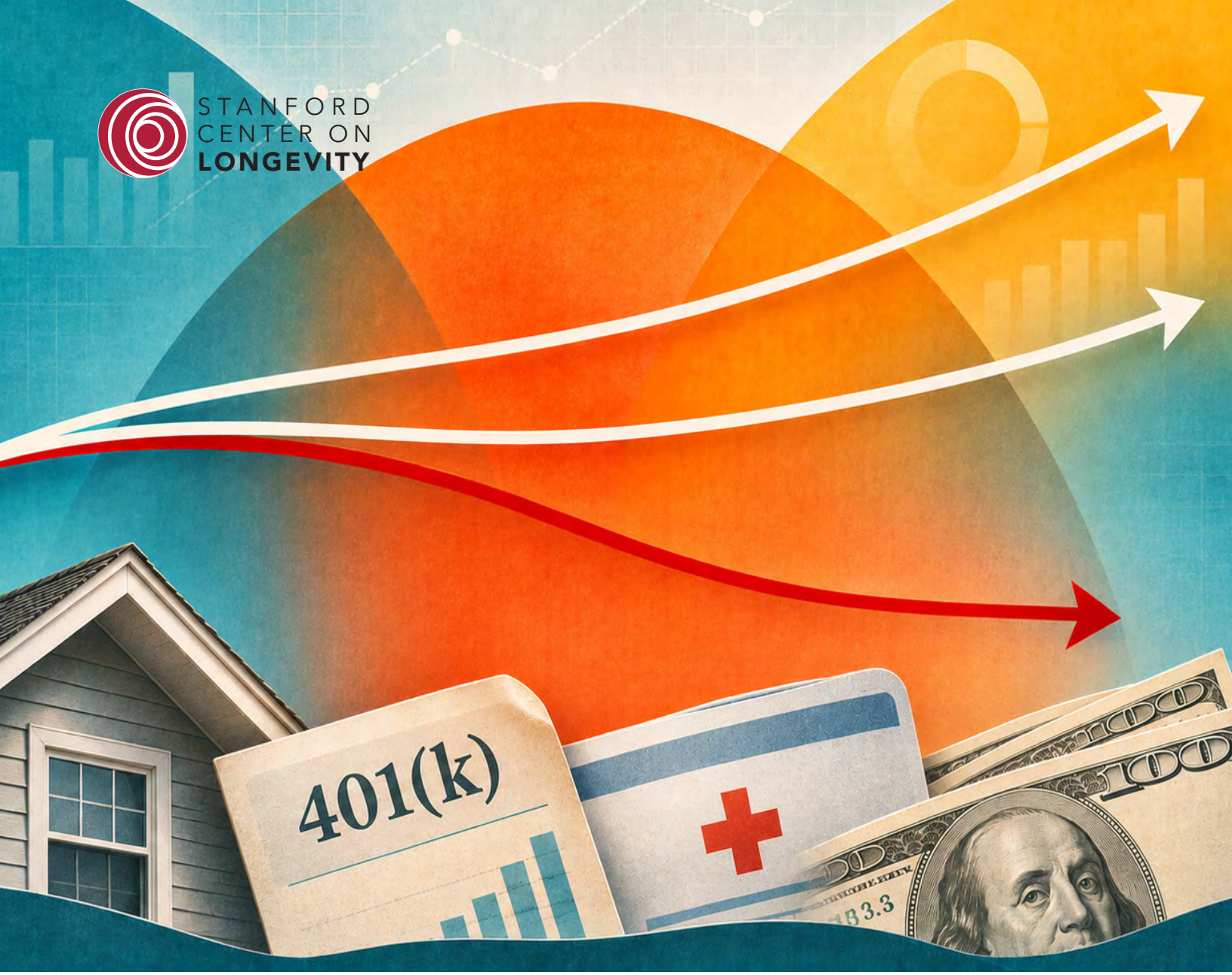


SIGHTLINES

The Lost Financial Generation

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STANFORD CENTER ON LONGEVITY

The Lost Financial Generation

Two decades of data show middle-aged Americans from Gen X are falling behind.

Executive Summary

Americans are living longer lives, but many worry that they are not financially prepared. To understand financial security trends in the U.S., Stanford Center on Longevity's Sightlines Project tracks nine key financial well-being benchmarks over the last 20 years. The data reveal that middle-aged Americans aged 45 to 64 are doing worse than their same-aged peers 20 years ago, a trend not seen among younger or older Americans. Middle-aged Americans declined on seven of the nine benchmarks, while the youngest and oldest adults each improved on several benchmarks.



For middle-aged Americans, losses were concentrated in late midlife and among the least advantaged. Adults aged 55 to 64 saw the largest declines of any age group on five of the nine benchmarks, including sharp drops in investment account ownership (81.6% to 68.6%) and life insurance coverage (79.0% to 61.4%). These declines were larger for those with less education and income. Among adults aged 55 to 64 without a high school diploma, investment account ownership fell by 42%, compared with 3% among college graduates.

While younger and older Americans have fared better, their gains come with notable exceptions. While adults over 75 improved in five of the benchmarks, they still saw a massive rise of 70% in unmanageable debt. Younger adults also saw many benchmarks improve, but are struggling with affordability, seeing a 14% decline in homeownership.

Why It Matters

Middle-aged Americans are entering the years when healthcare and caregiving costs climb, so the window to reverse these declines is waning. Given this, policymakers, employers, and financial institutions working to build financial resilience for longer lives should make middle-aged Americans' financial well-being a priority, especially those with lower education and income.

Full Report

Intro

Living longer is a wonderful gift, yet it can put Americans' financial security in a precarious position. Financial security, crucial to well-being, is one way that the Stanford Center on Longevity's Sightlines Project tracks how Americans of all ages are faring with extended lifespans.

Many of Americans' economic concerns — affordability, the job market, healthcare costs — are tied to longevity. Financial concerns related to long lives are becoming central to financial planning conversations, earning a distinct term: "Longevity Risk."[1] In a survey conducted by SCL in 2016,[2] 40% of Americans under the age of 65 believed they wouldn't have the financial resources to live a 100-year life. A decade later, little has changed. A 2025 Pew Research Center report found that four in 10 Americans are not confident they'll have enough money to last through their retirement years,[3] and a 2026 survey by Northwestern Mutual[4] found that 48% of Americans believe they are likely to outlive their savings. Strikingly, nearly 70% of Americans are more worried about running out of money than about dying, according to a recent survey by Allianz.[5]

By and large, our economic system was not built for a reality in which people live for many years past the traditional retirement age.[6] Social Security, which was never meant to support over 75 million recipients, is projected to run out of its accumulated reserves in the fourth quarter of 2032 and requires reform.[7] Other forms of late-life income, including traditional retirement savings plans, are also being challenged by increased longevity, especially among low-income earners.[8]

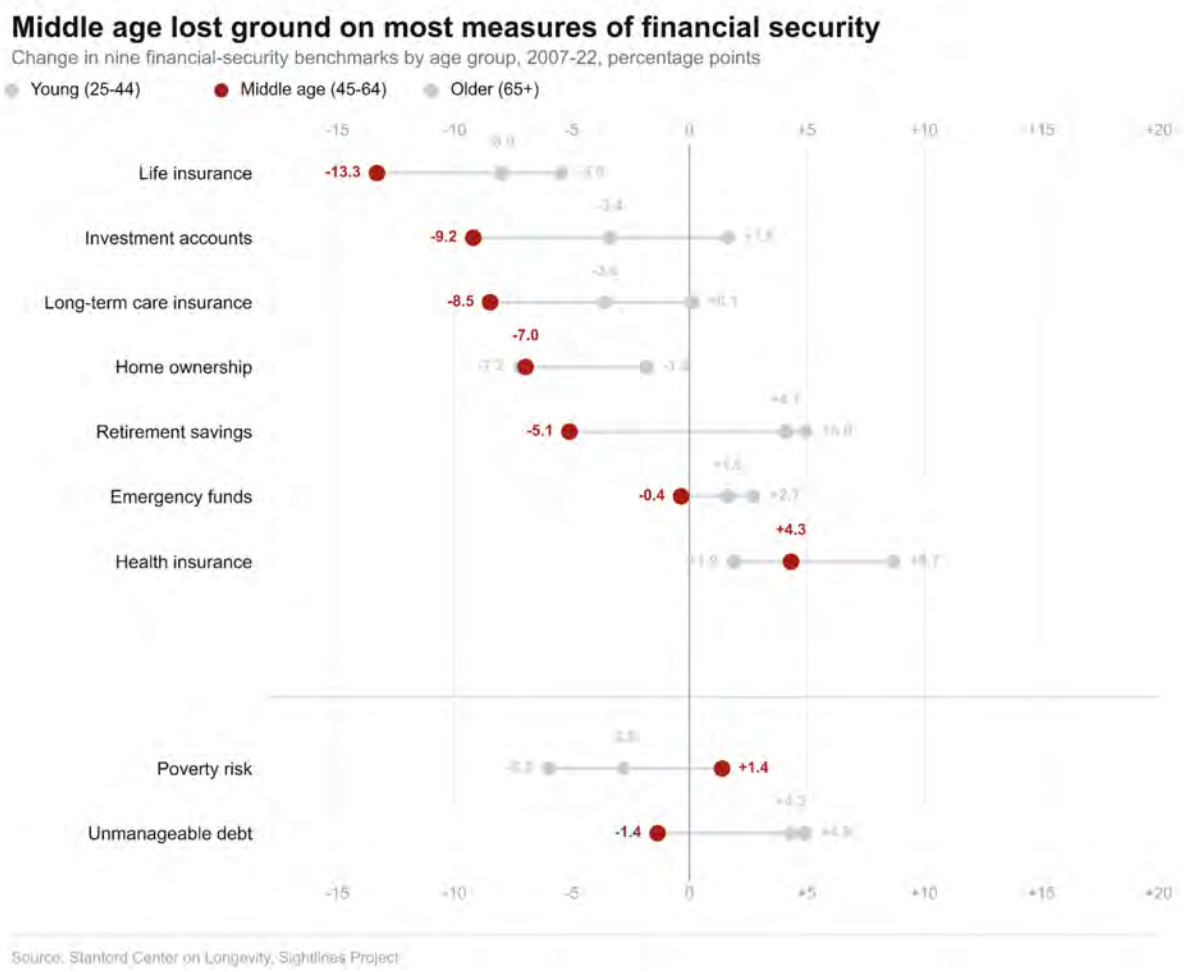
The risk of outliving savings is only one aspect of financial longevity readiness. Health and well-being throughout long lives are intimately tied to financial resources, especially in the U.S. where life expectancy can vary by as much as 20 years between the haves and have-nots.[9] Financial stability is associated with several factors contributing to thriving throughout long lives, including health behaviors and healthcare access,[10] education, and emotional wellness.[11]

By tracking American financial security over time and across the lifespan, we can begin to understand the unique ways longevity and financial issues are intertwined. To identify trends in Americans' financial well-being over the past two decades, we've analyzed data on nine financial well-being benchmarks — retirement savings, investment accounts, access to emergency funds, home ownership, health insurance, long-term care/disability insurance, life insurance, chronic debt, and poverty risk — from two nationally representative samples: the **Survey of Consumer Finances** and the **Annual Social and Economic Supplement of the Current Population Survey**.

The Big Picture: A Gen X Financial Crisis

Unlike younger and older Americans, middle-aged Americans aged 45 to 64 (most of whom comprise “Gen X”) are doing worse than their same-aged peers 20 years ago across most Sightlines financial security benchmarks.

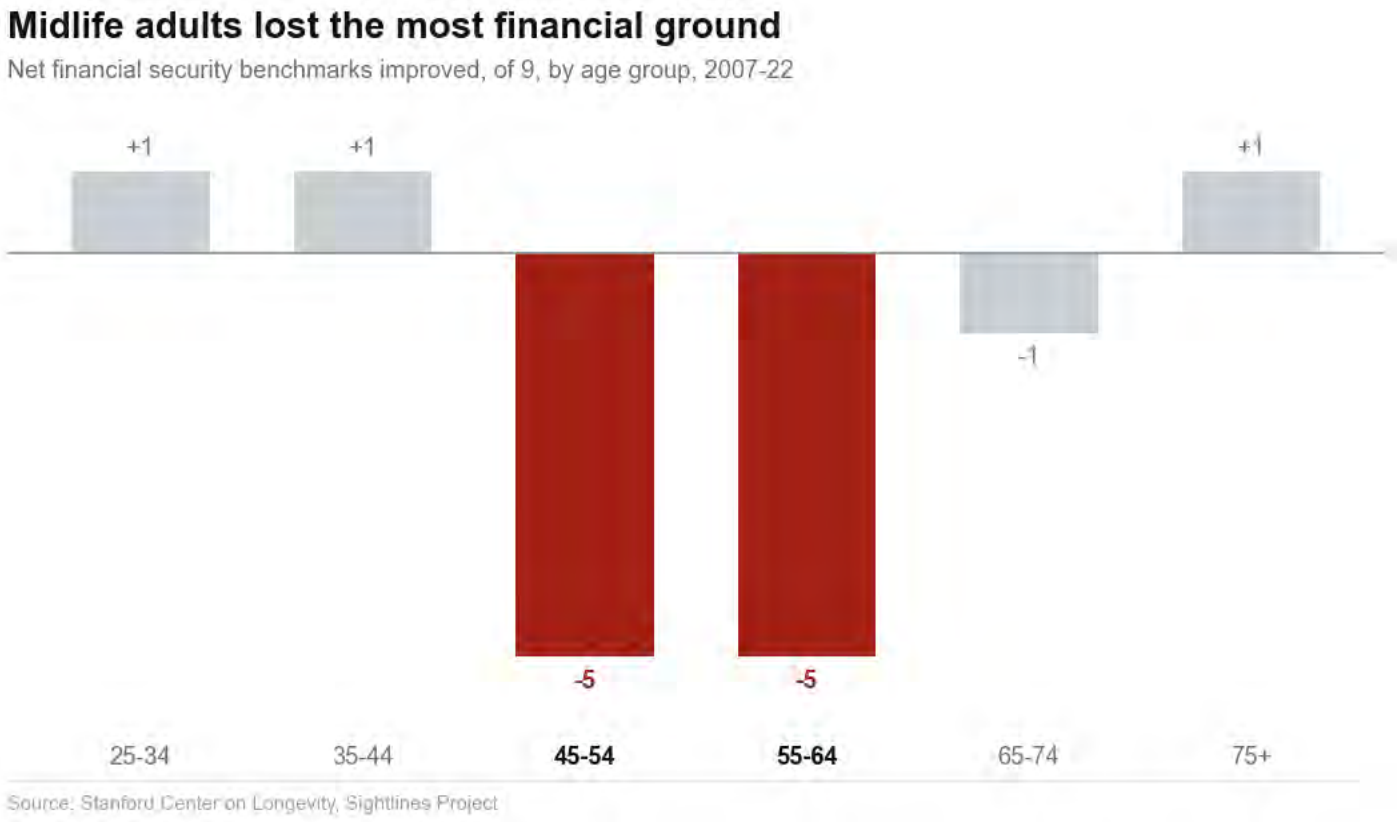
From 2007 to 2022, the financial security of adults aged 45 to 54 and 55 to 64 worsened across nearly all of the benchmarks. Moreover, even in benchmarks that saw declines across age groups, the declines were almost always sharpest among middle-aged Americans as well as more than all other age groups in all but one benchmark.



In fact, the only financial well-being benchmark in which today’s middle-aged Americans are truly better off than middle-aged Americans 20 years ago is the prevalence of health insurance. Importantly, this benchmark improved across all age groups since 2013.

In most areas where other age groups have improved over time, middle-aged Americans did not. The one exception is the percentage of Americans who are living with unmanageable debt, where an improvement among middle-aged Americans is driven by a relative improvement in the 55 to 64 age group (45- to 54-year-olds experienced a decline). However, even this modest improvement is washed out when looking at the trend across all years with available data (since 2004).

When we look at net benchmark improvement, middle-aged Americans are deep in the red, worsening by a net of 5 measures, whereas the youngest and oldest Americans have improved by a net of one measure.



Why It Matters

Midlife is already a financially squeezed point in life, and Gen X is worse off than past generations. This may have detrimental effects as this generation enters older ages. With healthcare and caregiving costs associated with aging-related diseases projected to rise in the coming years,[12] Gen Xers are poised to face them from a position of substantial financial disadvantage. Attempts to improve financial resiliency throughout long life and mitigate interconnected "longevity risks"[13] should give special attention to today's middle-aged Americans, as they are struggling during a life period critical to a strong financial future.

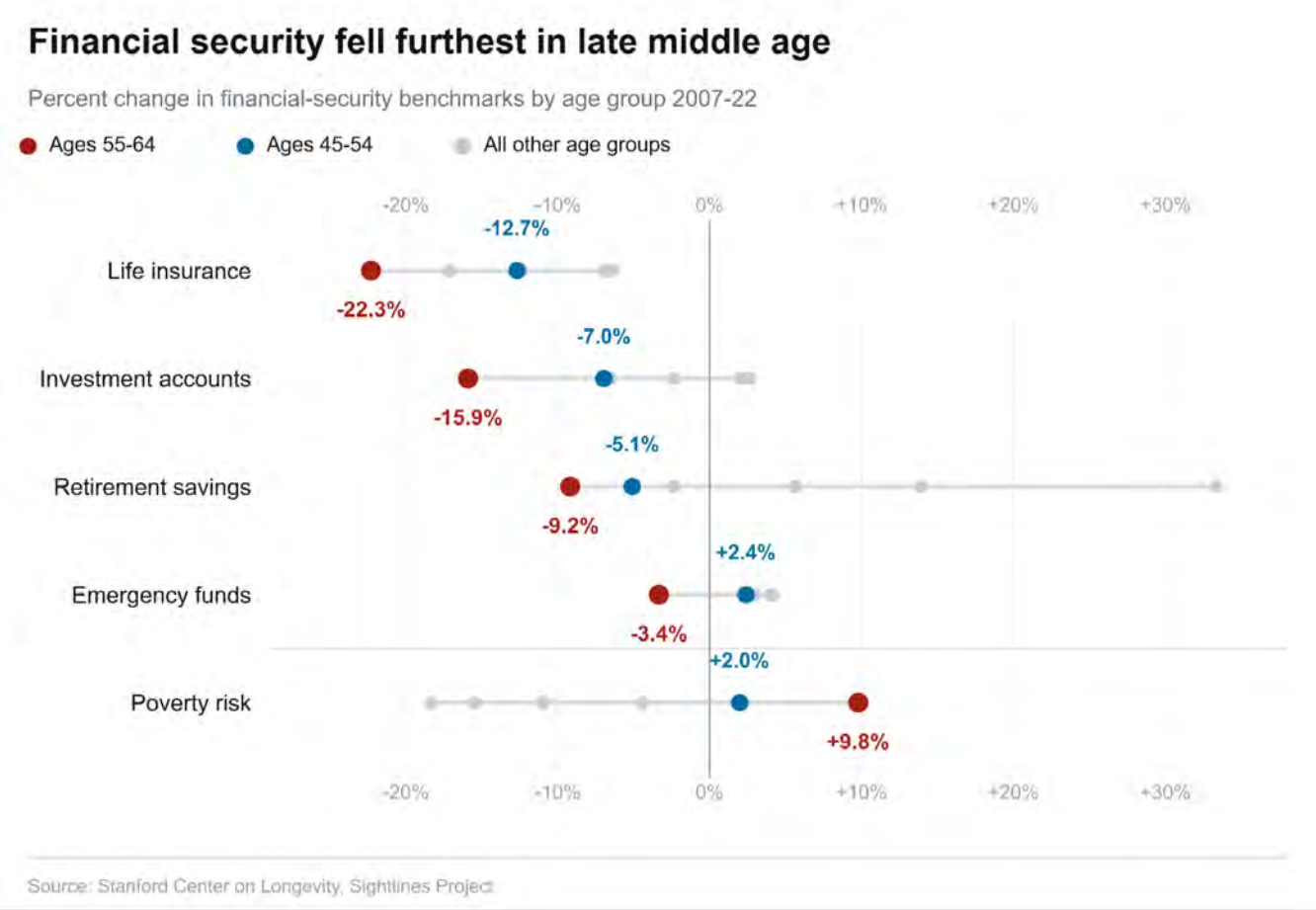
Important Nuances

Late Middle-Aged Adults Are Particularly Worse Off

Marginal improvements in unmanageable debt notwithstanding, data show that Americans in late middle age experienced the most severe declines in financial security.

From 2007 to 2022, the 55 to 64 age group had the largest losses in five of nine benchmarks: investment accounts, retirement savings accounts, life insurance, emergency funds, and poverty risk. These losses are greater than those of younger middle-aged adults aged 45 to 54 in every benchmark.

Having financial assets in the form of investments and savings accounts is critical to securing long-term financial stability. Significantly fewer late middle-aged adults in 2022 had these assets compared to 2007. Investment account ownership was down 15.9% in 2022, from 81.6% to 68.6%. This is the biggest decrease amongst all ages in this benchmark. The share of Americans with a retirement savings account fell most in the 55 to 64 age group too, sinking 9.2%, from 64.7% to 58.7%.



Fewer late middle-aged Americans have the safety nets they need for a financially secure future. Life insurance ownership fell by 22.3% from 2007 to 2022, from 79.0% to 61.4%. Emergency funds were down 3.4%, which isn't large, but they were the only age group to see any decrease.

While poverty risk is typically lowest at middle age, it rose by 9.8% in adults 55 to 64 from 2007 to 2022. Poverty risk declined in younger and older age groups.

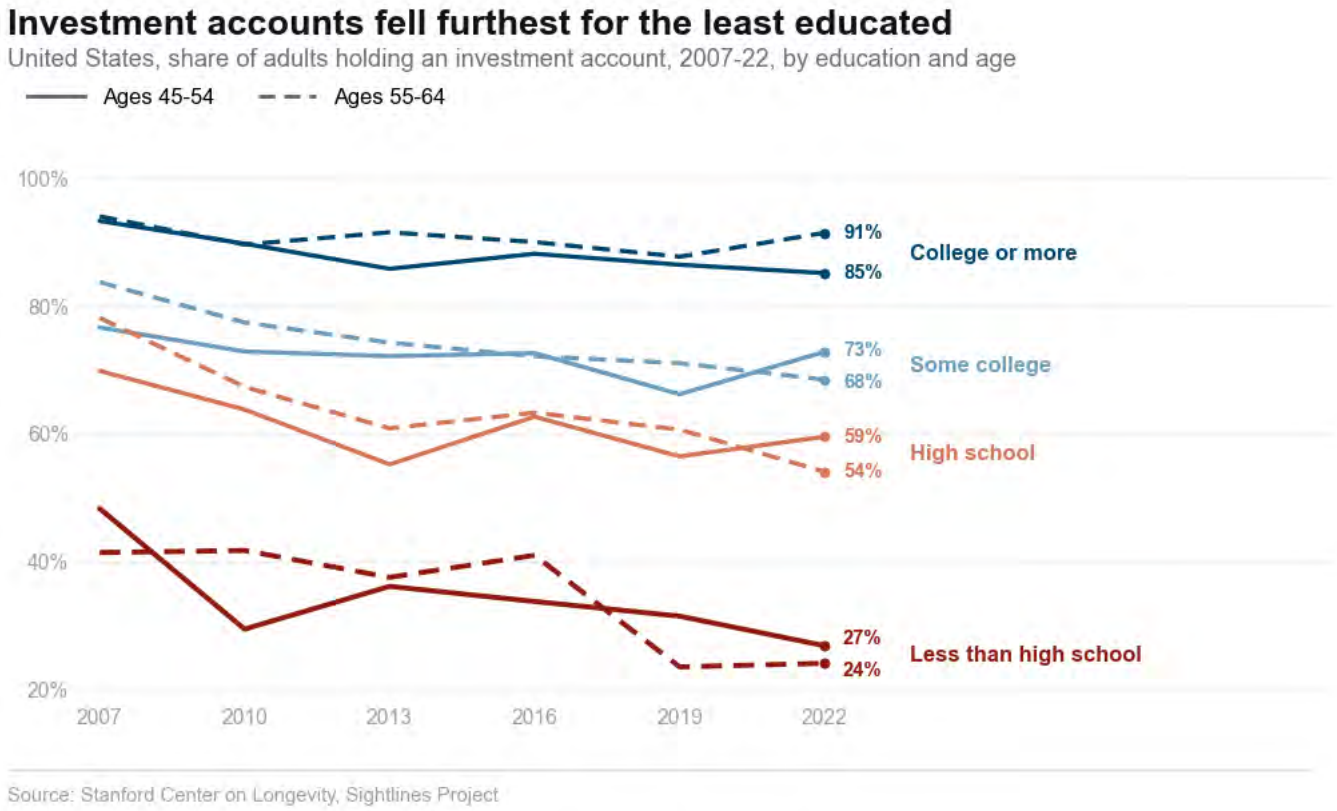
Why It Matters

There may be a narrower age cohort of Gen X who are particularly worse off than the generation before them. It is important to know precisely where gains and losses are experienced across the lifespan to properly diagnose problem areas and develop solutions. Generational grouping and traditional age group labels might not capture the nuances of rapidly changing trends in financial security.

Gen Xers with Limited Education and Low Income Are the Most Disadvantaged

The declines we observe among American Gen Xers and the risks they entail are not distributed equally. Education and income levels are significantly related to changes in Gen X's financial security.

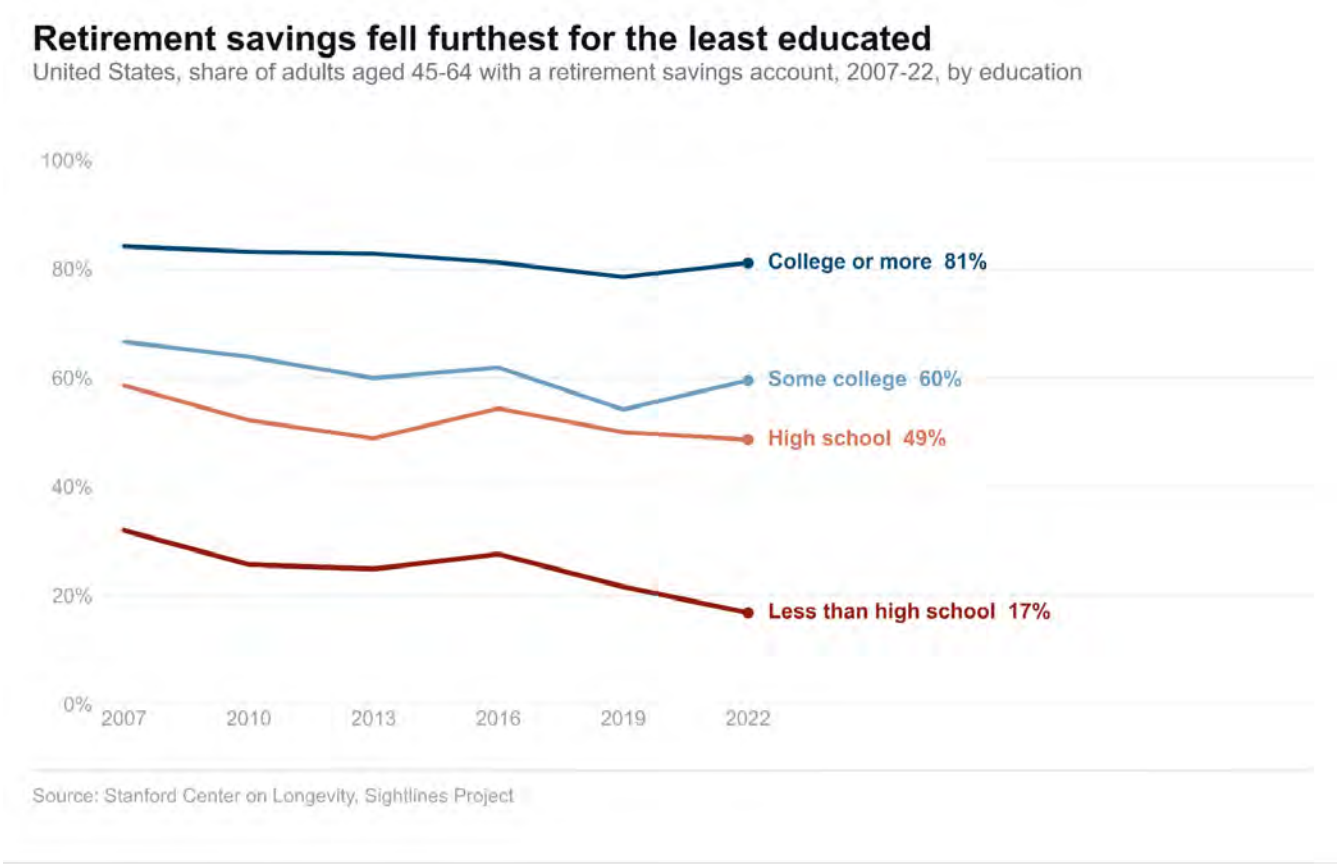
A combination of middle age and lower education as well as age and lower income is associated with the most severe decreases in financial security from 2007 to 2022.



For example, rates of investment account ownership fell by only 3% among college-educated 55- to 64-year-olds and remained above 90%. On the other hand, among Americans with less than a high school education in the same age group, investment account ownership decreased by a whopping 42%, with less than a quarter of this demographic having an investment account, the lowest among all Americans.

We observe the same pattern in investment account ownership disparities among early middle-aged Americans, too. Those with less than a high school education saw a decrease of 45% in investment account ownership, from about 1 in 2 owning an investment account in 2007 to just over 1 in 4 in 2022. Decreases were far less severe among early middle-aged Americans with at least some college education.

Unsurprisingly, but equally disturbing, we observe similar patterns when comparing middle-aged Americans of different income levels. Among adults aged 55 to 64, the share of retirement account holders in the lowest income quartile fell by 35% from 2007 to 2022, whereas it *grew* by 6% more in the highest income quartile.



Why It Matters

Taken together, our findings suggest that socioeconomically disadvantaged Americans in midlife face the highest financial well-being risks as they age. Declines in financial well-being benchmarks over the past 20 years have been steepest in these demographics, stressing the need for targeted interventions. Whether through policies, legislation, or financial products, special attention should be given to addressing midlife Americans facing the "double-whammy" of a disadvantaged starting point and worsening financial trajectories. This is true not only from an ethical perspective, but from a purely economic one as well, with research suggesting that societies with high disparities do not experience economic gains related to longevity observed in more equitable ones.[14]

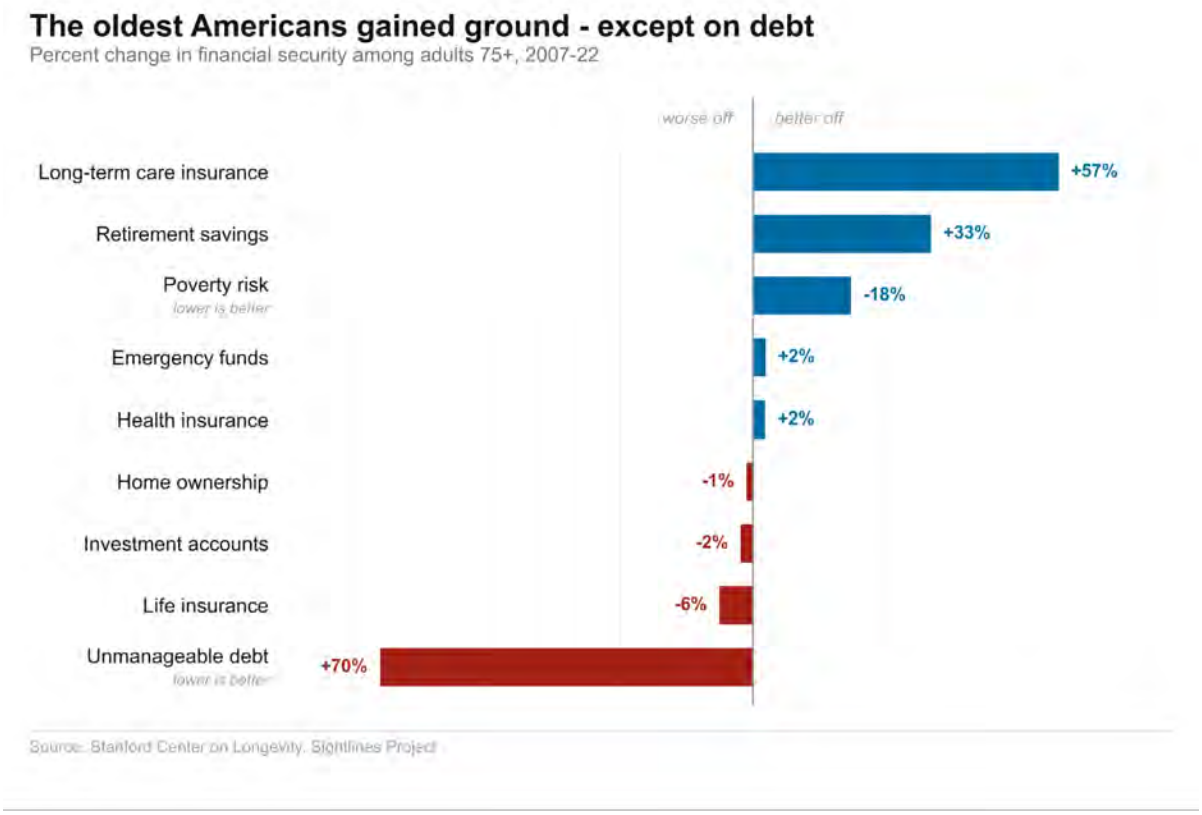
How do older and younger Americans fare compared to prior generations?

Older Americans experienced substantial improvements coupled with small declines, though rising debt rates are a cause for concern.

The oldest Americans, 75 and older, are largely better off than the oldest Americans of 20 years ago. They saw significant improvements in five out of nine financial security benchmarks, with the biggest gains observed in poverty risk, retirement savings, and long-term care insurance. Of the remaining four, only rates of unmanageable debt have increased by a concerning amount.

While poverty risk typically increases with age and remains high among Americans aged 75 and older (with about a third facing such risk), their risk of poverty in 2022 was 18% lower than it was in 2007. Similarly, ownership of retirement savings accounts rose by 33% among the oldest Americans compared to their peers 20 years ago, and rates of long-term care insurance increased by 57%. Of note, these gains are observed most strongly among wealthy and educated older Americans.

At the same time, rates of unmanageable debt — debt comprising more than a fifth of individuals' annual income (and therefore likely to become chronic) — have increased significantly among the oldest Americans. Over 30% of Americans ages 75 and older had unmanageable debt in 2022. Although it's the lowest rate among all age groups, it still represents a 70% increase. Considering that rates of unmanageable debt have risen continuously among the oldest Americans since 2010, this points to a concerning trend.



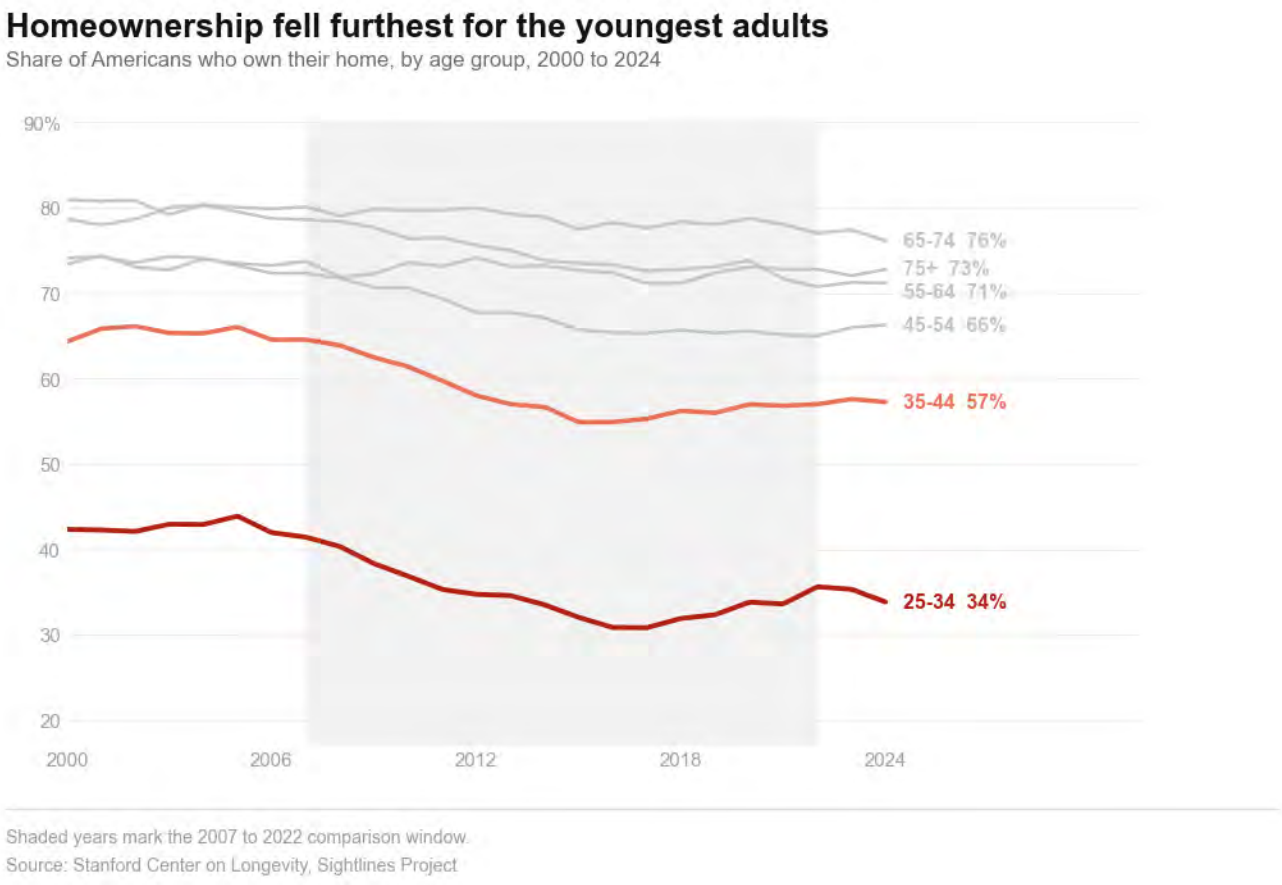
Why It Matters

The general trend pointing to older Americans being better off than their peers in the past is certainly encouraging. At the same time, challenges involving poverty risk and rising debt should not go unnoticed. These findings add to prevailing affordability concerns, and suggest that growing old in America is becoming prohibitively expensive for many Americans, who can't age well without stretching their financial resources dangerously thin. They also highlight the precarious situation of the next generation of older adults, current middle-aged Americans.

Young People Are Prepared, but Struggle with Affordability

Unlike Gen Xers, who were thrown into the reality of financing long lives without much preparation, younger Americans (Millennials and Gen Z) have time to prepare. By some measures, Sightlines data show that they are on the right track. More Americans aged 25 to 34 have emergency funds, health insurance, investment accounts, and retirement savings accounts compared to 20 years ago.

However, there are signs that although young people appear prepared for the future, they are struggling with affordability in the present. In particular, homeownership fell among the youngest Americans more than among all other age groups. From 2007 to 2022, homeownership rates fell 14% among Americans aged 25 to 34 and 12% among Americans ages 35 to 44. The most recent data from 2025 show that this trend is only worsening. Currently, less than one in three of the youngest American adults own their home, and nearly half of Americans in the next age group do not own their home.



Why It Matters

Although younger Americans are better prepared for a long financial future than younger generations of the past, our findings suggest that their "here and now" outlook is not as positive. This may explain why many young Americans today feel that they are worse off compared to prior generations at their age.[15,16] That said, younger Americans have the benefit of preparing for long financial futures. They can, and often do, make strategic decisions that will benefit them in the long run. This is in stark contrast to middle-aged Americans who did not have the opportunity to develop a "financial playbook" to serve them well as they age.

Conclusion

Longer lives are a gift, but they also require extended financial resources. Sightlines data from the past two decades indicate that middle-aged Americans, many of whom comprise Gen X, are less prepared than their older or younger counterparts for a long life. Compared with their same-aged peers in 2007, Americans aged 45 to 64 lost ground on most of the financial security benchmarks we track, with the steepest losses among those with lower levels of education and income who started with the fewest resources and have lost the most financial ground during adulthood.

Our analysis documents what has changed, not why. Many forces could be at work: the timing of the Great Recession in the middle of these Americans' working lives, the shift from employer-provided pensions to individual retirement accounts, stagnant wages, and rising housing, healthcare, and caregiving costs.

What the data do make clear is that the window for action is narrowing. Gen Xers are entering the years when healthcare and caregiving costs rise, and many are doing so from a position of financial disadvantage. Policymakers, employers, financial institutions, and researchers should treat middle-aged Americans, especially those with limited education and income, as a priority group. Understanding why this generation fell behind is a necessary step toward helping them, and toward ensuring that the generations behind them are better prepared for the long lives they are likely to lead.

*These findings represent just one view of a rapidly changing landscape. Explore the full range of Sightlines indicators and interactive data at **sightlinesproject.stanford.edu**.*

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