

HISPANIC-AMERICAN WORKERS

Retirement Confidence

- Hispanic-American workers tend to express less confidence about the financial aspects of retirement than do workers in the United States overall. Just 13 percent of Hispanic-American workers are *very* confident (compared with 21 percent of workers overall) and 38 percent are *somewhat* confident (compared with 45 percent of workers overall) that they will have enough money to live comfortably throughout their retirement years.
- Differences in distribution of household income between Hispanic-Americans and workers overall tend to explain much of the differences in confidence levels. Hispanic-Americans with annual incomes less than \$35,000 are just as likely as workers overall with annual incomes less than \$35,000 to be confident of each of these aspects of retirement. Likewise, Hispanic-Americans and workers overall with incomes of \$35,000 or more are equally likely to be confident.

Retirement Expectations

- On average, Hispanic-American workers expect to retire around age 63, although one-fourth anticipate retiring at age 65 (25 percent), 14 percent expect to retire at age 66 or later, and 4 percent think they will never retire. (The normal Social Security retirement age currently is 65 and four months, and is in the process of gradually being raised to 67.)
- A quarter count on Social Security to make up the largest share of their retirement income (25 percent). Part-time or full-time employment (18 percent), followed by defined benefit plans through an employer (11 percent) also make up relatively large shares of retirement income for Hispanic-Americans.
- While most Hispanic-American workers have thought about health-associated costs they may have in retirement, few have considered the need for long-term care insurance. Specifically, about three-quarters of Hispanic-American workers have thought about the need for health insurance coverage for themselves and their spouses in retirement, including 4 in 10 who say they have given it *a lot of* thought (41 percent).

Retirement Saving and Preparation

- Half of Hispanic-American workers report that they or their spouse have personally saved for retirement (50 percent), while 7 in 10 of all workers in the United States report having saved (71 percent). As with previous findings, the difference in the proportions saving for retirement apparently is driven by differences in household income.
- Among employed Hispanic-American savers, 4 in 10 currently have some type of tax-qualified retirement savings outside of work (39 percent), compared with nearly 6 in 10 workers overall (57 percent). However, this difference is primarily driven by household income.
- Twenty-two percent report that an employer contributed money to a retirement savings account in their name or in their spouse's name last year (compared with 41 percent of native-born Hispanic-Americans and 49 percent of all workers).
- Six in 10 say it is possible for them to save \$20 per week more than they are currently saving for retirement (59 percent). Of these, 16 percent indicate they would not need to sacrifice anything in order to save this amount.

Knowledge About Savings and Investments

- Hispanic-Americans overall have a low level of knowledge about saving and investing for retirement. More than 4 in 10 Hispanic-American workers describe their personal knowledge of investing or saving for retirement as knowing nothing (43 percent, compared with 12 percent for all workers), while another 37 percent say they have a limited knowledge.
- Not surprisingly, those with the least degree of retirement saving knowledge are much more likely to be lower-income (under \$35,000), less educated (high school or less), not native-born, and have poor English-language skills.
- Among savers, more than 4 in 10 Hispanic-Americans describe their preferred approach to decisions about saving and investing as wanting suggestions from a professional but often making their own decisions (42 percent), while a quarter prefer researching and investing entirely on their own (25 percent).
- Three in 10 Hispanic-American workers (30 percent) report that, in the past year, their employment-based retirement plan provider has given them educational materials, information, or seminars about retirement planning and savings (compared with 47 percent of all workers).

Source: 2003 Minority Retirement Confidence Survey—EBRI/ASEC/Greenwald