



The Impact of Student Loan Debt on Retirement Preparedness for Generation X

A Supplement to *The Forgotten Generation: Generation X Approaches Retirement**
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Most Generation X workers don't have student loan debt. Only **13 percent of working Gen Xers have student loan debt**, and 96 percent of those who do have student loan debt hold that debt in their own name (not shared with a spouse).



The average amount of student loan debt held by Gen Xers is slightly more than **\$40,000** and the median is **\$25,000**.



Those Gen Xers with student loan debt have higher annual incomes likely because they are college-educated, and they are more likely to work for an employer that sponsors a retirement plan, which also is associated with educational attainment. However, those Gen Xers with student loan debt have lower net worths and are more likely to fall short of their retirement savings targets, at least in part due to student loan debt.

Thus, student loan debt has negative retirement implications for those Generation X workers.

Demographics



59% of Gen Xers with student loan debt are white. It should be noted that 62% of all Gen Xers are white.



Women account for a greater portion of Gen Xers with student loan debt than men: 60% vs. 40%.



Asian American Gen Xers are the least likely to have student loan debt.



Higher-earning Gen Xers are more likely to have student loan debt.



Blacks represent 10% of Generation X as a whole, but they represent 22% of Gen Xers with student loan debt.

Retirement Savings Impacts

Gen Xers with student loan debt have higher sponsorship rates (76%) and participation rates (66%) in employer-sponsored retirement plans.

- The typical Gen X household with student loan debt has \$40,000 in retirement savings, which is the same as Generation X as a whole. However, the average amount of retirement savings is consistently lower for Gen X households with student loan debt than those without.
- This suggests that the persistence of student loan debt may be hindering retirement savings for Generation X.



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*This supplement uses 2022 SIPP data with a reference month of December 2021. *The Forgotten Generation* uses 2021 SIPP data with a reference month of December 2020, so some data points may differ slightly. *The Forgotten Generation* can be found at: <https://www.nirsonline.org/reports/genx/>