



Gen X, Are You Ready To Retire?

For Gen X, retirement planning isn't as simple as following the playbook of their Baby Boomer or Silent Generation parents, many of whom retired with generous company pension plans that are much less common these days. Largely left to provide for their own retirement, Gen Xers (and their investments) have also weathered multiple major economic turndowns, including the Great Recession and COVID-19 pandemic, have sometimes given up working years to care for children and aging parents at the same time, and are now facing historic inflation that continues to rise.

If you're a Gen Xer planning to retire in the coming years, how do you know if you're ready? And if you're not, how do you catch up? We'll help you take stock of your current financial situation and what you may need to adjust now to help ensure a secure retirement in the years ahead.

What Is the Average Retirement Age?

The average retirement age in the United States is **65 for men and 62 for women**, though a recent Gallup poll indicates that **nearly 75% of Americans** now expect to work past age 65—a shift

Gen X is stepping into retirement with more challenges than previous generations, yet with a clear plan and focused action they can build the secure future they've worked hard for.

from previous generations. If you're a Gen Xer approaching these milestones, the clock is ticking to solidify your retirement strategy.

Unlike Boomers, who often had pensions and lower debt burdens, Gen X faces unique retirement planning hurdles—from lingering student loans to frequent episodes of market volatility—making a well-structured plan essential. If you haven't crunched the numbers yet, now's the time to ensure your savings, investments, and debt management align with your retirement goals.

How much should Gen X have saved for retirement?

There's no single "magic number," but financial advisors often suggest aiming for **7-10 times your annual salary by retirement age**. However, this varies based on individual lifestyle goals and expenses. Gen Xers should focus on creating a realistic retirement budget and savings plan.

How much should Gen X have saved for retirement by age 55?

Some financial professionals recommend having **six to seven times your current annual salary saved by age 55 to stay on track for retirement**. So, if you earn \$100,000 per year, by age 55, you should have \$600,000 to \$700,000 saved already.

However, Gen X faces unique hurdles that may require even larger nest eggs:

- **Inflation has eroded purchasing power**, potentially adding 20-30% to retirement cost estimates for the coming years.
- **Healthcare costs are rising**, which means a retired couple could have **\$400,000 or more in medical costs** in retirement.
- **Persistent debt**, like student loans and mortgages could also force longer working years.

- **Sandwich-generation responsibilities** often require Gen Xers to support both aging parents and children simultaneously, diverting income away from retirement savings during peak earning years.

If your savings are falling short, consider these catch-up tips:

- **Increase your 401(k) contributions** to maximum levels
- **Make catch-up contributions** (allowed after age 50) to retirement savings, including Simple and Roth IRAs
- **Re-evaluate your retirement timeline**, and determine if working a little longer could potentially ensure you more financial security in your golden years

While benchmarks provide guidance on how to plan for retirement, Gen Xers may need to save more aggressively than previous generations to account for these financial headwinds.

5 Steps You Can Take Right Now To Prepare For Retirement

If you're not as ready as you'd like to be, here are some Gen X retirement planning strategies to help put you on the right track for financial security in your golden years.

1. **Review and adjust your investment portfolio**

Depending on when you're planning to retire, you'll need to start reviewing and adjusting your investment portfolio and reassessing your risk tolerance. For example, if you're in your mid-50s and want to retire around age 60, what felt comfortable in your 40s may be too aggressive now. Many investors gradually shift toward a more conservative asset allocation, prioritizing capital preservation over high-growth investments as their retirement planning timeline shortens. Ensure your mix of stocks, bonds, and other assets aligns with both your retirement goals and expected withdrawal needs.

A wealth advisor can provide valuable perspective, helping you rebalance strategically to mitigate risk while maintaining growth potential, and ensuring your portfolio remains properly aligned with your evolving retirement vision. Check in with your advisor at least annually to keep your plan on track as markets and personal circumstances change.

2. Maximize “catch-up” contributions

Catch-up contributions are special retirement savings provisions that allow **Americans aged 50 and older to contribute additional funds** beyond standard limits to tax-advantaged accounts like 401(k)s and IRAs. In 2026, those 50+ can contribute an extra \$8,000 annually to 401(k)s and an additional \$1,100 annually to IRAs (for a total of \$8,600). These catch-up contributions could add more than \$100,000 to your retirement portfolio over a decade thanks to compound growth.

Under the Secure Act 2.0, **Americans ages 60 to 63 can contribute even more**, up to \$11,250 extra annually. To make these last earning years really count, prioritize maxing out employer-sponsored plans first, and automate contributions to ensure consistent contributions. Consider talking to your tax advisor as well to discuss how you might pair catch-up contributions with Roth IRA conversions for maximum tax benefits.

3. Aggressively pay down debt

Aggressively paying down debt—especially high-interest credit cards and lingering mortgages—can be a game-changer for retirement readiness. Eliminating these financial burdens before retirement can help reduce monthly expenses, preserve your nest egg, and prevent interest from eroding your retirement income. With less debt, you’ll have more flexibility to cover healthcare costs, travel, or unexpected expenses without draining savings. Prioritize high-interest debt first, like credit cards, and then tackle larger obligations like mortgages or auto loans.

4. Create a detailed retirement budget

Start your retirement plan by creating a detailed budget that estimates essential expenses like:

<p>Housing</p> <ul style="list-style-type: none"> Mortgage/rent Property taxes Maintenance 	<p>Healthcare</p> <ul style="list-style-type: none"> Premiums Out-of-pocket costs Potential long-term care
<p>Daily Living Costs</p> <ul style="list-style-type: none"> Groceries Utilities 	<p>Lifestyle Expenses</p> <ul style="list-style-type: none"> Travel Hobbies Dining out, which can add up quickly

It's also especially important to factor in inflation, as **rising prices will impact your purchasing power over time**. By projecting these costs, you'll gain clarity on how much you'll need to save—and whether adjustments (like downsizing or working longer) are necessary to help you retire sooner and live comfortably longer. Revisit your retirement budget annually to account for changing needs and market conditions.

5. Consult a wealth advisor

A wealth advisor can help provide personalized retirement planning guidance tailored to your unique financial situation. They can also develop a comprehensive plan that balances investment strategies, tax efficiency, and Social Security considerations to help maximize income and minimize risks. Working with **a wealth advisor at KAR** can offer you ongoing support as your circumstances evolve, helping you adjust your plan over time and stay aligned with your long-term retirement goals.

Ready to get started with Kayne Anderson Rudnick? [Let's work together.](#)

FAQs

What are the biggest retirement challenges for Gen X?

Gen X faces unique challenges, including:

- Weathering multiple economic downturns during their careers
- High levels of student loan and credit card debt
- Mid-life financial and time burdens of caring for both aging parents and children
- Rising healthcare costs and inflation

What are effective catch-up strategies for Gen X retirement savings?

Gen X can catch up through some of the following strategies:

- Maximizing 401(k) and IRA contributions
- Creating a strict budget and reducing unnecessary expenses
- Paying down high-interest debt aggressively
- Diversifying investments to optimize growth

When should Gen X consider working with a wealth advisor?

Gen X may benefit from working with a wealth advisor for guidance on how to plan for retirement. An experienced advisor can help Gen Xers establish personalized investment strategies, offer guidance on tax and estate planning, and help determine “retirement readiness.”

What are catch-up contributions?

Catch-up contributions are special retirement savings provisions that allow Americans aged 50 and older to contribute additional funds beyond standard limits to tax-advantaged accounts like 401(k)s and IRAs. In 2026, those 50+ can contribute an extra \$8,000 annually to 401(k)s and an additional \$1,100 annually to IRAs (for a total of \$8,600).



These provisions help late starters and those nearing retirement accelerate their savings—a particularly valuable tool for Gen Xers who may be behind due to student debt, market downturns, or caregiving responsibilities. Maxing out catch-up contributions can help meaningfully boost retirement readiness in your final working years

Kayne Anderson Rudnick is an investment firm specializing in high-quality investment and wealth management strategies. The firm has an over 40-year history serving a diverse client base that includes high-net-worth individuals, corporations, endowments, foundations, public entities, taft-hartley clients, and mutual funds. Kayne Anderson Rudnick is known for its commitment to high-quality investment strategies and business practices. For more information, please visit www.kayne.com.

*This information is being provided by KAR for illustrative purposes only. Information contained in this article is not intended by KAR to be interpreted as investment advice, a recommendation or solicitation to purchase securities, or a recommendation of a particular course of action and has not been updated since the date of the material, and KAR does not undertake to update the information presented should it change. This information is based on KAR's opinions at the time of the publication of this material and are subject to change based on market activity. There is no guarantee that any forecasts made will come to pass. KAR makes no warranty as to the accuracy or reliability of the information contained herein. The information provided here should not be considered to be insurance, legal, or tax advice and all investors should consult their insurance, legal, and tax professionals about the specifics of their own insurance, estate, and tax situations to determine any proper course of action for them. KAR does not provide insurance, legal, or tax advice, and information presented here may not be true or applicable for all investor situations. Additional information about KAR's services and fees may be found in KAR's Part 2A of Form ADV, which is available upon request or can be found at <https://kayne.com/wp-content/uploads/ADV-Part-2A.pdf>. **Past performance is no guarantee of future results.***