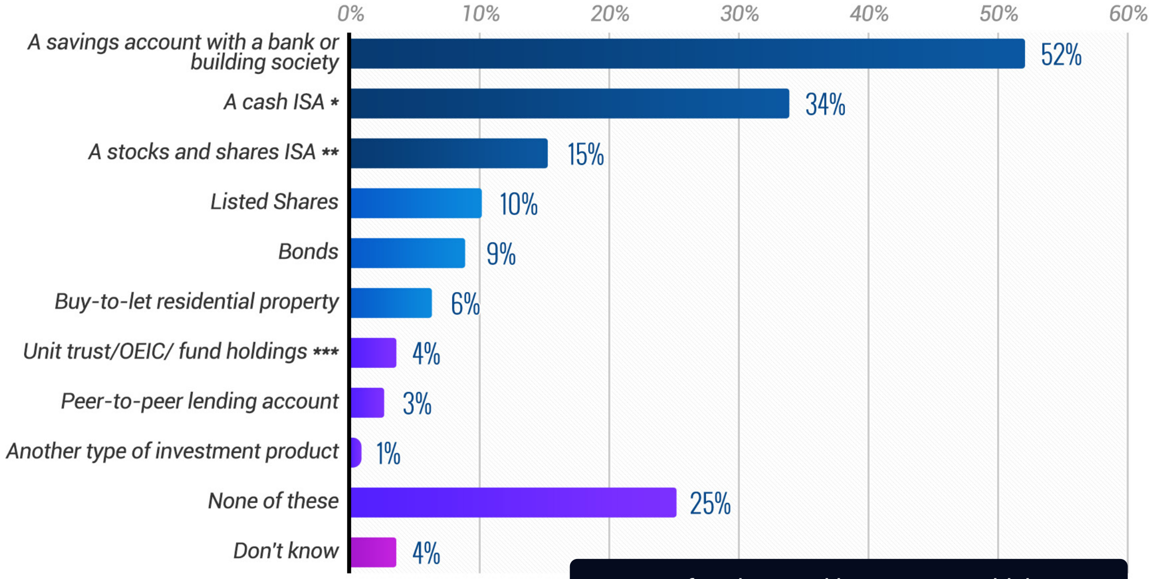
Non-pensions savings and investments value by UK region

London	£138,021
Yorkshire/Humberside	£84,934
Northern Ireland	£77,703
East of England	£71,044
South West	£70,881
East Midlands	£62,580
Wales	£54,718
North West	£54,294
Scotland	£53,897
South East	£48,261
West Midlands	£47,586
North East	£46,720

Most have savings held in low interest accounts

Over half (52 per cent) hold a savings account with a bank or building society. Over a third (34 per cent) had cash ISAs and 15 per cent hold Stocks and Shares ISAs. Just 10 per cent of Gen Xers held stock exchange listed shares not inside funds. Nine per cent held bonds. Six per cent owned Buy to Lets.

Four per cent had unit trusts, OEICS or other fund holdings not inside an ISA wrapper. Just three per cent hold Peer to Peer lending investments. Four per cent have investments but appear not to know what asset classes or tax wrappers they were in.



Range of savings and investments which Generation Xers hold

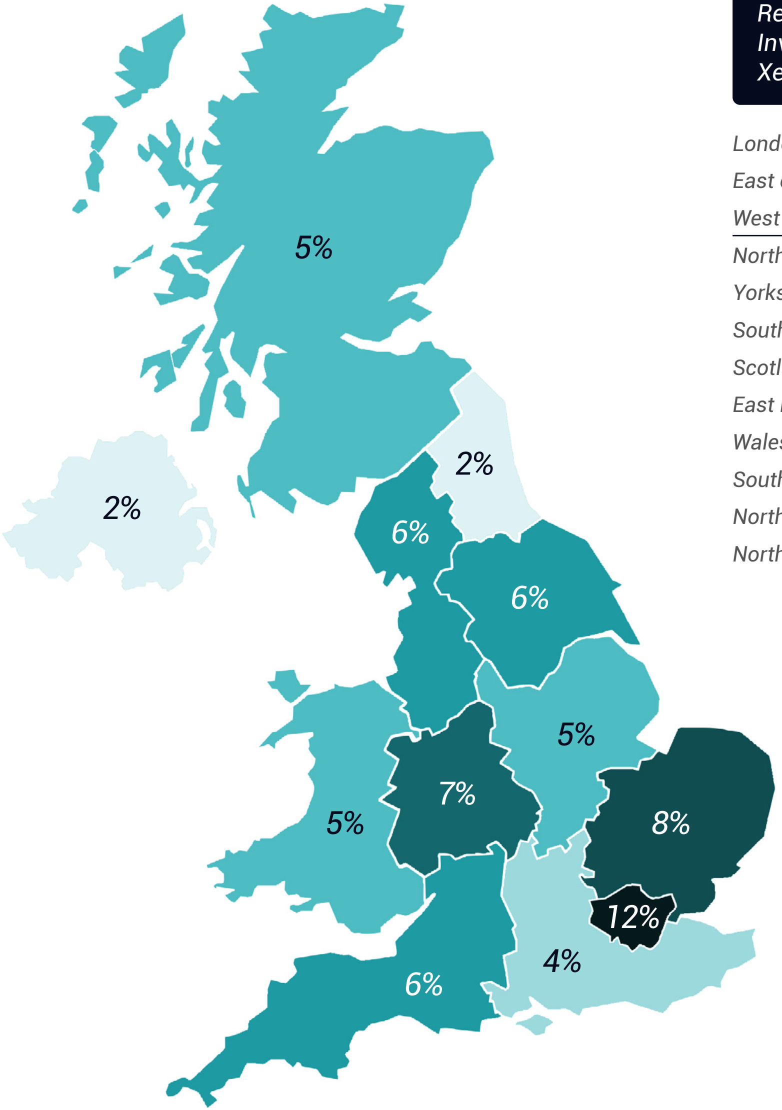
Of those holding investments, a fifth of male Gen Xers (19 per cent) and just over a quarter (28 per cent) of women didn't know which of their investments had performed better in the last three years and just under half (48 per cent) considered their investments recession-proof in case of a significant market downturn (like the one we are currently experiencing). A quarter (25 per cent) of all Generation Xers claim to had no savings or investments whatsoever.

B2L investment is largest factor affecting non-pension wealth

Residential Buy-to-Let (B2L) investment properties appear to have had the single largest impact on personal investment values (even if investment values may be based on relatively illiquid equity in property).

In London, 12 per cent of Gen Xers hold B2L properties, whereas in the Northeast just two per cent had bought an additional residential property as an investment. Nearly a fifth (18 per cent) of high-income households, bringing in more than £5,000 a month after tax, had at least one B2L property to their name.

"I've stopped paying into a personal pension and now plan to build a Buy to Let property portfolio of up to four properties to fund retirement. I'm seeking advice from friends and plan to start buying my first one quite soon."



Residential Buy-to-Let Investment penetration by Gen Xers by UK region

London	12%
East of England	8%
West Midlands	7%
North West	6%
Yorkshire/Humberside	6%
South West	6%
Scotland	5%
East Midlands	5%
Wales	5%
South East	4%
Northern Ireland	2%
North East	2%

The results of our survey indicate a correlation between total household take home pay and ownership of Buy to Let (B2L) residential properties. So, 11 per cent in the top bracket of household income in this study - those with more than £5,000 per month coming into the household after tax - had at least one residential B2L property. One in 10 people in households bringing in more than £4,000 but less than £4,500 also owned B2L residential properties.

Stocks & Share ISAs and individual share ownership still minority investment

15 per cent of all Gen Xers had Stocks & Shares ISAs today. That rises to 29 per cent for those over £4,000 per month take home household income. 24 per cent of Londoners had Stocks & Shares ISAs.

An average of 10 per cent of Gen Xers individually owned publicly-listed shares, rising to 19 per cent for those with household income exceeding £4,000 and 16 per cent for Londoners.

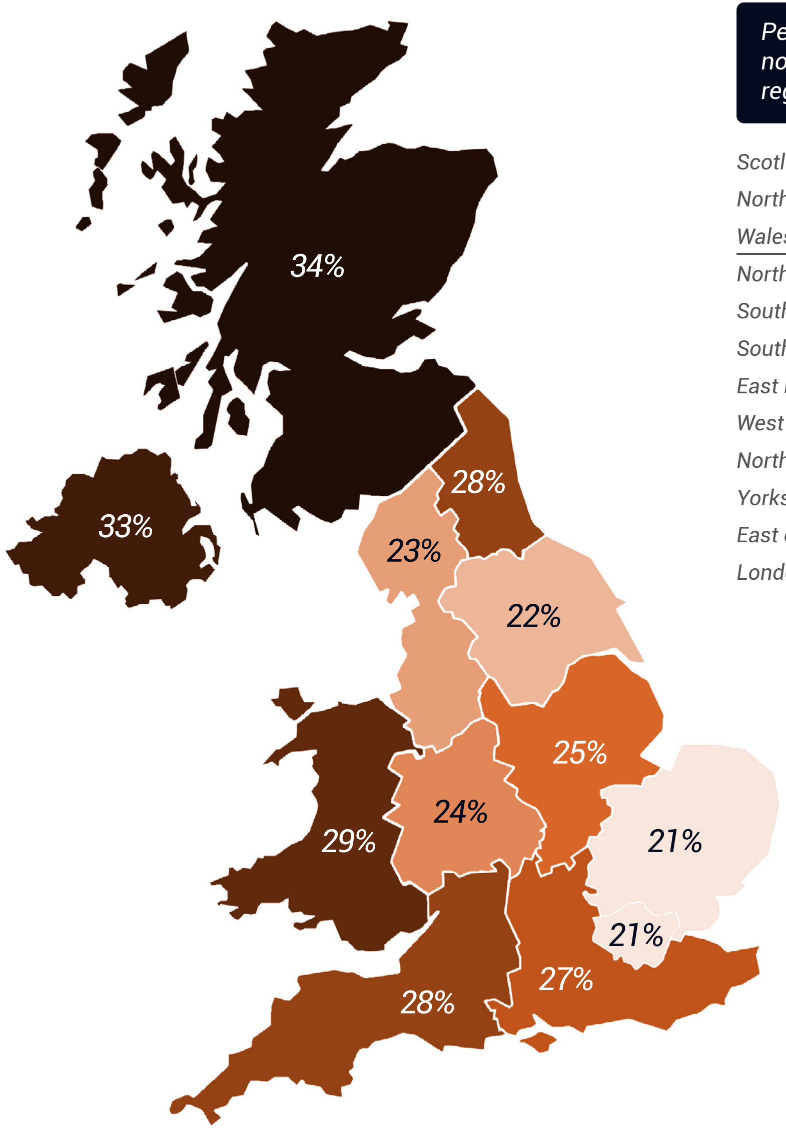
Despite the publicity around this space over the last few years, just three per cent of all Gen Xers held Peer to Peer (P2P) lending investments. That proportion doubled to six per cent for those living in London and just over six per cent for those with household income exceeding £4,000 per month.

Adrian Boulding, Dunstan Thomas:

> “It’s important to recognise that Generation X are increasingly thinking in terms of building a patchwork quilt of retirement income sources so it’s going to be coming from pensions, from Buy to Let investments, from ISAs, perhaps from selling up their own business and even from equity currently locked into their own home.”

Zero savings ‘cold spots’

An average of 25 per cent of Gen Xers claimed to have no savings or investments whatsoever. Those on lower income were saving less: 48 per cent of those with total monthly household income of less than £700 per month recorded no savings, whereas only 10 per cent of those earning over £5,000 household income had no savings. There were zero savings cold spots in certain regions of the country:



Percentage of Gen Xers recording no savings or investments by UK region

Scotland	34%
Northern Ireland	33%
Wales	29%
North East	28%
South West	28%
South East	27%
East Midlands	25%
West Midlands	24%
North West	23%
Yorkshire/Humberside	22%
East of England	21%
London	21%

Retirement prospects of Generation X

Most Gen Xers know they are not saving enough to maintain lifestyle in retirement

With average pension-based saving of just under £160,000 and average additional savings and investments amounting to about £71,500, understandably many Generation Xers were aware that at the current rate of saving they will have nowhere near enough to retire in their mid to late 60s.

Nearly half (45 per cent) of Gen Xers thought they had 'nowhere near enough today' to maintain their lifestyle in retirement, and over a third (34 per cent) thought that situation wouldn't have improved by the time they actually retire.

"I don't know how many pension pots I've got. I get literature from at least two providers, but it all goes straight in the bin because it depresses me. They are worth under £25,000 between them all. I'll be downsizing from a large house to a flat to unlock equity to fund my retirement. And I plan to get a part-time job in my 70s."

A further 20 per cent thought they didn't have quite enough in pensions and savings today to maintain their lifestyle in retirement and 21 per cent didn't think they'd have enough to maintain their lifestyle once they reach their target retirement age.

Roughly one in five (18 per cent) thought they were on track to maintain their lifestyle once they retire and nearly a quarter (23 per cent) thought they would have enough at retirement age to maintain their lifestyle in retirement.

On aggregate, 55 per cent of Gen Xers thought they wouldn't have enough to maintain their lifestyle by the time they reach retirement - they were resigning themselves to being poorer in retirement. More positively, 26 per cent thought they would be able to afford to maintain their lifestyle in retirement.

Worryingly, concern about not having enough to retire on didn't fall away significantly with age, as 49 per cent of 39-44 year olds thought they wouldn't have enough at retirement; this falls only marginally to 41 per cent for 51-54 year olds who were only a few years away from being able to exercise their Pensions Freedom choices.

A significant fall in retirement savings concerns only shows itself in the responses from the highest earning group bringing in more than £5,000 household income each month. Of this group, just a quarter (25 per cent) believe they will have nowhere near enough saved to retire.

Only 11 per cent of Gen Xers bringing in over £5,000 household income each month were 'not at all confident' they will be able to afford the lifestyle they would like in retirement. That lack of confidence doubles to 21 per cent for those with total household income of £4,500-£5,000 per month.

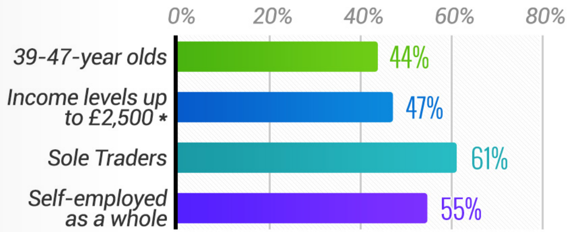
Will full retirement ever happen for Gen X?

A sizable minority - 40 per cent - agreed with the statement "I'm not sure I will ever be able to fully retire." A further 38 per cent preferred not to think about retirement "because it worries me so much", and a further 24 per cent appeared to be pushing the decision-making further down the road by agreeing with the statement "retirement is too far off for me to start thinking about it now."

Younger Gen Xers and those earning less are less likely to think they will ever fully retire:

Lowest earning groups were most likely to kick the retirement funding question down the road. So, for example, 47 per cent of people with earnings of between £701 and £1,000 per month thought that 'retirement is too far off for me to start thinking about it now'. That was even higher than the youngest Gen Xers aged 39 to 44, where 36 per cent thought it was too early to start saving for retirement.

Percentage who anticipate they will never fully retire by sub-group



Semi-retirement trend set to grow

Over a quarter (27 per cent) of Gen Xers would consider working part-time after they've retired from their core job. Women were more likely to contemplate this: 32 per cent of them thought they will be taking part-time work after they have stopped doing their core full-time job, whereas 24 per cent of men wanted or expected to carry on part-time working deep into their 70s. A further half (53 per cent) of all Gen Xers said they would 'probably take a part-time job' as they move into semi-retirement.

A third (33.4 per cent) of Gen Xers with household income up to £2,000 per month were 'definitely' planning to take part-time employment after their core job finishes. The numbers keen on part-time working when their main job winds down were even higher amongst the self-employed and 37 per cent of them would 'definitely' seek to go part-time.

"From my perspective, I don't see retirement as a definitive step. I still see myself doing work in the property industry and other areas of my life that interest me well beyond traditional retirement age."

Pensions Commission's Three Choices - Gen X pass their verdict

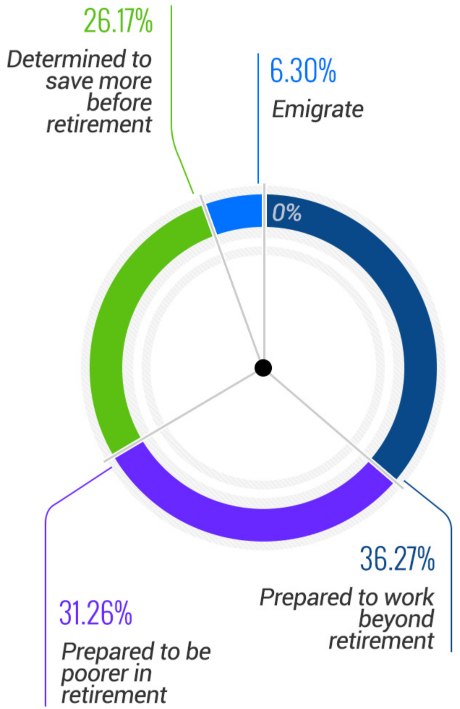
In 2005, Adair Turner's Pension Commission distilled the problem of pensions under-saving into three stark choices:

- Save More
- Work Longer
- Have Poorer Pensioners

Dunstan Thomas asked Gen Xers which of these options they would be taking to alleviate the problem of retirement income under-saving. The largest group (36.27 per cent) said they were prepared to work beyond planned retirement age. A slightly smaller percentage (31.26 per cent) were prepared to be poorer in retirement; whilst 26.17 per cent were determined to save more between now and retirement.

We added one more choice to Adair Turner's original three options for those under-saving for retirement, as stated in his 2005 Pensions Commission Final Report, by offering respondents the option to emigrate to cut their cost of living in retirement. The remainder (6.3 per cent) decided that might be the right option to make their retirement savings stretch a little further.

Gen Xers' Turner Report retirement under-saving option preferences



- Over a quarter (27 per cent) of Gen Xers would consider working part-time after they've retired from their core job.
- Nearly a third (32 per cent) of Gen X women and a quarter (24 per cent) of men planned to do this.
- A further half (53 per cent) said they would probably take a part-time job as they move into semi-retirement.
- A third (33.4 per cent) of Gen Xers with household income up to £2,000 per month were 'definitely' planning to take part-time employment after their core full-time job finishes.
- The numbers keen on part-time working when their main job winds down were even higher amongst the self-employed – 37 per cent of them would 'definitely' seek to go part-time.

Glimmers of hope

Savings don't buy 'economic happiness'

It is easy to feel from a reading of the stark numbers in this study that Generation X might feel downcast about their retirement prospects. However, one aspect of our study uncovered that happiness with income and living arrangements depends on income and location but not on levels of savings or pensions wealth.

The Dunstan Thomas 'Retirement Prospects of Generation X' study also found that the Northeast is the place to live if you want to be surrounded by people who are happy with their current income and living arrangements - nearly two-thirds (66 per cent) of Generation Xers expressed happiness with their financial lot in the Northeast.

Gen Xers living in the Northeast came top of our Economic Happiness Index, yet their average savings and investment wealth was the lowest of all regions in the country. Gen Xers there have put aside an average of £46,720 in non-pension savings accounts and they were well below average in terms of retirement savings with £133,643 saved in a pension.

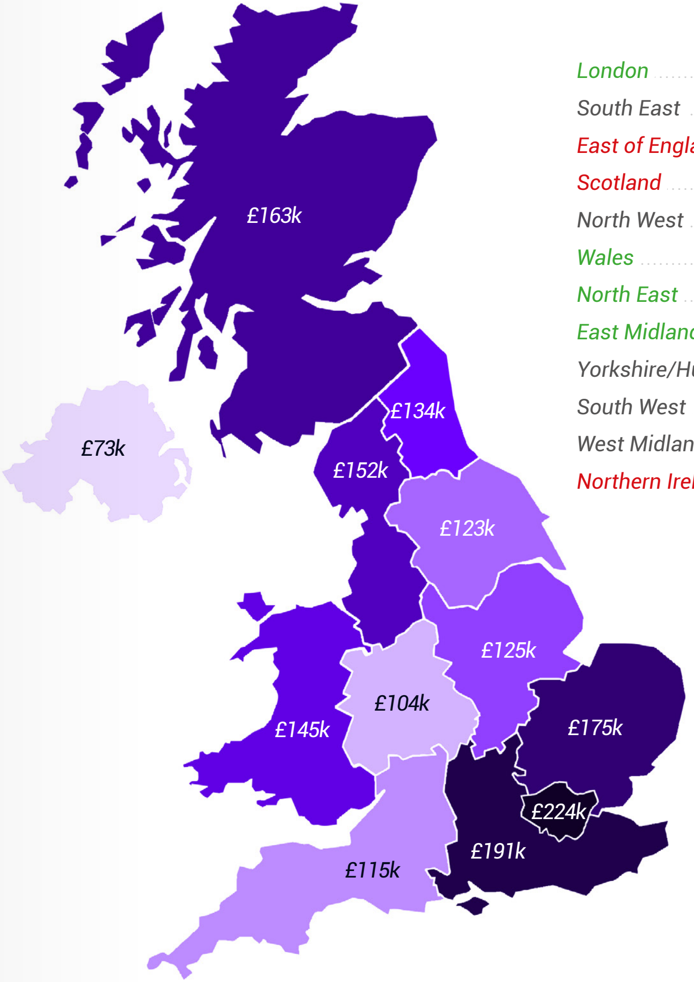
This inverse correlation between savings wealth and happiness with income and living conditions is also borne out by the figures in Wales. Residents there were equal third on Dunstan Thomas' Economic Happiness Index alongside people living in the East Midlands, yet residents of these regions had pension and other savings valued well below the national average.

At the other end of Dunstan Thomas' Economic Happiness Index was Scotland where 53 per cent considered themselves happy with their income and living conditions; in terms of pensions and savings levels they came near the top in fourth place (with average combined pensions, savings and investments of £217,254). This figure is just behind Southeast-based Gen Xers with £239,064, East of England Gen Xers with £246,363 and Londoners which understandably are top of the average total wealth chart with £361,811 in total saved in pensions and investments.

Happiness with current income and living arrangements is of course correlated with current earning levels. So, only 30 per cent of Gen Xers running households bringing in less than £700 a month of take home pay, consider themselves happy with their pay and living conditions; whereas 82 per cent of Gen Xers running households which collectively bring in between £4501-£5,000 are in a blissful state of happiness with both their pay level and living arrangements.

But there were diminishing returns for 'fat cat' Gen Xers with household income in excess of £5,000 per month – a lower figure, 78 per cent of them, are happy with income and living conditions. It's possible to speculate that at the highest level of income their work life balance may be out of kilter.

Pension savings averages by region showed an inverse correlation between happiness with income & living conditions and total savings wealth.



Total average pension savings levels versus Economic Happiness by UK region

	Avg pension savings	Happiness index ranking
London	£223,790	66%
South East	£190,803	62%
East of England	£175,319	60%
Scotland	£163,357	60%
North West	£151,902	59%
Wales	£145,126	59%
North East	£133,643	58%
East Midlands	£125,110	55%
Yorkshire/Humberside	£123,492	54%
South West	£114,872	53%
West Midlands	£103,746	52%
Northern Ireland	£73,246	52%

Green = Happiest
Red = Least Happy

An inheritance will enable retirement for a fifth of Gen Xers

About one in five Gen Xers appeared to be relying on an inheritance to make retirement truly affordable: of the 42 per cent anticipating receiving an inheritance before they retire, nearly one in ten (nine per cent) declared they will not be able to retire at all until they receive that inheritance. A further third (34 per cent) thought that their inheritance is 'a fairly important factor' in supporting their retirement income and only 12 per cent felt it was insignificant.

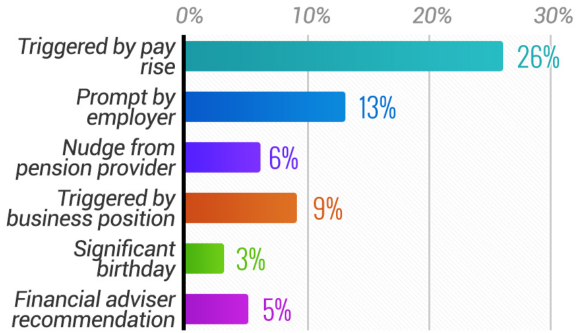
Triggers for increased pension contributions

Providers and advisers alike might be interested to note what events can trigger increased contributions to break a pension under-saving period. Naturally enough, we found the most common trigger for increased pension contributions by Defined Contribution (DC) pension holders was a pay rise.

More than a quarter (26 per cent) felt that higher pension contributions would be triggered by a pay rise; 13 per cent by a prompt from their employer and six per cent by communication 'nudges' from their pension provider.

Nine per cent indicated that it might be triggered by the business they worked in doing better or moving to a new job; three per cent felt that a significant birthday might trigger an increase in contributions. However, only five per cent felt that they would be stimulated by a financial adviser recommendation.

Key reasons for increasing pension contributions



Adrian Boulding, Dunstan Thomas:

> "It's clear from this study that Gen Xers have real concerns that they are not saving enough right now to retire comfortably. The good news is it's not too late for them to engage more deeply and set aside more money for retirement going forward. The contribution target should be both flexible and manageable and the broad principle of setting aside more money in the good years is a good one in anticipation that there will be times that earnings may drop – requiring cuts in contribution rates."

Consumer communications needs to be digitised & personalised

Although the focus of our study was not on member or policy holder communications per se, it was clear from Generation Xers' responses to many of our questions that the paper-based review documentation (which has been the preferred method of communication by most providers until recently) was no longer adequate or effective.

Nearly half (46 per cent) of 39-54 years olds already wanted product providers to send information and advice by email; a further quarter of them wanted information and advice face to face. Eight per cent were happy with online chat via a provider's website or platform; five per cent wanted phone-based financial advice.

What is clear (perhaps more from the video interviews we conducted around the country than the survey) was that many Generation Xers did get advice and support earlier in their careers, from a life assurer's Direct Sales Force or their high street bank.

Despite the poor reputation of these commission-based advisers, they definitely served to stimulate Generation X to start saving for retirement and keep saving through the early years of work. RDR largely swept the DSFs and bancassurer advisers away and it was Generation Xers who felt their loss when they worked themselves into a position where advice was becoming increasingly important for longer term planning and financial wellbeing.

In the video interviews we conducted during February 2020, many older Gen Xers expressed a need for help with a specific financial challenge which they were then facing. Clearly not wealthy enough to be targeted by IFA firms, their providers and banks were reluctant to offer anything more than highly simplified and general guidance. Tightened regulation predicates against them coming anywhere near the line between guidance and advice. The result: the MAPS (Money and Pensions Service) has a very large hole to fill as less than a tenth of Generation X currently have the benefit of an independent financial adviser.

This government-backed, centralised guidance service recently unveiled its UK Strategy for financial wellbeing: promising to transform the financial education of UK residents; stimulating them to reduce bad debts; save more for retirement and later life care; and borrow wisely. It's clear their work is urgent given our findings. However, providers must also find a way to use digital channels to prompt policyholders to make the right decisions or seek affordable financial advice when they would clearly benefit from doing so. In the absence of good sources of information, Gen Xers were increasingly turning to friends and family, where advice can be well meaning but dangerously inaccurate.

Providers can bear in mind that over half of Generation X (55 per cent) was already using their smart phones to keep up to date with bank transactions and complete transactions. Over one in 10 (11 per cent) were using them for budgeting day-to-day. Nearly the same number (nine per cent) were using mobile apps to micro save 'on the fly', putting the virtual change from their daily coffee into an ISA investment account for example. If you look at younger Gen Xers aged 39 to 41, 14 per cent of them were using these sorts of mobile apps and even the oldest sub group we looked at (aged 48-54 years) are moving this way – seven per cent of them were micro-saving and investing via their smart phone.

What will become crucially important is that those who start out with micro-saving have a route through to rather larger savings products once they become comfortable. The change from a cup of coffee may be a good starting point but it's never going to amount to a worthwhile retirement income to live on.

When we were interviewing Gen Xers around the country, we found people using apps to set money aside for holidays and other larger bills and even to invest and watch the performance of different types of funds held inside Stock and Shares ISA wrappers. The world of consumer communications needs to change to keep pace with changes in consumer behaviour brought about by the ubiquity of the smart phone and the proliferation of great fintech offers stimulating consumers to invest, save, budget, switch utility providers and generally manage their money more effectively.

Gender pensions gap: The gap between male and female pensions is as wide as ever

Generation X women have saved 37 per cent less in pensions than men, according to this study

- Average pension savings of UK Gen X Men (aged 39-54) is £186,611
- Average pension savings of Gen X women is £117,854 (37 per cent less)
- Gen X men put nearly twice as much as Gen X women into their pensions each month - £253 versus £139 (45 per cent less)
- 38 per cent of women have less than £5,000 in savings or investments, as opposed to 27 per cent of male Gen Xers
- Nearly half (49 per cent) of Gen X women think they will have 'nowhere near enough' in pensions, savings and investments by the time they retire, compared to 40 per cent of Gen X men

Male Generation Xers aged 39-54 today have on average saved £186,611 in pensions, whilst female Gen Xers have so far saved 37 per cent less in pensions – setting aside £117,854 to fund their retirement. This key figure is just one of many exposed by the new Generation X Retirement Prospects study commissioned by pensions specialist fintech company, Dunstan Thomas.

The average Gen X man pays £253 each month into their pension, whereas Gen X women make pension contributions averaging £139 per month – that's 45 per cent less. One in every five women (20 per cent) aged 39-54 have less than £15,000 in pension savings, compared to less than a tenth (nine per cent) of men in the same age group. In addition, a quarter (25 per cent) of all women said that they had no pension at all, compared to less than a fifth (19 per cent) of all men. Nearly a third (32 per cent) of women said that they would definitely need to work part-time to supplement their income after they retired, compared to less than a quarter (24 per cent) of men.

Variations between size of non-pensions savings & investment accounts

The Dunstan Thomas study also revealed a big difference between the average size of savings and investments (including the equity in investment properties). For Gen X men this average pot is £89,822, compared to £52,883 for Gen X women. Well over a third (38 per cent) of women have less that £5,000 in non-pensions savings or investments, compared to just over a quarter of men (27 per cent).

Male pension planning bias

Men also show a more active interest in pension planning. When asked about how often they manage and plan their pension savings: over a third of Gen X men (35 per cent) said they reviewed this at least every six months, compared to just over a fifth (21 per cent) of women who said this.

Gender preference over pension choice

The Dunstan Thomas study found that when exploring the types of pension schemes adopted by men and women there is little variation in the taking up of Auto Enrolment and Defined Benefit schemes. Nevertheless, looking wider, variations do appear: a quarter of men (25 per cent) have a personal pension or SIPP compared to only a sixth of women (16 per cent); and a fifth of men (21 per cent) have a Defined Contribution (DC) pension scheme compared to just over a tenth of women (13 per cent). This data suggests that of the two sexes, more men take a direct interest in the decision-making process of how their pension fund is invested.

Nowhere near enough saved to retire

Nearly half of women (49 per cent) surveyed think they will have 'nowhere near enough' in savings and investments by the time they retire. compared to two fifths of men (40 per cent). Just under half (45 per cent) of women avoid 'thinking about retirement because it worries me too much' compared to just under a third of men (32 per cent).

Summary

It's clear from the findings of this study that Generation Xers' retirement plans and income prospects are already significantly different from the Baby Boomers before them. Their careers have been punctuated by a series of economic shocks and downturns, typified by the COVID-19 global pandemic which took hold in China right at the beginning of this year and reached our shores by the end of February.

They have experienced a great many changes in pension arrangements as generous final salary DB schemes became a fading memory for most and many Gen Xers working in the private sector never had the opportunity to sign up to one.

The shift from DB to DC and thence to Auto-Enrolment schemes, together with the disappearance of thousands upon thousands of tied agents (DSF and bank-based) have left many Gen Xers with numerous dormant legacy pensions. Our experience was that these have rarely been consolidated, which is symptomatic of the difficulty people have in engaging with their pensions in any decisive manner.

There is a vast opportunity for advisers, wealth managers and fintechs alike to offer pension consolidation services, to help reduce the burden of charges on multiple pension pots and increase customer engagement and performance. The Pension Dashboard should help with that.

However, providers can move ahead of the Dashboard's arrival: to clean up their customer data and offer solutions to help customers find efficiencies. They will be rewarded with loyalty for doing so. Remember this is the generation which, in the main, has had no regular independent financial advice since well before RDR, if at all and only nine per cent of them today have regular access to an IFA.

There is considerable scope for Gen Xers to improve its situation with a combination of advice, behaviour-based communication 'nudges' from providers, better guidance and digital engagement tools to get them saving more. There is a clear appetite for environment-friendly investing. There is a hunger to know more about the societal or environmental impact of their investments and less about how they are performing in the short-term.

Research outline

The Dunstan Thomas 'Retirement Prospects of Generation X' study is the most comprehensive consumer investigation which Dunstan Thomas has ever conducted. Its results provide an accurate picture of the financial wherewithal and retirement prospects of Generation X aged 39 to 54 years old.

A 43-question survey was delivered to a nationally-representative sample of 2,011 Generation Xers, ensuring strong representation for all income levels as measured by monthly take home pay (after tax but before any other bills are paid).

15 per cent have income below £700 per month, whereas nearly 10 per cent have over £3,501 average monthly income. The largest whole household income cluster takes home more than £5,000 per month (9.4 per cent). While those bringing in £3,001-£3,500 per month make up nearly eight per cent of the sample.

Employment-wise, 61.4 per cent were in full-time work, 14.5 per cent in part-time work (8-29 hours per week); 2.4 per cent were holding multiple jobs which together added up to over 30 hours per week; 1.7 per cent were working for less than eight hours of paid work per week.

Only three per cent described themselves as unemployed and two per cent were full-time parents. Of the 79 per cent working: 13 per cent were self-employed, 83 per cent were employees, 3.9 per cent were freelancers/contractors and 6.2 per cent sole traders.

Nearly a third (31 per cent) of Gen Xers had children over the age of 18 now. A quarter (25.3 per cent) had 14-17-year-old children. 32 per cent had children aged 7-13 years old and a further 16 per cent had children aged six or under or are expecting a child imminently. Over a third of couples (34 per cent) had no children. Nearly one in five (18 per cent) of Gen Xers were single and living alone.

About Dunstan Thomas Financial Technology

DTFT's solutions for wealth managers, platforms and providers, are designed to make the complex understandable through the design and roll out of exceptional user experiences and digital customer journeys.

Dunstan Thomas Financial Technology recently completed rebranding of its Imago suite on functional lines: creating Imago Portal, Imago Tools, Imago Illustrations, Imago Administration and Imago Automation. These offerings, which can also be fully-bundled into an outsourced service called Pensions PA, provide a comprehensive array of client and adviser platform tools including new business illustration creation and processing, Statutory Money Purchase Illustrations, Annual Reviews, Drip Feed Drawdown illustrations, Flexi Access Drawdown illustrations, MiFID II illustrations and a great deal more.

DTFT has also created the new umbrella product brand Integro CX, a customer experience suite designed to augment, renew and refresh legacy and new financial technology, providing transactional and dashboard solutions for platforms, product providers and wealth managers.

It provides highly adaptable and usable Adviser, Client and Administrator-facing portals and configurable workflow engines delivering application forms, on-boarding processes, transactional capabilities, administration processes, document repositories, reporting capabilities, statutory statement delivery and much more.

You can download a copy of this management report free by going to our website at:
www.dthomas.co.uk/content/fs/brochures.shtml

For a copy of the raw data, please make contact with Miles Clayton of Agility PR on 01992 587 439.

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