
"Do you believe in the American Dream?"

By Kerry Pechter Thu, Jan 23, 2014

"American dream" means different things to different people. About 80% of older Boomers consider it to mean home ownership and financial independence, while younger people "focus on developing a monthly budget," according to MassMutual.

While about three in 10 Americans are "satisfied" with their financial situations, an even larger percentage—especially among Caucasians—have lost hope that they will realize the "American Dream," according to a MassMutual study.

The insurers' third biennial report, *The 2013 State of the American Family Study*, shows that half of the older Millennials (ages 25-32) surveyed feel the "American dream" has disappeared. Almost half (45%) of older Boomers (ages 54-64) claim to agree.

Given the daily press reports about income equality in the U.S.—almost three-fourths of America's 120 million households average less than \$18,000 in investable assets, according to recent data from Cerulli Associates—such figures no longer seem surprising.

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Additional key findings include:

Chinese- and African-Americans are optimistic. Only 17% of Chinese American respondents and 28% of African Americans believe the American Dream is disappearing. But 42% of Caucasian respondents believe so.

Overall satisfaction is up. Three in ten American families are satisfied with their current financial situation, up from 18% in 2009, and 39% now say they are very good at managing money, compared to 30% in 2009. Gen X, ages 33-44, lags in "financial satisfaction" and "investment confidence," however.

Younger Boomers are more satisfied than older Boomers. Thirty-eight percent of younger Boomers (ages 45-53) are satisfied with their financial situations, compared to 30% of those ages 54-64, and the gap grown. Older Boomers own fewer financial products than younger Boomers (4.7 versus 5.1) and trail in their "confidence to select investments" by 11 percentage points.

The State of the American Family Study is a biennial survey conducted in 2009, 2011 and 2013 for MassMutual by the Forbes Consulting Group, LLC. Survey subjects have had household incomes of at least \$75,000.