

**2007 MINORITY RETIREMENT CONFIDENCE SURVEY**

**FACT SHEET**

**EXPECTATIONS ABOUT RETIREMENT**

*Minority workers—like workers overall—may have faulty expectations about when they will stop working, the length of their retirement, and the standard of living they will be able to afford in retirement. This can contribute to inadequate planning and saving.*

Retirement Age

- Hispanic workers are less likely than others to report they expect to retire before age 60 or to wait until at least age 70 before retiring. They are more likely to say they do not know when they will retire (Figure 1).

Figure 1  
**Expected Retirement Age, by Race/Ethnicity**

	All Workers	African-Americans	Hispanics
Before 60	17%	21%	11%
60–61	10	12	14
62–64	11	12	10
65	27	22	29
66–69	8	6	4
70 or older	16	15	9
Never retire	6	3	2
Only worked sporadically	<0.5	2	3
Don't know	5	7	17

Source: Employee Benefit Research Institute, Mathew Greenwald & Associates, Inc., and The Rockefeller Foundation, 2007 Minority Retirement Confidence Survey.

- African-Americans (56 percent) and Hispanics (60 percent) are less likely than workers overall (66 percent) to think they will work for pay after they retire. This is especially true among those with household income of at least \$75,000. Among workers with this level of income, 70 percent of workers overall, but only 59 percent of African-Americans and 48 percent of Hispanics, plan to continue working into retirement.

Length of Retirement

- Only about half of Hispanic (53 percent) and African-American (47 percent) workers, compared with 6 in 10 workers overall (60 percent), say they consider the number of years they (and their spouse) might spend in retirement when doing their planning.
- Overall, minority workers tend to think they will spend somewhat less time in retirement than do workers overall.<sup>1</sup> They are also far more likely to say they do not know how long their retirement will last. Among those reporting their retirement length, workers with similar income tend to respond in the same way, regardless of race/ethnicity (Figure 2).

Figure 2  
**Expected Length of Retirement, by Race/Ethnicity**

	All Workers	African-Americans	Hispanics
Less than 10 years	7%	14%	6%
10–14 years	9	11	10
15–19 years	13	11	9
20–24 years	24	17	16
25–29 years	11	4	5
30 years or more	17	15	7
No idea	19	27	46

Source: Employee Benefit Research Institute, Mathew Greenwald & Associates, Inc., and The Rockefeller Foundation, 2007 Minority Retirement Confidence Survey.

- African-American workers tend to be more apt than workers overall and Hispanics to think it is *very* likely that they will live until at age 85 or age 95 (Figure 3).

Figure 3  
Likelihood of Living Until Age 85 and 95, by Race/Ethnicity

	All Workers	African-Americans	Hispanics
At least age 85			
Very likely	32%	47%	27%
Somewhat likely	40	30	40
Not too likely	15	7	15
Not at all likely	11	8	13
Don't know/no idea	3	8	5
At least age 95			
Very likely	7	22	7
Somewhat likely	23	33	20
Not too likely	33	13	24
Not at all likely	33	24	40
Don't know/no idea	4	8	9

Source: Employee Benefit Research Institute, Mathew Greenwald & Associates, Inc., and The Rockefeller Foundation, 2007 Minority Retirement Confidence Survey.

- A larger share of African-Americans than Hispanics say they would be *very* likely to save more than they are currently saving based on information about the likelihood of living into their 90s. In turn, Hispanics are more likely than workers overall to say information about longevity would prompt them to save more (Figure 4).

Figure 4  
Likelihood of Saving More Based on Information About Longevity, by Race/Ethnicity

	All Workers	African-Americans	Hispanics
Very likely	17%	37%	23%
Somewhat likely	36	30	38
Not too likely	25	13	18
Not at all likely	20	15	19

Source: Employee Benefit Research Institute, Mathew Greenwald & Associates, Inc., and The Rockefeller Foundation, 2007 Minority Retirement Confidence Survey.

#### Standard of Living in Retirement

- African-Americans and Hispanics are both more likely than workers overall to indicate they are looking forward to a standard of living in the first five years of their retirement that is either *well off* or *struggling*. Conversely, they are generally less likely to look forward to a *comfortable* or *adequate* retirement (Figure 5).

Figure 5  
Expected Standard of Living in First Five Years of Retirement, by Race/Ethnicity

	All Workers	African-Americans	Hispanics
Well off	6%	12%	12%
Comfortable	52	44	39
Adequate	32	24	27
Struggling	10	20	19

Source: Employee Benefit Research Institute, Mathew Greenwald & Associates, Inc., and The Rockefeller Foundation, 2007 Minority Retirement Confidence Survey.

- A larger share of native-born Hispanics than foreign-born are looking forward to a *comfortable* retirement (50 percent vs. 34 percent). Foreign-born Hispanics more often say they will be *well off* (14 percent vs. 8 percent of native-born).

- Hispanics are more likely than workers overall to say their spending in the first five years of their retirement will be higher than in the five years right before retirement (Figure 6).

**Figure 6**  
**Expected Spending in First Five Years of Retirement, by Race/Ethnicity**

	All Workers	African- Americans	Hispanics
Much lower than before retirement	20%	24%	15%
A little lower	34	30	28
About the same	34	26	29
A little higher	8	11	12
Much higher than before retirement	2	4	10
Don't know	2	4	6

Source: Employee Benefit Research Institute, Mathew Greenwald & Associates, Inc., and The Rockefeller Foundation, 2007 Minority Retirement Confidence Survey.

- Native-born Hispanic workers are more likely than foreign-born to expect a reduced level of spending in retirement (52 percent vs. 40 percent).

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<sup>1</sup> In 2001, the expected number of years in retirement for an individual retiring at age 62 was approximately three years lower for African-Americans and three years higher for Hispanics than for non-Hispanic whites ([www.gao.gov/cgi-bin/getrpt?GAO-03-387](http://www.gao.gov/cgi-bin/getrpt?GAO-03-387)).