



The MetLife Study of the American Dream: Against the Backdrop of the Financial Burden Shift



"A personal safety net sounds fantastic! We're both very concerned about our financial future, but Don just shows it more."

January 25, 2007

METLIFE'S AMERICAN DREAM STUDY: AGAINST THE BACKDROP OF THE FINANCIAL BURDEN SHIFT

EXECUTIVE SUMMARY

Study Objectives

In November 2006, MetLife commissioned a study to understand the U.S. public's attitudes and perceptions regarding the erosion of corporate and social safety nets. The study set out to determine whether or not individuals feel they are bearing more of the burden for their own financial security than in the past. For the purposes of this study we define corporate safety nets as traditional defined benefit pension plans and other employer-paid benefits such as health, life and disability insurance, and social safety nets as the government's two largest social programs: Social Security and Medicare.

Against this backdrop of a financial burden shift—the debate about the future viability of government programs such as Social Security and Medicare, declining pensions, the growing affordability crisis, and recent corporate and government scandals—the study set out to determine whether or not the American dream is still alive and well. Additionally, the study sought to determine if pursuit and achievement of the American dream differs from generation to generation.

The Shifting Burden and the Moving Target

Americans are clearly feeling the impact of increased financial burdens. This “burden shift”—with financial responsibilities increasingly shifting to individuals, and away from the government and employers—is having an impact, with potentially profound implications for how Americans define and approach the American Dream.

The good news is...the American dream is alive. However, the burden shift has turned the traditional definition of the American dream “on its ear.” Where previously the American dream was defined as a combination of homeownership, a happy family life and, at the same time, financial security stemming from a stable career, the defining theme now is almost a singular desire for financial security.

At the same time, working Americans are deeply engaged in what can be characterized as a “chase” of the dream. This chase is occurring in an environment where burdens are shifting and, at the same time, expectations are rising. In turn, more frequent job changes are now a fact of modern life, which also represents another burden that has “shifted” to the individual. In isolation none of these factors are insurmountable, but in combination they represent a “perfect storm” that may present significant personal financial challenges for a meaningful segment of the U.S. public.

While the shifting burdens make chasing the American dream more challenging, as a society we're making it even harder with ratcheting expectations fueling a constantly rising bar. The “dream” is no longer a destination; it's a never-ending pursuit which contributes to rising levels of anxiety and pressure in everyday life. The American dream is alive but it's not necessarily alive and well. And, its being propped up by American optimism.

The burden shift is a function of both real and psychological factors: real from the standpoint that responsibility for burdens such as health care and retirement are increasingly shifting to the individual; psychological because many increasing burdens are self inflicted.





The increasing burdens being felt, combined with the redefined American dream, may suggest that traditional macroeconomic indicators—GDP growth, the unemployment rate, household income—do not correlate with the public’s perception of the economy, or even their personal situation. Concerns about the future tend to overwhelm feelings about the present. It’s possible to have a solid job, a home, and a family and feel the economy is heading in the wrong direction. Yet, at the same time, this study confirms the traditional American values of optimism, faith and work are still very much present, although these beliefs are being challenged by a growing sense that the economic deck is stacked against them.

Baby Boomers (born 1946–1964) are showing signs of real stress. They’re only slightly more likely than Generation X (1965–1976) and half as likely as members of the Silent generation (1933–1945) to feel they have achieved the American dream, suggesting perhaps a majority will never “get there.” With retirement looming, Boomers are the most concerned about the increasing burden shift to the individual. And, a majority believes external factors they don’t control determine whether or not they’ll achieve the dream—the only generation to feel this way.

METHODOLOGY

Who We Talked To

From November 20–30, 2006, Strategy First Partners/Penn, Schoen and Berland Associates conducted 1,500 surveys in the United States among the general population, including the following groups:

	N-Size	Margin of error %
All	1500*	2.53
 Silent Generation Born between 1933 and 1945	207	6.81
 Baby Boomers Born between 1946 and 1964	521	4.29
 Generation X Born between 1965 and 1976	399	4.91
 Generation Y Born between 1977 and 1994	306	5.6

Income	%
Less than \$20,000	19
\$20,000 to \$39,999	30
\$40,000 to \$49,999	13
\$50,000 to \$74,999	20
\$75,000 to \$99,999	9
\$100,000 to \$149,999	6
\$150,000 to \$199,999	1
\$200,000 or more	1

Assets	%
Less than \$100,000	57
\$100,000 to \$149,999	19
\$150,000 to \$299,999	14
\$300,000 to \$499,999	9
\$500,000 to \$999,999	7
\$1,000,000 to \$2,000,000	2
More than \$2,000,000	1

Education	%
High school graduate or less	22
Some college	35
College graduate	26
Graduate school	12
Technical or vocational school	5

*Also includes 67 respondents born before 1933 in order to be representative of the U.S. population.

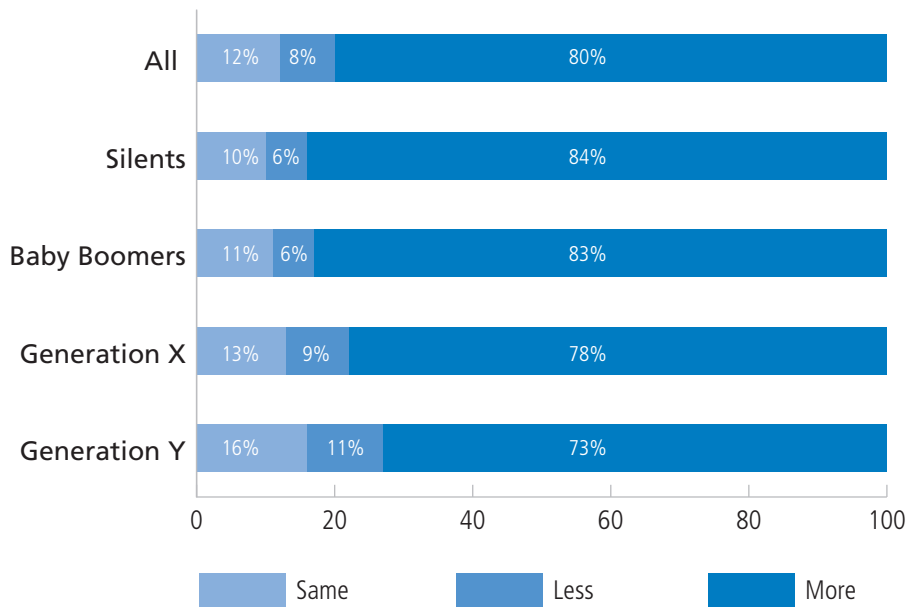
MAJOR FINDINGS

I. THE FINANCIAL BURDEN SHIFT—MORE ON THE CONSUMERS' SHOULDERS

Across generations, an overwhelming majority of Americans feel future generations will feel more of a financial burden than is experienced now. They also feel they are on their own when it comes to their financial future: they foresee risks yet feel they have no one to turn to in order to tackle these issues.

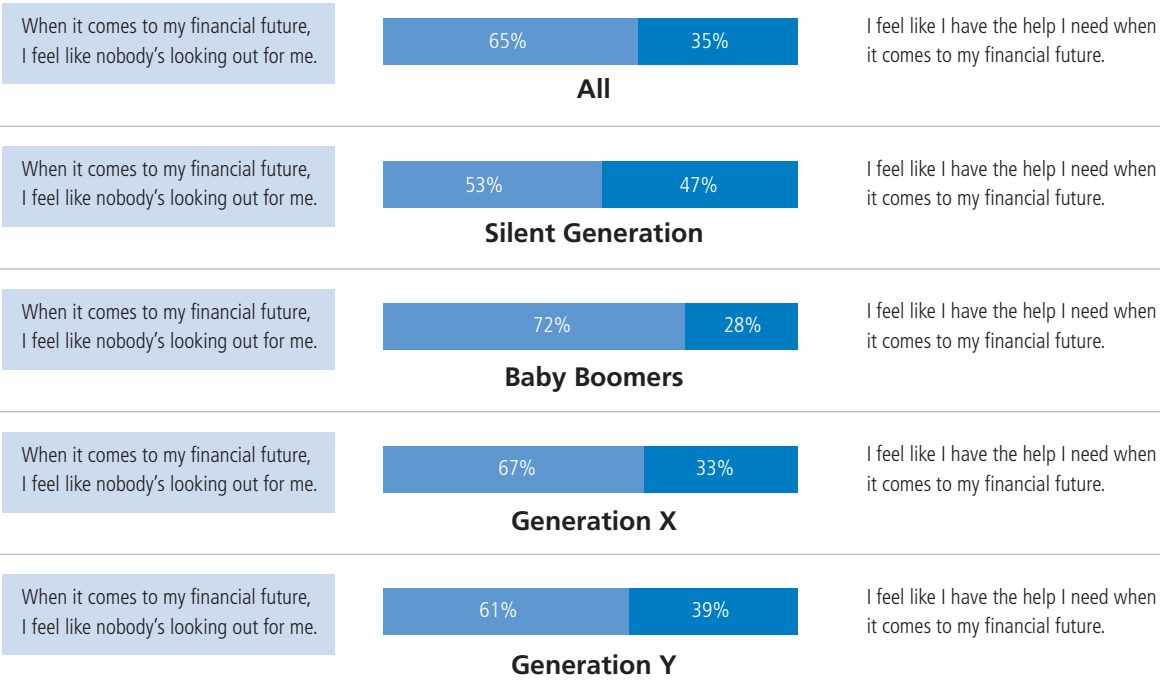
Growing Financial Burdens for Future Generations

How do you feel about the amount of financial responsibility of taxation, pensions, education costs, healthcare and Social Security for the next generation compared with your generation? Will the financial burden for all Americans be more, the same, or less in 10 years time than it is today?



Most Feel They Are Financially “On Their Own”

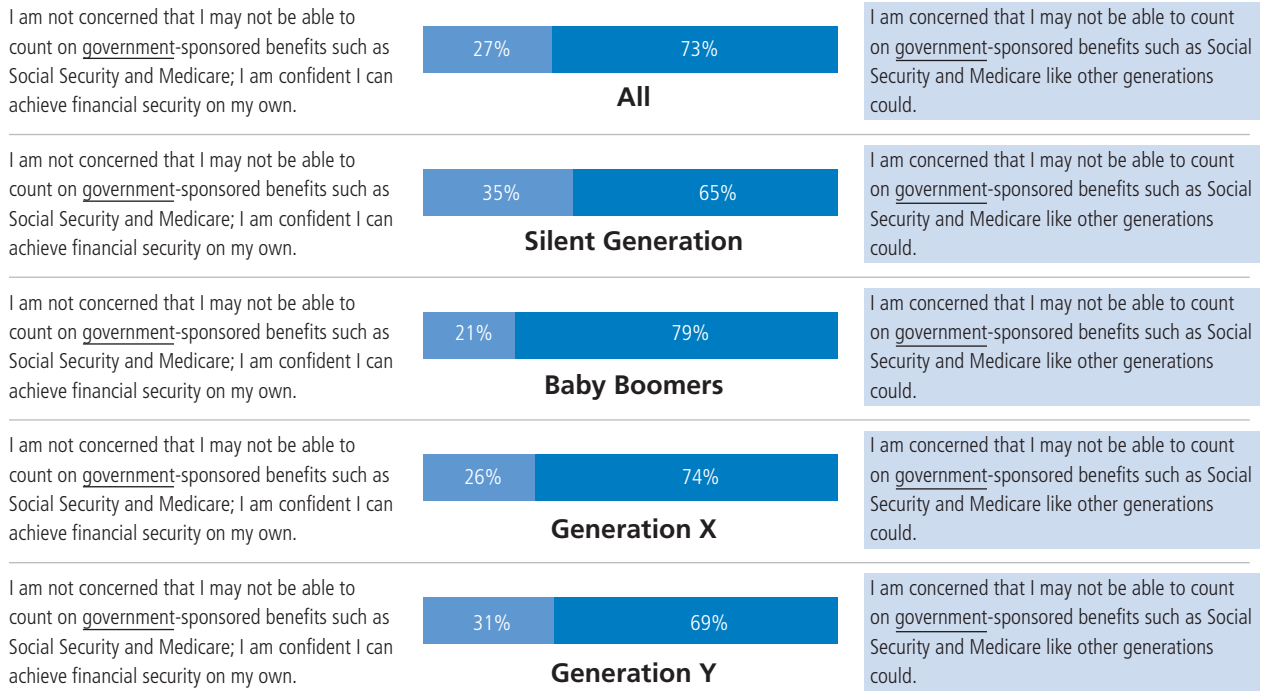
Which of the following is closer to your view?



Nearly three in four Americans—and a strong majority of each generation—don’t believe Social Security will be available in the future. A majority of respondents no longer expect Medicare to be available. This suggests debate about funding these programs has registered with the general public, and there is little optimism that solutions will be found.

Government-Sponsored Benefits Fueling Concerns

Which is closer to your view?



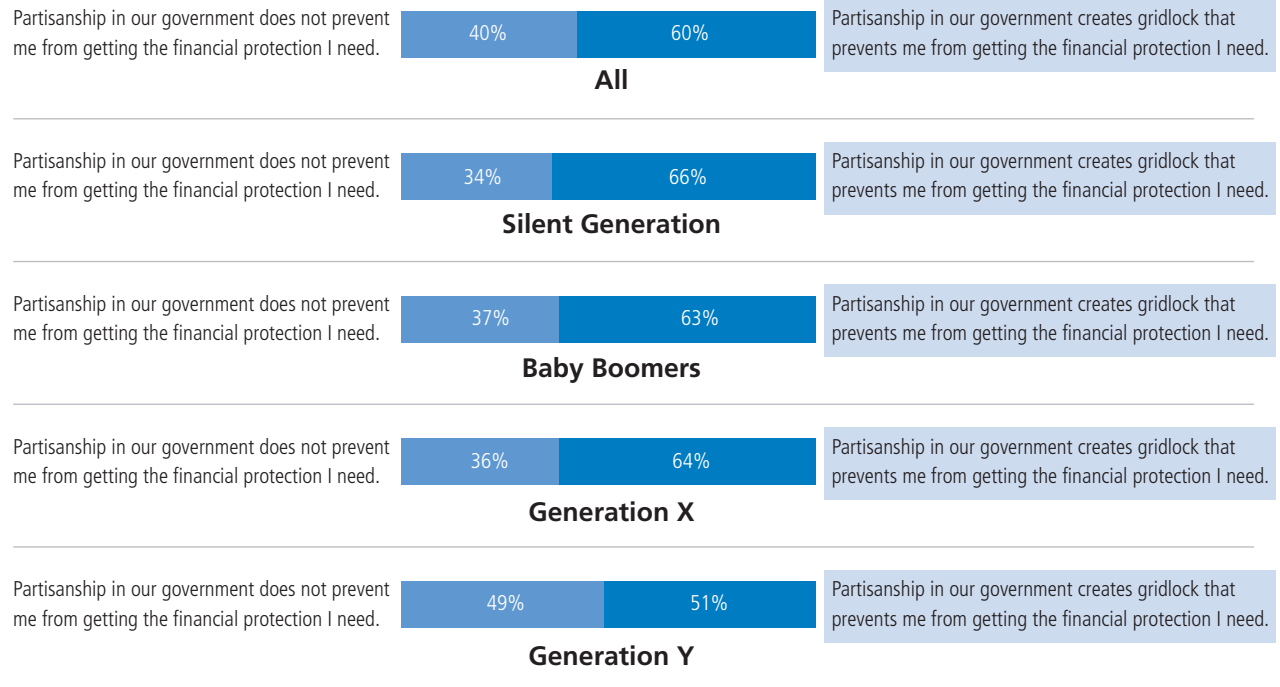
Social Security and Medicare Not Expected for Future Generations

Which, if any, of the following services do you think will <i>not</i> be available for future generations, such as your children? MULTIPLE RESPONSES PERMITTED	All %	Silents %	Baby Boomers %	Gen X %	Gen Y %
Social Security	72	57	73	83	73
Medicare	53	46	54	59	48
Welfare/public assistance programs/food stamps	1	0	1	1	1
Pensions	1	1	2	0	0
Healthcare/insurance/affordable healthcare	1	0	1	1	0
Others	1	1	4	2	2
None of the above	19	36	18	12	16

Most Americans believe partisanship and recent government scandals play a role in the decline of public confidence, contributing to the sense that the individuals are increasingly on their own when it comes to personal financial security.

Partisanship Preventing Financial Protection

Which is closer to your view?



Government Scandals Taking a Toll

Which is closer to your view?

Recent government scandals don't concern me; I still believe elected officials are looking out for my interests.



All

Recent government scandals remind me that elected officials don't represent my interests.

Recent government scandals don't concern me; I still believe elected officials are looking out for my interests.



Silent Generation

Recent government scandals remind me that elected officials don't represent my interests.

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Baby Boomers

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Generation X

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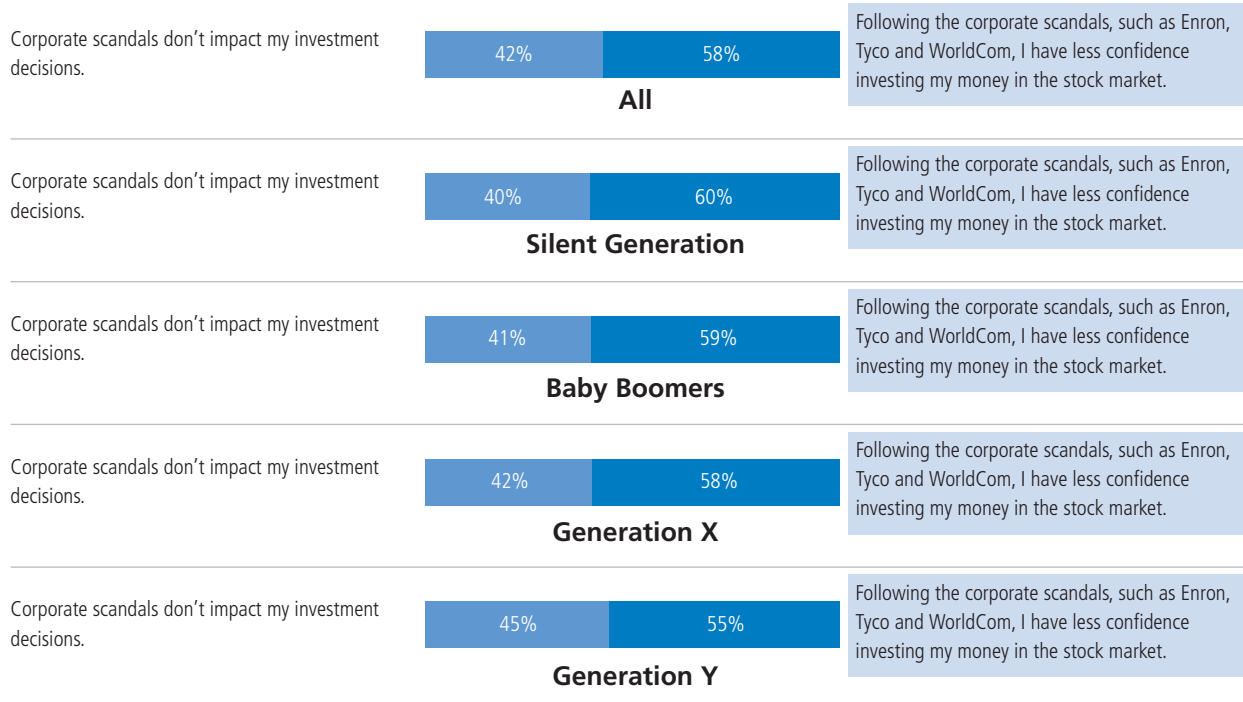
Generation Y

Recent government scandals remind me that elected officials don't represent my interests.

Corporate scandals have also undermined public confidence in the financial markets. Five years after the demise of Enron, a majority of Americans continue to feel the accounting scandals have a negative impact on their stock market investing decisions.

Corporate Scandals Affecting Stock Market Investing

Which is closer to your view?



Working Americans are also feeling the pinch when it comes to employer-sponsored benefits such as health care and pension plans. Nearly two in three feel the decline in company benefits is negatively impacting their ability to achieve financial security. With the leading edge Baby Boomers reaching 65 in just four years, these trends have exacerbated concerns and added further pressure to the task of providing for retirement.

Erosion of Employer-Sponsored Benefits Causing Frustration

Which is closer to your view?

Even though I can no longer count on employer-sponsored benefits, such as pension plans, I am confident I can achieve financial security on my own.



All

I am frustrated that I can no longer count on employer-sponsored benefits, such as healthcare and pension plans, like previous generations could.

Even though I can no longer count on employer-sponsored benefits, such as pension plans, I am confident I can achieve financial security on my own.



Silent Generation

I am frustrated that I can no longer count on employer-sponsored benefits, such as healthcare and pension plans, like previous generations could.

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Baby Boomers

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Generation X

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Generation Y

I am frustrated that I can no longer count on employer-sponsored benefits, such as healthcare and pension plans, like previous generations could.

Fewer Employer-Paid Retirement/Pension Benefits Equals More Employee Pressure

Which is closer to your view?

I'm confident I can rely on myself to provide for my retirement, even if I get less retirement or pension help from my employer.



All

I'm going to receive less retirement or pension benefits from my employer, which means more pressure on me to provide for my retirement.

I'm confident I can rely on myself to provide for my retirement, even if I get less retirement or pension help from my employer.



Silent Generation

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Baby Boomers

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Generation X

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Generation Y

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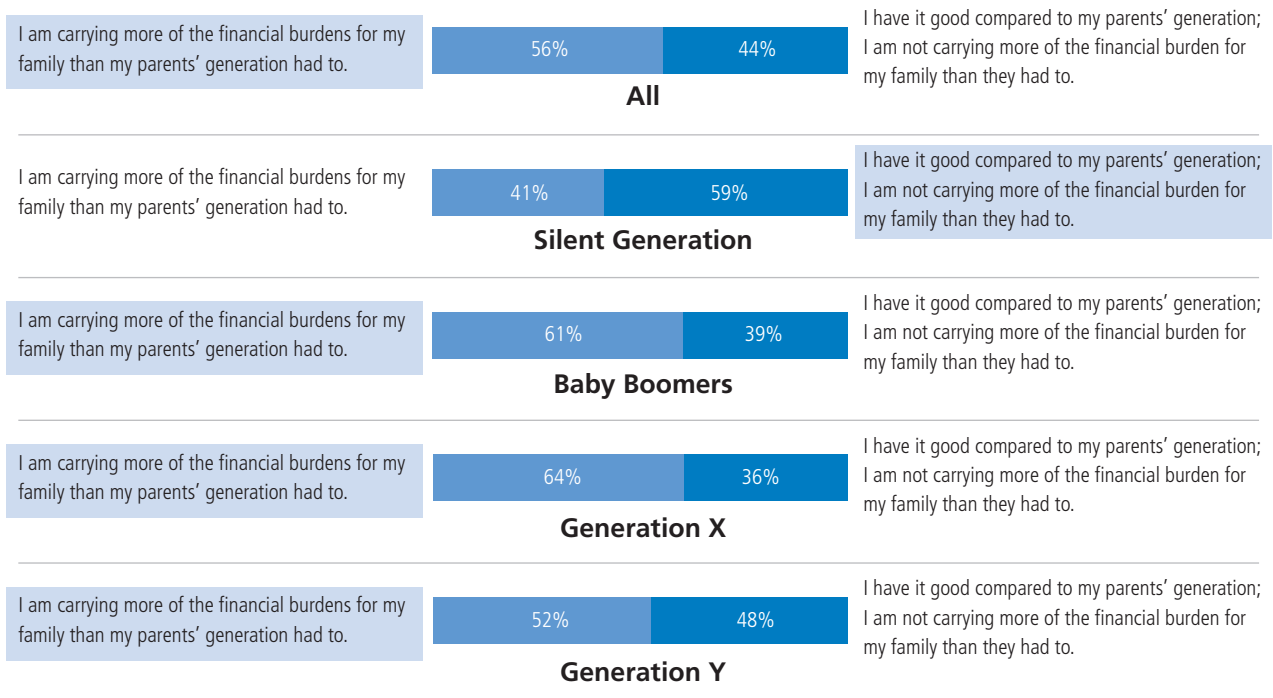
More than six in ten working Americans feel they carry more financial burdens than their parents did, and the overwhelming majority feel this burden will continue to grow for future generations.

The Silent Generation, the majority of whom are already retired, see things differently: they feel they have it good compared to their parents. Given Silents were born during the Depression and World War II era, this is perhaps not surprising.

A majority of all generations feel there is more at risk with respect to their financial future than in the past. This is particularly true for Baby Boomers and Generation X.

All But Silents Carrying More Burdens Than Their Parents

Which is closer to your view?



Burden Shift Raises Concerns for Future Generations

Which is closer to your view?

Future generations, such as my children, have plenty of time to adapt to the financial burden shift and their lives will not be negatively impacted.



All

I am worried that the financial burden shift will lessen future generations' (such as my children's) ability to lead a comfortable life.

Future generations, such as my children, have plenty of time to adapt to the financial burden shift and their lives will not be negatively impacted.



Silent Generation

I am worried that the financial burden shift will lessen future generations' (such as my children's) ability to lead a comfortable life.

Future generations, such as my children, have plenty of time to adapt to the financial burden shift and their lives will not be negatively impacted.



Baby Boomers

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Generation X

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Future generations, such as my children, have plenty of time to adapt to the financial burden shift and their lives will not be negatively impacted.



Generation Y

I am worried that the financial burden shift will lessen future generations' (such as my children's) ability to lead a comfortable life.

More Risk Today to Families' Financial Futures

Which is closer to your view?

There is more risk to my family's financial future than in the past.



My financial future looks good and there is less risk to it than in the past.

All

There is more risk to my family's financial future than in the past.



My financial future looks good and there is less risk to it than in the past.

Silent Generation

There is more risk to my family's financial future than in the past.



My financial future looks good and there is less risk to it than in the past.

Baby Boomers

There is more risk to my family's financial future than in the past.



My financial future looks good and there is less risk to it than in the past.

Generation X

There is more risk to my family's financial future than in the past.



My financial future looks good and there is less risk to it than in the past.

Generation Y

II. THE AMERICAN DREAM REDEFINED

On the surface, Americans define the American dream in fairly traditional terms: financial security, freedom from want, having a family, owning a home, and (for Silents) achieving a comfortable retirement.

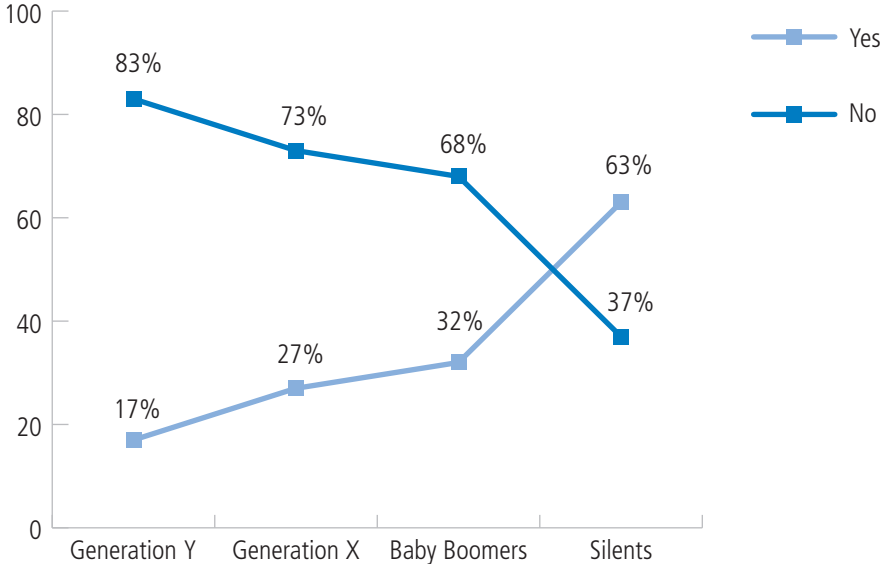
Looking deeper, it's clear that financial security has become the defining element for all generations. This is not surprising; it's an outgrowth of increasing financial burdens shifting to individuals.

What does the "American dream" mean to you today? You can select up to three responses. MULTIPLE RESPONSES PERMITTED (UP TO THREE) RANKED BY ALL	All %	Silents %	Baby Boomers %	Gen X %	Gen Y %
Financial security	59	55	60	64	54
Free from want	43	38	47	43	38
Family/children	42	35	41	43	51
Home ownership	35	28	38	38	34
Comfortable retirement	31	55	34	24	13
Successful career	28	10	23	28	52
Marriage	21	22	17	22	26
Freedom	1	0	1	0	1
Nothing/It is a myth	1	1	1	1	0
All of the above	1	0	1	1	0
Others	1	4	1	1	2

Most Americans feel they have yet to achieve the American dream, and achieving financial security is the main obstacle. Only a majority of the Silent Generation says they have already achieved the dream.

Achievement of the American Dream

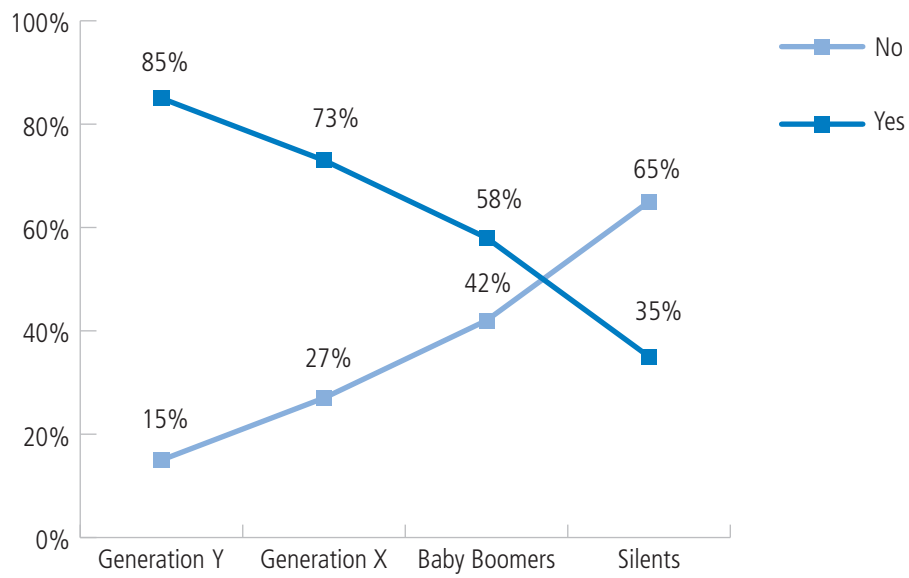
Do you think you have achieved the "American dream"?



While a majority of Americans feel they have yet to achieve the dream, they remain optimistic about the future. A majority feels it's still possible to achieve the American dream in their lifetime. Time and the belief that anything is possible are the main reasons for optimism.

Dream Still Alive?

Do you think it is possible for you to achieve the “American dream” in your lifetime?*

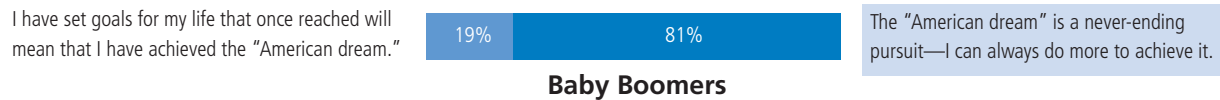


*Question was asked if the respondent previously stated they had not yet achieved the American dream.

It's also possible that many Americans may never achieve the dream: most see it as a never ending pursuit, rather than an attainable goal.

American Dream: A Never Ending Pursuit

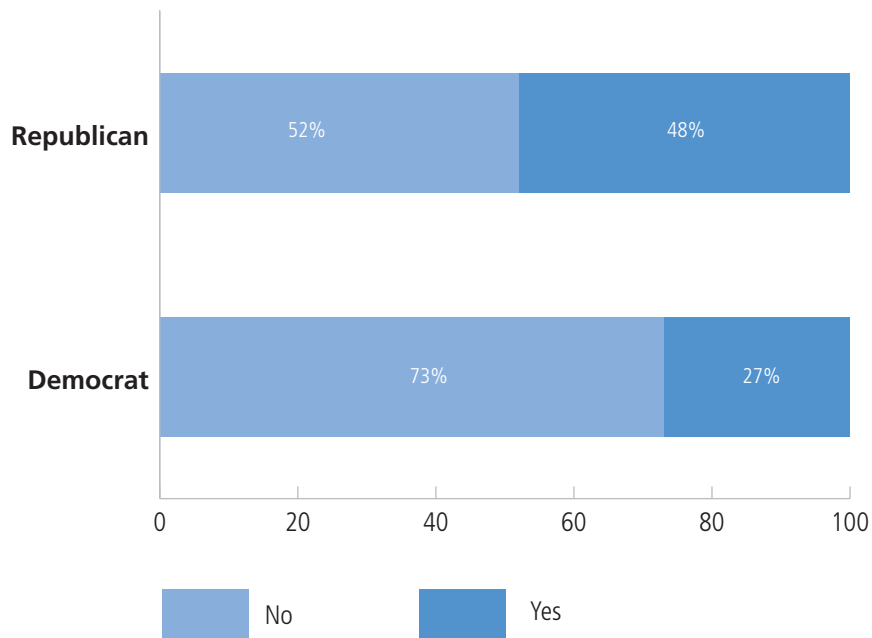
Which is closer to your view?



Nearly half of self-identified Republicans—compared to only one in four Democrats—feel they have achieved the American Dream.

American Dream Achieved by More Republican Voters

Do you think that you have achieved the American Dream?



Seven in ten Democratic voters are frustrated by the scaling back of employer-sponsored benefits; one in two Republicans feel this way.

Democrats More Likely to Lament Loss of Employer-Sponsored Benefits

Which is closer to your view?

Even though I can no longer count on employer-sponsored benefits, such as pension plans, I am confident I can achieve financial security on my own.



Republican

I am frustrated that I can no longer count on employer-sponsored benefits, such as healthcare and pension plans, like previous generations could.

Even though I can no longer count on employer-sponsored benefits, such as pension plans, I am confident I can achieve financial security on my own.



Democrat

I am frustrated that I can no longer count on employer-sponsored benefits, such as healthcare and pension plans, like previous generations could.

Minority groups are impacted by a host of fundamental concerns including having enough savings, their income/salary and the cost of owning or renting a home.

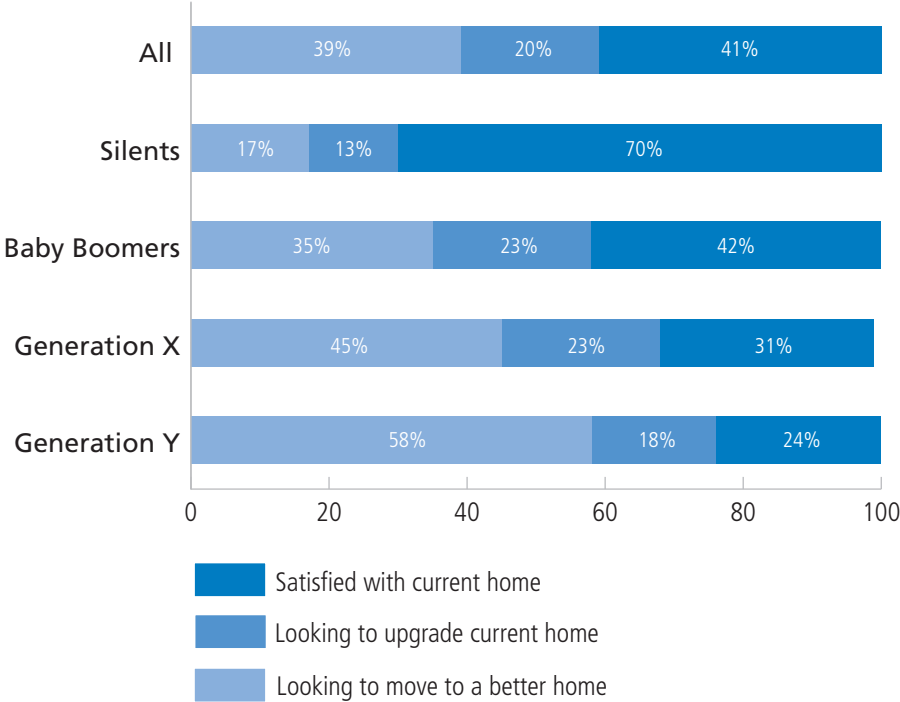
Minorities Impacted by Fundamental Concerns

		White %	Afro-Am %	Hisp %	Other %
Micro Financial Stressors (% Very Stressful)	Cost of healthcare	45	36	36	46
	Having enough savings	40	51	48	43
	Having enough money for retirement	41	52	41	43
	My income/salary	37	47	43	39
	Cost of owning/renting a home	33	42	43	39
Macro Financial Stressors (% Very Stressful)	Uncertainty about the future of Social Security	35	40	35	27
	Unemployment/losing your job	29	47	41	38
	A lack of good job opportunities	29	42	39	27
	Uncertainty about the future of Medicare	29	31	25	28
	The state of the economy	28	36	26	26
	The stock market	9	19	12	10

Attitudes about home ownership are also contributing to a “chase” mentality. Only four in ten Americans are satisfied with their current home; most Americans either want to move to a better home, or improve their current one.

Home Ownership Has Become a Chase

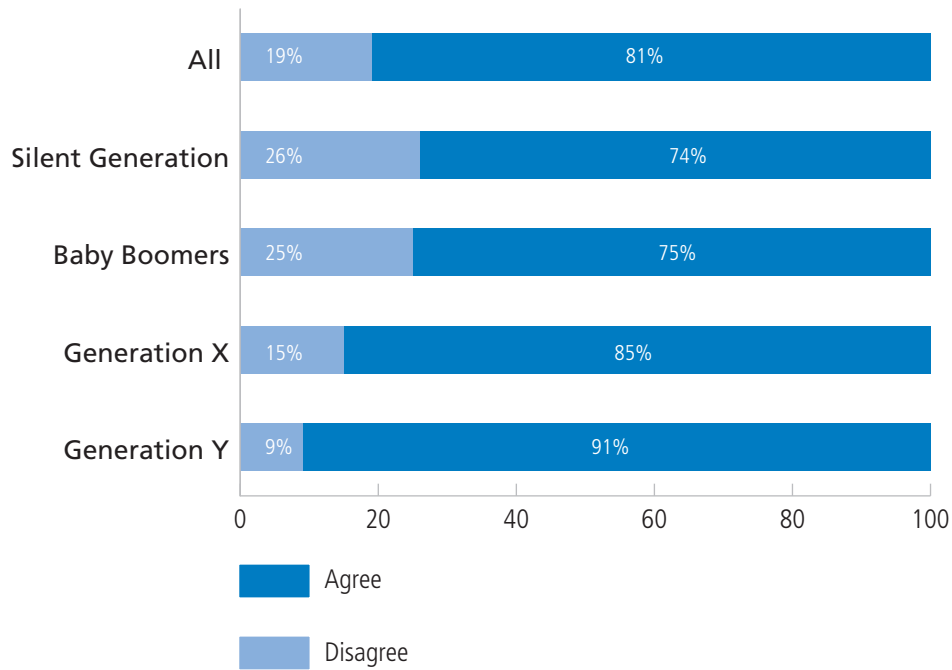
Are you satisfied with your current home, do you want to upgrade your current home or do you want to move to a better one?



III. ATTITUDES TOWARDS JOBS AND CAREER—NO MORE AUTO-PILOT

Americans plan to rely on their work ethic and not luck in order to achieve the American dream. And while it isn't easy, most believe they can achieve the dream if they work hard. Generations X and Y are particularly optimistic they can achieve the dream through their own hard work.

Hard Work Can Lead to Achievement of the American Dream



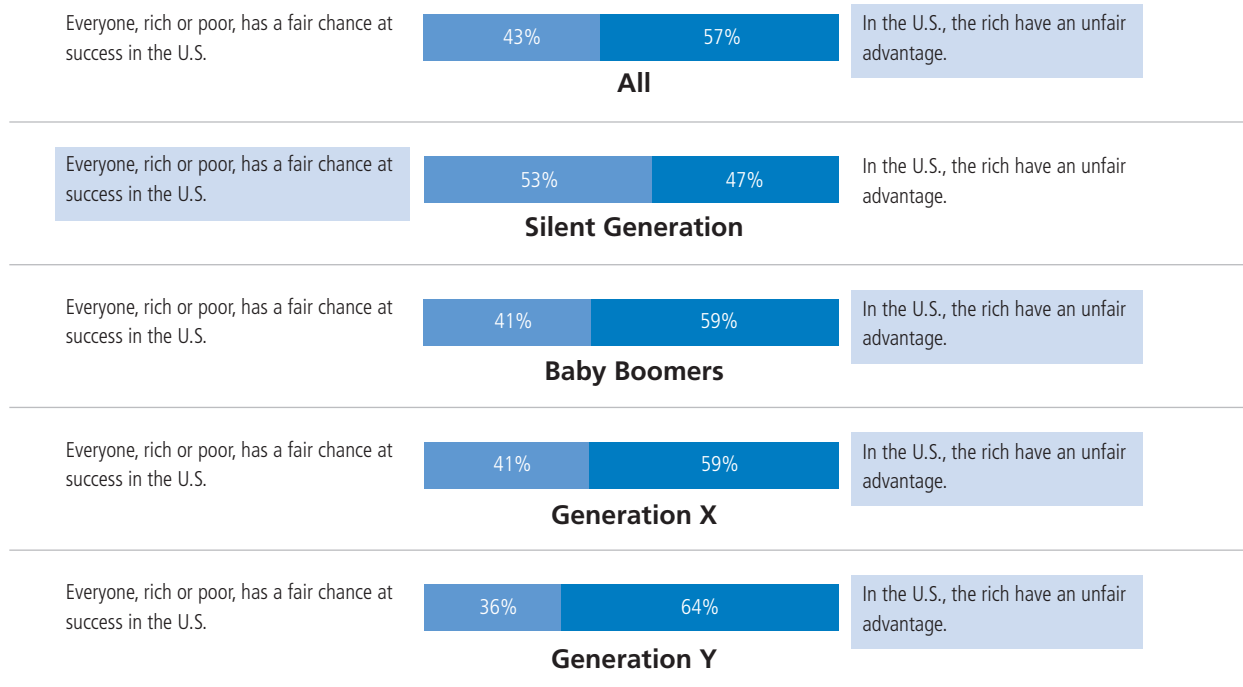
How much do you agree with the following statement: "It isn't easy, but I can achieve 'The American Dream' if I work hard."	All %	Silents %	Baby Boomers %	Gen X %	Gen Y %
Strongly agree	41	33	35	47	49
Somewhat agree	40	41	40	38	42
Somewhat disagree	11	15	14	9	7
Strongly disagree	8	11	11	6	2

However, an underlying conflict exists. Only half say their hard work actually pays off, and no matter how hard they try, they can't get ahead.

This finding may be the result of growing perceptions that the economic deck is stacked. Six in ten working Americans feel the rich have an unfair advantage, possibly a result of greater awareness of the widening income gap.

Do the Rich Have an Unfair Advantage?

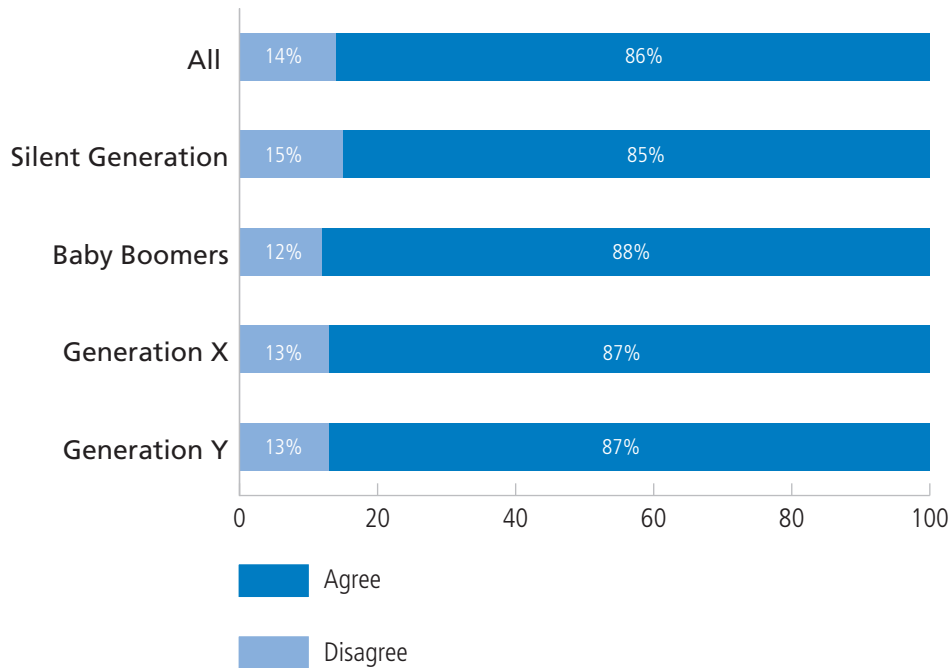
Which is closer to your view?



The MetLife American Dream Study

An overwhelming majority feels Americans are working harder than ever just to get by. This is consistent with prior MetLife research indicating that more Americans are living paycheck to paycheck than ever before.

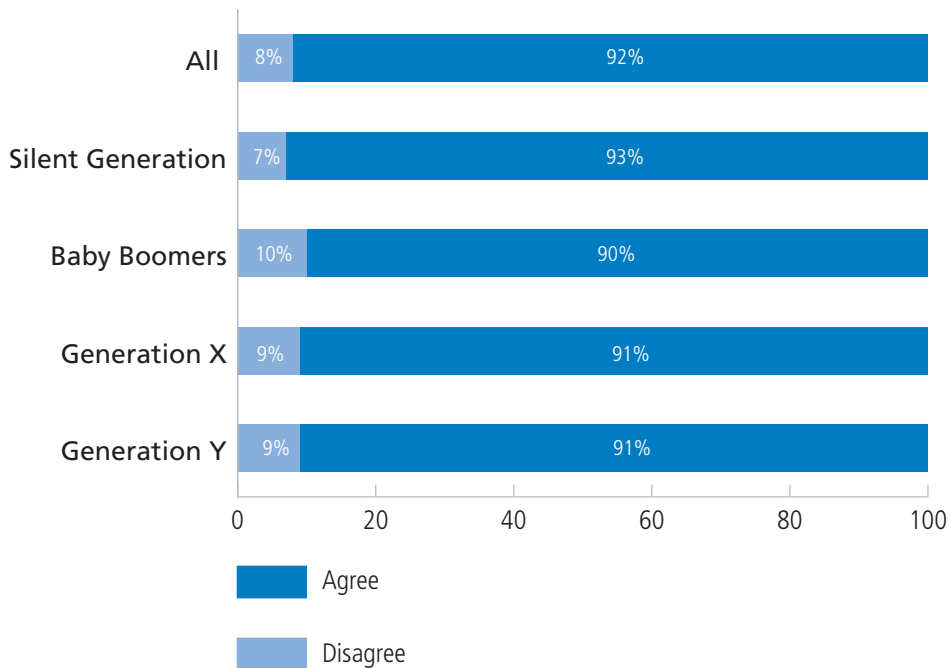
Working Hard Just to Get By



How much do you agree with the following statement: "Americans are working as hard or harder than ever just to get by."	All %	Silents %	Baby Boomers %	Gen X %	Gen Y %
Strongly agree	52	42	57	54	49
Somewhat agree	35	43	31	33	38
Somewhat disagree	11	12	10	10	10
Strongly disagree	3	3	2	3	3

A college education has become “price of entry” to succeed in the current economy. Nearly all respondents agree that having a college education no longer guarantees the same opportunities for employment that it once did.

College Education: Price of Entry?



How much do you agree with the following statement: "It used to be that a college degree meant you could live comfortably, but now having a college degree does not always ensure you'll get ahead."	All %	Silents %	Baby Boomers %	Gen X %	Gen Y %
Strongly agree	48	45	47	52	47
Somewhat agree	44	48	43	39	44
Somewhat disagree	6	5	7	7	5
Strongly disagree	2	2	3	2	4

Increased job mobility is impacting the public's attitudes. A majority believes they'll change jobs more often than their parents, a finding that peaks with Baby Boomers.

Increased Job Mobility

Which is closer to your view?	All %	Silents %	Baby Boomers %	Gen X %	Gen Y %
I will change jobs more times in my life than my parents did.	56	51	62	57	52
I will change jobs fewer times in my life than my parents did.	25	28	20	26	29
I will change jobs about as many times as my parents.	19	21	19	17	19

While there are clear positives to increased worker mobility, there are also signs of stress. Roughly half of Americans say they change jobs to maintain income for basic needs, rather than to achieve career goals. Declining loyalty does not appear to be the main cause of job mobility—nearly half of those who say they will change jobs more frequently than their parents feel loyal to their employers, and prefer not to change companies.

Reasons for Job Changes

If you will change jobs more times than your parents, which is closer to your view?

I have changed jobs or may change jobs in the future based mainly on my personal and career goals.



All

I have needed to change jobs or may change jobs in the future to maintain an income to meet my basic needs.

I have changed jobs or may change jobs in the future based mainly on my personal and career goals.



Silent Generation

I have needed to change jobs or may change jobs in the future to maintain an income to meet my basic needs.

I have changed jobs or may change jobs in the future based mainly on my personal and career goals.



Baby Boomers

I have needed to change jobs or may change jobs in the future to maintain an income to meet my basic needs.

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Generation X

I have needed to change jobs or may change jobs in the future to maintain an income to meet my basic needs.

I have changed jobs or may change jobs in the future based mainly on my personal and career goals.



Generation Y

I have needed to change jobs or may change jobs in the future to maintain an income to meet my basic needs.

Job Loyalty

Which is closer to your view?

I feel loyal to my employer and therefore do not want to change jobs.

56%

44%

I could change jobs at any time because I do not feel loyal to my employer.

All

I feel loyal to my employer and therefore do not want to change jobs.

62%

38%

I could change jobs at any time because I do not feel loyal to my employer.

Silent Generation

I feel loyal to my employer and therefore do not want to change jobs.

53%

47%

I could change jobs at any time because I do not feel loyal to my employer.

Baby Boomers

I feel loyal to my employer and therefore do not want to change jobs.

52%

48%

I could change jobs at any time because I do not feel loyal to my employer.

Generation X

I feel loyal to my employer and therefore do not want to change jobs.

57%

43%

I could change jobs at any time because I do not feel loyal to my employer.

Generation Y

While men and women equally view financial security as the defining element of the American dream, they differ on other aspects. Family is more important to women, while career is more important to men. The exception is Generation Y, where women are nearly as career-oriented as men.

**American Dream:
Family More Important to Women, Career for Men;
Gen Y Women Highly Career Oriented**

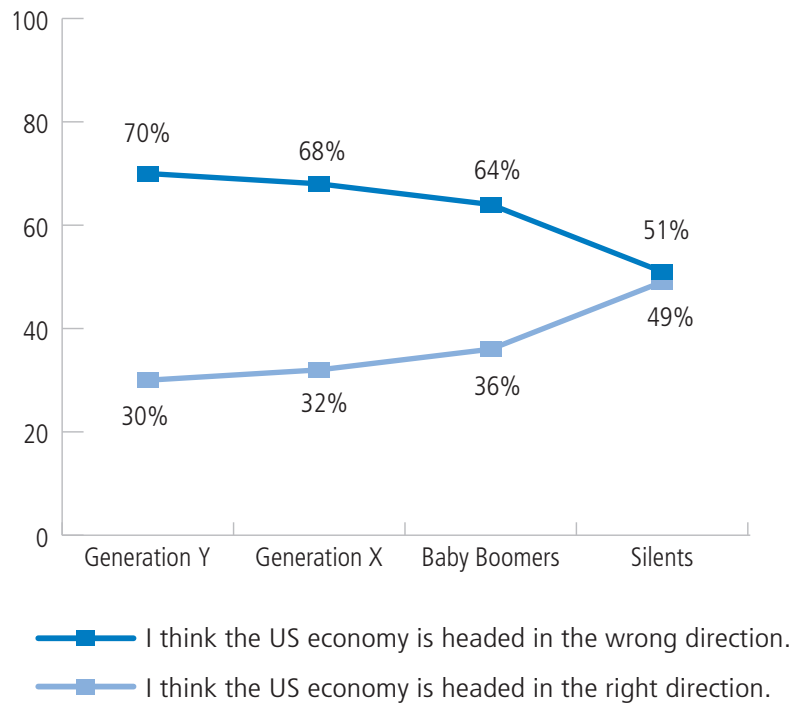
		All	Silent Generation		Baby Boom		Gen X		Gen Y	
		%	Male %	Female %	Male %	Female %	Male %	Female %	Male %	Female %
Definition of American Dream	Financial Security	59	54	58	58	62	63	65	49	55
	Family/ children	42	30	45	36	49	34	48	31	56
	Home ownership	35	28	27	34	43	33	41	35	34
	Successful Career	28	14	3	27	16	37	23	56	50

IV. FINANCIAL SECURITY—BELIEF IN SELF DESPITE LESS THAN IDEAL CONDITIONS

Most Americans say the U.S. economy is headed in the wrong direction. This is true for a strong majority of working Americans; Silents are evenly split.

Direction of the Economy

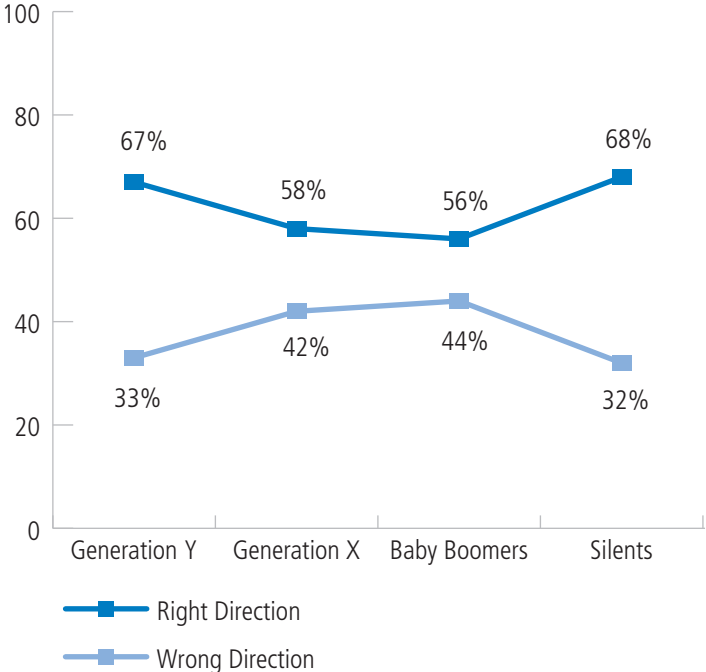
Which of the following is closer to your view?



Despite this dour view of the macro situation, optimism emerges: most Americans feel their financial lives are headed in the right direction. Generation Y, who are starting their careers, and Silents, who are largely retired, are the most optimistic.

Direction of Financial Life

In general, do you think your financial life is going in the right direction or wrong direction?



For most, financial security is a somewhat abstract idea. Nearly seven in ten Americans define financial security as “having enough money that I don’t need to worry,” perhaps contributing to the belief that the dream is a never-ending pursuit.

Older generations understandably relate security to having a comfortable retirement. Generation Y is focused more on family formation, and home ownership.

Defining Financial Security

How do you define financial security? Please select all that apply. MULTIPLE RESPONSES PERMITTED	All %	Silents %	Baby Boomers %	Gen X %	Gen Y %
Having enough money that I don't need to worry	77	69	79	76	78
Having enough money for a comfortable retirement	72	83	77	66	61
Having enough money to pay bills	68	66	69	65	77
Having health insurance	61	62	60	57	64
Having no debt (aside from mortgage)	57	53	56	55	64
Having job security	47	21	45	56	64
Having enough money to buy a home	44	31	40	50	58
Having enough money to buy a car	39	32	36	40	48
Having enough money for children's education	38	16	34	45	54
Having enough money to raise a child	38	14	29	49	60
Having enough money to take care of elderly parents or in-laws	28	13	28	34	37
Other	1	1	2	1	0

Like the American dream, financial security is never-ending, and most feel they can always do more to achieve it.

Financial Security: A Never-Ending Pursuit?

Which of the following is closer to your view?

I have set financial goals for my life that once reached will mean that I have achieved financial security.

25% 75%

All

Financial security is a never-ending pursuit—I can always do more to achieve it.

I have set financial goals for my life that once reached will mean that I have achieved financial security.

25% 75%

Silent Generation

Financial security is a never-ending pursuit—I can always do more to achieve it.

I have set financial goals for my life that once reached will mean that I have achieved financial security.

21% 79%

Baby Boomers

Financial security is a never-ending pursuit—I can always do more to achieve it.

I have set financial goals for my life that once reached will mean that I have achieved financial security.

24% 76%

Generation X

Financial security is a never-ending pursuit—I can always do more to achieve it.

I have set financial goals for my life that once reached will mean that I have achieved financial security.

35% 65%

Generation Y

Financial security is a never-ending pursuit—I can always do more to achieve it.

Among working Americans, women are more likely to feel they are lagging behind financially. Women in the Silent Generation are the exception; they are more likely to feel content than men of their generation.

Women More Likely to Feel Behind Financially—Silents the Exception

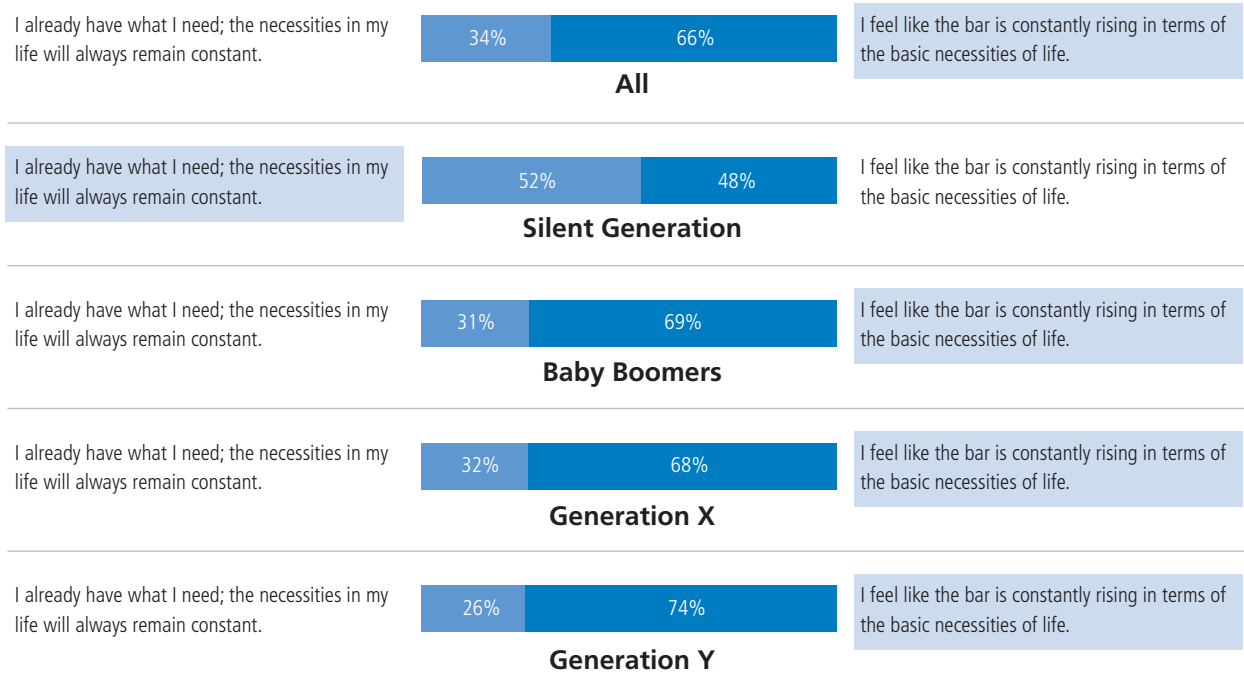
		Silent Generation		Baby Boom		Gen X		Gen Y	
		Male %	Female %	Male %	Female %	Male %	Female %	Male %	Female %
Financial Status vs. Expectations	Thought I would be farther ahead today	49	41	61	71	56	71	57	62
	Thought I would be right where I am today	37	44	23	19	31	19	34	24
	Thought I would be farther behind today	14	15	17	10	14	10	8	14

V. MATERIALISM—PRESSURE FOR BIGGER, BETTER OVERWHELMS PERSONAL SATISFACTION

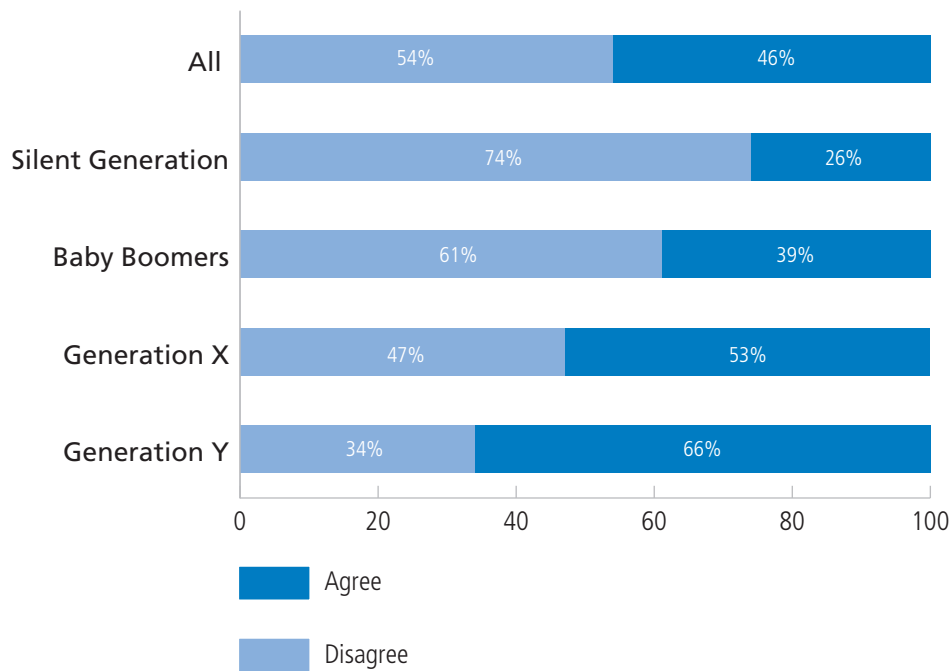
This work indicates that while many financial burdens are in fact shifting to the individual, contemporary society’s focus on materialism is a source of on-going, self-induced stress. Younger Americans feel pressure to buy more and better material possessions than ever before. Strong majorities of working Americans also feel the bar is constantly rising when it comes to the basic necessities of life.

The Bar is Constantly Rising

Which is closer to your view?



Increasing Materialism Affects Gen X and Gen Y Most

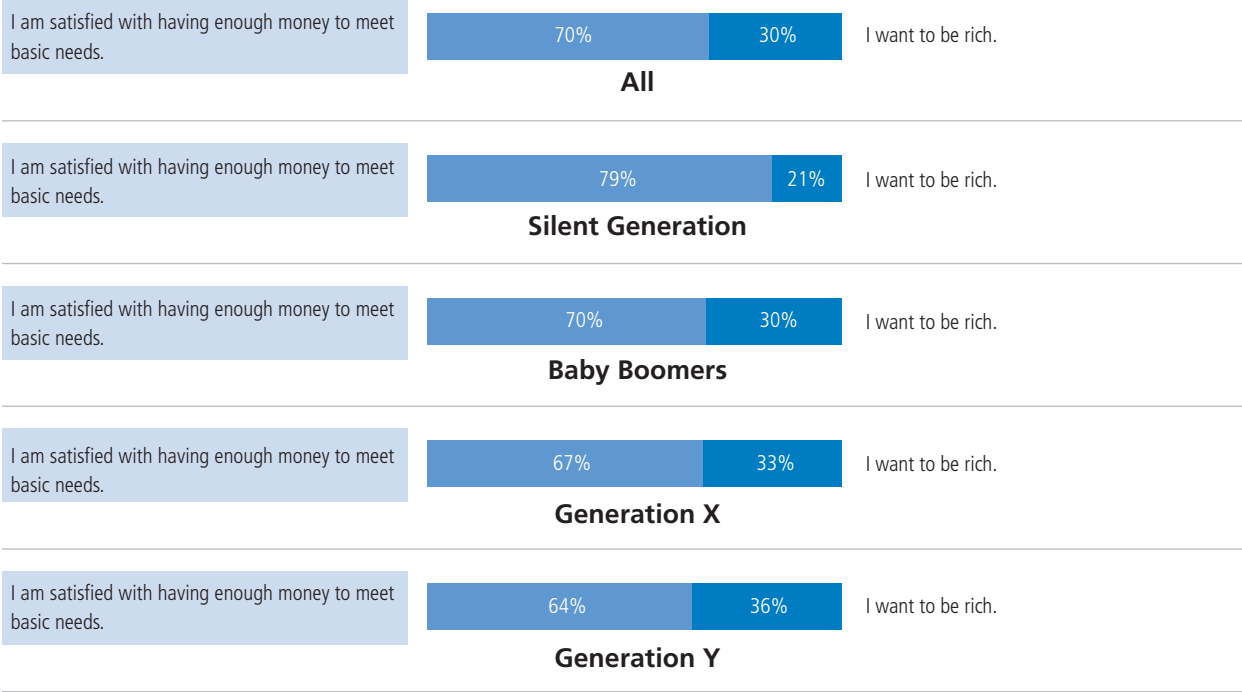


How much do you agree with the following statement: "The pressure I feel to buy more and better material possessions is greater than ever."	All %	Silents %	Baby Boomers %	Gen X %	Gen Y %
Strongly agree	13	7	9	18	19
Somewhat agree	33	19	30	35	47
Somewhat disagree	32	36	35	31	24
Strongly disagree	22	38	26	16	10

Despite this, when asked about their own situation, more than two-thirds of all Americans say they would be satisfied with having enough money to meet their basic needs, rather than wanting to be rich. Most say that if they earned more money they would save most of the additional income rather than spend it.

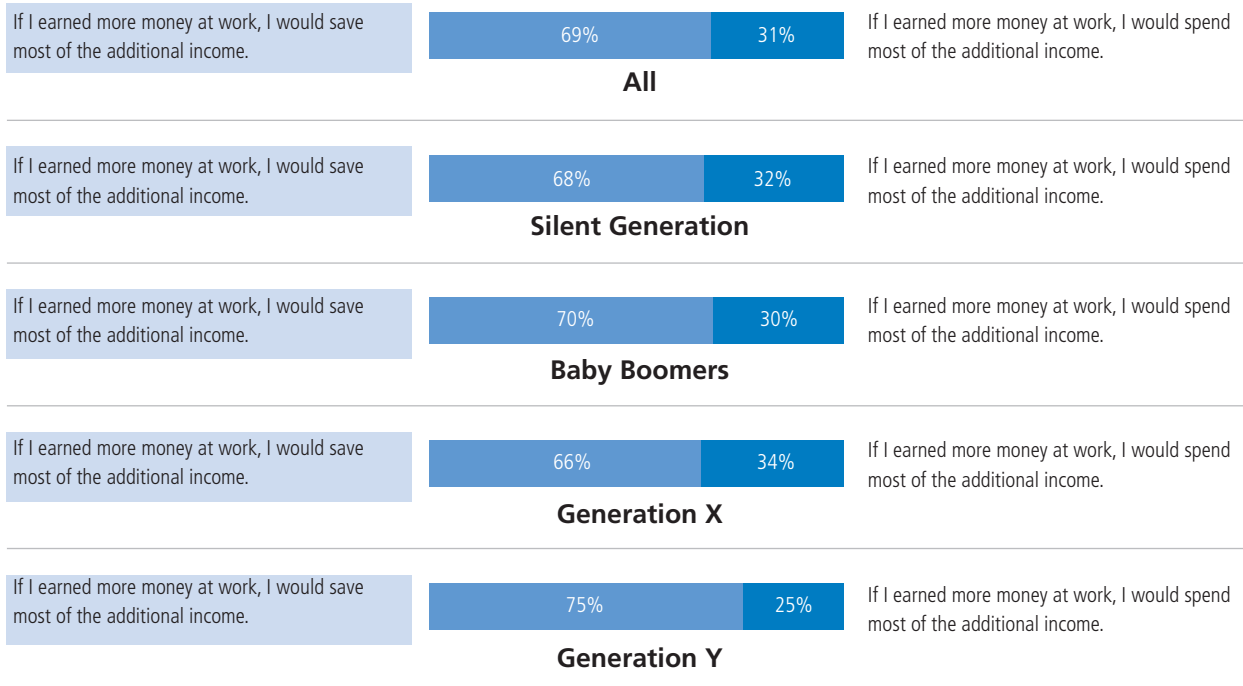
Meeting Basic Needs vs. Desire to be Rich

Which is closer to your view?



Savers or Spenders?

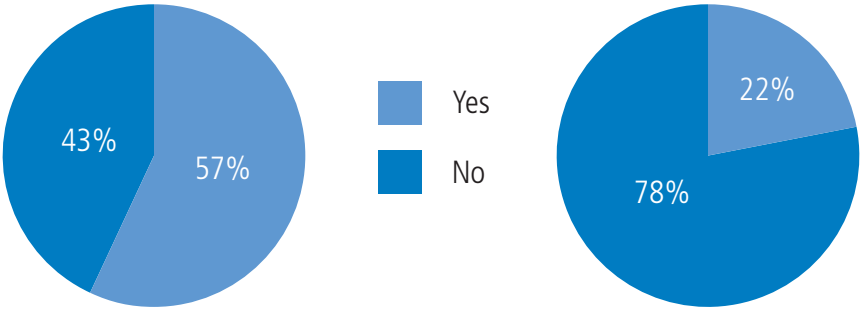
Which is closer to your view?



This conflict between stated goals and external pressures is a source of tension, suggesting the burden shift is at least partly self-inflicted. Perhaps underscoring this point, those who feel they have met their material needs are much more likely to feel they have achieved the American Dream.

Personal View on Materialism Correlate to Likelihood of Achieving the Dream

Do you think that you have achieved the American dream?



Material Achievers

Non-Material Achievers

Note: "Material Achievers" are defined as those who answered that they "already have what they need in life" while Non-Achievers feel that "the bar is constantly rising."

IMPLICATIONS

Individuals

- Understand the financial burden shift, and its implications.
- Plan and act successfully to shoulder the burden.
- Adopt a life long approach to education and skill building.
- Rebalance more toward financial security and away from accumulating material possessions.
- Place individual focus on what can be controlled—not external factors.
- Work with financial advisors and resources who understand the burden shift, and steps that can be taken to address concerns.

Employers

- Ease the shock of the burden shift—provide bridges to more effective self-sufficiency.
- Don't abdicate responsibility—demonstrate to employees they're not on their own.
- Encourage and facilitate capability development and career growth.
- Build awareness and programs to encourage responsible saving and preparation for the future.
- Recognize that helping employees deal with increasing financial burdens can yield dividends.
- Consider providing additional employee-paid benefits that help mitigate the financial burden shift.
- Lessen the impact of the burden shift as employees transition to retirement by providing the option for new retirees to purchase benefits through the company.

Public Policymakers

- Understand the toll on the public of increased uncertainty around current social safety nets.
- Ensure that appropriate safety nets are in place.
- With the shift from traditional defined benefit plans that provide guaranteed income for life to defined contribution plans, such as 401(k) plans that place increased responsibility on individuals to manage their money throughout retirement, public policy should encourage individuals in DC plans to take their retirement savings in the form of a lifetime stream of income.

Financial Advisors and Insurers

- Help clients understand the financial burden shift, and its implications.
- Provide clear strategies and plans that directly address increased client burdens.
- Help individuals clarify their personal destinations (i.e. what really matters in their pursuit of the American dream).
- Help to effectively navigate job/employer changes as part of smart career management.
- Help consumers better understand financial and insurance protection options, and develop and act on plans to realize them.

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Metropolitan Life Insurance Company
200 Park Avenue
New York, NY 10166
www.metlife.com