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The problem with this is that lifespans are now extended beyond what previous generations expected or planned for. If a burden of care is accepted, then that burden will probably last longer than it did for our parents. We, in turn, are also expected to live longer than previous generations.

In a society where inter-generational connectedness appears to be weakening, do we believe, as our parents did, that our children (if we have any), will take care of us if necessary? This means that they have to be in a good enough financial position to be able to assist and have a strong enough relationship with us, or at the very least feel a moral obligation, to want to assist. Stories already emerged in previous *Sanlam Benchmark Survey* face-to-face pensioner interviews of some children who do not feel obliged to help, even if great sacrifices were made to give them an education.

If we expect to be responsible to care for our own financial needs after ending full-time employment, a possible recourse for us may be to put a higher priority on saving for our own future. Given the financial difficulties currently experienced by GenXers, a window of opportunity to make these savings may only open up after our currently relational responsibilities have passed.

GenXers also face moving goal posts. The traditional goal of a nest egg worth 15 times annual income at retirement has already been questioned giving increased life expectancy. If serious saving starts later on in life, phasing out of employment post the traditional retirement date may be the only way to build up the needed nest egg. This makes sense given that we expect to live longer than our parents' generation. Given current circumstance, redefining traditional retirement may be the only option that will result in comfortable financial independence later on in life. ■

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6 STEPS TO FINANCIAL INDEPENDENCE

Fortunately GenXers have just enough time on their side to plan for their financial independence. However, there is no room for error. Unlike a 20-year-old who can bounce back from a financial disaster, GenXers do not have the luxury of starting over again – it is time to get serious and take the right steps now.

Here are some strategies to get GenXers back on track for financial independence:

1. Beware lifestyle creep and save more

As GenXers hit middle age, chances are that they have a higher earning capacity than ever before and have built up some assets (property etc.). The temptation is to loosen the grip on thrift and have some fun – buy that fancy car you've always wanted, the bigger house – you've earned it! Lifestyle expenses tend to increase year after year, at the cost of reducing debt or saving. Budgeting and tracking expenses isn't fun, but there are no short-cuts around this one.

2. Focus on short-term debt

Financial distress affects productivity, personal and family life. If unpaid credit card debt is keeping you up at night, check if your employer offers an employee financial wellness programme and take advantage of it. Repeat, live interactions with a financial counsellor can help GenXers tackle their debt.

3. Whittle down mortgage debt

Mortgage payments are often one of the biggest expenses. After sorting out your short-term debt, boosting your monthly repayments (or using your bonus) to a flexible home loan can help you become debt free. The faster you pay off your home loan, the less interest you'll incur over time.

4. Estimate how much you need to save for financial independence

Use an online calculator provided by your retirement fund or an independent firm to estimate how much capital you'll need to replace 75% to 80% of your income in retirement. Roughly speaking, you should aim to have saved around 4.5 times your current annual salary at age 45. A calculator would help you fine-tune how much you need to aim for. Don't forget about healthcare costs in retirement.

5. Catch up on your saving for financial independence

Ramp up your savings when you have reduced your debt levels. Most retirement funds will allow you to contribute more monthly, all in a tax efficient and convenient manner.

Resist the temptation to access your retirement fund money when you change jobs. You are unlikely to make up the shortfall in your nest egg later and may never achieve financial independence.

6. Sort out the paperwork

By now GenXers should have a valid will and have made guardianship provisions for any minor children. If not – do it now! Also consider whether your will is still appropriate.

Generation X may be the "neglected middle child", but there is still enough time for this generation to take the necessary steps to determine their own future. ■