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Helping Gen Xers Weather a Perfect Storm on Crypto in 401(k)s: Risks and Oversight Challenges



Generation X — comprising those born between 1965 and 1980 — faces unique financial and social pressures that have left almost half of them with no retirement savings. Compounding these challenges, only 1 in 10 Gen Xers plans to delay filing for Social Security until age 70 to maximize their benefit, due in part to concerns about the program’s long-term solvency. For plan

sponsors, providing tools and resources tailored to this generation’s needs can play a crucial role in helping them take meaningful and measurable steps toward retirement readiness.

Stuck in the Middle

Generation X often finds itself as the “sandwich generation,” attempting to balance financial responsibilities for both aging parents and dependent children. According to the Pew Research Center, 54% of individuals in their 40s are managing these dual caregiving roles, leaving less room to prioritize retirement savings. High levels of debt — including mortgages, student loans and credit cards— can further limit their ability to save. Plan sponsors can provide critical support by offering financial wellness programs to help participants manage competing priorities. Resources that focus on debt reduction, budgeting and emergency savings can help employees work toward freeing up income for retirement savings.

Troubling Numbers

Economic instability during critical earning years has left many Gen Xers with insufficient savings. The Great Recession delayed savings for many. According to a 2024 Vanguard report, the average 401(k) balance for individuals aged 45 to 54 stands at \$168,646, with a median of just \$60,763. Plus, the decline of traditional pension plans, which many Boomers depended on, means that Gen Xers must rely heavily on defined contribution plans and personal savings to fund their retirement. Plan sponsors can encourage catch-up contributions for those 50 and older and connect participants with financial advisors to explore strategies for making the most of their remaining earning years. These strategies can help augment their retirement savings and strengthen their financial position.

Uncertainty and Risk Aversion

Market volatility and past financial crises have left many Gen X investors cautious, impacting their willingness to take on the level of risk required for significant portfolio growth. At the same time,



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rising health care costs and uncertainty surrounding the future of Social Security benefits have added layers of anxiety about retirement. Without adequate emergency funds, some participants also withdraw early from their retirement accounts to cover unexpected expenses, further compromising their future. Plan sponsors can help address these challenges by offering solutions that balance risk and growth, such as target-date funds. Educating participants about health care planning tools like Health Savings Accounts, when available, can also bolster retirement preparedness.

Meeting Generation X Where They Are

Helping Gen X participants achieve retirement readiness requires a proactive and empathetic approach. By addressing their financial challenges, offering tailored resources and promoting education around long-term planning, plan sponsors can help guide this group toward a more secure future.

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