

# Understanding Generation X as High Earners and Big (Stressed) Spenders

Article



**T**he "forgotten" Generation X makes and spends more than other generations, but they're also financially stressed. So, it's important for marketers to understand how

Gen Xers are prioritizing their money and why.

At 65 million strong, Gen X—those born between 1965 and 1980 per our definition—is smaller in size than the boomer and millennial generations, but their average pretax household income is about \$101,000 annually, nearly \$25,000 more than the average for all US households, according to the most recent data from the [Bureau of Labor Statistics](#) (BLS), which covers Q3 2017 through Q2 2018.

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**Average Income and Number of Earners of US Households, by Generation, June 2018**

dollars & average number of earners

- 1 Millennials (1981+)
- 2 Gen X (1965-1980)
- 3 Baby boomers (1946-1964)
- 4 Silent generation (1928-1945)
- 5 Greatest generation (1927 or earlier)
- 6 Total

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	1	2	3	4	5	6
Income before taxes	\$64,379	\$101,017	\$80,267	\$41,508	\$33,816	\$76,335
Average number of earners in unit	1.5	1.7	1.2	0.3	0.1	1.3

Source: US Department of Labor Bureau of Labor Statistics, "Consumer Expenditure Survey: Midyear Update: July 2017-June 2018," April 26, 2019

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Unfortunately, this income doesn't always go as far as Xers might like. According to a January 2019 survey from the [Employee Benefit Research Institute](#) (EBRI) and [Greenwald & Associates](#), 22% of working Xers considered their debt a "major problem" with another 41% saying said it was at least a "minor problem." In that survey, Xers were ages 43 to 54.

This debt can hold Xers back from focusing on other financial priorities. According to an April 2019 report from nonprofit [Transamerica Center for Retirement Studies](#), saving for retirement is this generation's top financial priority at 24%, followed by paying off credit card debt (19%) and covering day-to-day expenses (17%). Yet, when asked about their current financial priorities, paying off debt topped the list (68%), followed by saving for retirement (64%).

Life stage and timing also play a part in this generation's financial prioritization.

"Gen Xers are in what might be the busiest years of their lives," said Catherine Collinson, president of Transamerica Center for Retirement Studies. "They're juggling their careers, they're raising their families. They may be looking after aging parents. They're extremely stretched and busy. It's a time when they should be focusing on their future retirement, but it's really hard for them to make time to do so."

Amid these challenges, many Xers feel okay about their financial state. According to an October 2018 polling from **Metlife**, 59% of Xer respondents said they “are confident in their finances.” And in March 2019 when market research company **Morning Consult** asked: “Financially speaking, are you doing better, worse or the same as you thought you would be 10 years ago?” Just 33% of respondents said they were doing worse, compared with the 61% who felt they were doing about the same or better.

“To the extent that Xers feel confident about their finances—justifiably or not—that creates an opening for a marketer who wants to get at their money,” said Mark Dolliver, principal analyst at eMarketer. “It’s not as though Xers across the board feel their pockets are empty. But probably the more important factor is that with families to support and homes to maintain, Xers are at a life stage where they have no choice but to spend a lot.”

That sentiment is reflected in the BLS's most recent 12-month spending figures. On average, Xer households spend nearly \$74,000 annually, about \$13,000 more than the figure for total US households.

**Select Expenditures of US Gen X vs. Total Households, June 2018**

	Gen X (1965-1980)*	Total
<b>Number of consumer units (millions)</b>	<b>34.8</b>	<b>130.8</b>
<b>Average number of persons in unit</b>	<b>3.1</b>	<b>2.5</b>
<b>Average number of earners in unit</b>	<b>1.7</b>	<b>1.3</b>
<b>Average annual expenditures</b>	<b>\$73,681</b>	<b>\$60,815</b>
—Housing	\$23,790	\$20,001
—Healthcare	\$4,716	\$4,924
—Food at home	\$5,407	\$4,445
—Food away from home	\$4,323	\$3,424
—Entertainment	\$4,175	\$3,379
—Cars and trucks (used)	\$2,514	\$2,068
—Cars and trucks (new)	\$2,254	\$1,985
—Apparel & services	\$2,352	\$1,850
—Alcoholic beverages	\$649	\$574
—Furniture	\$597	\$518
—Tobacco products and smoking supplies	\$389	\$336
—Major appliances	\$352	\$289

Note: \*ages 38-53 in 2018

Source: US Department of Labor Bureau of Labor Statistics, "Consumer Expenditure Survey: Midyear Update: July 2017-June 2018," April 26, 2019

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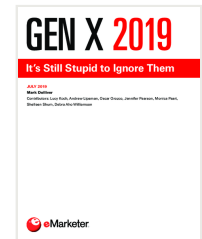
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“They’re not free spenders—they can’t afford to be—but by necessity they are big spenders.” Dolliver said.

For more information about how Gen X spends their money and uses digital tools for shopping, eMarketer PRO subscribers can read our latest report:

**Report** by Mark Dolliver Jul 01, 2019

## Gen X 2019



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