

Contact:
Fortier Public Relations
Katarina Hicks
646-853-3230
katarina@fortierpr.com
Mark Fortier
212-675-6460
mark@fortierpr.com

Generation X: Overlooked and Hugely Important finds New Study from the Center for Work-Life Policy

- Gen Y and Boomers are the focus of media attention, but a new study finds Gen X to be critical to competitive strength going forward
- Triple whammy of three recessions, underwater mortgages and ongoing college debt has honed their work ethic and resilience
 - Gen X college grads are impressively diverse. This is also the first generation where women are as ambitious as men
- A shift in gender roles is under way with Gen X men 36 percent more likely than their Boomer counterparts to be out-earned by their spouses
- The Big Surprise! 43 percent of Gen X women do not have children

New York, NY; September 16, 2011 – A new study by the Center for Work-Life Policy finds that despite being the smallest generation (46 million), Generation X might be “the most critical generation of all” for employers. The study’s findings were presented last night at a launch event at Credit Suisse in New York City on September 15.

Gen Xers are of an age (33 to 46 years old) that should put them at the prime of their lives and careers, stepping into crucial leadership roles and starting families. However, the study, entitled “**The X Factor: Tapping into the Strengths of the 33- to 46-Year-Old Generation,**” reveals that due to challenges and circumstances out of their control, Gen Xers are taking a different life path.

Perhaps the most shocking finding in the study is the exceptionally large number of Gen Xers who are choosing *not* to have children. Their extreme work schedules (nearly a third of high-

earning Gen Xers work 60+ hours a week), strong career ambition, the current economic challenges, as well as changing mores and life choices are all factors that contribute to their high level of childlessness compared to other generations.

Gen X, born between 1965 and 1978, might be called the “wrong place, wrong time” generation. They were hit by an economic triple whammy: college- related debt, multiple boom and bust cycles (including the 1987 stock market crash, occurring just as Gen X entered the work force), and the housing slump. As a result, Gen X is the first generation not to match their parents’ living standards.

While these economic woes have impacted most generations, they have hit Gen X the hardest in their work lives. Due to their own financial concerns, Boomers are not retiring and are choosing instead to work an average of nine years longer than anticipated. This delays Gen X’s career progression, resulting in their feeling stalled in their careers and dissatisfied with their rate of advancement.

Yet the turmoil and instability that have been an integral part of Xers’ lives have yielded unexpected benefits in the work world. Having been front and center for every major economic crisis of the past 30 years, Xers possess exactly the sort of resilience that organizations need as they face an uncertain future.

Most important, Xers are masters at mastering change—a skill set critical in every company today. They have been laid off, restructured, outsourced, reorganized and relocated more than any other generation in modern times—yet they are hugely hard-working and ambitious, eager to amplify their talents by learning new skills and garnering new experiences. However, employers must take warning: These strengths risk being nullified by diminished loyalty, declining engagement—and increasing apathy.

Key Findings:

- A surprisingly large proportion of Xers are delaying or even opting out of parenting: 43 percent of Xer women and 32 percent of Xer men do not have children.
- Among non-parents, 60 percent of women and 36 percent of men feel their personal commitments are perceived as less important than those of colleagues with children.
- Despite having been nicknamed the “slacker generation,” Generation X enrolled in higher education in record numbers. Over a third of Gen X hold bachelor’s degrees and 11 percent have graduate degrees.ⁱ
- Gen X is not only highly ambitious but their ambition is nearly gender neutral: 75 percent of women and 72 percent of men consider themselves ambitious.
- Thwarted by Boomers who can’t afford to retire and threatened by the prospect of leap-frogging Millennials, 41 percent of Xers are unsatisfied with their current rate of advancement and 49 percent feel stalled in their careers.
- Debt determines many Xer career choices, with 43 percent of Xers saying that their ability to pay off their student loans is an important factor in their career choices and 74 percent saying the same about credit card debt.

- The vast majority (91%) of X women and 68 percent of X men are part of a dual-earning couple. More than a third (36%) of Gen X women out-earn their spouses.
- Women and minorities made up 64 percent of graduates during the Gen X college years. Many Xer minorities are the first in their family to graduate from college: 49 percent for African-Americans and 54 percent for Hispanics, compared to 33 percent of Caucasians.

For employers worldwide, the X factor is crucial to future success but few corporate programs are directed at their needs. Smart organizations will seek to understand what motivates them in order to sustain, retain, realize and maximize their potential. Solutions include offering alternative opportunities to Xers when they cannot be promoted vertically and making sure that Gen Xers without children receive the same flexibility as those with children.

Xers may have become accustomed to being invisible but “the X Factor” proves that no company can afford to ignore them now.

Methodology:

Spearheaded by American Express, Boehringer Ingelheim USA, Cisco, Credit Suisse, Google and the Hidden Brain Drain Task Force, research for the study comprised of virtual strategy sessions, ten focus groups, one-on-one interviews, and a survey of 2,952 U.S. college educated men and women in white collar occupations conducted by Knowledge Networks under the auspices of the Center for Work-Life Policy, a nonprofit research organization.

At the September 15 launch event for the study, hosted by Credit Suisse, remarks were made by:

Sylvia Ann Hewlett, President, Center for Work-Life Policy

Lisa Belkin, Writer and Columnist, *The New York Times* (moderator)

James (Jim) P. Bush, Executive Vice President, World Service, American Express

Cassandra Frangos, Director, Center for Collaborative Leadership, Cisco

Amy Hudson, Managing Director, Credit Suisse

Lauren Leader-Chivée, Senior Vice President, Center for Work-Life Policy

Lisa Kassenaar, Editor-at-Large, Bloomberg News

Mindy Schwartz, Managing Director, Talent Acquisition & HR Americas, Credit Suisse

Research Sponsors:

American Express, Boehringer Ingelheim USA, Cisco, Credit Suisse, and Google

About the Authors of the study:

Sylvia Ann Hewlett is an economist and the founding President of the Center for Work- Life Policy, a non-profit think tank where she chairs the “Hidden Brain Drain,” a task force of 67 global companies committed to global talent innovation. She also directs the Gender and Policy Program at the School of International and Public Affairs, Columbia University. Dr. Hewlett is a member of the Council on Foreign Relations and the World Economic Forum Council on Women’s Empowerment. She is the author of nine *Harvard Business Review* articles and 11 critically acclaimed nonfiction books including *Off-Ramps and On-Ramps* and *Winning the War for Talent in Emerging Markets* (Harvard Business Press). Her writings have appeared in the

New York Times, the *Financial Times*, *Foreign Affairs*, and the *International Herald Tribune*, and she is a featured blogger on Harvard Business Online and *Forbes*. In 2011 she received the Isabel Benham Award from the Women's Bond Club and Woman of the Year Award from the Financial Women's Association. She is a frequent guest on television, appearing on Oprah, Newshour with Jim Lehrer, Charlie Rose, the Today Show and CNN headline News. Hewlett has taught at Cambridge, Columbia and Princeton universities. A Kennedy Scholar and graduate of Cambridge University, she earned her PhD in economics at London University.

Lauren Leader-Chivée is Senior Vice President at the Center for Work-Life Policy and Partner at Sylvia Ann Hewlett Associates, has 14 years of experience in human resources leadership and management consulting. Before joining CWLP she advised hedge funds, investment banks and Fortune 500 companies as an independent talent management consultant, and as part of the human capital practice at Booz & Company. Before that, she was Vice President of Human Resources at OfficeTiger and held HR leadership roles at Credit Suisse and Pfizer. She is the coauthor of CWLP publications *The Battle for Female Talent in India*, and *The X-Factor*, and Harvard Business Online blogs. She's on the steering committee of the Aspen Institute's Socrates Society and is a term member of the Council on Foreign Relations. She is a graduate of Barnard College and an adjunct professor at Columbia University School of International and Public Affairs.

Catherine Fredman is Managing Editor at the Center for Work-Life Policy. She has collaborated on five best-selling business books, including *Direct from Dell* with Michael Dell, *Only the Paranoid Survive* with Andy Grove, and *Use the News* with Maria Bartiromo, and has written memoirs with Andy Grove (*Swimming Across*) and for the Dell family. She is an award-winning magazine editor for consumer and corporate publications. Fredman is a graduate of Bryn Mawr College.

Maggie Jackson is a Senior Fellow at the Center for Work-Life Policy. An award-winning journalist known for her coverage of U.S. social issues, she is the author, most recently, of *Distracted: The Erosion of Attention and the Coming Dark Age*. Jackson is a popular contributor to the *Boston Globe* and has written for the *New York Times*, *Business Week*, and National Public Radio, among other publications. She has won numerous awards and honors for her work, including the Media Award from the Work-Life Council of the Conference Board and a journalism fellowship in child and family policy from the University of Maryland. Jackson is a graduate of Yale University, and the London School of Economics with highest honors.

Laura Sherbin is Senior Vice President, Director of Research at the Center for Work-Life Policy where she heads up CWLP's survey research. She is an economist specializing in work-life issues and gender. She is also an Adjunct Professor at the School of International and Public Affairs at Columbia University teaching "Women and Globalization." She is coauthor of *Harvard Business Review* articles "How Gen Y & Boomers Will Reshape Your Agenda," "Off-Ramps and On-Ramps Revisited" and *Harvard Business Manager* article "Letzte Ausfahrt Babypause" as well as Harvard Business Review Research Reports *The Athena Factor: Reversing the Brain Drain in Science, Engineering and Technology* and *The Sponsor Effect: Breaking Through the Last Glass Ceiling*. She is a graduate of the University of Delaware and earned her PhD in economics from American University.

The Center for Work Life Policy

The Center for Work-Life Policy (CWLP), a non-profit “think tank” based in New York City, has emerged as a thought leader in diversity and talent management, driving ground breaking research and seeding programs and practices that attract, retain and accelerate the new streams of talent around the world. CWLP’s flagship project is the Hidden Brain Drain Task Force—a private-sector task force focused on talent innovation. The 67 global corporations and organizations that constitute the Task Force—representing 4 million employees and operating in 190 countries around the world—are united by understanding that the full utilization of the talent pool is at the heart of competitive advantage and economic success.

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ⁱ National Center for Education Statistics