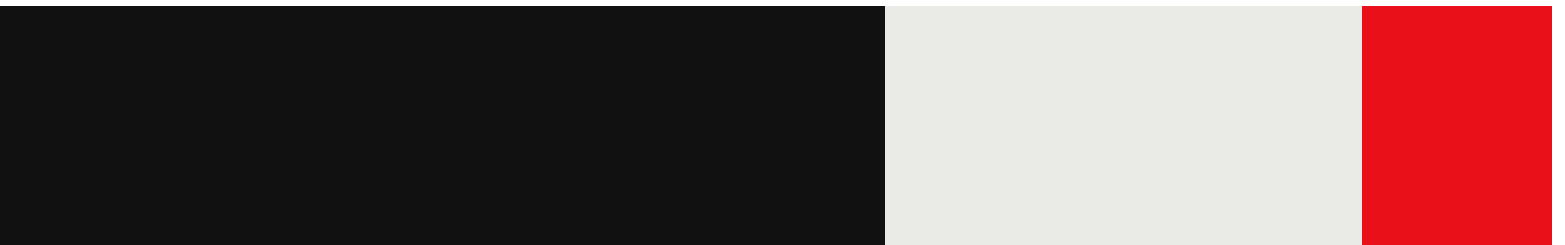


How banks can navigate the complicated financial relationship between Gen Zers and Gen Xers

Article



The findings: Forty-six percent of Gen Zers rely on financial support from their parents, largely Gen Xers.

- That's according to a **Bank of America** survey of 1,097 US adults conducted by market research firm Ipsos between April and May 2024.

Why this matters: Gen Zers don't quite understand saving although they're trying.

- Over half do not pay for their housing, presumably because many still live at their parents' home.
- But 36% of Gen Zers say they spend their leftover funds on dining out, 30% for shopping, 24% on entertainment, and 15% on paying down debt.

It's a trend that aligns with their comments over the holidays—many Gen Zers said they couldn't afford to travel home, but the same portion said they'd never forgo a Taylor Swift concert to help clear their debt.

- Many prioritize fun over saving for the future, which confirms they feel they need to burn off steam and may not be aware of how to tackle their financial priorities.

Gen Zers' issues also impact Gen Xers: Gen X is already far behind others when it comes to savings goals, including Gen Zers.

- Gen Xers' median retirement savings account balance was \$10,000, and 40% have no retirement savings at all, per a National Institute on Retirement Security report.
- 50.2% identify themselves as not having enough money, the highest of any generation, per MarketWatch.
- And Gen X is half as likely to seek financial advice from their banks as older generations. They're also less likely to speak with family and friends about money than Gen Z. That means many navigate their financial stressors on their own, without a realistic pathway toward their savings and retirement goals.

Key takeaways: Gen X parents clearly care about their childrens' financial stability, even if helping them means they can't meet their own financial goals. But they need help themselves to get on track for the future.

Since they're the generation that's least open to getting financial advice from their banks, setting up a call or meeting with a financial advisor won't necessarily appeal to them. **But**

targeting Gen Xer parents with tips on how to raise financially astute and literate children may help them start some conversations, and assist their children with reprioritizing.

- These communications could occur over a mobile app, through highly personalized marketing emails, or in pamphlets handed to customers during branch visits.
- Ideally, these tips also link to tools and resources that help Gen X plan and save better.