



# ***Guide to Generation X: Working with Them and Engaging Them***

The *Generation Insights* Series  
from Purchasing Power®

## Who They Are

Although they are the second largest generation in the U.S. workforce today (behind the Millennials), Generation X (born between 1965 and 1979) is America's neglected 'middle child.'<sup>1</sup>

Gen Xers are bookended by two much larger generations (the Baby Boomers ahead and the Millennials behind) that are strikingly different from one another. And in most of the ways we take stock of generations – their racial and ethnic makeup; their political, social and religious values; their economic and educational circumstances; their technology usage – Gen Xers are a low-slung, straight-line bridge between two noisy behemoths. Gen Xers are the demographic bridge between the predominantly white Baby Boomers and the more diverse Millennials.<sup>2</sup>

Like their namesake suggests, Gen Xers are less distinct than other generations.<sup>3</sup> And they know it. One reason they have trouble defining their own generational persona could be that they haven't received as much media attention as Millennials or Baby Boomers.

Members of Generation X were children during a time of shifting societal values. They were dubbed the "latchkey generation" because they were home alone. This reduced adult supervision compared to previous generations was a result of increasing divorce rates and rising maternal participation in the workforce, all of which was prior to widespread availability of childcare options outside the home. As adolescents and young adults, they were called the "MTV Generation" and characterized as slackers and as cynical and disaffected. Some of the cultural influences on Gen X youth were the musical genres of grunge and hip hop music, and indie films. In midlife, research describes Gen X adults as active, happy, and achieving a work-life balance.<sup>4</sup>

They're fiercely independent, entrepreneurial, well-educated and highly technically literate. Gen Xers strive for work-life balance and think globally, and they are deeply cynical of Baby Boomer values, such as the pursuit of the "American Dream."<sup>5</sup>

It's not easy to be Generation X. Although they've been labeled the "slacker generation," they are slackers no more. Generation Xers have put away their flannel shirts and managed to make it through the U.S. housing bubble. They were the hardest hit during the 2008 financial crisis. However, it's not all doom and gloom. Generation X is also the generation will experience the highest increase in their share of national wealth through 2030.<sup>6</sup>

## Some interesting facts about Gen Xers that gives more insight into them:



Their mantra is “If it ain’t broke, don’t fix it.” They are **independent, self-reliant, entrepreneurial,** and concerned about work-life balance and family time.



They **spend seven hours a week on social media** (more than Millennials who spend six hours).<sup>8</sup> They engage with their online personas less for selfie-centered promotion and more to keep track of the world and reach their Millennial kids.<sup>9</sup>



Instead of downsizing as they age, many Gen Xers are **upsizing to accommodate their extended families** as kids who used to flee the nest are now coming back home in droves to their Gen X parents.<sup>11</sup>



Gen Xers grew up with **personal computers and MTV**. They are now the sandwich generation raising a family while at the same time helping their aging parents.



A whopping **55% of startup founders** are Gen Xers.<sup>10</sup>



Gen Xers are **good problem solvers**. Because they were latchkey kids, they had the opportunity to break things at home after school and had until mom or dad came home to figure out how to fix it.



They **outspend all other generations** when it comes to housing, clothing, eating out and entertainment.<sup>7</sup>

# Generation X and Work

Generation X is the bread and butter of today's workforce. The closer they get to 55, the more their knowledge becomes invaluable to organizations and their customers. They are the company's intellectual capital.<sup>12</sup>

When they feel their job is not "just a job" but has special meaning, Gen Xers are seven times more likely to look forward to coming to work.<sup>13</sup> They also appreciate fun in the workplace and espouse a work hard/play hard mentality. The generation's managers often incorporate humor and games into work activities.

Gen Xers are approaching the middle of their working careers and potential peak earning years. About 68% of the CEOs of Fortune 500 corporations are from Gen X, as are many of their lieutenants.<sup>14</sup> Many other Gen Xers are established professionals and entrepreneurs.

## On Flexibility

They enjoy freedom and autonomy. A flexible workplace is a must for a Gen Xer. More so than the other generations, they have a strong need for flexibility in terms of both work location and hours.<sup>15</sup> Much of the reason is that they are balancing caring for school age children along with caring for aging spouses or aging parents.

## On Work Ethic

They work to live rather than live to work. Gen Xers' work ethic is balanced and flexible with a 'work hard, play hard' attitude. They believe in accumulating skills by taking on differing projects. Their greatest fear is being overshadowed by Millennials and being overlooked for promotions. Keys to job retention for Generation X are salary, autonomy, independence and promotion, promotion, promotion!<sup>16</sup>

## On Their Job and Compensation

Many Gen Xers lived through tough economic times in the 1980s and saw their workaholic parents lose hard-earned positions. They tend to be less committed to a single employer as a result. They're more willing to change jobs to get ahead than previous generations. They adapt well to change and are tolerant of alternative lifestyles. Generation X is ambitious and eager to learn new skills, but they like to accomplish things on their own terms.<sup>17</sup>

## On Managing Them

Expect independence from Gen Xers. They've been called "the great under-supervised generation." Growing up as latchkey kids, many in this generation learned to fend for themselves. As a result, many Gen Xers tend to be more resourceful and independent in the workplace.<sup>18</sup> They value constructive feedback. However, they dislike being micro-managed and embrace a hands-off management philosophy.<sup>19</sup>

A more naturally skeptical generation, Gen Xers may be prone to shooting down ideas. Rather than interpreting these behaviors in a wholly negative way, encouraging them to offer their own suggestions may lead to stronger outcomes overall.<sup>20</sup>

## On Work-Life Balance

Because they saw their parents work themselves non-stop for their Baby Boomer bosses, they will put their personal lives ahead of their job without thinking about it.

Generation X's work hard/play hard approach to productivity can lead to burnout if long hours at the office aren't mitigated.<sup>21</sup> Encourage these workers to find balance, and support them by offering flexible schedules and remote work arrangements.

## On Culture

Gen X brings a culture of quality, work ethic and reciprocal relationships, in which the organization and the employee work together to achieve a common goal.

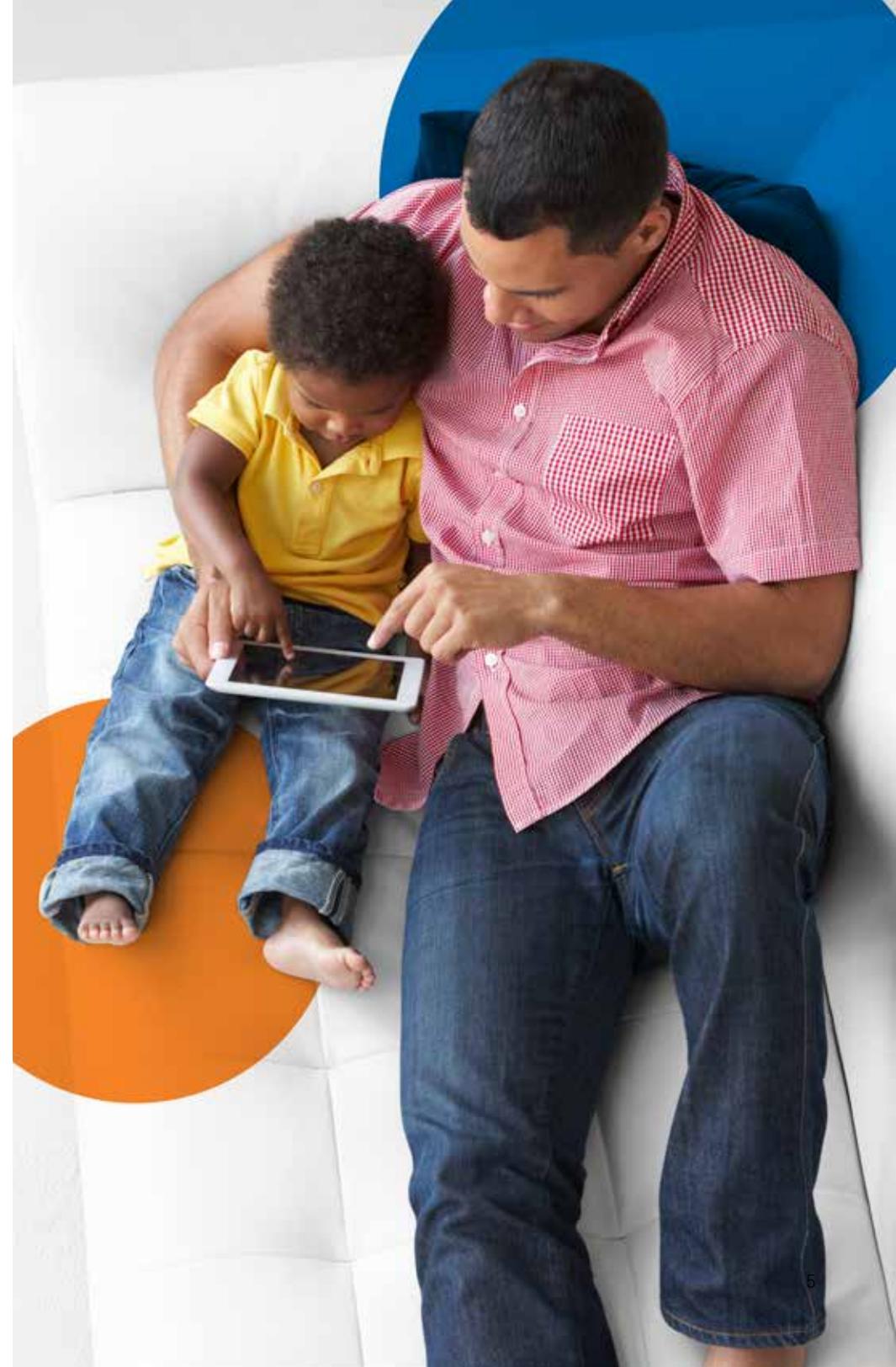
## On Teamwork

Xers tend to be independent. When working with a Generation Xer, don't be surprised or offended if they choose to work alone. There is no need for companies to do away with team work entirely, but provide regular opportunities for Generation X to shine on their own through solo work.

Respect the hierarchy. Generation Xers tend to be hierarchical, seeking authority to make decisions and preferring formal processes.<sup>22</sup>

## On Providing Feedback

Wait for their request. If a Generation Xer wants feedback, they'll ask for it. Be specific about what they've done well and what they need to improve on. Don't overdo the praise; with their natural skepticism, they won't buy effusive compliments and will instead wonder what you're trying to sell them.



## On Career Development

Prepare them for leadership roles. With an increasing number of Baby Boomers moving into retirement, members of Generation X are taking up the mantle of leadership – which can be a challenge to their often independent, self-reliant nature. Investing now in leadership programs can help this generation make the transition successfully. Individualized coaching or mentorship sessions can be a strong way to help members of Generation X get the leadership training they'll need without feeling like they are giving up control over the process.

Help them grow in place. Providing opportunities for growth, paired with stability, will keep Generation X workers happy.

## On What Motivates Them

Above all else, Gen X employees want to feel like their work matters. Job stability and income are far less important to them. Recognition for their work, development opportunities and promotion opportunities are way down on the scale, too. What matters most to this generation isn't financial. For Gen X, it's all about what they can do for their employer's business.<sup>23</sup>



## On Financial Stress and Their Job

There are a number of reasons Generation X has financial stress:

- 63% carry balances on their credit cards and, of those who consistently carry balances, 42% find it difficult to make their minimum credit card payments on time each month. Additionally, 38% of Gen Xers, with 45% using those credit cards for monthly expenses they couldn't afford otherwise.<sup>24</sup>
- 51% of Gen Xers don't have enough emergency savings for unexpected expenses.<sup>25</sup>
- 50% of Gen Xers find it difficult to meet household expenses on time each month.<sup>26</sup>
- Generation X is Generation Debt 1.0. Like Millennials, Xers are highly educated and they are still paying for it. Yes, although members of this generation graduated decades ago, they may still be paying off student loans. And to make matters worse, they may have a still-upside-down mortgage on top of it.<sup>27</sup>
- Among the 31% of Generation Xers with student loans, 42% say it is having a significant impact on their ability to meet their other financial goals.<sup>28</sup>

And Generation X brings their financial stress to work with them. Of the 34% of Generation X who say their finances have been a distraction at work, nearly half (46%) spend three hours or more at work each week dealing with personal finance issues.<sup>29</sup>



### **On Financial Wellness**

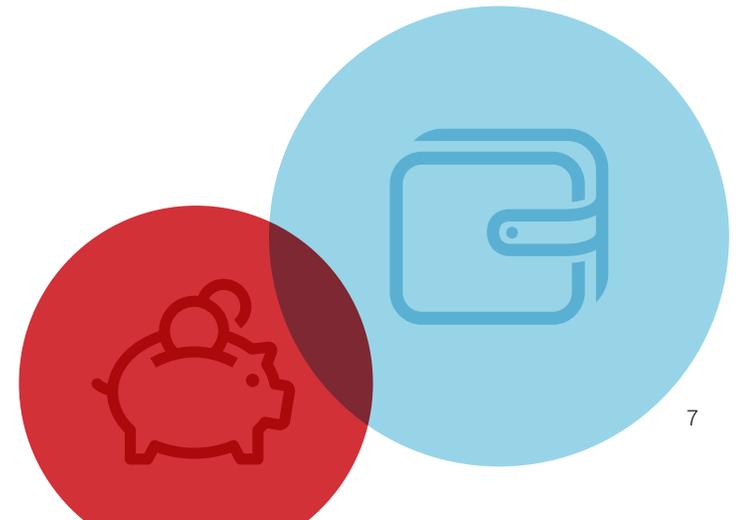
For Gen Xers, much of their financial wellness state is due to the sandwich syndrome. This generation is supporting and educating children while also providing care for aging parents. In these circumstances, the potential for financial duress can be substantial, but steps can be taken to reduce stress, balance budgets and mitigate the effects of unplanned life events.

### **On Job Retention**

Gen Xers are clear on what is important to them in their job. What makes them choose one employer over another? A sense of pride in their work is important to Generation X. They want the ability to make an impact on the business and to believe in the reputation and vision of the business. Want to make sure Gen X talent sticks around? Gen Xers' highest-ranked reason for leaving is not seeing a way to advance beyond their current role. If they can't move up, they'll move on.<sup>30</sup>

### **On Retirement**

Generation X expects to retire early, at age 63. To make that happen, 81% of Gen Xers are already saving for retirement and 72% say they are planning to cut their expenses so they can save more.<sup>31</sup> As a group Gen X is on track to become the first generation to be worse off in terms of being prepared for retirement than their parents.



## Speaking of Benefits

Gen Xers have a world of responsibilities on their shoulders. More than anyone else in the workforce, they're likely to be juggling child or elder care with the pressures of a progressing career. Providing the right benefits can help ensure their years of experience and expertise aren't lost.

### What benefits and perks are important to Generation X?

Pay/bonuses are the benefit that matters most to Gen X, followed by paid time off and retirement plans. In addition, about one-fourth (24%) say the desire for financial stability motivates Gen X to stay in a job.<sup>32</sup>

Their years of work are likely reflected in their career path. Gen X is highly experienced and hard to replace, but businesses often forget about their 'engine room' and concentrate employee benefits around the new starters. Benefits are more engaging when tailor-made to each generation's needs and Generation X has some key priorities:<sup>33</sup>

1. Childcare
2. Flexibility (in working location and hours due to child/elder care issues)
3. Financial protection and education
4. Wellbeing support  
Trying to balance children, elderly parents, work aspirations and their own health and wellbeing is demanding. Anything employers can do to ease those stresses are valued by Generation X.
5. Dental insurance  
Children's health is always a parent's concern and with all the sugar in their diets these days, visiting the dentist regularly is a priority. Dental insurance covering routine care and contributing to the cost of orthodontics is welcomed.

Additionally, Gen Xers value salary level, a 401K plan with matching benefits, job security, advancement within the company, and opportunities for work-life balance.<sup>34</sup>

## Traditional Benefits

The “standard” traditional benefits such as traditional medical, vision and dental coverage are important to this generation. Their interest in financial security dictates income protection (disability insurance) should be on the list as well.

They expect a broader range of healthcare services than they are currently offered. Today's Gen Xers, and particularly those who struggle with chronic disease (such as heart disease and diabetes), are far more willing to pay for innovative healthcare services than older generations. The highest rated item on Generation X's healthcare wish list – many of whom have very young children – is same-day appointments with a family doctor. In fact, 43% of Gen Xers are willing to pay for this offering.<sup>35</sup>

## A Variety of Options

Gen X might be the generation needing the most variety of benefit options -- they not only have children but are also very likely taking care of their parents as well. Their benefit needs include everything from income protection, financial wellness and retirement education, to family support, child care and elder care. By offering a variety of voluntary benefits, employers can provide Gen Xers the opportunity to customize their benefits package to meet their individual needs, even though they may need to pay the premium.

## Child Care

Gen Xers with children are interested in worksite child care and back-up child care benefits.





## Financial Wellness

With half of Gen Xers not being able to make their monthly expense payments on time and not having enough in savings for emergencies that can arise, financial wellness is a real concern for this generation. This presents an opportunity for employers. While financial wellness programs have not yet reached the level of penetration of other longstanding benefit offerings, 52% of employers have implemented or are considering implementing a financial wellness program; and 44% believe that a financial wellness program is becoming a “must-have” benefit in order to be competitive.<sup>36</sup>

The good news is that Generation X is very interested in improving their financial wellness. In fact, if offered financial education programs at work, 89% of Generation Xers would participate in them.<sup>37</sup>

In addition to financial education programs on budgeting, debt management and retirement planning, benefits such as employee purchase programs and employee discount programs help Gen Xers access products and services they need and want in a more financially-disciplined manner.

## Work-Life Balance

To feed their need for work/life balance, Gen Xers appreciate paid vacation and sick days and a flexible work schedule which could include working virtually for some percentage of their work week.

## Benefits Communication

As with any generation, it's not only about the benefits themselves. Benefits communication tailored to each generation is vital to providing value.

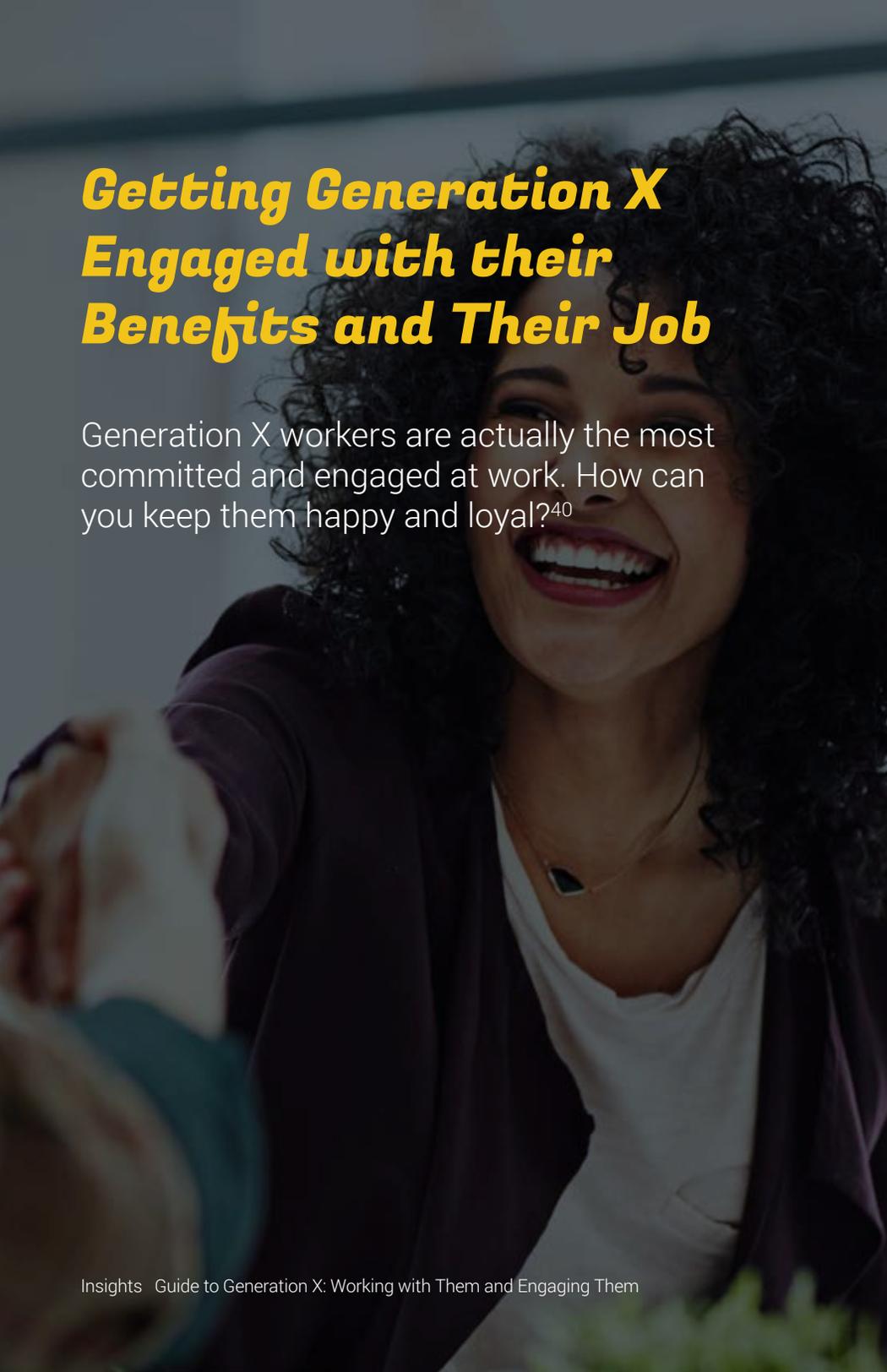
Gen Xers want upfront and transparent communication and prefer short, informal, regular sound bites.

## What do Gen Xers need?<sup>38</sup>

- Reach them through interactive online communications, YouTube and email
- Retirement readiness websites that allow them to input other investment information;
- User-friendly online resources that can be accessed on demand to fit their busy schedules, as well as the ability to do their own research and receive feedback on their progress;
- Access to on-demand, one-on-one professional assistance used in conjunction with web-based tools;
- Education on the time value of money and the importance of rollovers when changing jobs.

Make sure to leverage their communication strengths. There are advantages in the way Gen Xers blend the approaches of the Baby Boomers ahead of them and the Millennials behind them. Baby Boomers drill deep and Millennials take in a lot of information over a broad range and skim. Generation X, on the other hand, takes in less information, but still drills deep.<sup>39</sup>





## **Getting Generation X Engaged with their Benefits and Their Job**

Generation X workers are actually the most committed and engaged at work. How can you keep them happy and loyal?<sup>40</sup>

Probably the most important is to provide competitive pay. Although money isn't their biggest motivator, it's definitely a factor, especially considering their stage in life, with responsibilities such as home ownership, parenthood and even children entering college. In addition to wages, bonuses can be a great way to inspire Gen X workers without committing to a permanent salary increase. Tie pay to the results they get for your business and Gen X will be highly motivated.

Almost as important is for employers to be a leader. Businesses with a strong vision and a good reputation attract Gen X workers and keep them on board. Companies can make sure Gen Xers are aware of their mission and vision by promoting it in their marketing. Since Gen X workers want to make a difference, a company that makes a difference in its industry, community or the world at large will have an edge in appealing to them.

Without a doubt, don't micromanage. Gen X workers want to make an impact on a business, but they can't do that if you don't trust them to take the lead. Continually challenge them with new opportunities. Set goals, but let them decide how exactly to reach those goals. Put them in charge of new projects or training Millennials. Not only will they be more satisfied with their jobs, but the business gains the benefit of new leadership that can drive growth.

Generation X is more "self-managing" than Millennials. They'll need less hand-holding to accomplish their assignments – and, in fact, they may resent the more active management style their younger counterparts crave. Trust they'll come to you for guidance as needed.<sup>41</sup>

## Conclusion

Gen Xers aren't the largest generation in the workforce – they are overshadowed by Millennials and Baby Boomers. And they're not the most "visible" one either – they aren't written and talked about as much, they're not as eccentric – they kind of fly low on the radar.

But in today's workforce, Generation X is the engine room. They are your source of power and that's what keeps a business together. Understanding what is important to them, what motivates them and how they want to work will allow employers to structure benefits and develop programs that attract Gen Xers and keep them at the heart of the company.

### About Purchasing Power, LLC

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