

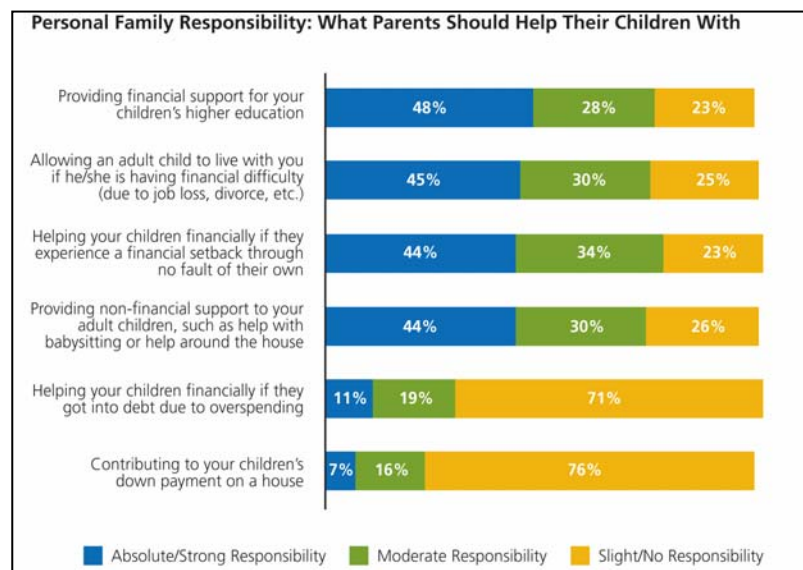
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SENSE OF FAMILY FINANCIAL OBLIGATION AMONG AMERICANS IS STRONG, BUT NOT UNLIMITED, ACCORDING TO NEW METLIFE STUDY

(Westport, CT – January 10, 2012) —Americans’ sense of financial obligation to family members is strong and born out of love and generosity, but does have limits, according to a new study by the MetLife Mature Market Institute.

[Multi-Generational Views on Family Financial Obligations: A MetLife Survey of Baby Boomers and Members of Generations X and Y](#) reports that Baby Boomers (b. 1946–64), Gen Xers (b. 1965–1976) and Gen Yers (b. 1977–1990) agree that parents should support children through their college years, help with tuition (90%) and step in to provide financial assistance during a financial emergency – not of the child’s doing.



They stop short, however, at paying 100% of college tuition if the cost is particularly high, and at bailing their kids out of debt when the debt is from overspending. Fewer feel responsible for contributing to the down payment on a house – just seven percent of those surveyed said they feel an absolute or strong responsibility to do so.

Most Americans also believe that children have some obligation to help their aging parents financially if necessary, though many parents (42%) say they wouldn’t accept money from their children. More than six in ten (62%) believe children should call their parents at least once a week to see how they are doing; 58% say children should have a parent live with them for health or economic reasons (50%). Forty-six percent say they should provide financial support to their elder parents or in-laws if there is a need.

Saving for retirement to avoid dependence on family is important to most who also believe in protecting their families should they die early. Across the generations, nearly four in five (78%) respondents believe there is an obligation to provide for a surviving spouse if one dies unexpectedly. More than half (52%) believe in leaving something for younger children, typically enough to carry them through at least part of college (55%). Six in ten (63%) Gen Y and Gen X respondents feel providing for children is important, compared to 38% of Boomers, likely because many children of Boomers are now adults.

Even given the desire of Americans to leave enough money if they were to die unexpectedly, 41% with life insurance coverage say their coverage falls short or aren't sure they are covered adequately. Gen Xers are most likely to believe they have inadequate coverage (40%), compared to 28% of Boomers and 31% in Gen Y.

“Americans have a strong desire to help their families financially, but their generosity is not unbounded,” said Sandra Timmermann, Ed.D., director of the MetLife Mature Market Institute. “While the research shows money provided to help with specific financial issues is a reflection of love and caring, not a familial mandate or obligation, parents and children are not prepared to give in *all* instances.

“Even though financial support can be critical in keeping family members afloat, perhaps a better way to enhance strong familial ties is by planning ahead and having discussions early on about financial goals, estate issues and purposeful gifts – such as college funding. Families might also consider professional guidance so they can be assured that they are investing well and are protecting their family members financially, should unanticipated emergencies or premature death occur.”

Here are additional findings:

- Boomer parents (75%) are more likely to have provided financial assistance with items other than education or a house, compared to 40% of Gen X parents with adult children. Fifty-seven percent of Gen Yers have received such support from parents or grandparents, compared to 36% of Boomers.
- Only 35% of Boomers say they received support for college tuition from their parents, but all three of the generations studied believe it is their obligation to do so for their children.
- More than four in 10 respondents (44%) say they would feel a strong or absolute responsibility to help an adult child with a financial setback not of their own making. Only 11% feel obligated to help when the situation results from poor spending habits.
- When asked when their financial responsibility to their children ends, parents generally say it's when the children are finished with college and that if kids don't attend college after high school, they should be working.
- Seven in 10 Boomers (70%) say enjoying retirement takes precedence over leaving an inheritance; just 64% of Gen Xers and 57% of Gen Yers agree.

Methodology

The online survey of 2,123 Americans, ages 21 to 65, was conducted from June 29 to July 20, 2011. Respondents were selected from among Harris Interactive's online research panel. To qualify, respondents had to have household incomes of at least \$40,000 (\$30,000 if Gen Y).

Boomers and members of Gen X were required to have a dependent—either a spouse or a child; Gen Yers did not necessarily have dependents. The data was weighted by age, gender, education, and race/ethnicity to best reflect this target population. The online survey was conducted by Mathew Greenwald & Associates, a leading full service public opinion and market research firm that has been providing customized research for clients for over 25 years.

[Multi-Generational Views on Family Financial Obligations: A MetLife Survey of Baby Boomers and Members of Generations X and Y](#) can be downloaded from www.MatureMarketInstitute.com. The study can also be ordered through [Contact Us](#) on the MetLife Mature Market Institute Web site, by writing to: MetLife Mature Market Institute, 57 Greens Farms Road, Westport, CT 06880 or by e-mailing MatureMarketInstitute@metlife.com.

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