

## The MetLife Study of **Boomers in the Middle**

An In-Depth Look at Americans Born 1952 – 1958

March 2010

## The MetLife Mature Market Institute®

Established in 1997, the Mature Market Institute (MMI) is MetLife's research organization and a recognized thought leader on the multi-dimensional and multi-generational issues of aging and longevity. MMI's groundbreaking research, gerontology expertise, national partnerships, and educational materials work to expand the knowledge and choices for those in, approaching, or caring for those in the mature market.

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# Background

Since 2007, the MetLife Mature Market Institute (MMI) has conducted a series of studies to better understand the Baby Boomer cohort — the population born 1946–1964. In 2007, the MMI conducted a survey, *Boomers: Ready to Launch*, among Baby Boomers who were turning 62 in 2008 — the Oldest Boomers. In 2008, the MMI re-contacted these respondents to do a follow-up survey on whether their stated intentions and plans had come to fruition or not, along with an expanded sample of those born in 1946. The MMI also interviewed Boomers born in 1964, the Youngest Boomers. The resulting *Boomer Bookends*<sup>1</sup> study compared the Oldest and Youngest Boomers, and examined the behavior of the Oldest Boomers on important life plans and decisions. In 2009, the MMI conducted a survey among the Middle Boomers, those born from 1952–1958 to get a more complete picture of the entire Boomer cohort.

Distinguishable by a dramatic increase in birth rate following World War II, Baby Boomers now comprise one of the largest generations in U.S. history. They total about 77 million Americans and represent one-quarter of the total population. Understanding the demographics and socio-economic characteristics of the members of this generation today is essential, as they are getting older and are reaching important milestones and decision points about their future. As they begin to retire, the next challenge for them is having enough resources to live comfortably in retirement. Together, these three studies provide one of the most comprehensive pictures available of the Boomer cohort.

<sup>1</sup> *Boomers: Ready to Launch* and *Boomer Bookends: Insights Into the Oldest and Youngest Boomers* are available for download at [www.MatureMarketInstitute.com](http://www.MatureMarketInstitute.com).

# Introduction and Key Findings

The MMI study, *Boomers in the Middle*, examines those of the Baby Boomer cohort born 1952–1958, and who will be 52–58 years old in 2010. Building on the MMI's *Boomers: Ready to Launch* and *Boomer Bookends* studies, which examined the Oldest Boomers born in 1946 and Youngest Boomers born in 1964, this national survey establishes baseline data on Middle Boomers in financial, family, social, and retirement planning aspects of their lives.

In many areas, the Middle Boomers fall into a category of their own, resembling neither their older nor younger counterparts, but rather bridging the gap between the Oldest and Youngest Boomers. However, in some areas they tend to favor the attitudes and behaviors of either side of the Boomer spectrum. In many ways, they truly resemble the “middle child” characterized in many families as being in the difficult position of missing the attention given to both older and younger siblings, and experiencing the challenge of establishing a strong identity in the family.

What often remains unacknowledged is that the Middle Boomers are the largest of the three segments studied so far, and represent the demographic core of the Boomers. Made up of about 29 million members, this segment represents about 38% of all Baby Boomers and about 10% of the total U.S. population.<sup>2</sup>

## Summary of Key Findings

- More than half of Middle Boomers still have children living at home, and about half have grandchildren. Two-thirds have at least one parent still alive, making them a good example of the proverbial “sandwich generation.”
- More than 60% of the Middle Boomers are working full-time with 68% of men and 53% of women in this category. Another 8% are working part-time, 6% are self-employed, and 5% are looking for work. An additional 7% are on disability, and 8% are fully retired.
- Most Middle Boomers describe themselves as being in good health, but at the same time are concerned about being able to afford health care costs in the future.

<sup>2</sup> U.S. Census Bureau, National Monthly Population Estimates as of July 1, 2009.

- Middle Boomers would like to retire at age 65 but do not think they will be able to do so until age 66, not a great difference in view of the economic turbulence they have experienced. Their plans to do so have not changed in the last two years despite economic challenges. They expect the largest portion of their retirement income (42%) to come from Social Security benefits, with another third from 401(k) and defined contribution plans.
- Middle Boomers on average plan to take their Social Security benefits at age 65, well before they are eligible for full benefits, between ages 66 and 66 and 10 months. About one in five plan to apply for benefits as early as age 62. Almost one-quarter anticipate applying for benefits at a later date than they had originally planned; 69% have not changed their plans, and 6% are planning on an earlier than planned application.
- The vast majority are homeowners (86%) with an average home value of \$272,600. Fifteen percent would consider using a reverse mortgage for retirement income funding.
- More than half of the Middle Boomers feel that they are behind in their retirement savings, while about one-third feel they are on track or have already achieved their financial goals, about equal to the Youngest Boomers.
- About one-third expect an inheritance from their parents, averaging \$181,000, while another 21% have already received an inheritance averaging about \$120,000.
- Seventy-two percent have been providing financial assistance and support to their grown children and grandchildren averaging about \$38,000 over the past five years.
- Almost two-thirds of Middle Boomers like the term “Baby Boomer” to describe themselves, a somewhat smaller percentage than the Oldest Boomers and larger percentage than the Youngest Boomers’ affiliation with that generational description.

- The two key historical events they remember as affecting them were the Vietnam War and the assassination of President John F. Kennedy — both events occurring in their childhoods and early adulthoods and closely affiliated with the Oldest Boomers in significance. They also believe that the most significant things setting their generation apart were the sheer size of the cohort, political and social activism, and the women’s liberation movement.
- Turning age 50 was “no big deal” for the majority of Middle Boomers, and they do not feel that they will actually be “old” until age 75, older than the age selected by the Youngest Boomers (age 71) but less than the age of 78 selected by the Oldest Boomers.
- Like both the Oldest and Youngest Boomers, Middle Boomers consider changing/declining health as the major downside of getting older, while simply being alive is the best thing about being their age.
- Middle Boomers are experiencing a shift in their life priorities in the past few years with more of them concentrating more on family, financial security, and personal well-being and wellness, particularly among women.

# Major Findings

## Family

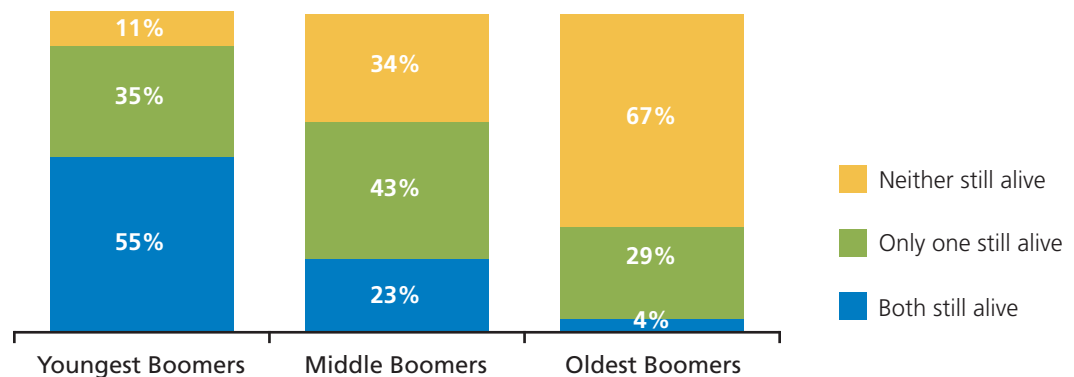
### Dealing with Both Older Moms and At-Home Kids

The majority (71%) of the Middle Boomers surveyed are married or in a domestic partnership. In general, they are men with a spouse who is two years younger, and women with a spouse who is two to three years older. Twelve percent are currently divorced or separated, 4% are widow(er)s, and 13% have never been married.

Unlike the Oldest Boomers, the Middle Boomers are not empty nesters. Half of them still have children at home, although they are not as likely to do so as the Youngest Boomers. While many have children still living at home, half (48%) of the Middle Boomers have grandchildren compared to 14% of the Youngest Boomers and 77% of the Oldest Boomers. African-American respondents were significantly more likely to be grandparents than Whites/Caucasians. Almost three-quarters of African-Americans (73%) have grandchildren compared to fewer than half (44%) of Whites/Caucasians.

The Middle Boomers are starting to transition to the point when it is more common to have lost both parents, while the Youngest Boomers typically still have both parents living. About one-quarter (23%) of the Middle Boomers still have both parents alive, and 43% have lost one parent. The remaining 34% have lost both parents. African-Americans are less likely to have both parents alive than Whites/Caucasians. Of those with only one parent still alive, it is more likely for that parent to be the mother (75%). Mothers of the Middle Boomers are, on average, 79 years old, and fathers are about 80 years old.

Figure 1: Parents





Even though the number of living parents differs from that of the Youngest and Oldest Boomers, a similar percentage of Middle Boomers are providing regular care to a parent or older relative. Under one in five (14%) are providing this type of care, on average about 10 hours per week. This is slightly more time than the Youngest Boomers are spending (9 hours), but slightly less than the Oldest Boomers (11 hours). About one in five (18%) of these Middle Boomer caregivers are spending more than 20 hours per week providing care.

## Health Care

### Still Healthy but Concerned about Health Care Costs

Like the Oldest and Youngest Boomers, the Middle Boomers report they are generally healthy, with over half (56%) who say their health is very good to excellent. This is in line with current federal data from the National Center for Health Statistics which indicate 59% of 45- to 54-year-olds and 52% of 55- to 64-year-olds report they are in very good to excellent health.<sup>3</sup>

Looking ahead, while 56% report they are healthy, one-quarter (26%) of this group report their biggest concern about their retirement is being able to afford health care. Three in ten (31%) of those reporting fair or poor health are also primarily concerned with being able to afford health care in retirement.

## Employment and Retirement

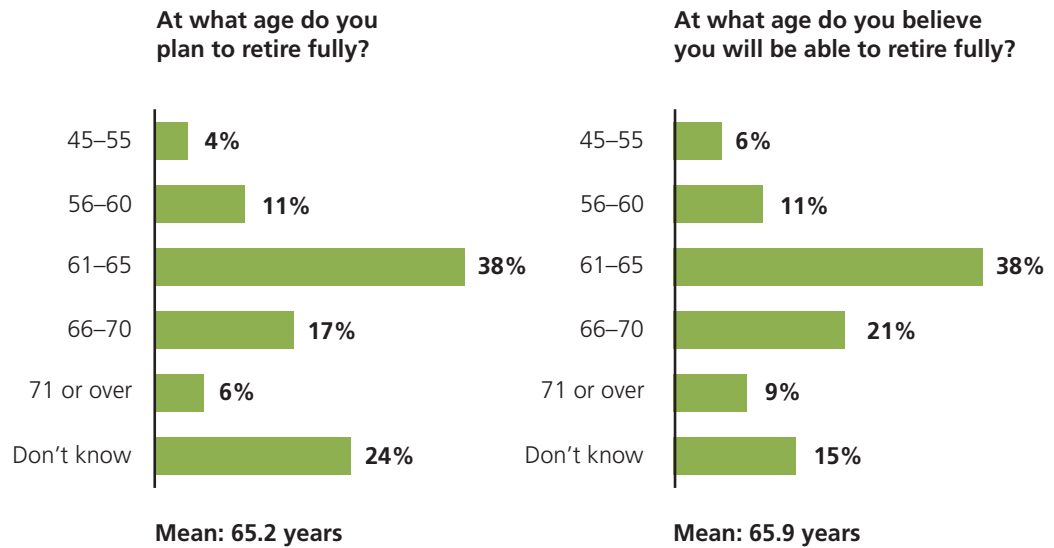
### When to Retire? When to Collect? Should I Keep Working? Change My Plans?

The majority of the Middle Boomers are still working (74% of men, and 64% of women), either full-time or part-time. Only 8% are fully retired, while 19% of the Oldest Boomers are fully retired.

Retirement is on the horizon for many Middle Boomers, though for some not for another 14 years or so. On average, the Middle Boomers plan to retire at age 65; although they believe they will not be able to retire until age 66. For many (55%), there have been no changes in their retirement plans compared to two years ago, despite the economic challenges during that time. However, almost four in ten (37%) report that they have delayed their retirement age, while 7% plan to retire earlier than expected.

<sup>3</sup> Self-reported health status: 2006–2008 from Centers for Disease Control and Prevention, National Center for Health Statistics, Health Data Interactive.

**Figure 2: Age and Retirement**



Those with fewer investable assets are more likely to have delayed their retirement. Respondents with less than \$50K in investable assets plan to retire at age 66, two years later than those with more than \$500K in assets. Half (51%) of those with assets less than \$50K indicate a delay in their plans.

In addition, those who are divorced, separated, or widowed plan to remain in the workforce a little longer than those who are single or married. Just over half (53%) report a delay in their planned retirement age compared to 26% of those who are single and 36% of those who are married. Those with less education are also more likely to delay their retirement.

Similarly, 27% of Middle Boomers plan to take their full Social Security benefits at age 65, despite the fact that for this cohort, the age at which they are eligible for full Social Security benefits ranges from age 66 to age 66 and 10 months. Additionally, 23% plan to take their Social Security benefits as early as age 62.

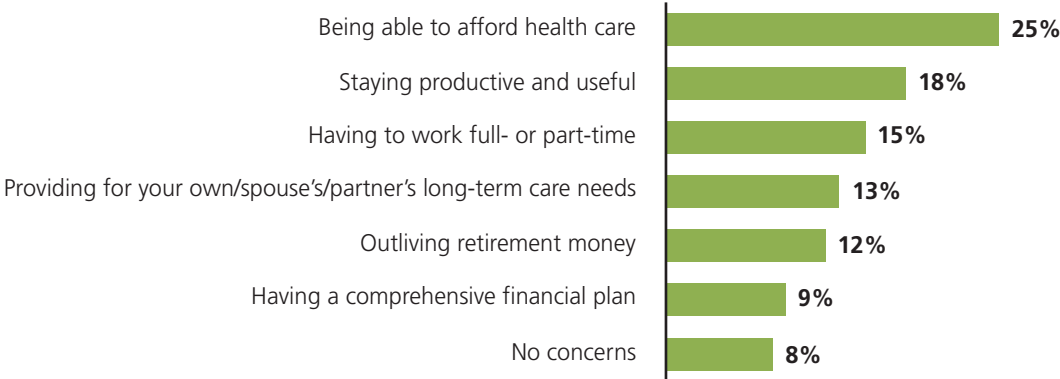
Their decision to take Social Security has not changed in the past two years, with 69% reporting that this was the same timing they had planned. This is somewhat surprising given the reduction in the value of their homes and equity in the recent economic cycle. About one-quarter plan to delay the age at which they will collect, and 6% plan to take it earlier than originally expected. Those who are currently divorced, separated, or widowed have also put off when they are going to collect Social Security benefits.

## Concerns about Retirement

The biggest concerns about retirement among Middle Boomers are being able to afford health care (25%) and staying productive and useful (18%). Among the employed, 28% worry about affording retirement health care costs compared to 12% of those who have already retired. It is possible that some may expect to work longer in order to maintain health benefits through their employer.

Being able to afford health care and staying productive and useful also tied for the top two biggest concerns among Oldest Boomers, while outliving retirement money and having to work full- or part-time in retirement were the top two biggest concerns among the Youngest Boomers.

**Figure 3: Biggest Concern Regarding Retirement**



However, unlike the Oldest Boomers, only 8% of the Middle Boomers have no concerns about retirement. About one-quarter (24%) of the Oldest Boomers reported no concerns about retirement.

More of those with fewer investable assets are concerned with having to work while in retirement than those with more assets. One-quarter (26%) of those with less than \$50K in assets report this concern compared to fewer than 10% of those with \$250K–\$500K (8%) or \$500K or more (9%).

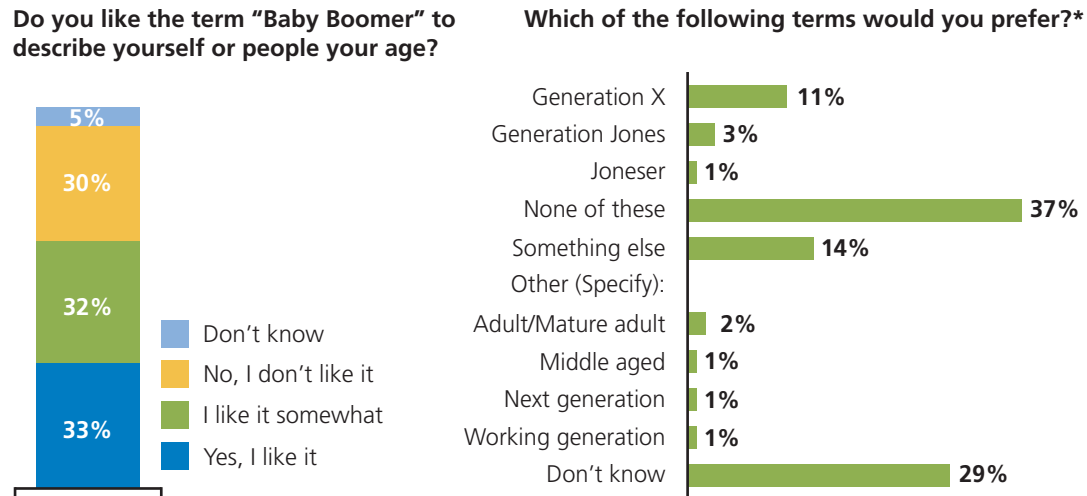
## Generational Identity

### **What's in a Name? Sometimes a Lot.**

The Middle Boomers are almost as accepting of the term “Baby Boomer” to describe themselves at their age as the Oldest Boomers are.

The Oldest Boomers favor the classification of “Baby Boomer” the most, while a slight majority of the Youngest Boomers do not. When asked which they prefer, the Youngest Boomers were more likely to identify with Gen X. However, as illustrated in Figure 4, almost two out of three Middle Boomers (65%) like or somewhat like the term “Baby Boomer.” In addition, Middle Boomers are not as apt to classify themselves as Gen X — only 11% do, and few of those who do not like the description closely identify with any other.

**Figure 4: Perception of the Term “Baby Boomer”**



\*Asked of those who indicated that they do not like the term “Baby Boomer.”

When asked to select from a list of historic or cultural events that influenced Middle Boomers in their youth, the Vietnam War (27%) and President John F. Kennedy’s assassination (19%) were the top two selected, events also clearly more closely associated with Oldest Boomers. During the Vietnam War (1959–1975), the Middle Boomers were between the ages of one and 23 years old, and many could clearly be directly affected by it. When President Kennedy was assassinated (1963), they were between the ages of five and 11 years old, and many clearly experienced and were influenced by this tragedy.

Among White/Caucasian and Hispanic Middle Boomers, the most selected influential event was the Vietnam War (29% and 28%, respectively), followed by the assassination of President Kennedy (21% and 14%, respectively). For the African-American Middle Boomers, the most selected influential event was the civil rights movement (13%), followed by the Vietnam War (9%).

Another important aspect of the Middle Boomers' association with their generation is the top two attributes that Middle Boomers say sets Baby Boomers apart from other generations — “the change in culture through political and social activism” followed by “the size of their generation.” Female Middle Boomers rate “the change in culture through political and social activism” and “the women’s liberation movement” higher than males do.

While the number of births and therefore the population in the Baby Boom generally was not something that Boomers actually had any influence on, the social activism — some of which resulted in the high-profile of women’s liberation and other social activism — is certainly associated with the earlier part of the Baby Boomers “coming of age” in the 1960s and 1970s. Middle Boomers more consistently associate with their older counterparts in this regard.

## Getting Older

### Turning 50? Retirement?... No big deal.

Age is but a number, at least to the Middle Boomers. Turning 50 — a typical milestone for advancing middle-age — does not appear to have been very influential for them, with 82% indicating that they were not too bothered by the event. In fact, 66% said they were not bothered at all. To them, becoming “old” is not until the age of 75. The idea that the older you are, the older you have to be to be considered “old” is apparent among each of the three slices of the Boomer Generation examined in MMI studies. The Youngest Boomers (born in 1964) report that age 71 is when they will describe themselves as old, which jumps to age 78 for the Oldest Boomers (born in 1946).

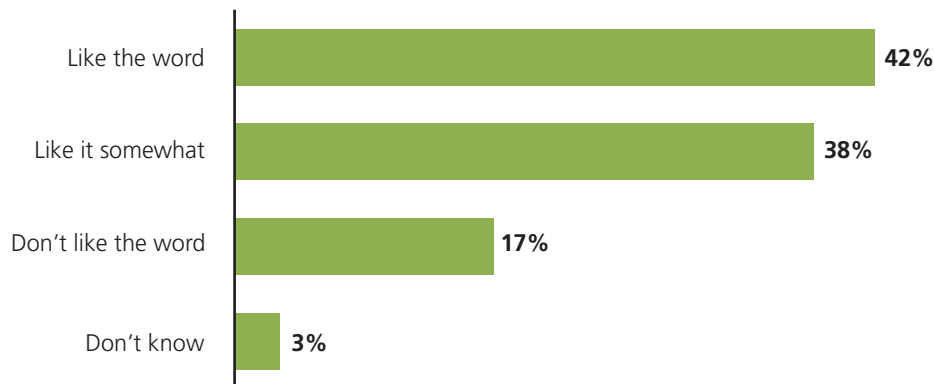
Middle Boomer women, particularly, will not classify themselves as “old” until an even older age than men. The women surveyed say they would need to be 77 years old to describe themselves as old, compared to men who would consider themselves old at about age 74. One possible explanation for the difference in opinion is the fact that women typically live longer than men. Current estimates indicate that life expectancy at age 50 is another 32.5 years for women and another 28.8 years for men.<sup>4</sup>

<sup>4</sup> Heron MP, Hoyert DL, Murphy SL, Xu JQ, Kochanek KD, Tejada-Vera B. Deaths: Final data for 2006. National vital statistics reports; vol. 57 no. 14. Hyattsville, MD: National Center for Health Statistics. 2009.

The Middle Boomers also do not mind the word “retirement” to describe their next life transition. Eight in ten like the word at least somewhat. This feeling was fairly consistent between all three groups of Boomers.

Interestingly, those who like the word “retirement” are closer to their planned retirement age than those who do not like the word. Those who like the word are, on average, about 13 years from retirement compared to those who do not like the word who are about 17 years from retirement.

**Figure 5: Perception of the Word “Retirement”**



When asked what the best thing is about turning one year older, the most common responses were “still being alive” and “wisdom.” Top mentions for the worst thing about turning one year older were “old age/getting older” and “health issues/bad health.” These responses closely parallel those of the Oldest Boomers.

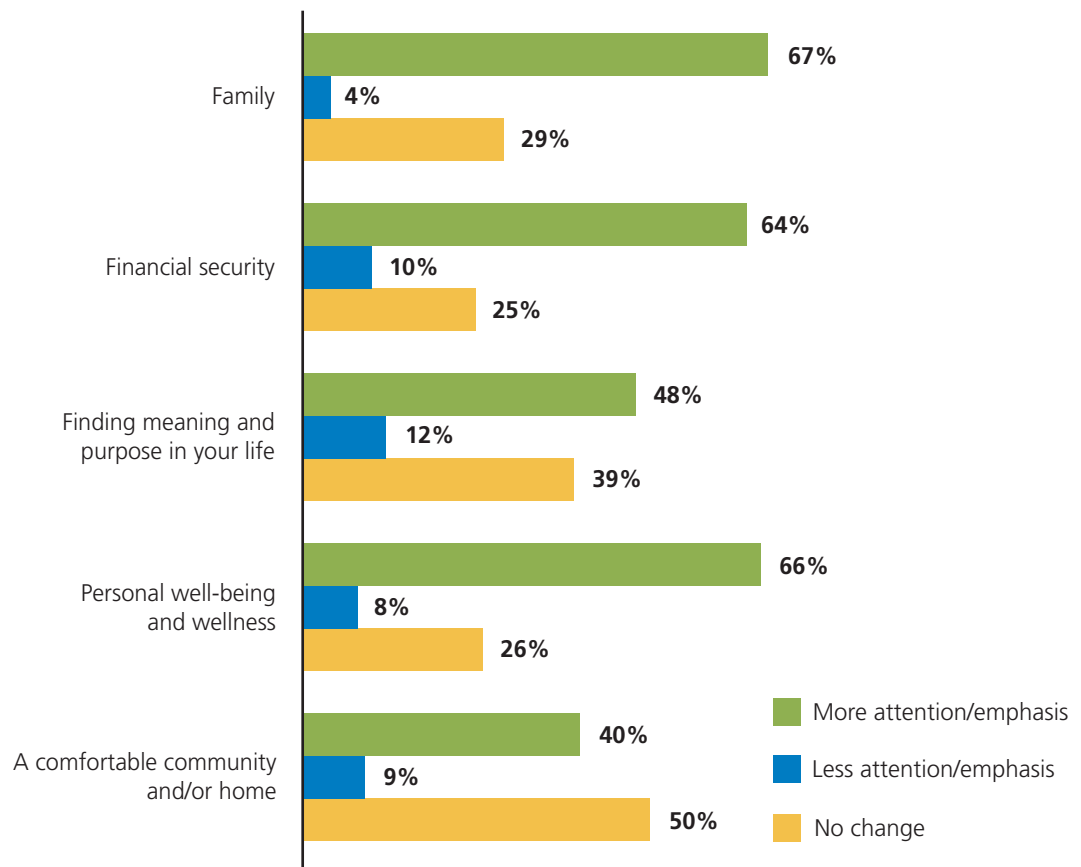
**Table 1: Best and Worst Things about Getting Older**

Best Thing	Worst Thing
I’m still alive	Old age/getting older
Wisdom	Health problems
Close to retirement	Aches/pains/stiffness
I’m healthy	Physical limitations

### Maturity Brings a Rebalancing of Life Priorities

The majority (60%) of the Middle Boomers indicate that their personal or life priorities have shifted in the last five to ten years. This is especially true for women and those who are divorced, separated, or widowed.

Figure 6: Priority Shifts in the Last 5–10 Years





Family, personal well-being and wellness, and financial security were the top three areas that received more attention in the last five to ten years, while finding meaning in life and having a comfortable community or home were moved more to the back burner. These results conform to other MMI studies, such as *Discovering What Matters*, which indicate both an increased emphasis on family and health among older adults in comparison to younger adults.<sup>5</sup>

Likely due to the economy, financial security was in the forefront for many people, not just the Middle Boomers.

## Housing

Nearly nine in ten (86%) of the Middle Boomers, like their older and younger counterparts, are homeowners, and value their homes to be \$272,600. This is somewhat less than the Youngest Boomers (\$304,400) and slightly higher than the Oldest Boomers (\$269,300).

Using the equity in one's home (i.e., through a reverse mortgage) can be a useful resource for financial flexibility. About 15% of Middle Boomer homeowners indicate that they would consider a reverse mortgage. The Youngest Boomers are most likely to consider a reverse mortgage at some point (24%), followed by the Oldest Boomers (19%).

Those who are behind in their retirement savings are about as likely to consider using a reverse mortgage (16%) as those who are on track (12%).

<sup>5</sup> MetLife Mature Market Institute. (2009). *Discovering What Matters: Balancing Money, Medicine, and Meaning*.

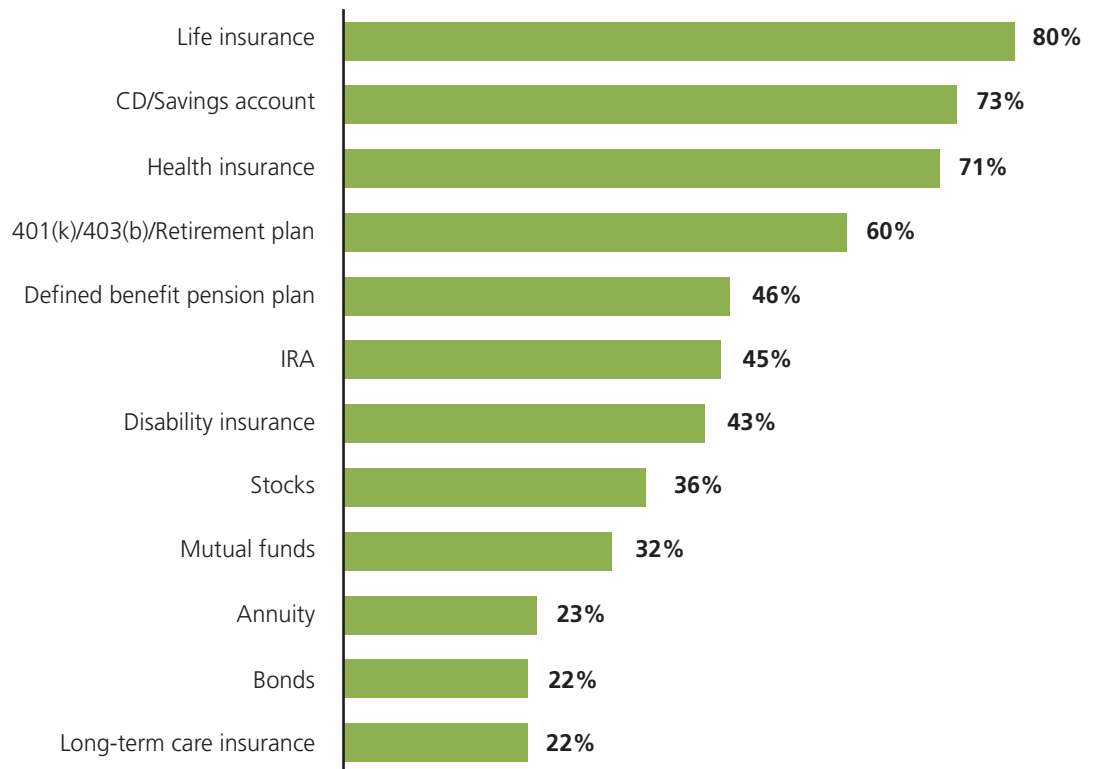
## Finances

### The Basics Are in Place, but Am I There Yet? Can I Recover? Why Should I Change?

#### Retirement and Financial Products

On average, the Middle Boomers own a total of about six financial products, primarily life insurance (80%), CD or savings (73%), and health insurance from a current or previous employer (71%). Almost half (46%) have a defined benefit pension plan, while 23% have an annuity, which may also deliver a steady stream of lifetime income.

Figure 7: Financial Product Ownership



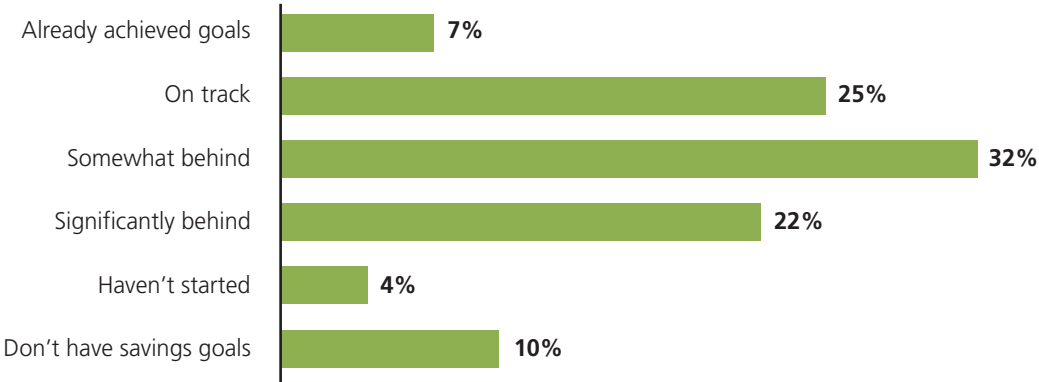
### Retirement Savings and Income

Only one-third of the Middle Boomers are on track or have already achieved their retirement savings goals. Half (54%) are behind; in fact 22% are significantly behind where they hoped they would be at this point. A small percentage (4%) have yet to start saving for retirement and 10% do not have any savings goals.

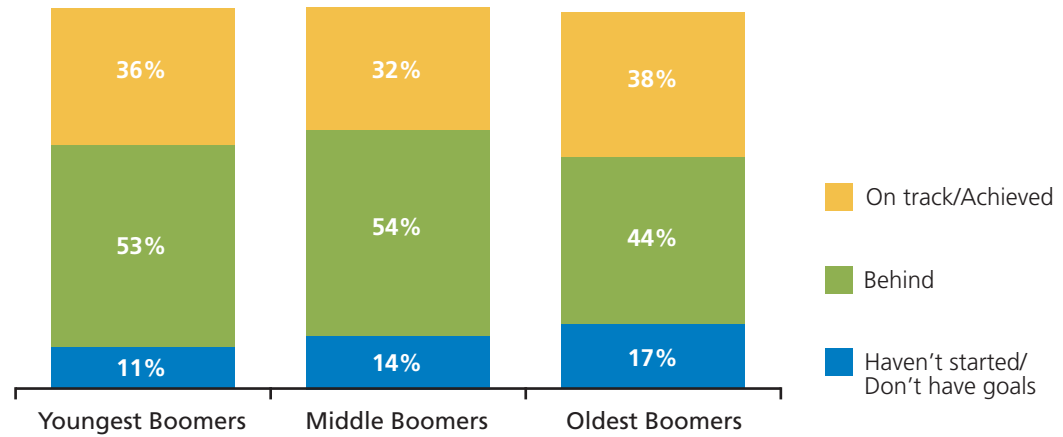
Men are somewhat more likely to be on course with their retirement savings. More than one in three (36%) of the Middle Boomer men report being on track with their goals or have already achieved them compared to 28% of women. Those with higher education are also more likely to be on track with their retirement savings goals.

Interestingly, one-quarter (26%) of those with less than \$50K in investable assets do not have any savings goals.

**Figure 8: Perceptions of Progress of Retirement Savings Goals**



Comparing the three Boomer segments, more of the Youngest and Middle Boomers report being behind in the progress toward their retirement savings goals. More than half of both the Youngest (53%) and Middle (54%) Boomers report being behind compared to only 44% of the Oldest Boomers.

**Figure 9: Progress of Retirement Savings Goals by Boomer Segment**

Six in ten (59%) of Middle Boomers who are still working feel they are behind to some degree. While more retirees feel on track, there is still a fairly large number of them (30%) who are behind.

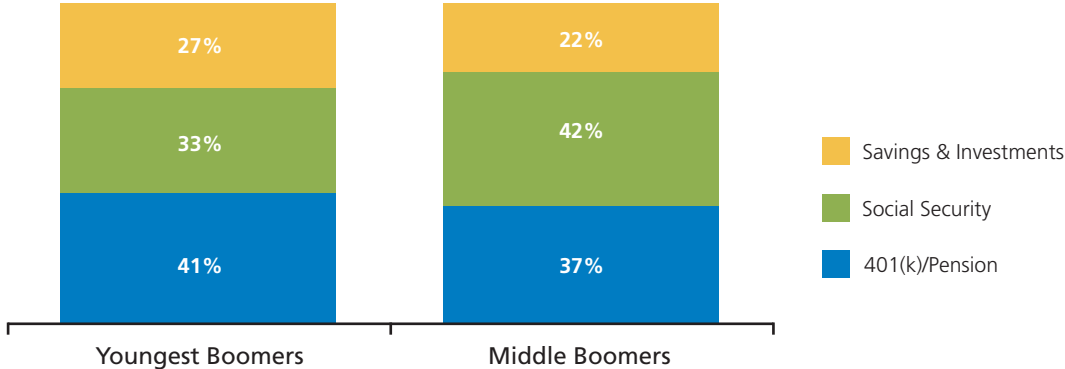
Those who are behind certainly may have been affected by the economic conditions in the past two years. Three-quarters (76%) of those surveyed report they have been negatively impacted by the economic conditions, particularly those with fewer investable assets. For those who have been negatively affected by the economy, almost half are concerned with their ability to recover, in fact one-third (32%) are very concerned. Those with fewer investable assets and those who are divorced, widowed, or separated are also more likely to be concerned with their ability to recover.

The economic impact may also be tied to respondents' retirement plans. In fact, 85% of those who have delayed their planned retirement age have also been negatively impacted by the economy. This is also reflected in the larger number of employed Middle Boomers who have been negatively impacted by the economy compared to those who have already retired.

Half of those who are retired or looking for work have either retired or been laid off within the past two years. While it is unknown why they are no longer working, it is possible that the economic conditions in the past two years have played a role.

Looking ahead to retirement, the Middle Boomers anticipate that 42% of their income will come from Social Security, 37% from 401(k)/pensions, and 22% from savings and investments. This is somewhat similar to the expectations of the Youngest Boomers though more Middle Boomers are relying on Social Security. (This question was not asked in the Oldest Boomer research.) Males, those with higher education, more assets, employed, or are married are more likely to rely on a 401(k)/pension. Those with fewer assets, divorced or single, and women are more likely to rely on Social Security. Retirees and those with more assets are more likely to rely on savings.

**Figure 10: Projected Sources of Retirement Income**



**Inheritance and Financial Assistance**

One-third (34%) of the Middle Boomers expect to receive an inheritance from their parents in the amount of \$180,800. This is slightly less than the Oldest Boomers expect (\$185,800) and less than what the Youngest Boomers expect to receive (\$207,800). One in five (21%) have already received an inheritance from their parents, in the amount of \$120,100, on average.

Few (8%) of the Middle Boomers — or their children — have received financial assistance from their parents in the last five years, however the majority have provided assistance themselves to their grown children or grandchildren. This is different than the Oldest Boomers, of whom only 57% have provided assistance to their children or grandchildren. On average, the amount given by Middle Boomers is \$38,300 in that period, or \$7,660 per year. Other groups more likely to provide assistance are those with higher education, more assets, White/Caucasian, Hispanic, and married.

## Summary and Implications

If the three segments of the Boomer cohort described in the Mature Market Institute's research were in a family, they would probably share some of the characteristics of the proverbial middle child — somewhat caught between the differing identities of both older and younger siblings and at the same time struggling to assert their own — yet clearly part of the same family unit. Middle Boomers are clearly just that — in the middle in many ways, with both distinctive and common characteristics with their Boomer cohort brethren.

### **“Talkin’ ‘bout My Generation” — but Which One?**

The classic 1960s Boomer anthem “My Generation” by The Who led one to believe that the generation in question could only be singular. However, one of the most significant results of this study, in conjunction with prior MMI research, is that Middle Boomers are more closely identifying themselves as Baby Boomers in comparison to the Youngest Boomers. One generation may actually be two — and perhaps three distinct generational components.

Despite their generally young ages at the time, Middle Boomers clearly have been influenced by major historical events of the decade of the 1960s — the assassination of President John F. Kennedy and the Vietnam War most prominently. They also describe the most significant distinguishing generational markers for them as the political and social activism and the ensuing women's liberation movement of that era, along with the sheer size of the Boomer cohort. A significant majority of them are comfortable with identification as a Baby Boomer, a smaller percentage but still much like the Oldest Boomers and unlike the Youngest Boomers, of whom only about half are comfortable with that affinity. Youngest Boomers are almost as likely to see themselves as part of the following Gen X cohort. This reinforces a longstanding suggestion that all Boomers are not the same, and cannot be considered a monolithic generation of like-minded members.

There is a clear trend of declining affinity with both the most stereotypical aspects of what a “Boomer” is, although more Oldest and Middle Boomers share an acceptance of aspects of this identity in comparison to the Youngest Boomers. As a result, product and service providers would do well to recognize both these differences and similarities within the Boomers as a whole, as well as within each segment identified as they consider how best to take advantage of the vast potential in the Boomer markets.

## **Children and Aging Parents May Replace Each Other in Needing Care, but There's Potential Bounty As Well**

Middle Boomers are sandwiched demographically between their older and younger counterparts, but also are a clear representation of the so-called "sandwich generation." Although, for the most part their parents do not yet require the amount of caregiving being provided by the Oldest Boomers to their parents, many more Middle Boomers have both at least one living parent, and children under the age of 18 living at home. The majority of Middle Boomer households have two working parents, raising issues of childcare needs, and eventually eldercare. Almost half have grandchildren, a family scenario much different than the other Boomer segments studied by the MMI. This will certainly change as both the Middle Boomers and their parents age.

The current circumstances of the Oldest Boomers portend the future where many more will be without living parents, but those who do have them will be spending a lot more time in caregiving for them, and in far greater numbers given that they are the largest part of the entire cohort. It will also sensitize many more of them about the issues and challenges of eldercare, many of whom will not want to have this be part of the legacy they leave to their own children. Employers, long-term care service providers, and long-term care insurance carriers will all see these increases having an impact on their costs and business opportunities.

This aspect of Middle Boomer family circumstances also has some interesting financial ramifications, as almost one in five of the Middle Boomers has already received an inheritance from their parents' estate, averaging \$120,000, and another one in three expects to receive an inheritance averaging about \$180,000. Together this amounts to almost \$2.6 trillion dollars in wealth transfer between Middle Boomers and their parents. This anticipated wealth can have a significant impact on the financial security of these Boomers and their families if used wisely to ensure both a secure source of retirement income and funding for long-term care needs. It can also potentially help address the Middle Boomers' biggest concern about their own retirement — being able to afford health care coverage.

## **Lack of Retirement Savings and Retirement Income Volatility Does Not Affect Their Plans — but Maybe It Should**

They are equally at a middle point in terms of finances. Although still in their highest earning years, a majority feel significantly behind in their retirement savings. About one-third feel that they are on track or have already achieved their retirement savings goals. About an equal percentage feel significantly behind, have not started, or do not have any savings goals. It is clear that

economic circumstances play a large role in their perception for future income adequacy. The percent of those without goals more than doubles for those with less than \$50,000 annual income, and many of those who do not anticipate being able to retire until age 71 or later fell significantly behind in their retirement savings. The economic downturn of the last few years has had a decided impact on them.

However, what emerges from the full picture of their financial circumstances, decisions about anticipated retirement, and future plans is one that is first, remarkably similar to the historically traditional timeframes for retirement at approximately age 65, and second, closely aligned with their plans prior to the recent economic downturn despite their expressed concerns about these circumstances. In essence, most of the Middle Boomers plan on taking their Social Security benefits at age 65 or earlier with almost one-quarter planning on applying at age 62. An additional one in three plan on applying after age 65, and one in five are unsure. For the majority, this is the same age they anticipated they would do so in the last two years. Notably, these intentions are significantly earlier than when they will be eligible for full Social Security benefits which can be close to age 67 for some of them, and can significantly affect their future income in comparison to waiting for full benefits.

Their retirement plans are similarly within a very traditional retirement framework, and strikingly similar to responses from both the Youngest and Oldest Boomers — they would like to retire at age 65, but do not think they will be able to until almost age 66. Overall, half indicated that they believe they will be able to retire fully by age 65, another third at age 66 or older, and the remaining are unsure.

In addition, Middle Boomers expect the largest portion of their retirement income to be from Social Security, followed by 401(k)/pensions, and savings and investments. Only the Social Security, and defined benefit portion of their retirement income can be considered secure sources. Additionally, most reported having been negatively affected by the recent economic downturn, and about half are very concerned/concerned about their ability to recover financially.

Apparently, these concerns, and those of being able to afford their future health care costs, have had little impact on the consistency of targeting the traditional age of 65 as their retirement age goal. It does call into question whether they will truly be adequately prepared financially over their expected longevity, and reinforces the need to consider financial products that provide secure sources for a steady stream of income over their lifetimes, especially while they are young enough and have adequate time to take advantage of such resources.



Home equity may also serve as a potential income resource for some. Middle Boomers have high rates of homeownership, the traditional equity focus for most Americans. Just under one in five would consider tapping their home equity through a reverse mortgage, almost the same percentage as the Oldest Boomers, but less than the Youngest Boomers.

Middle Boomers indicate that their retirement is approaching rapidly and have a lot to consider regarding their retirement security. Immediate access to information, guidance, and decision making tools are critical in helping them make sound choices, and perhaps reconsider their preferences in light of a better understanding of their future needs. Research has indicated that workers will reconsider their initial choices, often opting for working longer and/or saving more when presented with reliable information about issues to consider in planning for retirement and longevity.<sup>6</sup> Employers will play a critical role in helping workers make good personal choices through providing a source for this reliable information and planning programs and tools.

### **Life Priorities Create a Shifting Middle Boomer Landscape**

The majority of Middle Boomers feel that their personal priorities have shifted in the last decade. As might be expected because of both moving closer to retirement and the economic volatility of the past few years, most Middle Boomers who have experienced this shift have been giving more attention and emphasis to their financial security over the last five to ten years. However, equally as many have been giving increased attention to their families and their personal well-being and wellness. Given the extreme economic circumstances they have been facing, this finding attests to the significant and powerful influence of shifting priorities toward family and wellness issues as we mature. A large proportion have also been placing greater emphasis on finding purpose and meaning in their lives.

These findings are consistent with other MMI research in *Discovering What Matters* about the increasing importance of family, meaning, and personal health as we age. It reinforces the fact that maturity allows for a re-examination and new prioritization of life issues in the second half of life — a life stage in which Middle Boomers are increasingly engaging and which they will certainly shape to their own identity.

<sup>6</sup> Steven A. Sass, Courtney Monk, and Kelly Haverstick, *Workers' Response to the Market Crash: Save More, Work More?*, Boston College Center for Retirement Research, February 2010, Issue Brief# 10-3.

# Methodology

*Boomers in the Middle* was conducted by GfK Custom Research North America on behalf of the MetLife Mature Market Institute (MMI) between November 18 and December 12, 2009. A total of 1,000 respondents born between 1952 and 1958 were surveyed by random digit-dial telephone contact. Data were weighted by demographics to be representative of the total U.S. population. The margin of error for the survey was +/- 3 percentage points.

# Demographics

	Youngest Boomers	Middle Boomers	Oldest Boomers
<b>Marital Status</b>			
Married	76%	70%	67%
Single, never married	17%	13%	9%
Domestic partnership	0%	1%	0%
Divorced	5%	11%	16%
Separated	1%	1%	0%
Widowed	1%	4%	7%
<b>Ethnic Background</b>			
White/Caucasian	79%	85%	84%
Black/African-American	13%	9%	9%
Asian/Other	8%	5%	7%
<b>Hispanic Origin</b>			
Yes	10%	8%	7%
No	90%	92%	93%
<b>Gender</b>			
Male	49%	50%	47%
Female	51%	50%	53%
<b>Employment Status</b>			
Employed (net)	80%	69%	53%
Employed full-time	69%	61%	50%
Employed part-time	11%	8%	3%
Stay-at-home Mom/Dad	7%	4%	2%
Self-employed	6%	6%	4%
On Disability	4%	7%	11%
Looking for work	2%	5%	2%
Fully retired	0%	8%	19%
<b>Education</b>			
Did not complete high school	2%	4%	4%
High school or GED	39%	37%	38%
Associate's degree	19%	21%	20%
Bachelor's degree	26%	26%	25%
Master's or doctorate degree	13%	12%	13%
<b>Household Net Worth (excluding home value)</b>			
Less than \$50,000	20%	23%	19%
\$50,000–\$99,999	17%	15%	13%
\$100,000–\$249,999	25%	18%	20%
\$250,000–\$499,999	19%	14%	15%
\$500,000 or more	9%	15%	16%
Don't know	5%	6%	10%
Refused	5%	10%	8%

Percentages may not total 100% due to rounding. Based on weighted data.

> Boomers in the Middle

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