

2021 Retirement Confidence Survey: A Closer Look at Black and Hispanic Americans

By Craig Copeland, Ph.D., Employee Benefit Research Institute, and Lisa Greenwald, Greenwald Research

AT A GLANCE

The Retirement Confidence Survey (RCS) was conducted for its 31st year in 2021 to measure attitudes of American workers and retirees about issues surrounding retirement. The 2021 RCS included an oversample of Black and Hispanic Americans to allow for a closer analysis of the challenges that they face in saving and preparing for retirement. New questions were added this year to explore the impact of the COVID-19 pandemic, evaluate priorities in regard to preparing for retirement, and understand experiences with the financial system that may affect Black and Hispanic Americans' retirement preparations.

The demographic profiles and composition of Black and Hispanic populations in the United States are unique, both compared with each other and compared with those of White Americans. Both Black and Hispanic Americans are more likely to have lower incomes and assets. This is a critically important consideration as financial resources (income and assets) have historically had a clear correlation to retirement confidence and responses to many other RCS metrics. In addition, the Black population tends to be more female, while the Hispanic population skews younger. Consequently, this *Issue Brief* closely examines the responses of Black and Hispanic Americans, taking into account some of these key demographic differences. Key findings are:

- **Confidence in having enough money to live comfortably in retirement increases with income regardless of race or ethnicity.** For example, in the upper-income group, 86 percent of White Americans, 84 percent of Black Americans, and 85 percent of Hispanic Americans reported that they were confident about their retirement prospects.
- **The wealth gap between White Americans and Black or Hispanic Americans remains even as income rises.** Lower- and middle-income Black Americans were more likely to report savings of less than \$1,000 compared with White Americans. Likewise, the share with the highest amount of assets (\$250,000 or more) was much higher for White Americans than for Black or Hispanic Americans for both middle and upper incomes.
- **Black and Hispanic Americans were more likely to consider debt to be a major or minor problem for their household than White Americans, across each income group.** In the upper-income group, 62 percent of Black Americans and 58 percent of Hispanic Americans considered debt a problem compared with 37 percent of White Americans. As a result, Black and Hispanic Americans were more likely to say debt is impacting their ability to save for retirement or emergencies and to live comfortably in retirement.
- **Hispanic Americans, regardless of income, were more likely to agree that it is more important to help friends and family now than to save for their own retirement.** In the upper-income group, nearly one-half of Hispanic Americans agreed with this statement compared with only one-third of White Americans. Upper-income Black Americans were also more likely to agree that family is more important. Black and

Hispanic Americans were also more likely to agree that saving for or paying off a child's education was reducing their ability to save for retirement.

- ***Hispanic and Black Americans are more likely to say that a connection or commonality between them and the advisor is important.*** This includes a preference for working with an advisor who has had a similar upbringing or similar life experiences to them, working with an advisor who is affiliated with their employer, working with an advisor who has a similar racial/ethnic background to them, and working with an advisor who is the same gender as them. Black and Hispanic workers were also more likely to say that one-on-one, personalized education would be a valuable potential improvement to workplace retirement savings plans.
- ***Forty-six percent of all retirees reported they retired earlier than expected — but the top reason why differs by race.*** While White retirees said they could afford to retire earlier than planned most often, Black retirees said they had a health problem or disability most often.

Black and Hispanic Americans reported disproportionately lower financial resources, and how they feel about retirement and financial security is clearly impacted by having less resources. Still, there are some modifications in the financial system that could help improve their prospects, including access to workplace retirement savings plans that provide one-on-one, personalized advice that builds on their comfort with having a connection to those providing them advice. Many Americans, but perhaps especially Black and Hispanic Americans, would benefit from increased assistance in balancing competing financial priorities, such as debt reduction, supporting family, and their own long-term savings. In addition, financial service companies having more people who are similar to Black and Hispanic Americans and treating them fairly could improve their use of the system. A greater understanding of the importance of supporting family and friends that in particular Hispanic Americans feel when making financial decisions is needed, so that this obligation can be weighed against their own savings to build wealth that could result in a lesser need for supporting family members in the future. Obviously, higher incomes would help, but these issues even arise for those already with higher incomes.

EBRI and Greenwald would like to thank the 2021 RCS sponsors who helped shape this year's survey: AARP, Aon, Ariel Investments, Ayco, Bank of America, BlackRock, Capital Group, Columbia Threadneedle, Empower Retirement, Fidelity Investments, FINRA Foundation, J.P. Morgan, Legal & General Investment Management America (LGIMA), Mercer, Mutual of America, Nationwide Financial, New York Life, PIMCO, Principal Financial Group, Prudential, PGIM, Retirement Clearinghouse, T. Rowe Price, Segal, U.S. Chamber of Commerce, and Wells Fargo.

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Table of Contents

Introduction	8
Demographics	8
Assets and Debt	10
COVID-19 Pandemic Impact	14
Retirement Confidence	18
Financial Background	24
Financial Priorities.....	29
Experience With Financial Services Companies	33
Financial Advice and Advisors	34
Savings and Preparations	38
Retirement Age	43
Workplace Retirement Savings Plans.....	47
Plan Changes & Loans	52
Sources of Income in Retirement.....	56
Retiree Expectations and Experiences	59
Conclusion	62
Appendix 1: Methodology.....	63
Appendix 2: Figure Statistical Significance Key	63
Endnotes	74

Figures

Figure 1, Demographic Breakdowns, by Race/Ethnicity.....	9
Figure 2, Demographic Breakdowns, by Race/Ethnicity.....	9
Figure 3, Amount Held in Savings and Investments, by Race/Ethnicity and Income	10

Figure 4, Debt Level a Problem, by Race/Ethnicity and Income	11
Figure 5, Debt Level a Problem of Hispanic and Black Americans, by Gender, Marital Status, and U.S. Born	11
Figure 6, Debt’s Impact on Ability to Save for Retirement/Live Comfortably in Retirement, by Race/Ethnicity and Income	12
Figure 7, Non-Mortgage Debt’s Impact on Ability to Save for Emergencies, by Race/Ethnicity and Income	12
Figure 8, Non-Mortgage Debt’s Impact on Ability to Save for Retirement in General, by Race/Ethnicity and Income	13
Figure 9, Non-Mortgage Debt’s Impact on Ability to Participate in or Contribute to an Employer’s Retirement Plan, by Race/Ethnicity and Income.....	13
Figure 10, Percentage of Workers and Retirees Who Report a Negative Job or Income Change Since February 1, 2020, by Race/Ethnicity and Income	14
Figure 11, Percentage of Hispanic and Black Americans Who Report a Negative Job or Income Change Since February 1, 2020, by Age, Gender, and Marital Status.....	15
Figure 12, Percentage of Hispanic and Black Workers Who Report a Negative Job or Income Change Since February 1, 2020, by Age and Gender.....	15
Figure 13, COVID-19 Pandemic Impact on Ability to Work Due to Child Care Needs, by Race/Ethnicity	16
Figure 14, COVID-19 Pandemic Impact on Ability of Black and Hispanic Workers to Work Due to Child Care Needs, by Gender and Marital Status.....	16
Figure 15, COVID-19 Pandemic Impact on Ability to Work Due to Caregiving for Someone Other Than a Child, by Race/Ethnicity	17
Figure 16, Impact of COVID-19 Pandemic on the Ability to Save for Retirement, by Race/Ethnicity and Income.....	17
Figure 17, Confidence in Having Enough Money to Live Comfortably Through Retirement, by Race/Ethnicity and Income.....	18
Figure 18, Confidence in Having Enough Money to Live Comfortably Through Retirement, by Race/Ethnicity, Income, and Gender.....	19
Figure 19, Confidence in Having Enough Money to Live Comfortably Through Retirement, by Race/Ethnicity, Income, and Marital Status	19
Figure 20, Confidence of Hispanic Americans in Having Enough Money to Live Comfortably Through Retirement, by Income and U.S. Born.....	20
Figure 21, Change in Confidence in Having Enough Money to Live Comfortably Throughout Retirement Due to the Pandemic, by Race/Ethnicity and Income	20
Figure 22, Change in Confidence in Having Enough Money to Live Comfortably Throughout Retirement Due to the Pandemic of Black and Hispanic Americans, by Gender, Marital Status, and U.S. Born	21
Figure 23, Confidence in Having Enough Money to Take Care of Basic Expenses During Retirement, by Race/Ethnicity and Income	22
Figure 24, Confidence in Doing a Good Job Preparing Financially for Retirement, by Race/Ethnicity and Income.....	22
Figure 25, Percentage of Workers Who Agree That Preparing for Retirement Makes Them Stressed, by Race/Ethnicity and Income	23
Figure 26, Confidence in Social Security Continuing to Provide Benefits of at Least Equal to Those Received Now, by Race/Ethnicity and Income.....	23

Figure 27, Confidence in Medicare Continuing to Provide Benefits of at Least Equal to Those Received Now, by Race/Ethnicity and Income.....	24
Figure 28, Percentage Who Agree That Their Parents Were Good at Managing Money, by Race/Ethnicity and Income.....	24
Figure 29, Percentage Who Agree That Their Parents Had or Are Having a Financially Comfortable Retirement, by Race/Ethnicity and Income.....	25
Figure 30, Percentage Who Agree That They Were Taught How to Save and Invest for the Future as a Child, by Race/Ethnicity and Income.....	26
Figure 31, Percentage of Black and Hispanic Americans Who Agree That They Were Taught How to Save and Invest for the Future as a Child, by Age	26
Figure 32, Percentage Who Agree They Are Knowledgeable About Managing Their Day-to-Day Finances, by Race/Ethnicity and Income.....	27
Figure 33, Percentage Who Agree They Are Knowledgeable About Managing Investments for the Future, by Race/Ethnicity and Income.....	27
Figure 34, Percentage Who Agree They Are Knowledgeable About Managing Their Day-to-Day Finances, by Race/Ethnicity and Age	28
Figure 35, Percentage Who Agree They Are Knowledgeable About Managing Investments for the Future, by Race/Ethnicity and Age	29
Figure 36, Percentage Who Agree That Helping Friends and Family Is More Important Than Saving for Retirement, by Race/Ethnicity and Income.....	30
Figure 37, Percentage of Black and Hispanic Americans Who Agree That Helping Friends and Family Is More Important Than Saving for Retirement, by Age.....	30
Figure 38, Percentage Who Agree That Retirement Savings Is Not a Priority Relative to Current Needs, by Race/Ethnicity and Income.....	31
Figure 39, Percentage of Black and Hispanic Americans Who Agree That Retirement Savings Is Not a Priority Relative to Current Needs, by Age.....	31
Figure 40, Percentage of Hispanic Americans Who Agree That Retirement Savings Is Not a Priority Relative to Current Needs, by U.S. Born	32
Figure 41, Percentage Who Agree That Saving/Paying for a Child’s Education Is Reducing Retirement Savings, by Race/Ethnicity and Income.....	32
Figure 42, Percentage of Black and Hispanic Americans Who Agree That Saving/Paying for a Child’s Education Is Reducing Retirement Savings, by Gender, Marital Status, and U.S. Born	33
Figure 43, Percentage Who Feel They Have Not Been Treated Fairly by Financial Services Companies, by Race/Ethnicity and Income	33
Figure 44, Percentage of Black and Hispanic Americans Who Feel They Have Been Treated Fairly by Financial Services Companies, by Age.....	34
Figure 45, Percentage Who Feel They Do Not Know Who to Go to for Good Financial Advice, by Race/Ethnicity and Income.....	35
Figure 46, Percentage of Black and Hispanic Americans Who Feel They Do Not Know Who to Go to for Good Financial Advice, by Marital Status and Age.....	35
Figure 47, Sources of Information Used for Retirement Planning, by Race/Ethnicity.....	36

Figure 48, Percentage Who Work With a Professional Financial Advisor, by Race/Ethnicity	36
Figure 49, Percentage Who Work With a Professional Financial Advisor, by Race/Ethnicity and Income.....	37
Figure 50, Criteria Important When Looking for a Financial Advisor, by Race/Ethnicity	37
Figure 51, Criteria Important for Black and Hispanic Americans When Looking for a Financial Advisor, by Age.....	38
Figure 52, Percentage of Workers and Retirees Who Calculated How Much They Need to Save for Retirement, by Race/Ethnicity and Income.....	39
Figure 53, Percentage of Hispanic and Black Americans Who Calculated How Much They Need to Save for Retirement, by Gender, Marital Status, and U.S. Born.....	39
Figure 54, Percentage of Hispanic and Black Americans Who Calculated How Much They Need to Save for Retirement, by Gender, Marital Status, and Income	40
Figure 55, Confidence in Having Enough Money to Live Comfortably Throughout Retirement, by Race/Ethnicity and Done a Retirement Needs Calculation.....	40
Figure 56, Percentage Who Have Ever Personally Saved for Retirement, by Race/Ethnicity and Income	41
Figure 57, Percentage Who Have Ever Personally Saved for Retirement, by Race/Ethnicity, Income, and Gender.....	42
Figure 58, Percentage Who Have Ever Personally Saved for Retirement, by Race/Ethnicity, Income, and Marital Status	42
Figure 59, Percentage Who Agree They Have Enough Savings to Handle an Emergency Expense, by Race/Ethnicity and Income.....	43
Figure 60, Expected Retirement Age of Workers, by Race/Ethnicity	44
Figure 61, Retirement Age of Retirees, by Race/Ethnicity.....	44
Figure 62, Share of Retirees Who Retired Earlier, Later, or When Planned, by Race/Ethnicity	45
Figure 63, Share of Black and Hispanic Retirees Who Retired Earlier, Later, or When Planned, by Gender and Marital Status.....	45
Figure 64, Top Three Reasons for Retiring Earlier Than Planned, by Race/Ethnicity	46
Figure 65, Workers Adjusting Target Retirement Age Since January 1, 2020, by Race/Ethnicity	46
Figure 66, Percentage of Employed Workers Who Are Offered a Retirement Savings Plan and the Percentage Who Participate When Offered, by Race/Ethnicity and Income.....	47
Figure 67, How Retirement Savings Plan Participants Choose Their Investments, by Race/Ethnicity and Income.....	48
Figure 68, Percentage of Those Contributing to a Retirement Savings Plan Who Invest in a Target-Date Fund, by Race/Ethnicity	48
Figure 69, Percentage Who Are Confident in Their Ability to Choose the Right Investments for Their Situation, by Race/Ethnicity and Income.....	49
Figure 70, Top Three Factors Workplace Retirement Plan Participants Consider When Selecting Investment Options, by Race/Ethnicity	49
Figure 71, Percentage of Workplace Retirement Plan Participants Satisfied With Various Aspects of the Plan, by Race/Ethnicity	50
Figure 72, Top Three Most Valuable Improvements to Retirement Savings Plans, as Ranked by Those Offered a Plan, by Race/Ethnicity	51

Figure 73, How Valuable Is Automatically Transferring Retirement Savings From a Previous Employer to a Current Employer Plan, by Race/Ethnicity	51
Figure 74, Percentage Who Have Made Changes in Their Workplace Retirement Savings Plan Since January 1, 2020, by Race/Ethnicity	52
Figure 75, Percentage of Those Who Saved for Retirement Who Took a Loan or an Early Withdrawal, by Race/Ethnicity	53
Figure 76, Percentage of Those Who Saved for Retirement Who Took a Loan, by Race/Ethnicity and Income	53
Figure 77, Percentage of Those Who Saved for Retirement Who Took a Hardship Withdrawal, by Race/Ethnicity and Income	54
Figure 78, Percentage of Those Who Saved for Retirement Who Took an Early Withdrawal, by Race/Ethnicity and Income	54
Figure 79, Percentage of Those Who Saved for Retirement Who Took Some Other Withdrawal, by Race/Ethnicity and Income	55
Figure 80, Top Three Reasons for Taking a Loan From a Retirement Savings Plan, by Race/Ethnicity	55
Figure 81, Extent of Workers' Expected Sources of Income (Net Major/Minor Source), by Race/Ethnicity	56
Figure 82, Extent of Workers' Expected Sources of Income (Net Major/Minor Source), by Race/Ethnicity	57
Figure 83, Extent of Retirees' Sources of Income (Net Major/Minor Source), by Race/Ethnicity	57
Figure 84, Extent of Retirees' Sources of Income (Net Major/Minor Source), by Race/Ethnicity	58
Figure 85, Workers' Expectations About Working After Retirement vs. Retirees Actually Doing So, by Race/Ethnicity...	58
Figure 86, Reasons for Working for Pay Since Retiring, by Race/Ethnicity	59
Figure 87, How Do Retirees' Lifestyles Compare With What Was Expected Before Retirement, by Race/Ethnicity	60
Figure 88, Expected Spending vs. Actual Spending of Retirees, by Race/Ethnicity	60
Figure 89, Retiree Behavior in Regard to Their Level of Assets, by Race/Ethnicity	61
Figure 90, Retiree Behavior in Regard to Their Level of Assets, by Race/Ethnicity and Income	61

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Introduction

The Retirement Confidence Survey (RCS) was conducted for its 31st year in 2021 to measure attitudes toward, preparations for, and understanding of the various issues/products for retirement by American workers and retirees.¹ The RCS found that Americans in 2021 had near-record-high confidence in having enough money to live comfortably throughout retirement. These levels held despite the COVID-19 pandemic that lasted throughout 2020. However, the survey also found that many workers and retirees haven't prepared or didn't prepare for retirement, and the pandemic most affected those least able to handle the financial impact of it.

The 2021 RCS included an oversample of Black and Hispanic workers and retirees to explore and identify potential differences in attitudes, experiences, and behaviors related to financial management and preparing for retirement.² In particular, Black and Hispanic Americans were more likely to have lower incomes and assets. Due to these unique challenges, this *Issue Brief* more closely examines Black and Hispanic Americans by using the measures developed in the RCS. Furthermore, new questions were added this year to evaluate priorities in regard to preparing for retirement and experiences with the financial system that may affect Black and Hispanic Americans' retirement preparations.

The advantage of an oversample is the ability to control for important factors that are strongly associated with many of the results about retirement preparations, in particular household income. The RCS has historically demonstrated significant differences in how respondents in lower and upper income groups respond to survey questions. Therefore, many of the figures will use household income as a control to see which differences by race and ethnicity persist even when comparing respondents of the same incomes. In addition, other variables such as age, gender, marital status, and whether the individual was born in the United States are used in this report.

A Note on the Figures

The exact wording from the questionnaire, who was being asked the question, and the sample size of the group being asked are contained in each figure. Also, * and ^ are used to signify that a statistically significant difference exists for the group that has the indicator. All significance tests are at the 95 percent level. The two different indicators do *not* indicate a different significance level but different categories within the same graph having different significance comparisons. The vast majority of significant differences are indicated by *. Appendix 2 at the end of the report details the exact significant differences in each figure indicted by * and ^. If no such indicator is present, the results are not statistically significantly different. The percentages in the figures may not total to 100 percent due to rounding and/or missing categories.

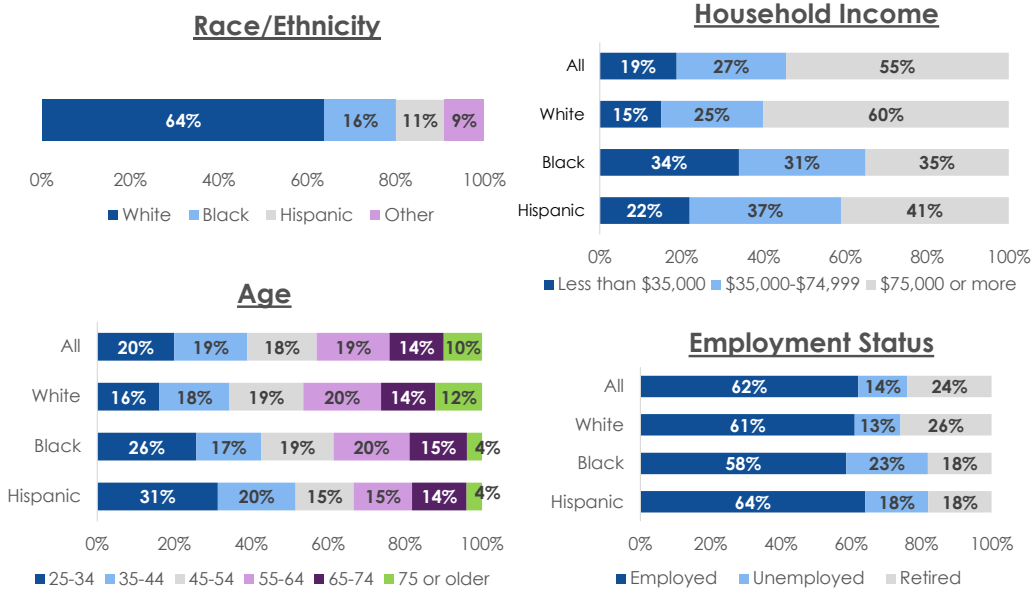
Demographics

To understand differences by racial/ethnic groups, various demographic breakdowns are outlined below. First, 64 percent of Americans identified as White/Caucasian (non-Hispanic), 16 percent as non-Hispanic Black, and 11 percent as Hispanic, and 9 percent were grouped into an "other" category that includes all remaining races/ethnicities, such as Asian Americans (Figure 1).

White Americans were least likely to be in the lower-income group (less than \$35,000 in annual household income) at 15 percent compared with 22 percent of Hispanic Americans and 34 percent of Black Americans. Those in the middle-income group (\$35,000–\$74,999 in annual household income) ranged from 25 percent of White Americans to 31 percent of Black Americans and 37 percent of Hispanic Americans. White Americans were most likely to be in the

upper-income group (\$75,000 or more in annual household income) vs. 35 percent of Black Americans and 41 percent of Hispanic Americans.³

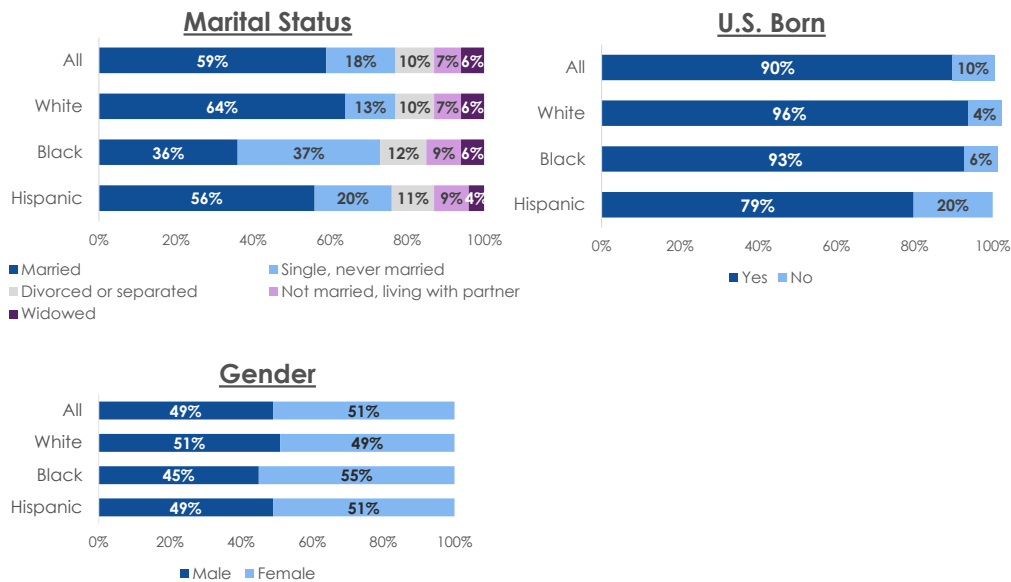
Figure 1
Demographic Breakdowns, by Race/Ethnicity



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Hispanic Americans were more likely to be younger, while White Americans were more likely to be older. White Americans were more likely to be retired, and Black Americans were more likely to be unemployed. Black Americans were the least likely to be married and those most likely to be single (Figure 2). Twenty percent of Hispanic Americans were born outside of the United States.⁴ Finally, the genders were essentially evenly split in each race/ethnicity.

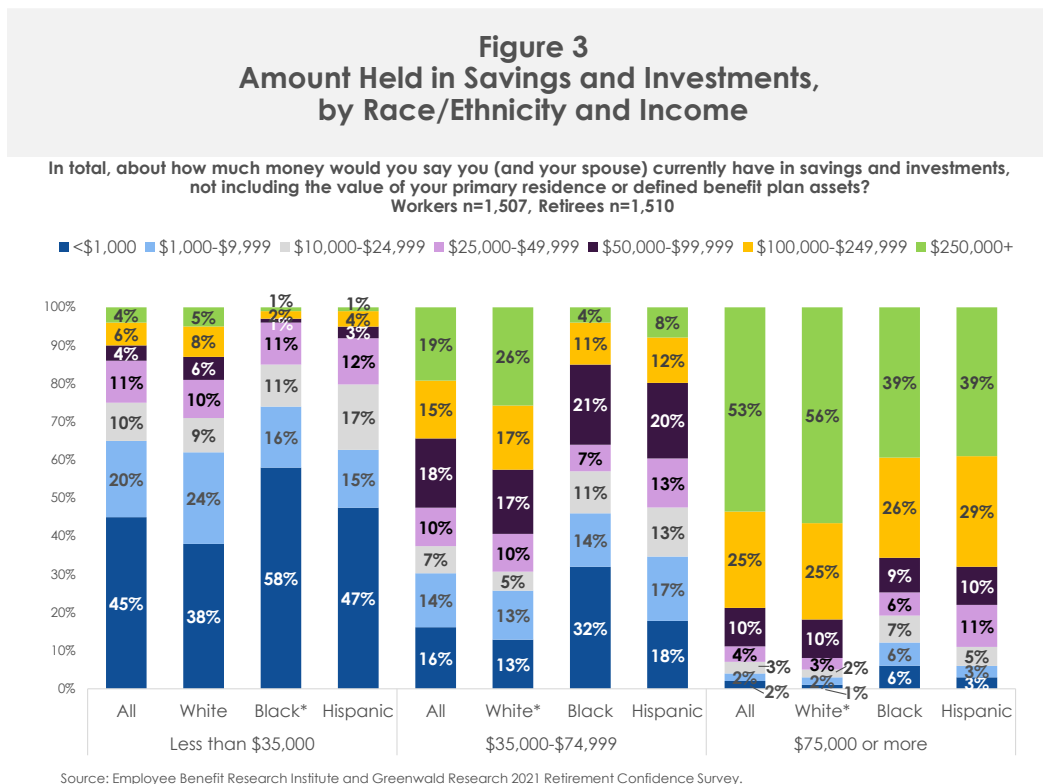
Figure 2
Demographic Breakdowns, by Race/Ethnicity



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Assets and Debt

A persistent finding with regard to wealth in the United States is a gap that exists between White Americans' financial means/resources and those of Black and Hispanic Americans. The 2021 RCS clearly shows that this gap exists even across the income groups, as lower- and middle-income Black Americans were more likely to have savings (outside of their primary home and defined benefit plans) of less than \$1,000 compared with White Americans (Figure 3). In fact, 58 percent of lower-income Black Americans reported savings of less than \$1,000 vs. 38 percent of White Americans with this income, and 32 percent of middle-income Black Americans had savings less than \$1,000 vs. 13 percent of White Americans. The share with the highest amount of assets (\$250,000 or more) was much higher for White Americans than for Black or Hispanic Americans for both middle and upper incomes. Twenty-six percent of White Americans with middle incomes had \$250,000 or more in assets, compared with 8 percent of Hispanic Americans and 4 percent of Black Americans. Similarly, 56 percent of White Americans with upper incomes had \$250,000 or more in assets, while 39 percent of both Black and Hispanic Americans with these incomes had this level of assets.

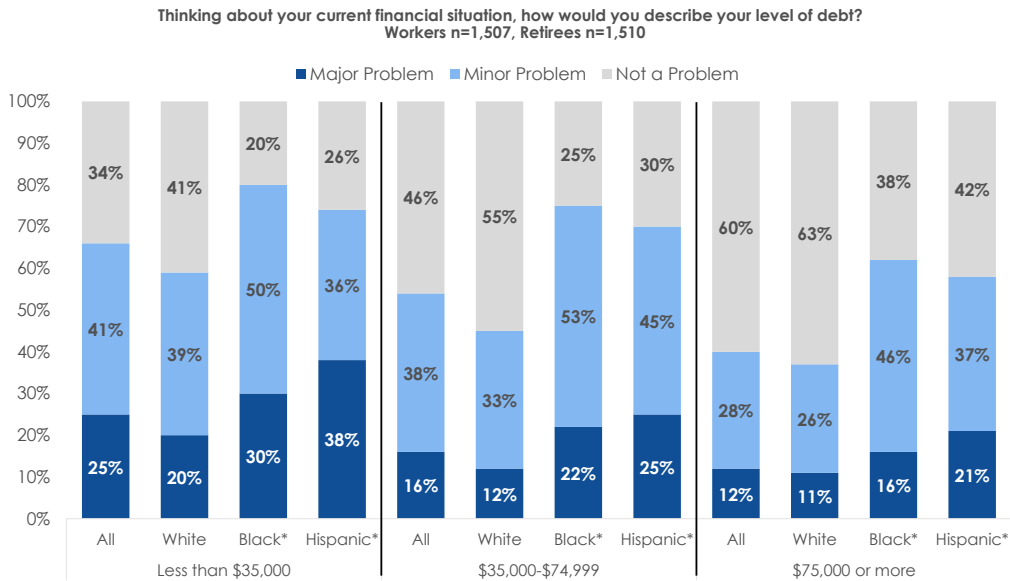


A similar pattern occurs with debt, as Black and Hispanic Americans were more likely to consider debt to be a major or minor problem for their household than White Americans across each income group (Figure 4). In the upper-income group, 62 percent of Black Americans and 58 percent of Hispanic Americans considered debt a problem compared with 37 percent of White Americans. Debt being considered a problem among Black and Hispanic Americans had no significant differences across gender, marital status, and whether they were U.S. born (Figure 5).

It follows then that Black and Hispanic workers and retirees were more likely to say debt is impacting their ability to save for retirement or live comfortably in retirement, across each income group (Figure 6). For example, among middle-income respondents, 38 percent of White Americans either strongly or somewhat agreed with the statement that debt is negatively impacting their ability to save for retirement or live comfortably in retirement vs. 61 percent of Black Americans and 56 percent of Hispanic Americans. There was a similar finding across each income group on debt's impact on saving for emergencies, as Black and Hispanic Americans were more likely to say that their non-mortgage debt was having a major or minor negative impact on their ability to save for emergencies (Figure 7). Furthermore, non-mortgage debt was also more likely to have a negative impact on saving for retirement in general for Black and Hispanic Americans across each income group (Figure 8). While not found to be significant across all income groups,

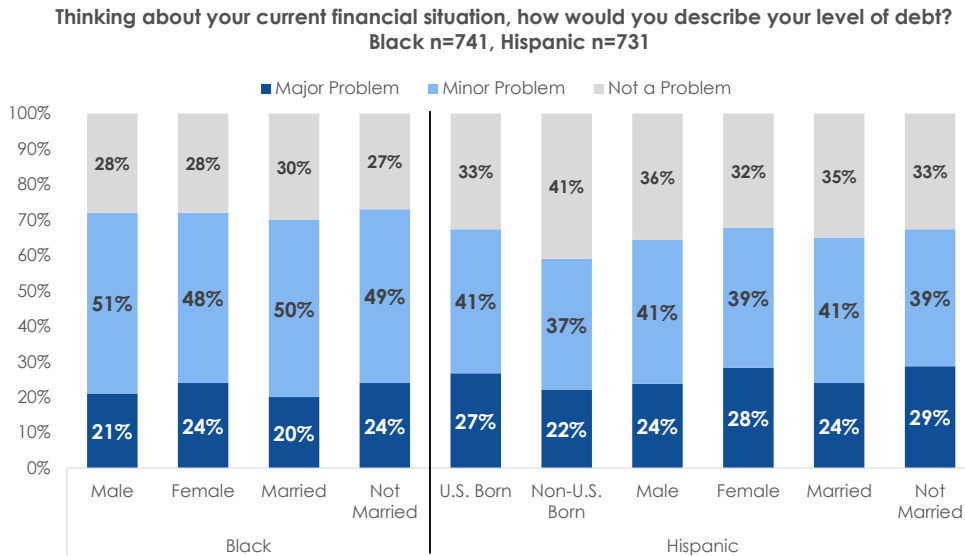
non-mortgage debt was more likely to negatively impact lower- and upper-income Black and Hispanic Americans' ability to participate in or contribute to an employer's retirement plan than it did for White Americans (Figure 9).

Figure 4
Debt Level a Problem, by Race/Ethnicity and Income



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 5
Debt Level a Problem of Hispanic and Black Americans, by Gender, Marital Status, and U.S. Born



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 6
Debt's Impact on Ability to Save for Retirement/Live Comfortably in Retirement, by Race/Ethnicity and Income

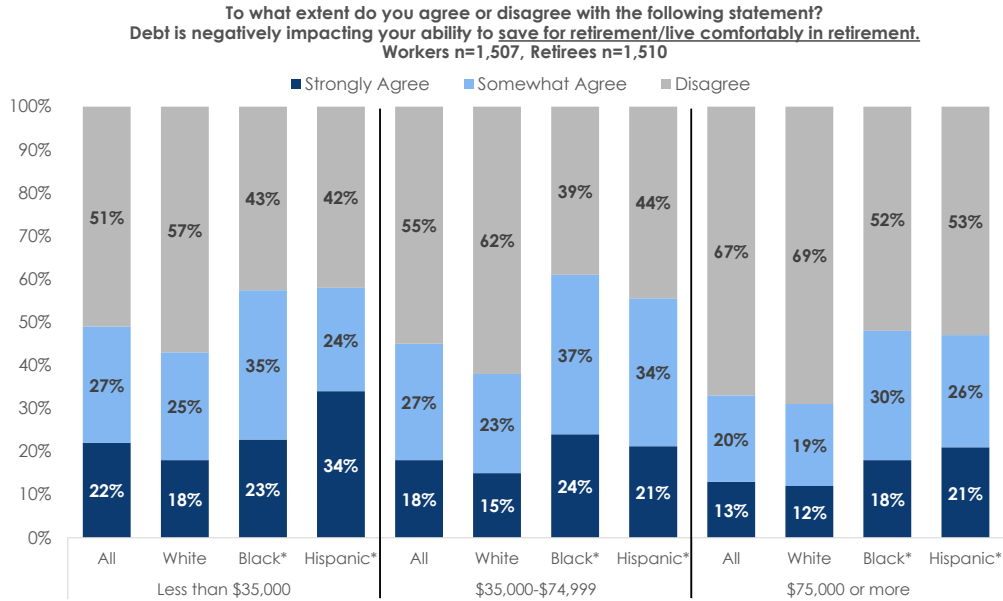


Figure 7
Non-Mortgage Debt's Impact on Ability to Save for Emergencies, by Race/Ethnicity and Income

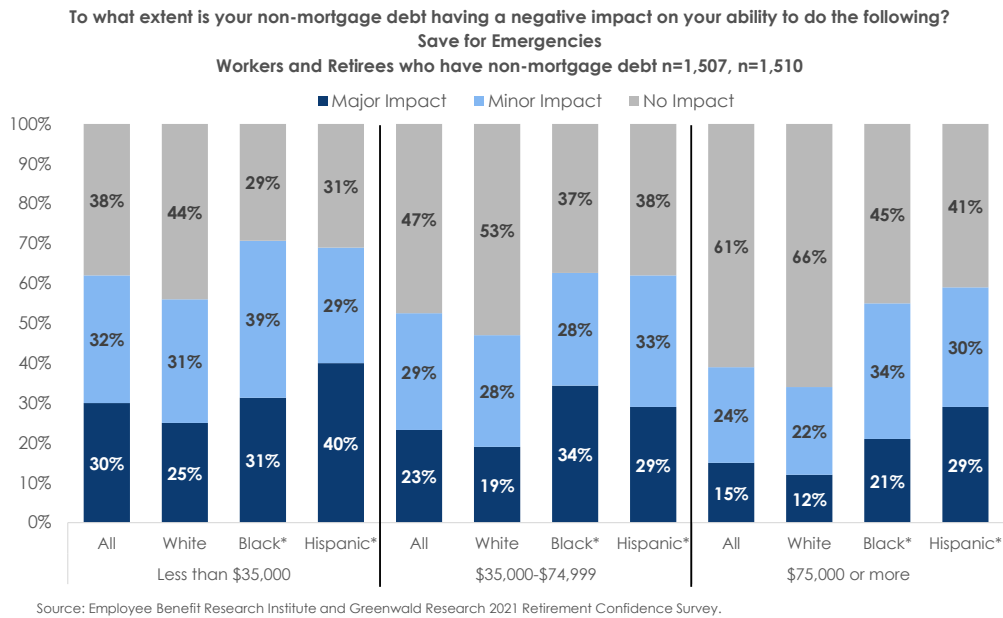
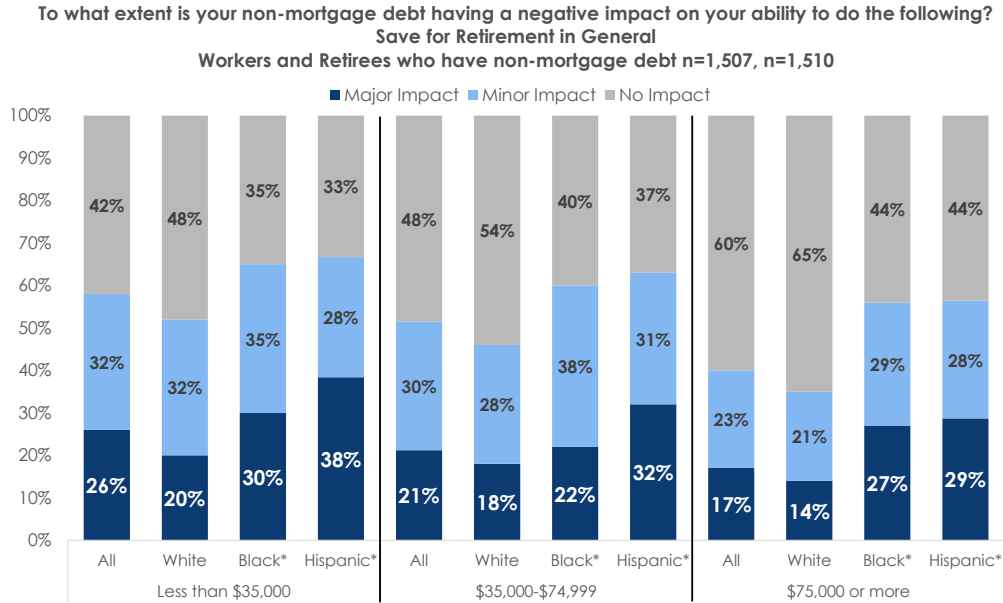
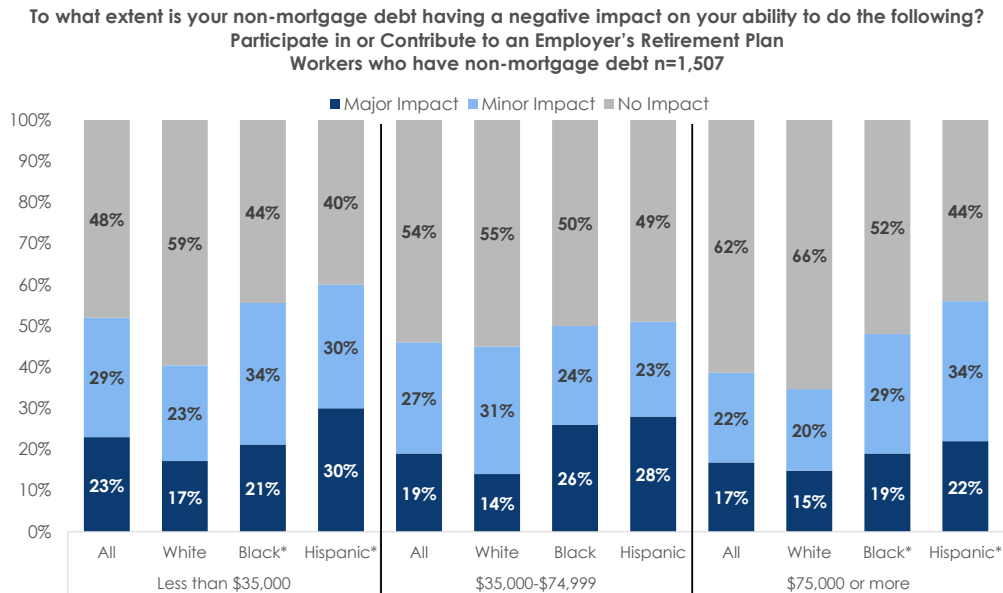


Figure 8
Non-Mortgage Debt's Impact on Ability to Save for Retirement in General, by Race/Ethnicity and Income



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 9
Non-Mortgage Debt's Impact on Ability to Participate in or Contribute to an Employer's Retirement Plan, by Race/Ethnicity and Income



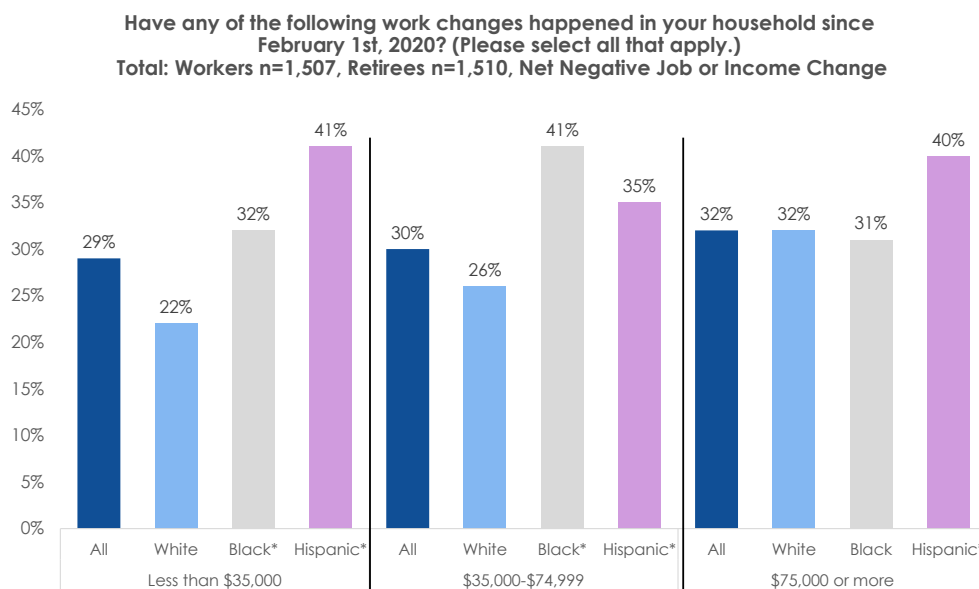
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

COVID-19 Pandemic Impact

The COVID-19 pandemic has had far-reaching consequences, so various COVID-related questions were added to the RCS to see how the pandemic impacted retirement preparations. First and foremost, the pandemic had effects on incomes and jobs, which if lowered or lost could lead to reduced retirement prospects for workers and retirees. Three in ten Americans, regardless of income, reported experiencing a negative income or job change since February 1, 2020 (Figure 10). Black Americans with lower and middle incomes and Hispanic Americans in all three income groups had higher likelihoods of experiencing a negative income or job change than did White Americans, with Hispanic Americans reaching 4 in 10 in the lower- and upper-income groups having a negative change since February 1, 2020. Hispanic and Black Americans who were married or younger than age 50 were more likely to have experienced a negative income or job change compared with their counterparts, whereas there were no significant differences between genders (Figure 11). It is important to note that the question asked about the family, so for those married, a negative change could have happened to the respondent or their spouse, thereby raising the potential likelihood that a married person had a negative change. Among Hispanic workers, males under age 50 were more likely to have had a negative change than those 50 or older (Figure 12).

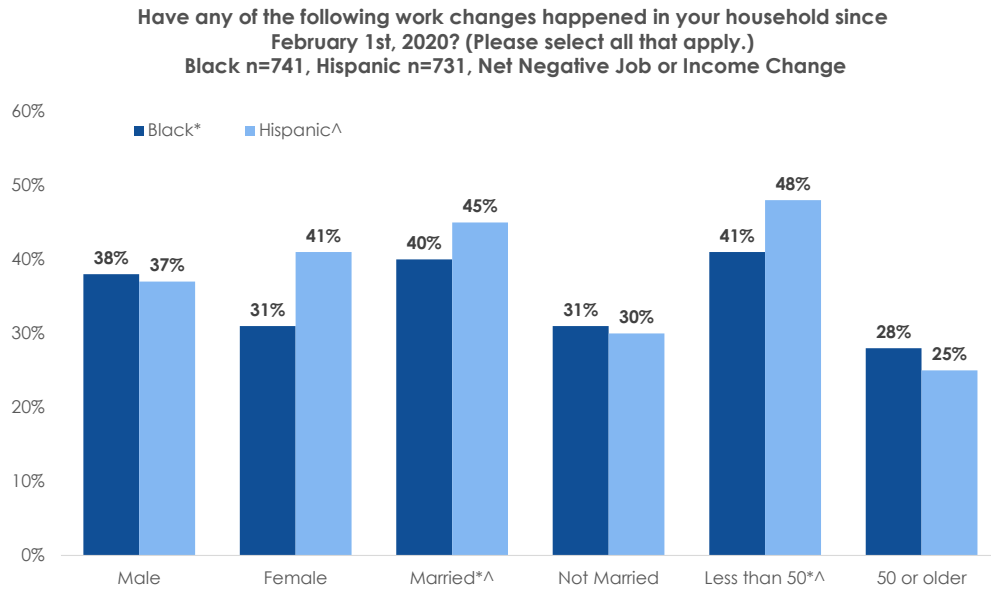
Many schools closed during the pandemic, increasing the need for child care. Overall, 2 in 10 workers said that the pandemic had a major or minor negative impact on their ability to work the number of hours wanted or needed to because of child care needs (Figure 13). Hispanic workers were affected more, as 3 in 10 said the pandemic had a negative impact on the number of hours they could work compared with 2 in 10 White workers. The negative impact on hours Black and Hispanic workers could work because of child care needs was not different by their gender, but not-married Black Americans were more likely to say they were impacted than their married counterparts (Figure 14).

Figure 10
Percentage of Workers and Retirees Who Report a Negative Job or Income Change Since February 1, 2020, by Race/Ethnicity and Income



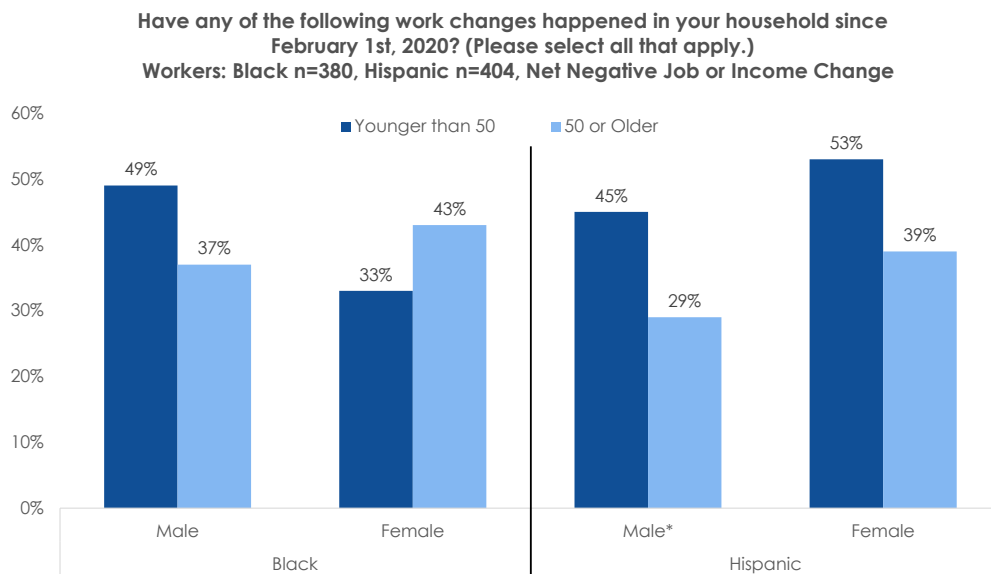
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 11
Percentage of Hispanic and Black Americans Who Report a Negative Job or Income Change Since February 1, 2020, by Age, Gender, and Marital Status



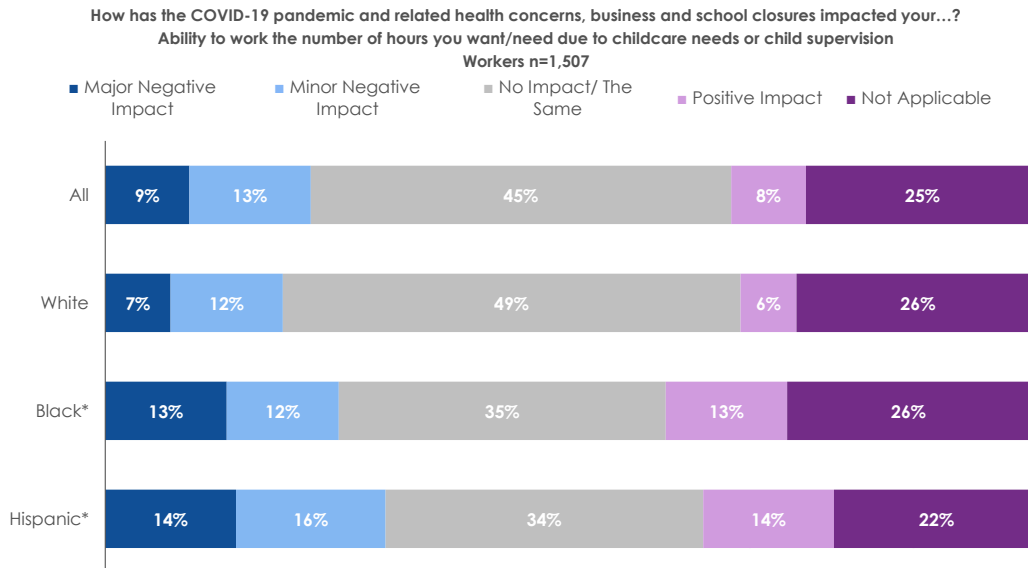
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 12
Percentage of Hispanic and Black Workers Who Report a Negative Job or Income Change Since February 1, 2020, by Age and Gender



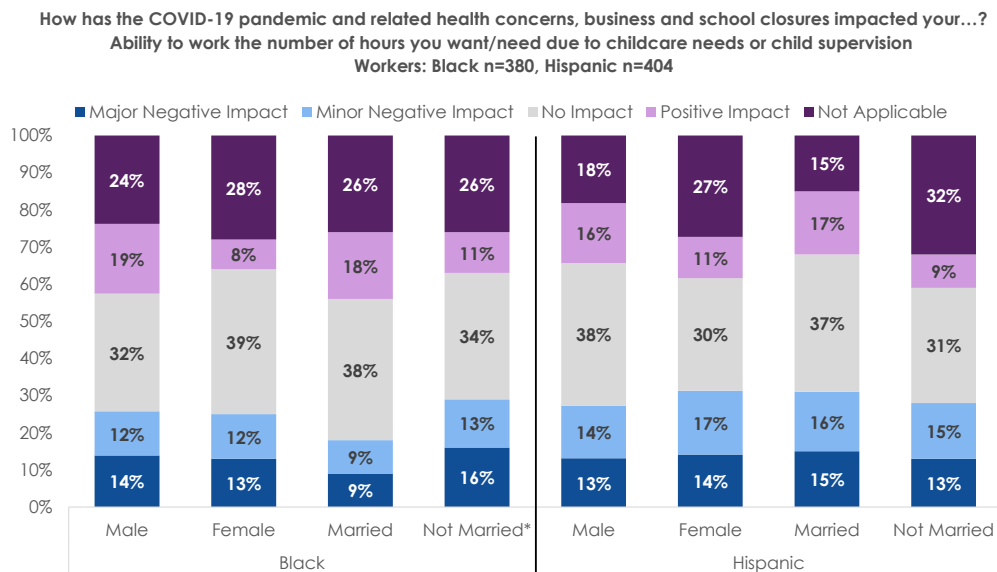
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 13
COVID-19 Pandemic Impact on Ability to Work Due to Child Care Needs, by Race/Ethnicity



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 14
COVID-19 Pandemic Impact on Ability of Black and Hispanic Workers to Work Due to Child Care Needs, by Gender and Marital Status

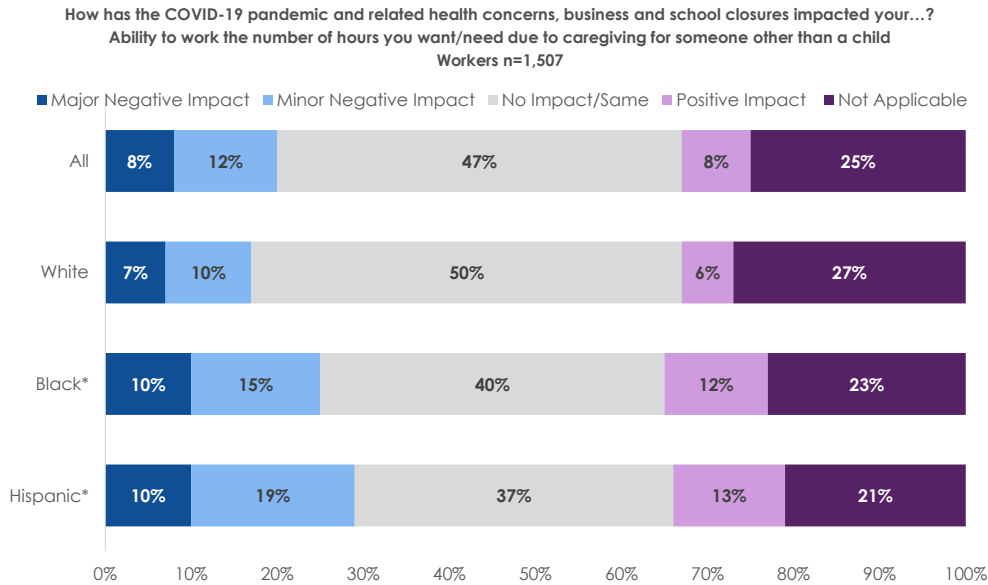


Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Hispanic workers also were more likely to report that they were negatively impacted by the pandemic in terms of the number of hours they could work because of caregiving for someone other than a child, as 3 in 10 Hispanic workers

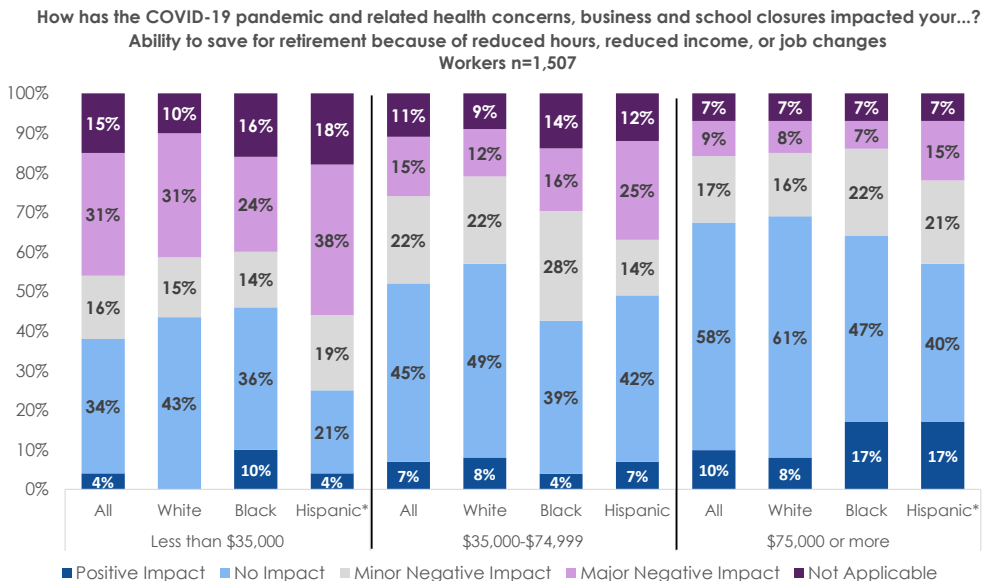
said they had this negative impact vs. 17 percent of White workers (Figure 15). Black workers were also more likely than White workers to have had their hours impacted to care for someone other than a child.

Figure 15
COVID-19 Pandemic Impact on Ability to Work Due to Caregiving for Someone Other Than a Child, by Race/Ethnicity



The pandemic had a greater impact on lower-income workers' ability to save for retirement than it did on upper-income workers (Figure 16). Hispanic workers in lower- and upper-income groups were more likely to report that the pandemic had a major negative impact on their ability to save for retirement. This is relative to Black workers in the lower-income group and White workers in the upper-income group.

Figure 16
Impact of COVID-19 Pandemic on the Ability to Save for Retirement, by Race/Ethnicity and Income



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

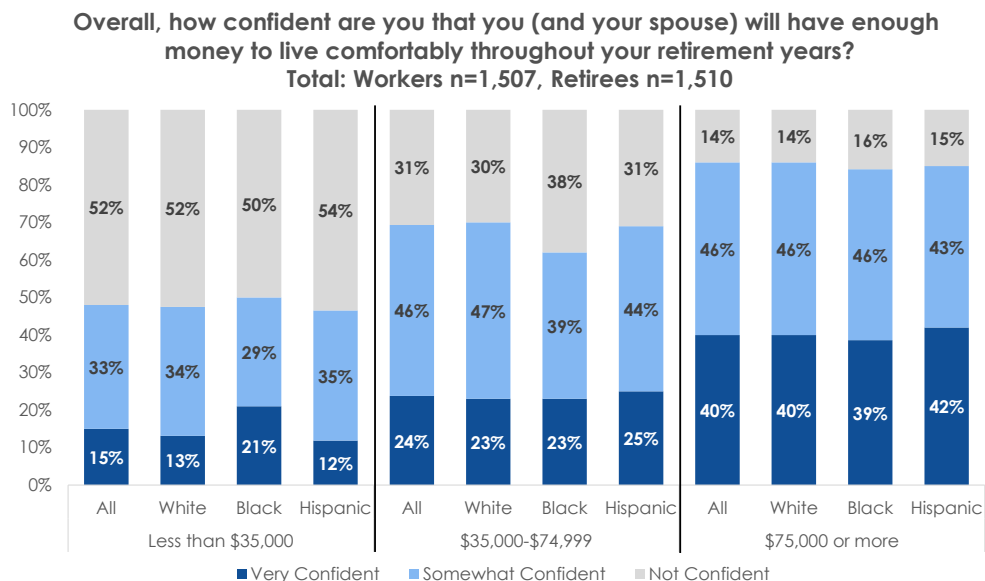
Retirement Confidence

To gauge how workers and retirees feel about their retirement prospects, the RCS has annually asked Americans how confident they are that they and their spouse will have enough money to live comfortably throughout their retirement years. In 2021, the confidence levels in this aspect of retirement for both retirees and workers were at or near all-time highs. While confidence in having enough money to live comfortably in retirement increased with income, the percentage of Americans being very or somewhat confident was not significantly different by race/ethnicity in each income group (Figure 17). For example, in the upper-income group, 86 percent of White Americans, 84 percent of Black Americans, and 85 percent of Hispanic Americans held this confidence. In the lower-income group, 48 percent of White Americans, 50 percent of Black Americans, and 46 percent of Hispanic Americans were very or somewhat confident.

Looking at other demographics, some differences emerged. When looking at the data by gender and income, no resulting differences emerged, as males and females had similar levels of confidence for each race/ethnicity (Figure 18). However, looking at the data by marital status and income, those married in many cases had higher levels of confidence than those not married (Figure 19). In particular, lower-income married Black Americans were more likely to be confident than those not married. Among middle-income respondents, married White and Hispanic Americans were more likely to be confident than those not married, and among upper-income respondents, married White and Hispanic Americans were more likely to be confident than those not married. While birthplace (U.S. born vs. non-U.S. born) did not show a significant difference overall, the upper-income U.S.-born Hispanic Americans were more likely to be confident than those born outside of the United States (Figure 20).

The pandemic had an impact on many Americans' confidence in living comfortably throughout retirement and their ability to save for retirement. Depending on the income level, one-quarter to one-half of Americans reported that they are less confident due to the pandemic (Figure 21). When comparing by income and race/ethnicity, just lower-income Hispanic Americans showed a significant difference in being *less* confident, as 49 percent were less confident in their retirement prospects due to the pandemic compared with 37 percent of White Americans. Though not large shares overall, Black Americans in each of the income groups and Hispanic Americans in the two higher income groups were more likely than White Americans to report being *more* confident about their retirement prospects since the pandemic.

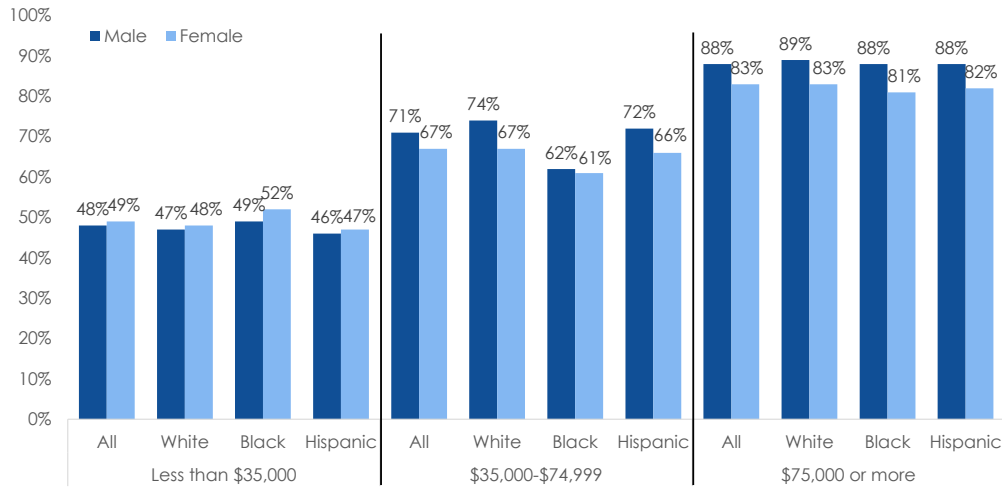
Figure 17
Confidence in Having Enough Money to Live Comfortably Through Retirement, by Race/Ethnicity and Income



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 18
Confidence in Having Enough Money to Live Comfortably Through Retirement, by Race/Ethnicity, Income, and Gender

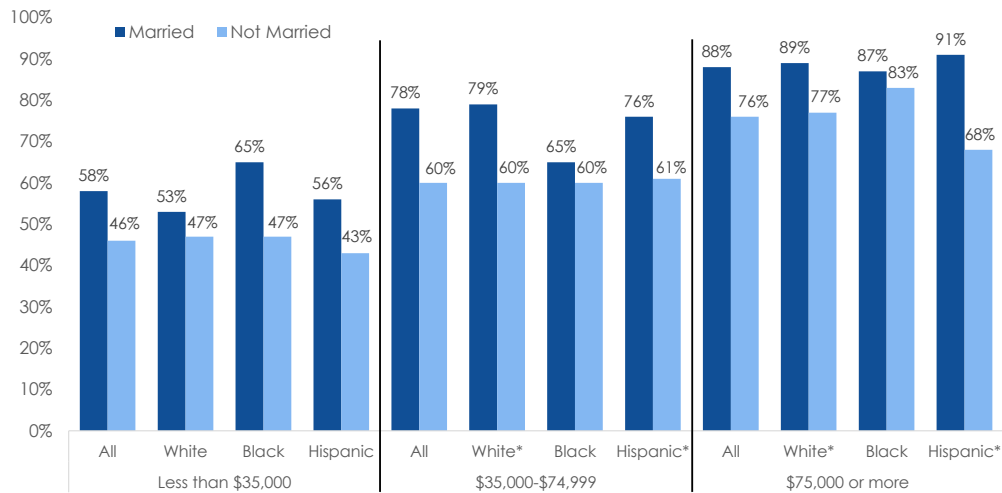
Overall, how confident are you that you (and your spouse) will have enough money to live comfortably throughout your retirement years?
 Total: Workers n=1,507, Retirees n=1,510, Percentage Very or Somewhat Confident



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

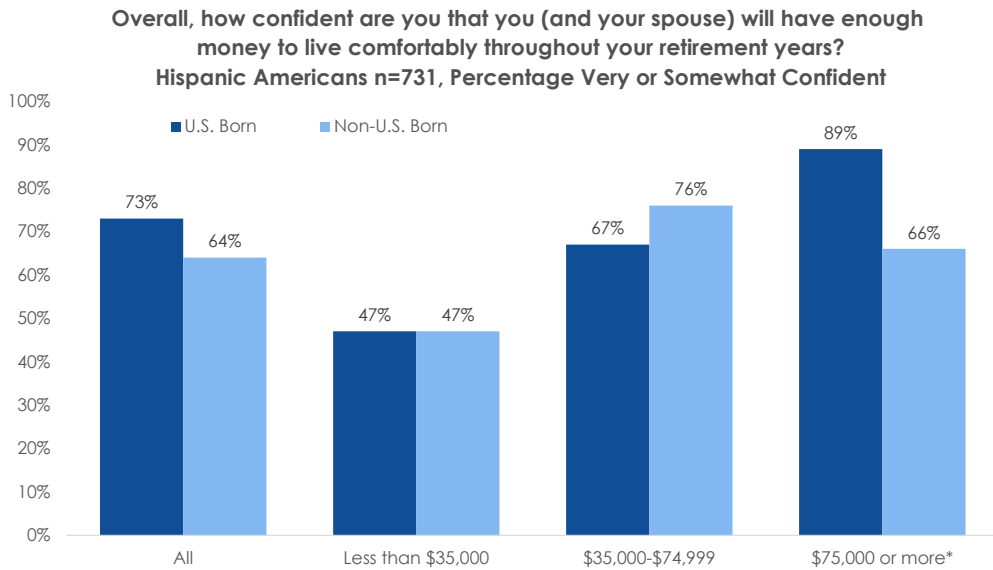
Figure 19
Confidence in Having Enough Money to Live Comfortably Through Retirement, by Race/Ethnicity, Income, and Marital Status

Overall, how confident are you that you (and your spouse) will have enough money to live comfortably throughout your retirement years?
 Total: Workers n=1,507, Retirees n=1,510, Percentage Very or Somewhat Confident



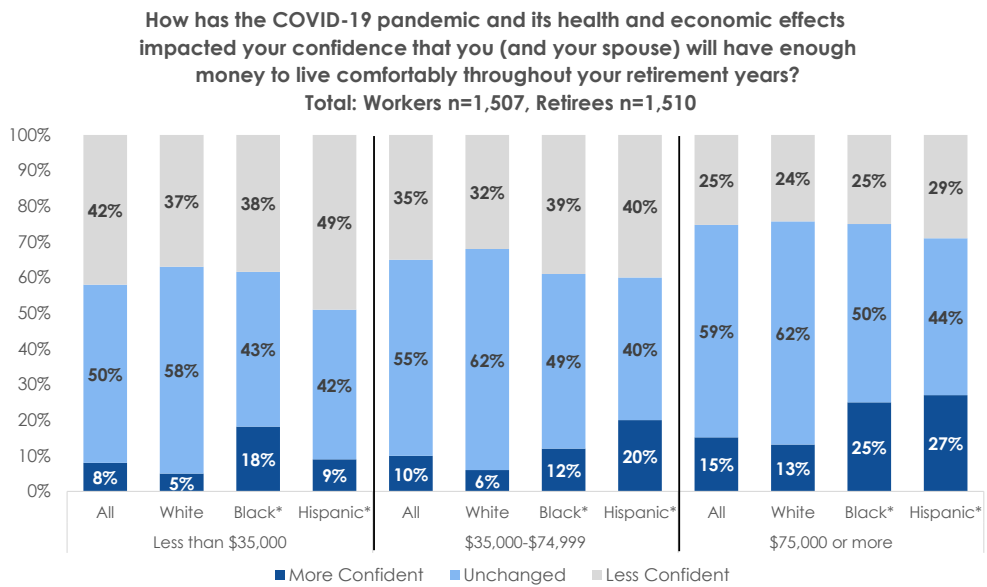
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 20
Confidence of Hispanic Americans in Having Enough Money to Live Comfortably Through Retirement, by Income and U.S. Born



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 21
Change in Confidence in Having Enough Money to Live Comfortably Throughout Retirement Due to the Pandemic, by Race/Ethnicity and Income



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Female Black and Hispanic Americans were more likely to be less confident in retirement as a result of the pandemic compared with their male counterparts (Figure 22). In addition, not-married Hispanic Americans were more likely to be less confident than married Hispanic Americans.

With regard to other aspects of retirement, the share of White Americans feeling confident in having enough to cover basic expenses was greater than Black Americans, even among those with upper incomes (Figure 23). However, the share of lower-income Black Americans feeling very confident in having enough money to cover basic expenses was larger than that of Hispanic Americans (23 percent vs. 10 percent).

The percentage of lower-income Black Americans who were very confident that they are doing a good job preparing for retirement was higher than that of Hispanic Americans, and upper-income White Americans were more likely to be very confident than Black Americans (Figure 24). The percentages for the confident categories (somewhat or very confident) together are not significantly different by race/ethnicity.

A majority of workers regardless of income or race/ethnicity said they agreed that preparing for retirement makes them feel stressed (Figure 25). However, Hispanic workers were particularly likely to report that preparing for retirement was stressful, as upper-income Hispanic workers were more likely to report being stressed than White workers, and lower-income Hispanic workers were more likely to be stressed by preparing for retirement than Black workers. Lower-income White workers were also more likely to say they were stressed from preparing for retirement than were Black workers.

Confidence in the ability of the two major social programs (Social Security and Medicare) in the United States to continue to pay at least the benefits offered today was strong across all income and race/ethnicity groups, with no group having less than 56 percent who were confident in these programs doing so (Figure 26 and Figure 27). However, lower- and upper-income Black Americans and middle-income Hispanic Americans were more likely to be confident in these programs providing at least the same level of benefits compared with White Americans in the same income groups.

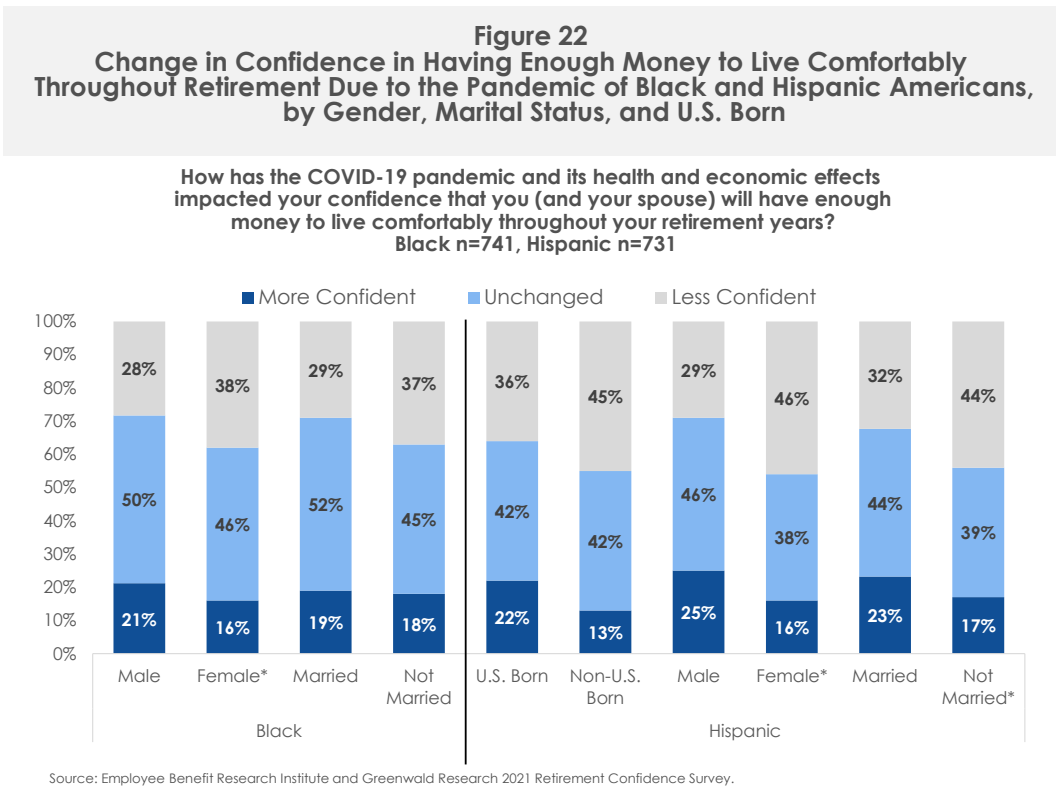
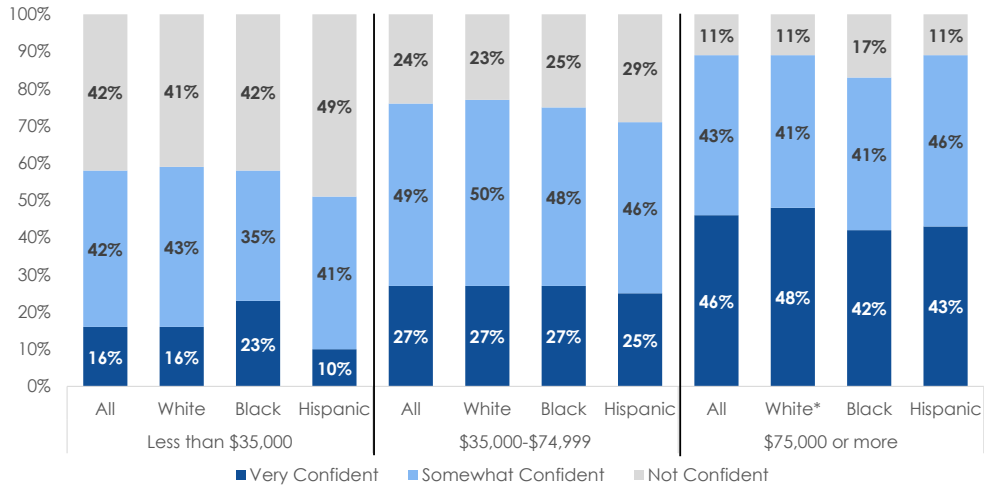


Figure 23
Confidence in Having Enough Money to Take Care of Basic Expenses During Retirement, by Race/Ethnicity and Income

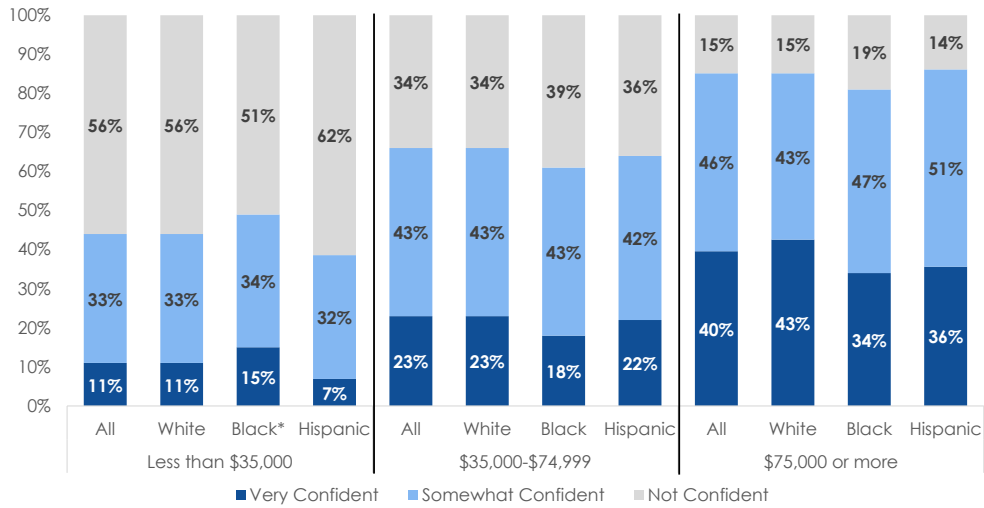
How confident are you (and your spouse) about the following aspect related to retirement?
 You will have enough money to take care of your basic expenses during your retirement
 Total: Workers n=1,507, Retirees n=1,510



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

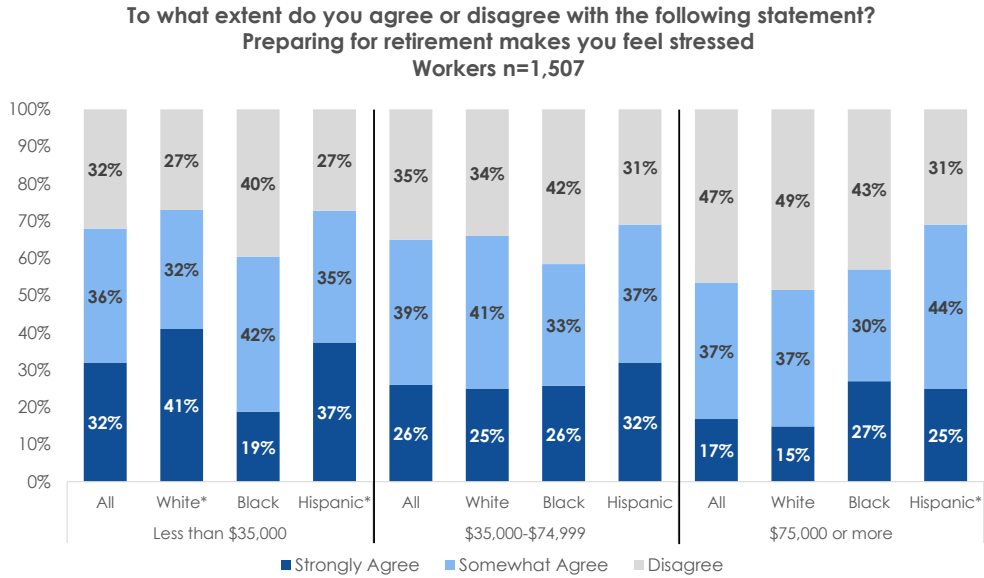
Figure 24
Confidence in Doing a Good Job Preparing Financially for Retirement, by Race/Ethnicity and Income

How confident are you (and your spouse) about the following aspect related to retirement?
 You (are doing/did) a good job of preparing financially for your retirement
 Total: Workers n=1,507, Retirees n=1,510



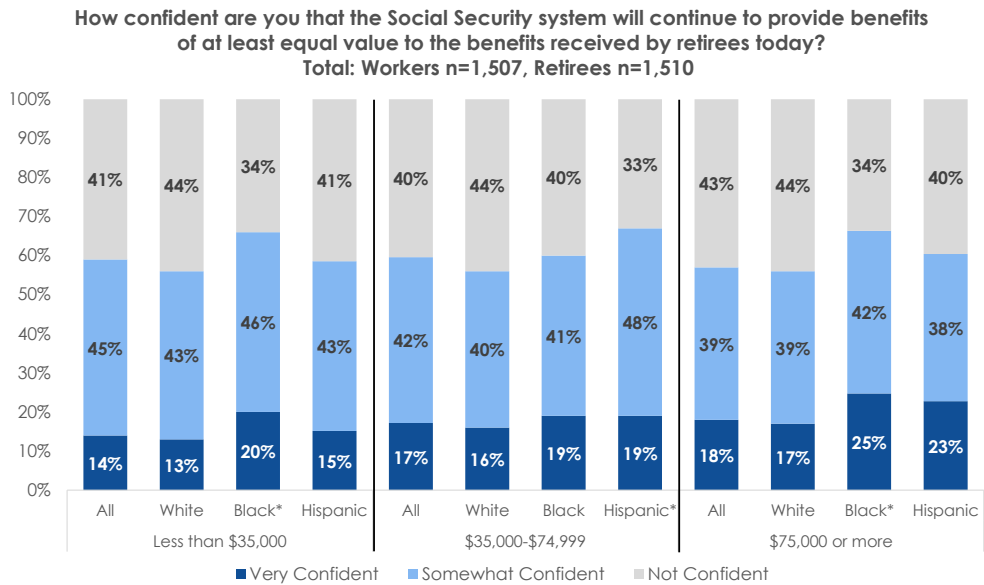
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 25
Percentage of Workers Who Agree That Preparing for Retirement
Makes Them Stressed, by Race/Ethnicity and Income



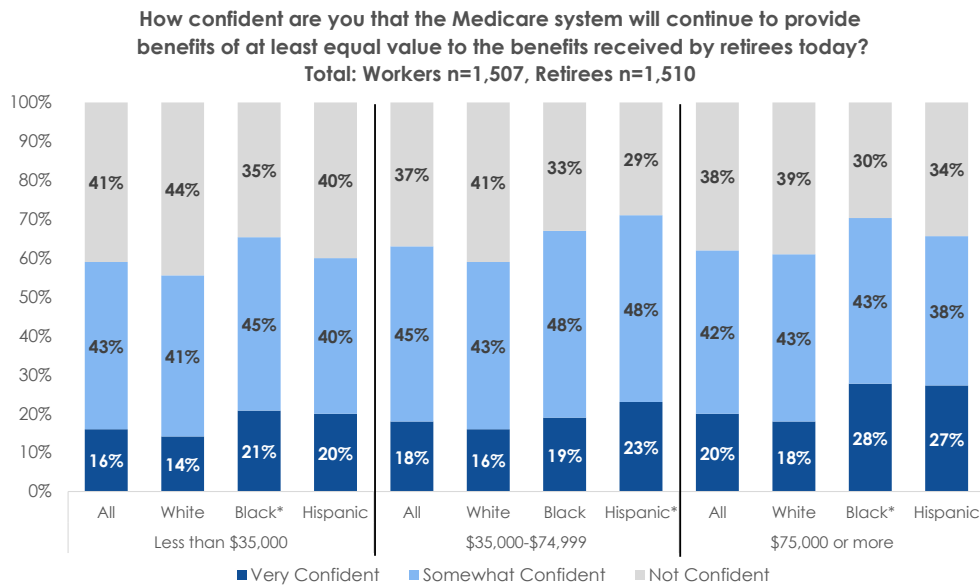
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 26
Confidence in Social Security Continuing to Provide Benefits of at Least
Equal to Those Received Now, by Race/Ethnicity and Income



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 27
Confidence in Medicare Continuing to Provide Benefits of at Least Equal to Those Received Now, by Race/Ethnicity and Income

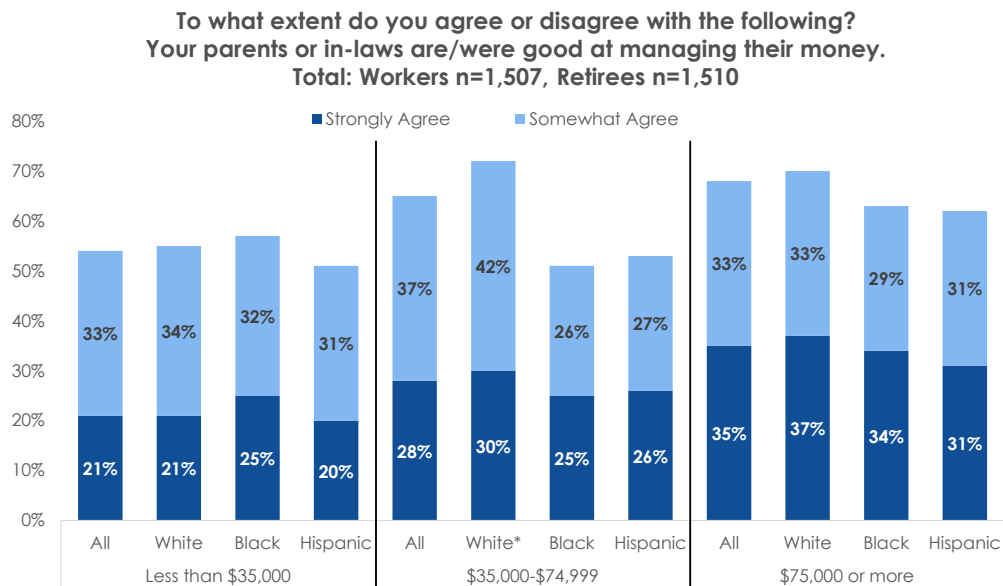


Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Financial Background

In 2021, the RCS asked several questions about respondents' parents for the first time, including the respondents' perceptions of their parents' financial skills and retirement experiences. Among middle-income respondents, White Americans were more likely to agree that their parents were good at managing money compared with Black and Hispanic Americans (Figure 28). In contrast, lower- and upper-income respondents across each race/ethnicity had no significant differences in the percentages who agreed that their parents or in-laws were good at managing their money.

Figure 28
Percentage Who Agree That Their Parents Were Good at Managing Money, by Race/Ethnicity and Income



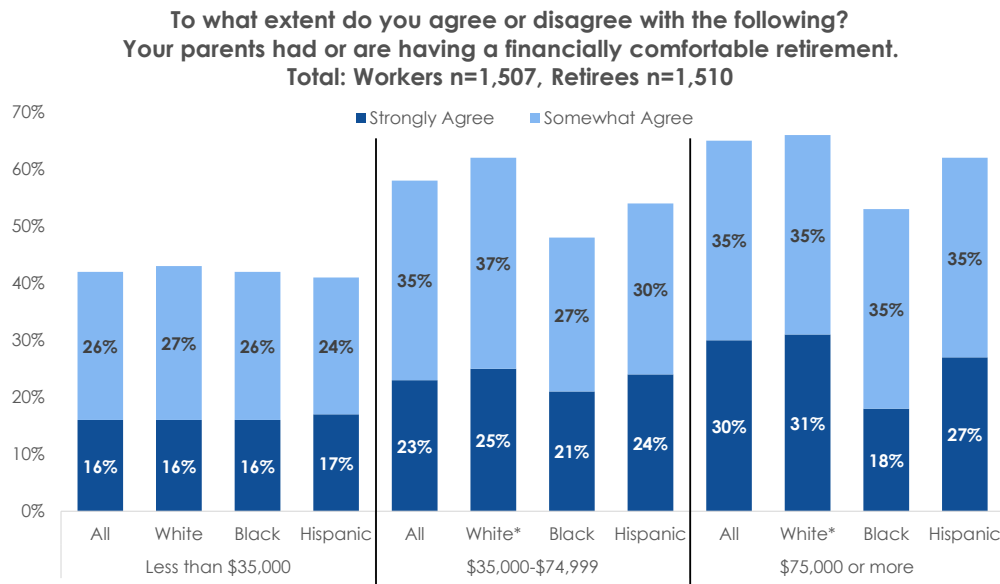
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

The share of Americans in the lower-income group agreeing that their parents had or are having a financially comfortable retirement was virtually equal for each race/ethnicity at just over 40 percent (Figure 29). Americans in the middle- and upper-income groups were more likely than those with lower incomes to agree that their parents or in-laws had or are having a financially comfortable retirement. However, in the higher two income groups, White Americans were significantly more likely than Black Americans to agree. For example, in the upper-income group, 66 percent of White Americans agreed vs. 53 percent of Black Americans.

Black Americans in the lower-income group were more likely than White and Hispanic Americans to agree that as a child or young adult they were taught about how to save or invest for the future (Figure 30). Conversely, in the upper two income groups, White Americans were more likely than Black Americans to agree that they were taught about saving, while there was no significant difference relative to Hispanic Americans. The share of Black and Hispanic Americans who agreed that they were taught about saving was not different across ages or races/ethnicities at the 50 to 60 percent range (Figure 31).⁵

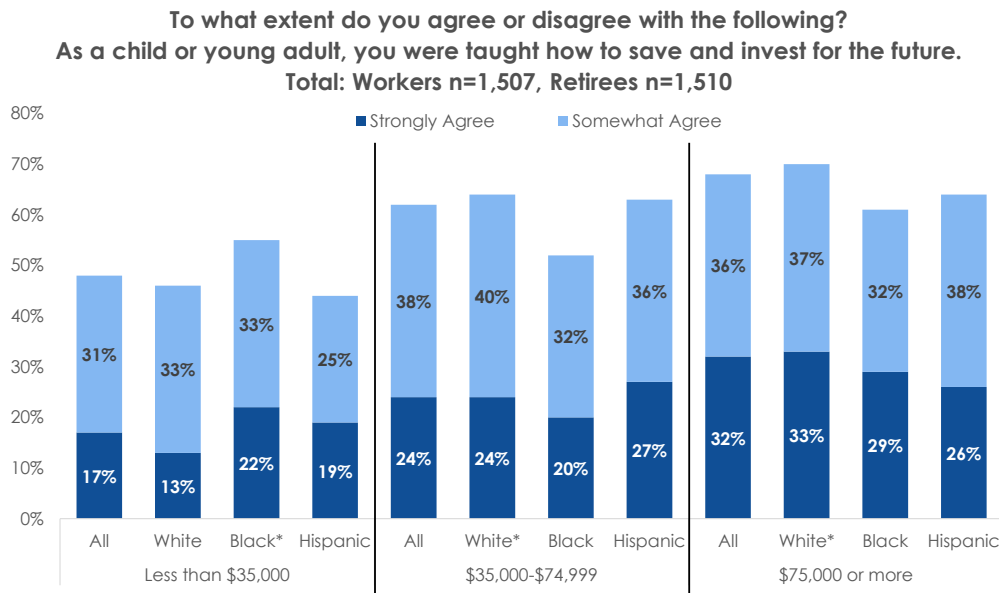
For middle- and upper-income Americans, the percentages that agree they feel knowledgeable about both managing their day-to-day finances (Figure 32) and managing savings and investments for the future (Figure 33) were consistent across each race/ethnicity. Yet, for the lower-income group, White Americans were more likely to agree with the first statement than Black and Hispanic Americans, and they were more likely to agree with the latter statement than just Hispanic Americans.⁶

Figure 29
Percentage Who Agree That Their Parents Had or Are Having a Financially Comfortable Retirement, by Race/Ethnicity and Income



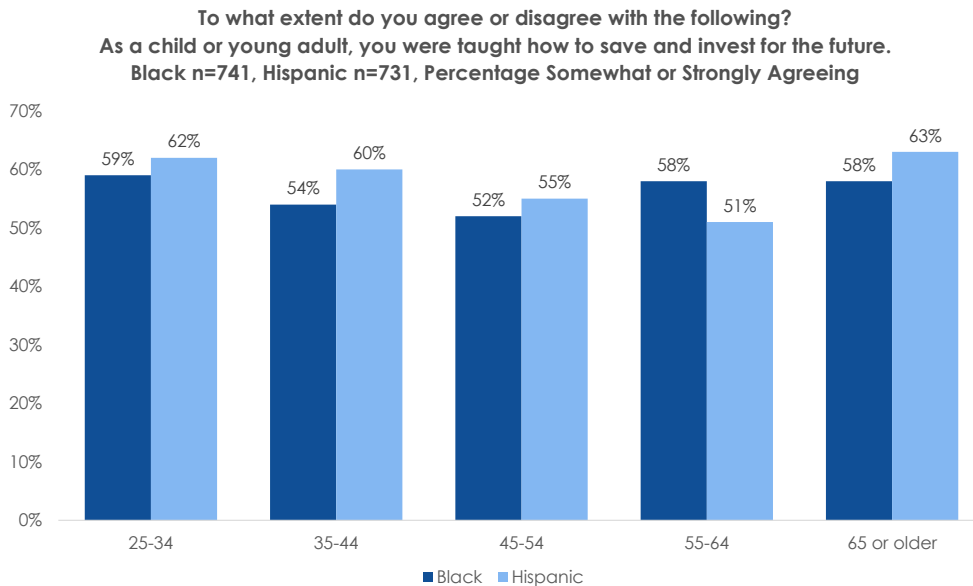
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 30
Percentage Who Agree That They Were Taught How to Save and Invest for the Future as a Child, by Race/Ethnicity and Income



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

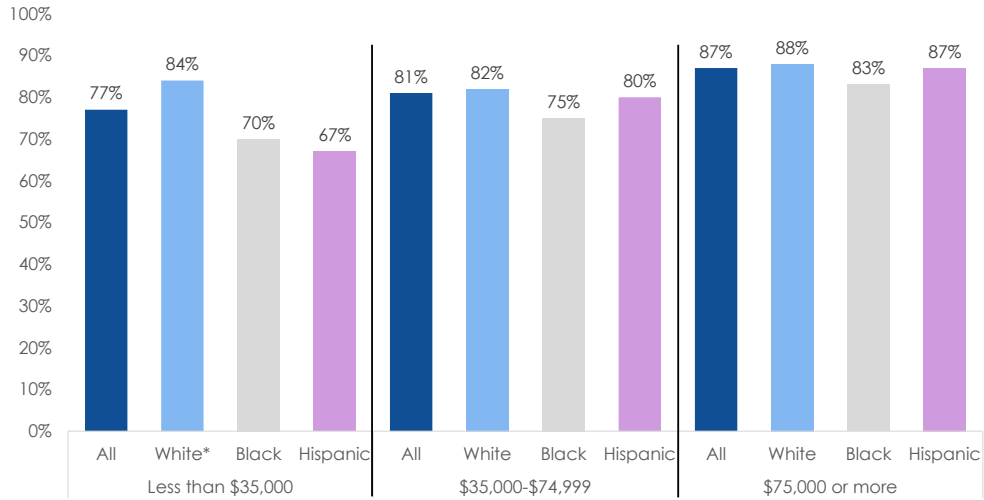
Figure 31
Percentage of Black and Hispanic Americans Who Agree That They Were Taught How to Save and Invest for the Future as a Child, by Age



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 32
Percentage Who Agree They Are Knowledgeable About Managing Their Day-to-Day Finances, by Race/Ethnicity and Income

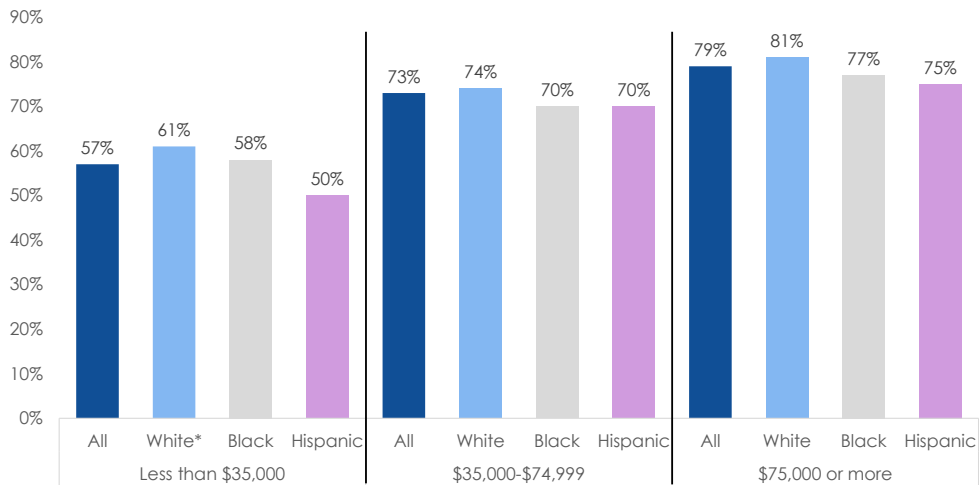
To what extent do you agree or disagree with the following?
 You feel knowledgeable about managing your day-to-day finances.
 Workers n=1,507, Retirees n=1,510, Percentage Strongly or Somewhat Agree



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 33
Percentage Who Agree They Are Knowledgeable About Managing Investments for the Future, by Race/Ethnicity and Income

To what extent do you agree or disagree with the following?
 You feel knowledgeable about managing savings and investments for the future.
 Workers n=1,507, Retirees n=1,510, Percentage Strongly or Somewhat Agree

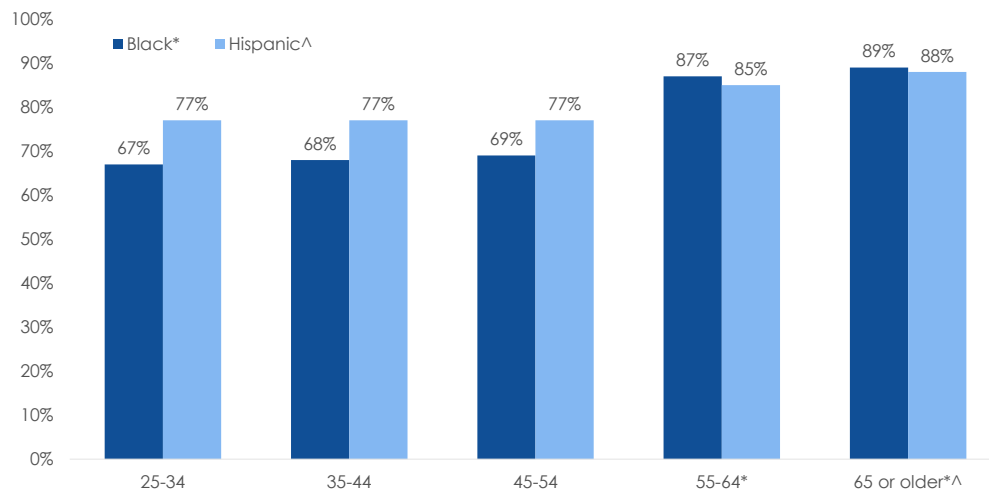


Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

For Black and Hispanic Americans, the likelihood of agreeing that they feel knowledgeable about day-to-day finances and about managing investments for the future was higher for those older but similar at each age between the two tasks (Figure 34 and Figure 35). Specifically, Black Americans ages 55 or older were more likely to agree that they feel knowledgeable about day-to-day finances compared with Black Americans younger than age 55, and Hispanic Americans ages 65 or older were more likely to agree with this statement than those younger than age 55. Again, Black Americans ages 55 or older were likely to agree that they feel knowledgeable about managing investments for the future compared with those ages 35–54, while Hispanic Americans ages 35 or older had no significant differences in agreeing with this statement and were more likely to agree than those younger than age 35.

Figure 34
Percentage Who Agree They Are Knowledgeable About Managing Their Day-to-Day Finances, by Race/Ethnicity and Age

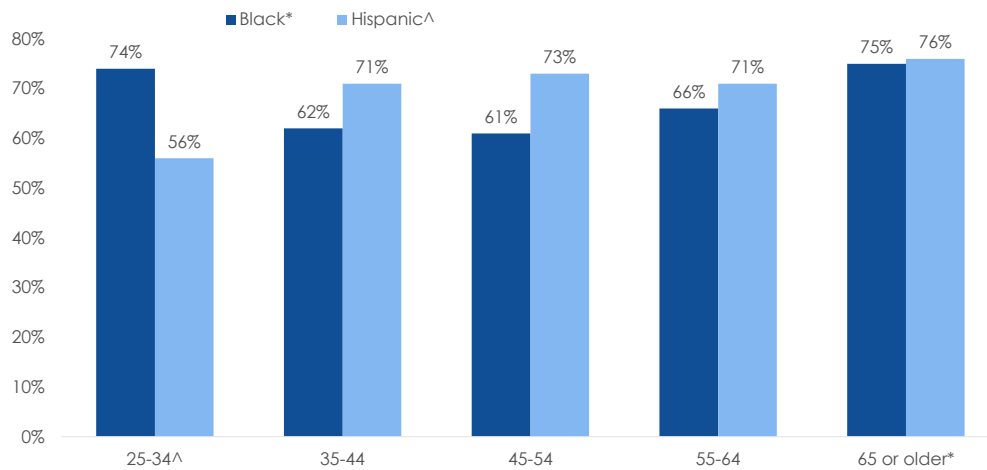
To what extent do you agree or disagree with the following?
 You feel knowledgeable about managing your day-to-day finances.
 Black n=741, Hispanic n=731, Percentage Somewhat or Strongly Agree



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 35
Percentage Who Agree They Are Knowledgeable About Managing Investments for the Future, by Race/Ethnicity and Age

To what extent do you agree or disagree with the following?
 You feel knowledgeable about managing savings and investments for the future.
 Black n=741, Hispanic n=731, Percentage Somewhat or Strongly Agree



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Financial Priorities

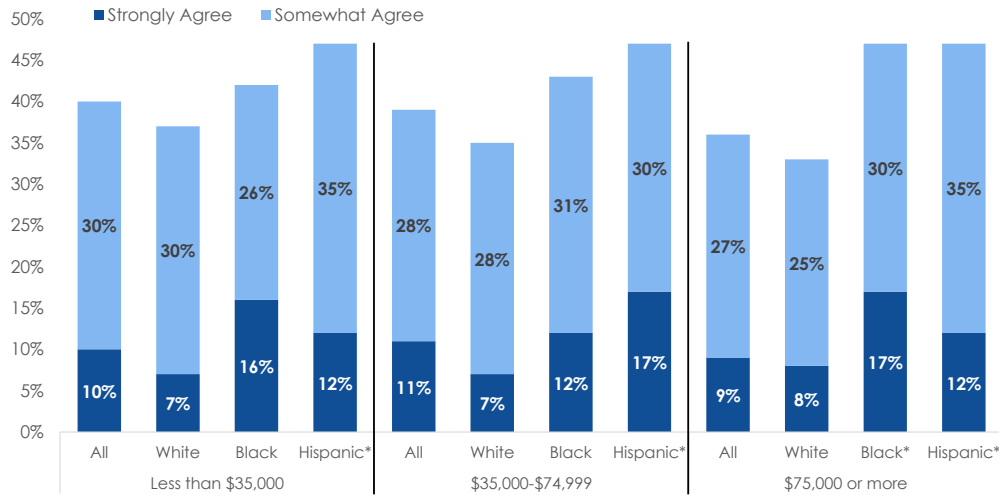
Turning to questions on priorities relative to retirement savings, upper-income Black Americans and Hispanic Americans regardless of income were more likely to agree that it is more important to help friends and family now than to save for their own retirement than were White Americans (Figure 36). In the upper-income group, nearly one-half of Hispanic Americans agreed with this statement compared with one-third of White Americans. The likelihood of agreeing that helping friends and family is more important than saving for retirement was even higher for younger (those less than age 55) Black and Hispanic Americans (Figure 37). For example, 56 percent of Black Americans ages 35–44 and 51 percent of Hispanic Americans these same ages compared with 27 percent of Black Americans and 35 percent of Hispanic Americans ages 55–64 agreed helping friends and family was more important than saving for retirement.

Middle- and upper-income Hispanic Americans were more likely to agree with the statement that retirement savings is *not* a priority relative to the current needs of their family than White Americans were in these income groups (Figure 38). Middle-income Black Americans were also more likely to agree with this statement than middle-income White Americans. However, in the lowest income groups, there were no significant differences by race/ethnicity in the likelihood of agreeing that retirement savings is not a priority. Again, younger Black (ages 25–34) and Hispanic (ages 25–44) Americans were more likely to agree that saving for retirement is not a priority relative to older workers (Figure 39). Specifically, for Black Americans, those ages 25–34 (54 percent) were more likely to have agreed with this statement compared with the one-third of those ages 45 or older. The approximately one-half of Hispanic Americans younger than age 45 who agreed with retirement savings not being a priority was higher than the 3 in 10 ages 55 or older agreeing. For Hispanic Americans who were born in the United States, those in the upper-income group were more likely to agree with the statement than those born outside the United States (Figure 40).

Hispanic Americans in each income group and Black Americans in the lower- and upper-income groups were more likely than White Americans to agree that saving for a child's education or paying off a child's education is reducing how much they can save for retirement (Figure 41). In addition, male Black and Hispanic Americans were more likely than their female counterparts to agree that a child's education is reducing their retirement savings, but marital status was not found to be significant (Figure 42).

Figure 36
Percentage Who Agree That Helping Friends and Family Is More Important Than Saving for Retirement, by Race/Ethnicity and Income

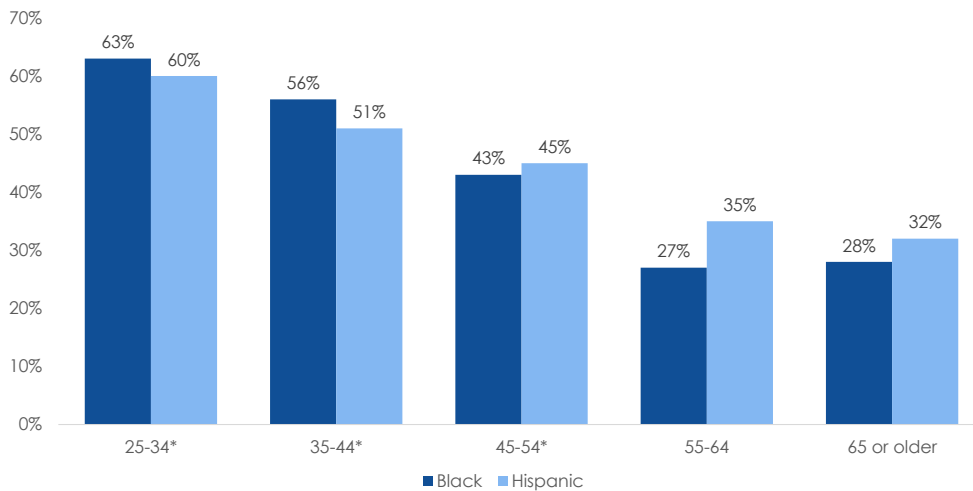
To what extent do you agree or disagree with the following?
 It is more important to help friends and family now than to save for your own retirement.
 Total: Workers n=1,507, Retirees n=1,510



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 37
Percentage of Black and Hispanic Americans Who Agree That Helping Friends and Family Is More Important Than Saving for Retirement, by Age

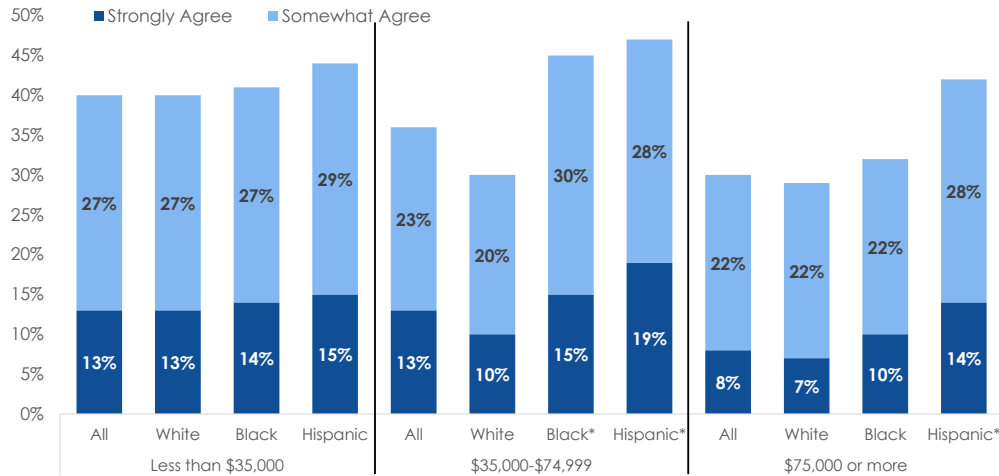
To what extent do you agree or disagree with the following?
 It is more important to help friends and family now than to save for your own retirement.
 Black n=741, Hispanic n=731, Percentage Somewhat or Strongly Agreeing



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 38
Percentage Who Agree That Retirement Savings Is Not a Priority Relative to Current Needs, by Race/Ethnicity and Income

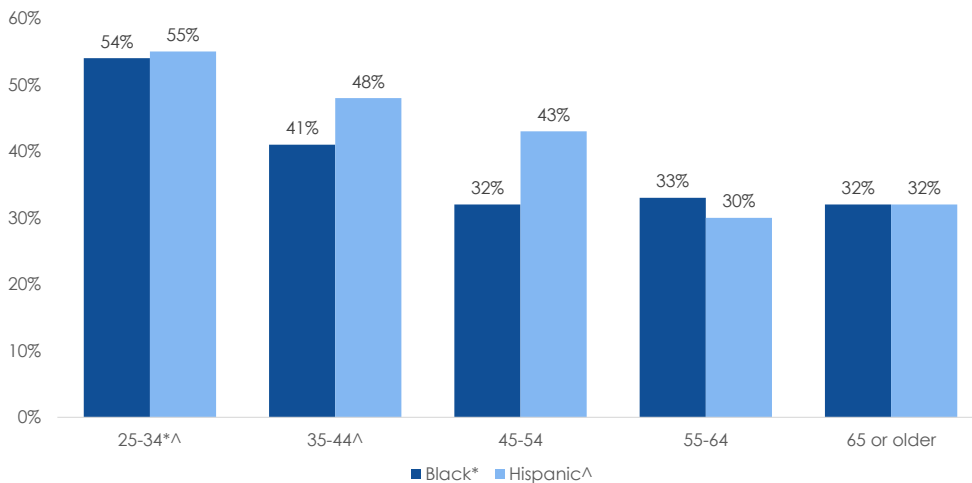
To what extent do you agree or disagree with the following?
 Retirement savings is not a priority relative to the current needs of my family.
 Total: Workers n=1,507, Retirees n=1,510



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 39
Percentage of Black and Hispanic Americans Who Agree That Retirement Savings Is Not a Priority Relative to Current Needs, by Age

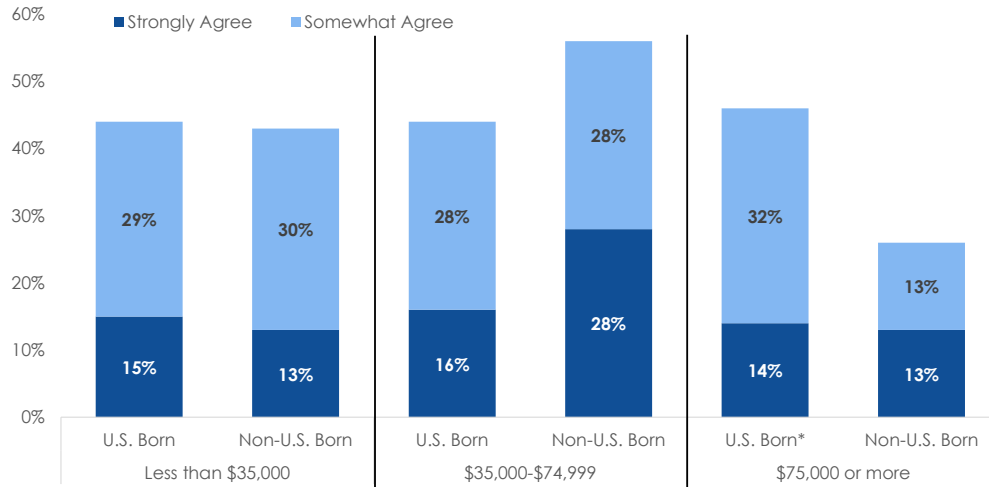
To what extent do you agree or disagree with the following?
 Retirement savings is not a priority relative to the current needs of my family.
 Black n=741, Hispanic n=731, Percentage Somewhat or Strongly Agreeing



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 40
Percentage of Hispanic Americans Who Agree That Retirement Savings Is Not a Priority Relative to Current Needs, by U.S. Born

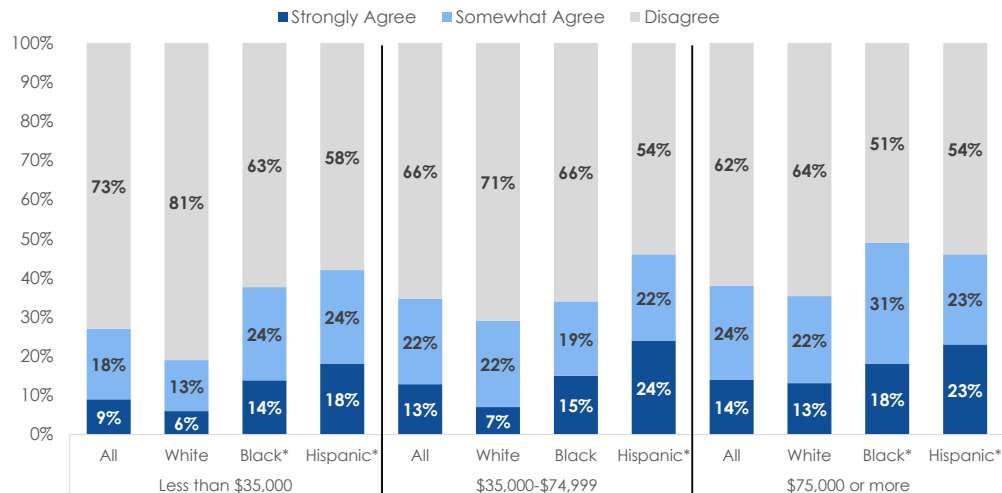
To what extent do you agree or disagree with the following?
 Retirement savings is not a priority relative to the current needs of my family.
 Hispanic n=731, Percentage Somewhat or Strongly Agreeing



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 41
Percentage Who Agree That Saving/Paying for a Child's Education Is Reducing Retirement Savings, by Race/Ethnicity and Income

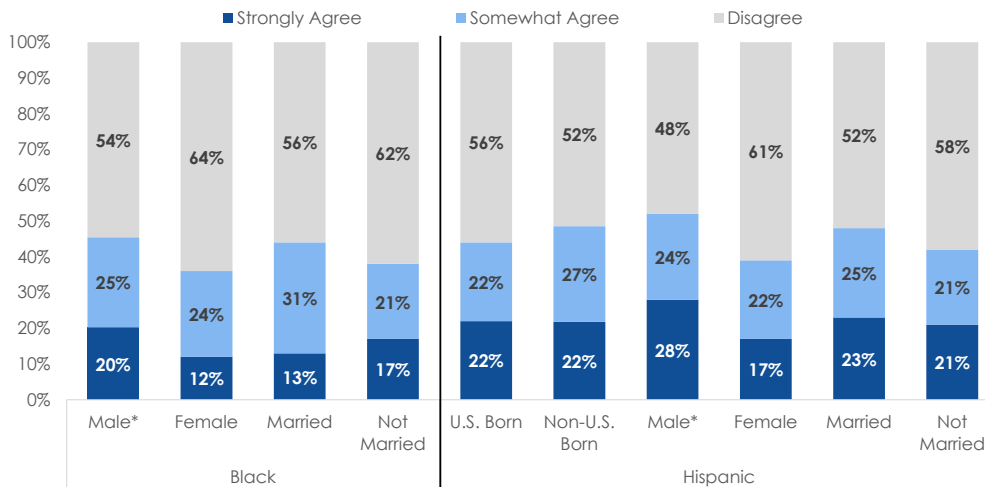
To what extent do you agree or disagree with the following statement?
 Saving for a child's education or paying off a child's education is reducing how much you can save for retirement
 Total: Workers n=1,507, Retirees n=1,510



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 42
Percentage of Black and Hispanic Americans Who Agree That Saving/Paying for a Child's Education Is Reducing Retirement Savings, by Gender, Marital Status, and U.S. Born

To what extent do you agree or disagree with the following statement?
 Saving for a child's education or paying off a child's education is reducing how much you can save for retirement
 Black n=741, Hispanic n=731



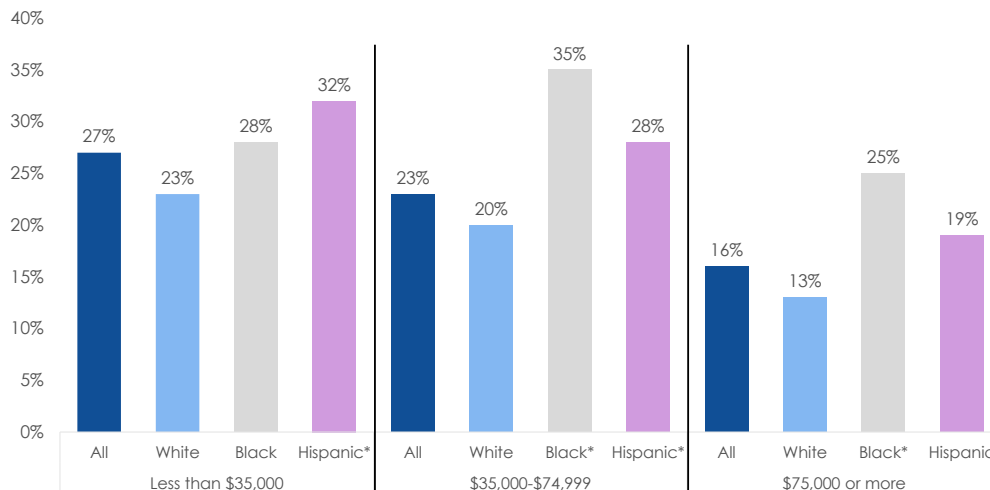
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Experience With Financial Services Companies

Feeling comfortable accessing the financial system can help individuals start or stick with financial or retirement planning. However, some Americans do not feel they have been treated fairly by financial services companies. In fact, approximately one-quarter of all Americans in the lower two income groups *disagree* with the statement that they feel they have been fairly treated by financial services companies and their representatives (Figure 43). Hispanic Americans in the lower two income groups were more likely to disagree that they were treated fairly than White Americans, whereas Black Americans in the higher two income groups were more likely to feel this way relative to White Americans.

Figure 43
Percentage Who Feel They Have Not Been Treated Fairly by Financial Services Companies, by Race/Ethnicity and Income

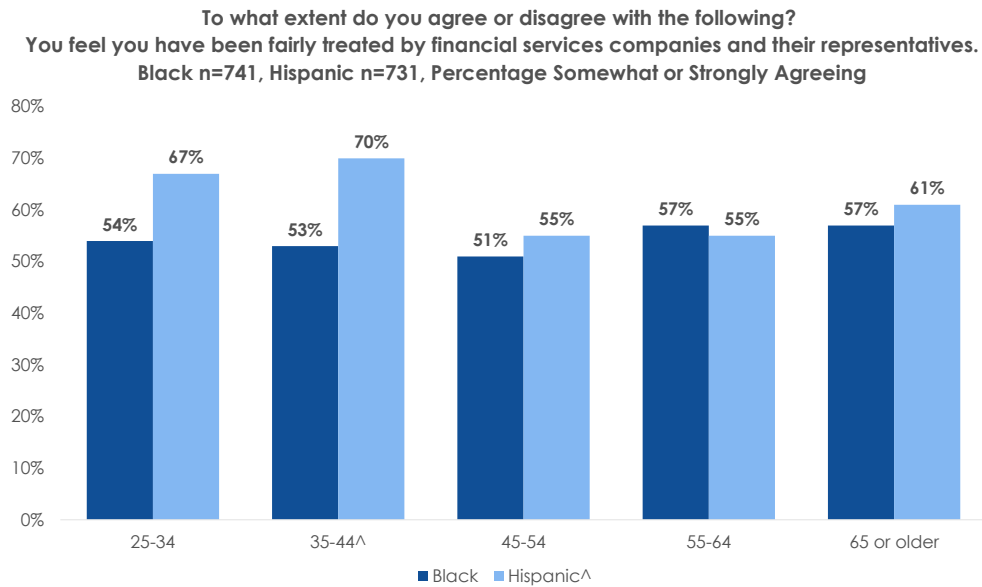
To what extent do you agree or disagree with the following?
 You feel you have been fairly treated by financial services companies and their representatives.
 Total: Workers n=1,507, Retirees n=1,510, Percentage *Disagree*



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

The percentage of Black Americans who felt they have been treated fairly was not significantly different by age, with just over half regardless of age feeling they have been treated fairly (Figure 44). This did not hold for Hispanic Americans, as older Hispanic Americans were less likely to agree that they have been treated fairly — 70 percent of those ages 35–44 felt they were treated fairly compared with 55 percent of those ages 45–64.

Figure 44
Percentage of Black and Hispanic Americans Who Feel They Have Been Treated Fairly by Financial Services Companies, by Age



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Financial Advice and Advisors

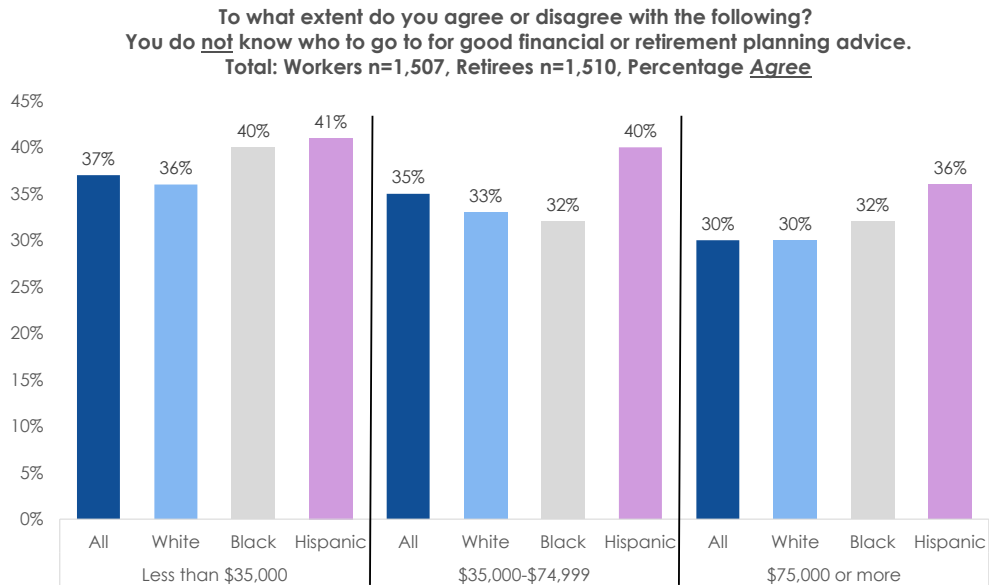
Understanding where to go for advice on retirement planning and what Americans are looking for in who they go to for this help is important in improving retirement preparations, so the RCS asked questions addressing these topics. First, the survey asked if individuals even know where to go to find good financial or retirement planning advice, and roughly one-third either strongly or somewhat agreed with the statement that they do *not* know where to go for good financial or retirement planning advice, regardless of income or race/ethnicity (Figure 45). While there were no significant differences overall, not-married Black Americans and younger Black and Hispanic Americans were more likely to not know where to go for advice compared with married Black Americans and older Black and Hispanic Americans, respectively (Figure 46).

Given that so many don't know where to go for retirement planning help, it is useful to understand what people or groups Americans do use as sources of information for retirement planning. The top three sources of information were consistent across racial/ethnic groups: online resources and research they do on their own; family and friends; and a personal, professional financial advisor (Figure 47).⁷ While small shares overall cited libraries or community centers and church/religious centers or leaders as sources used for retirement planning, Black Americans were more likely to use both, and Hispanic Americans were more likely to use church/religious centers. Still, 2 in 10 said that they used none of the sources offered.

Focusing specifically on financial advisor use, approximately 1 in 3 workers regardless of race/ethnicity said they currently use a financial advisor (Figure 48). Among retirees, White retirees were the most likely to currently use a financial advisor, as 41 percent said they did. Hispanic retirees were next at 27 percent, while 17 percent of Black retirees said they currently use a financial advisor. In addition, nearly 4 in 10 workers thought they will work with a

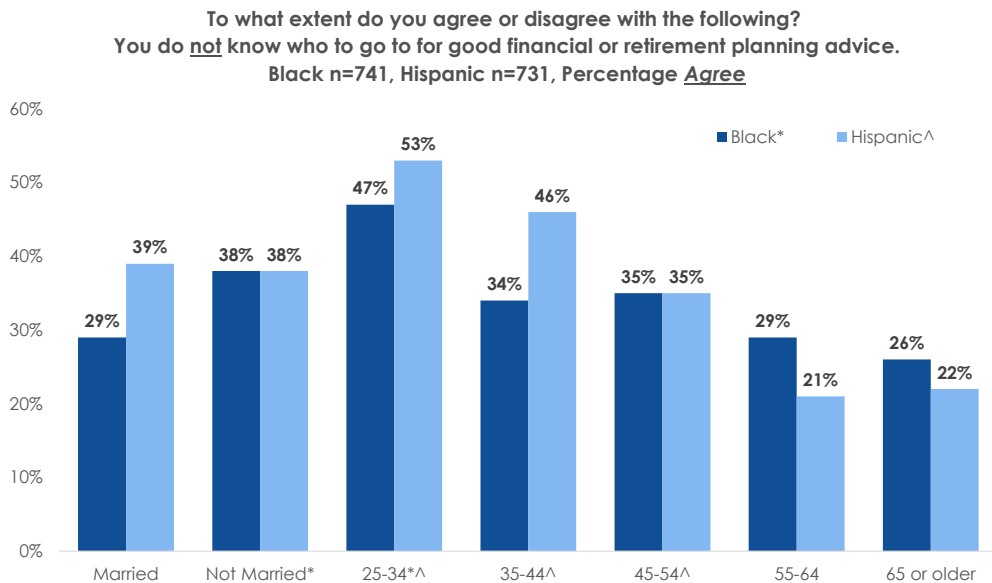
professional financial advisor in the future regardless of race/ethnicity. Retirees who weren't currently working with an advisor were less likely than workers to say that they will work with one in the future, at approximately 1 in 10 across each race/ethnicity. The use of a financial advisor increased with income but was consistent across races/ethnicities, except for middle-income White Americans being more likely to use one than middle-income Black Americans (Figure 49).

Figure 45
Percentage Who Feel They Do Not Know Who to Go to for Good Financial Advice, by Race/Ethnicity and Income



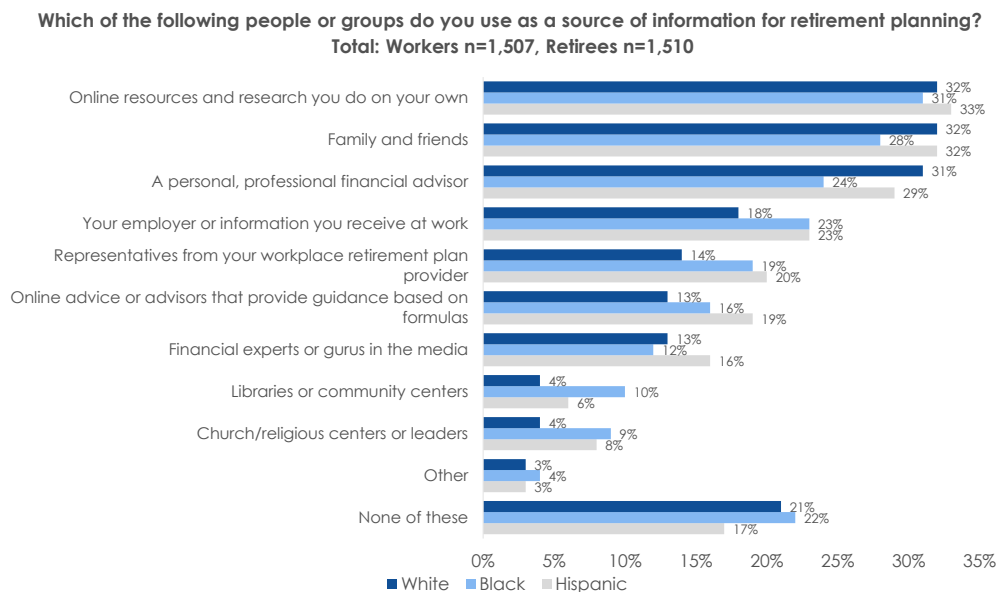
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 46
Percentage of Black and Hispanic Americans Who Feel They Do Not Know Who to Go to for Good Financial Advice, by Marital Status and Age



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

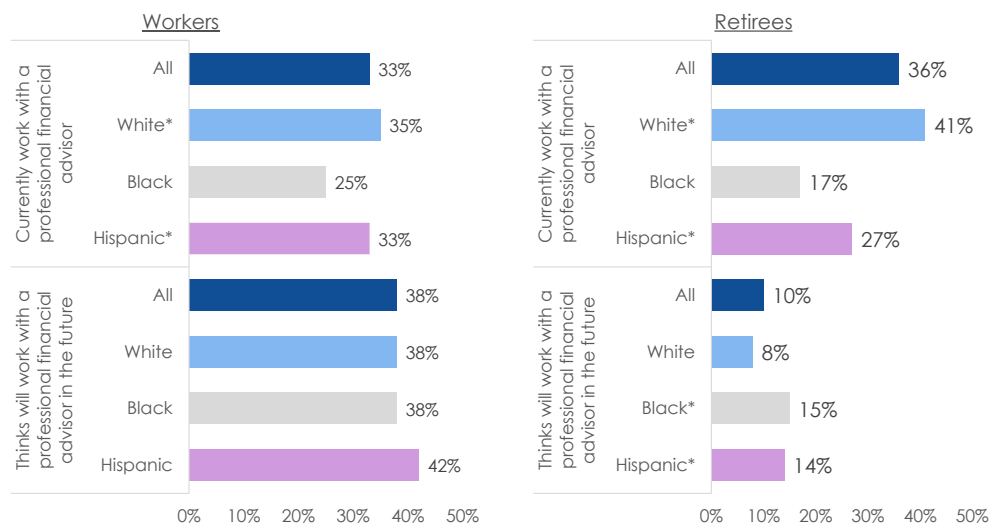
Figure 47
Sources of Information Used for Retirement Planning,
by Race/Ethnicity



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

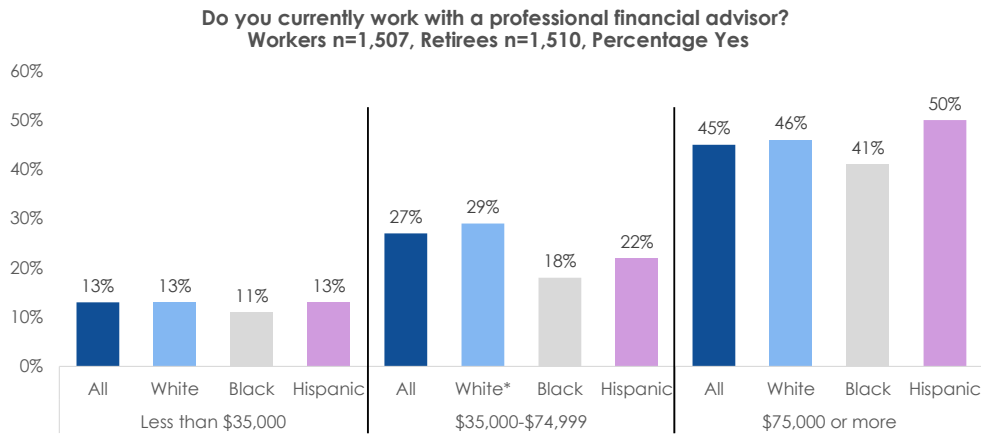
Figure 48
Percentage Who Work With a Professional Financial Advisor,
by Race/Ethnicity

Do you currently work with a professional financial advisor? Workers n=1,507, Retirees n=1,510, Percentage Yes
Do you think you will work with a professional financial advisor in the future? Workers n=1,065, Retirees n=1,023



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 49
Percentage Who Work With a Professional Financial Advisor,
by Race/Ethnicity and Income



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

In choosing or thinking about choosing a financial advisor, the criteria that Americans were most likely to say are important for this choice were working with an advisor with expertise in their particular financial goals and working with an advisor who specializes in households with a similar amount of money/assets to them. These criteria were the top two across each income and race/ethnicity group.

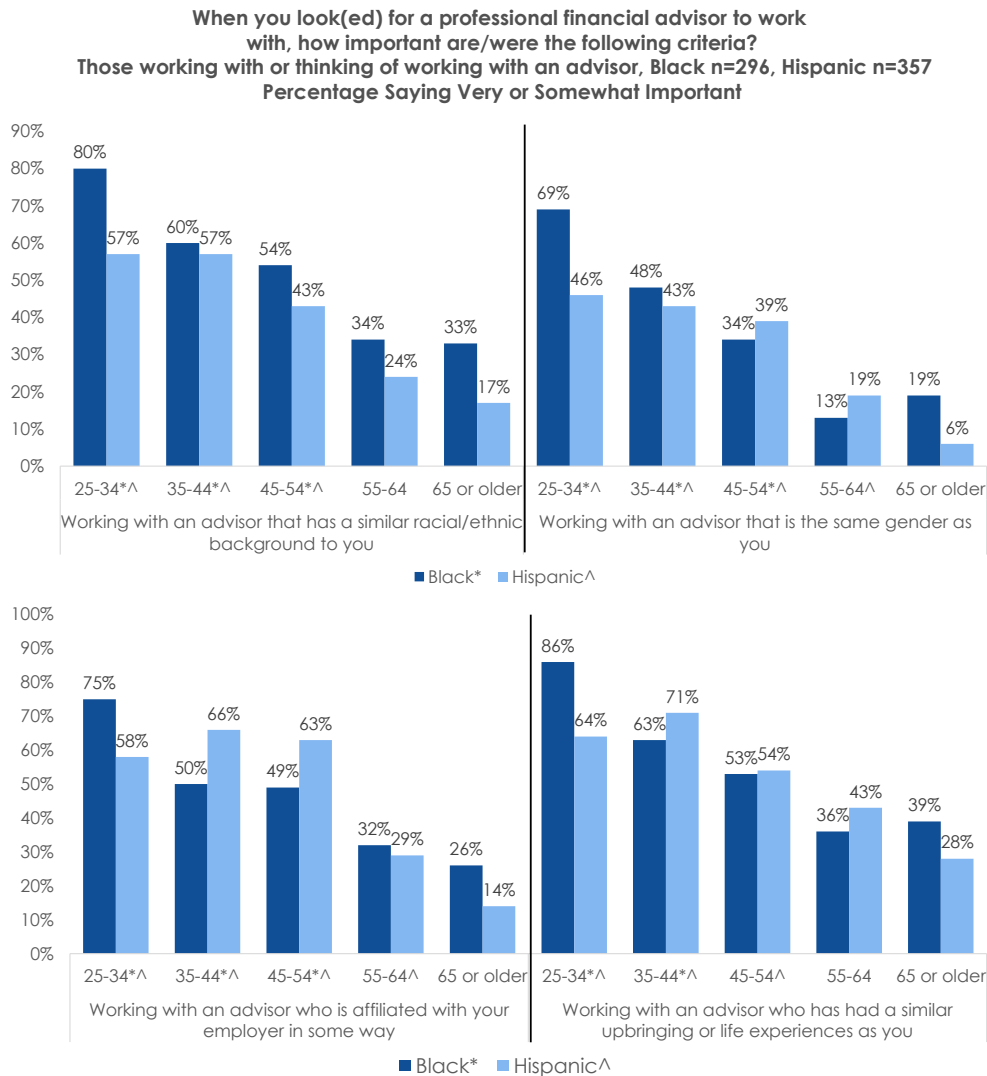
However, the next level of criteria Americans said are important reveal significant differences across races/ethnicities. Hispanic and Black Americans were more likely to say that criteria where some connection or commonality between them and the advisor were important, such as working with an advisor who has had a similar upbringing or similar life experiences to them, working with an advisor who is affiliated with their employer, working with an advisor who has a similar racial/ethnic background to them, and working with an advisor who is the same gender as them (Figure 50). Each of these criteria were more likely to be cited as being important by younger Black and Hispanic Americans than their older counterparts (Figure 51).

Figure 50
Criteria Important When Looking for a Financial Advisor,
by Race/Ethnicity



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 51
Criteria Important for Black and Hispanic Americans When Looking for a Financial Advisor, by Age



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Savings and Preparations

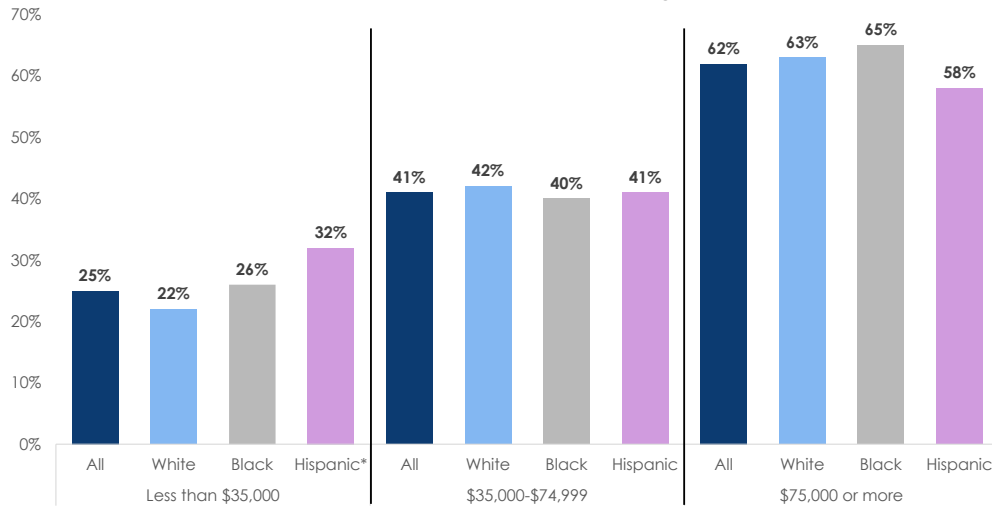
One of the most basic tasks of retirement planning is doing a retirement needs calculation. As a whole, only half report having done this basic step — figuring out how much money they will need to have saved by the time they retire so that they can live comfortably in retirement. The likelihood of doing this calculation did go up with income, but within each income group, the likelihood of doing so for each race/ethnicity was only significantly different in one of them (Figure 52). Hispanic Americans with lower incomes were more likely to report having done this calculation than White Americans (32 percent vs. 22 percent). Among Black and Hispanic Americans, those both married and male were more likely to have tried to figure out how much they need to save for retirement (Figure 53). However, these differences by marital status and gender were not significant across all incomes, as only middle-income Black males were significantly more likely to have done a retirement needs calculation than were Black females (Figure 54). Marital status differences were only significantly higher for the lower-income married Black Americans and upper-income married Hispanic Americans.

Those doing this first step were more confident they will have enough money to live comfortably throughout their retirement years (Figure 55). In fact, the percentage of those who figured out how much money they need for

retirement who were very confident in their retirement prospects is twice that of those who did not try figure what they need. This held across each race/ethnicity.

Figure 52
Percentage of Workers and Retirees Who Calculated How Much They Need to Save for Retirement, by Race/Ethnicity and Income

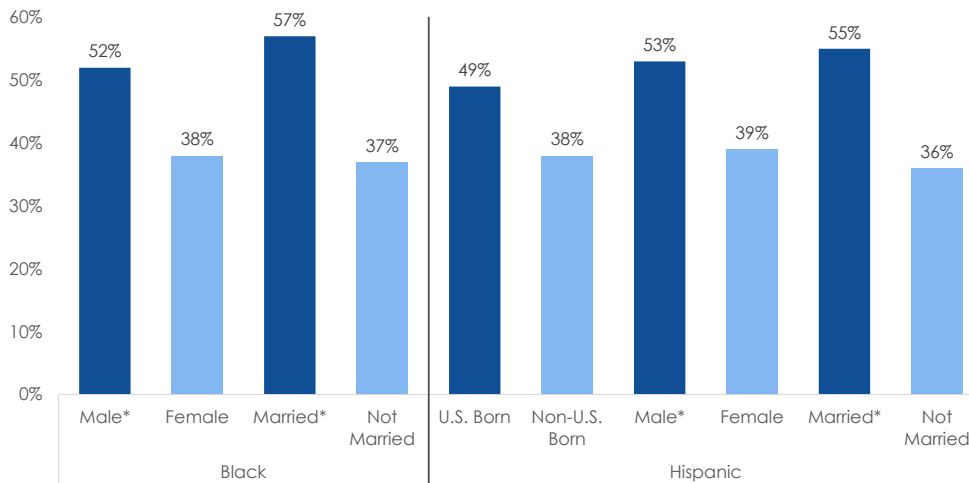
Have you (or your spouse) tried to figure out how much money you will need to have saved by the time you retire so that you can live comfortably in retirement? / To prepare for retirement, did you (or your spouse) try to figure out how much money you needed to have saved by the time you retired so that you could live comfortably in retirement?
 Workers n=1,507, Retirees n=1,510, Percentage Yes



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 53
Percentage of Hispanic and Black Americans Who Calculated How Much They Need to Save for Retirement, by Gender, Marital Status, and U.S. Born

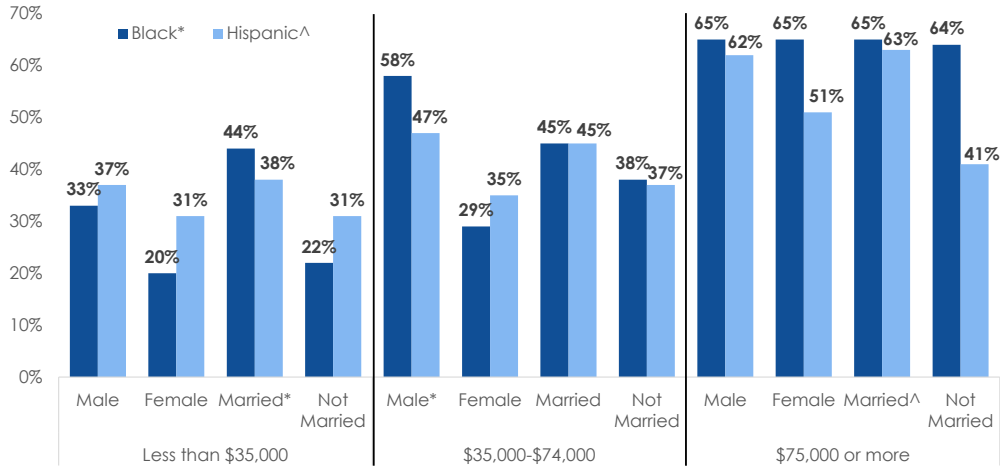
Have you (or your spouse) tried to figure out how much money you will need to have saved by the time you retire so that you can live comfortably in retirement? / To prepare for retirement, did you (or your spouse) try to figure out how much money you needed to have saved by the time you retired so that you could live comfortably in retirement?
 Black n=741, Hispanic n=731 Percentage Yes



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 54
Percentage of Hispanic and Black Americans Who Calculated How Much They Need to Save for Retirement, by Gender, Marital Status, and Income

Have you (or your spouse) tried to figure out how much money you will need to have saved by the time you retire so that you can live comfortably in retirement? / To prepare for retirement, did you (or your spouse) try to figure out how much money you needed to have saved by the time you retired so that you could live comfortably in retirement?
 Black n=741, Hispanic n=731, Percentage Yes

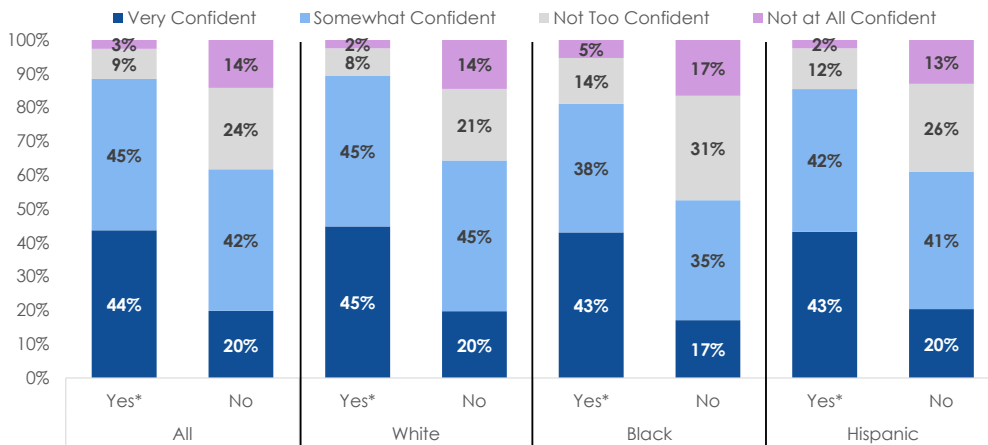


Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 55
Confidence in Having Enough Money to Live Comfortably Throughout Retirement, by Race/Ethnicity and Done a Retirement Needs Calculation

Overall, how confident are you that you (and your spouse) will have enough money to live comfortably throughout your retirement years?
 Total: Workers n=1,507, Retirees n=1,510

Yes-they tried to figure how much money they need for retirement, No-they didn't try



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

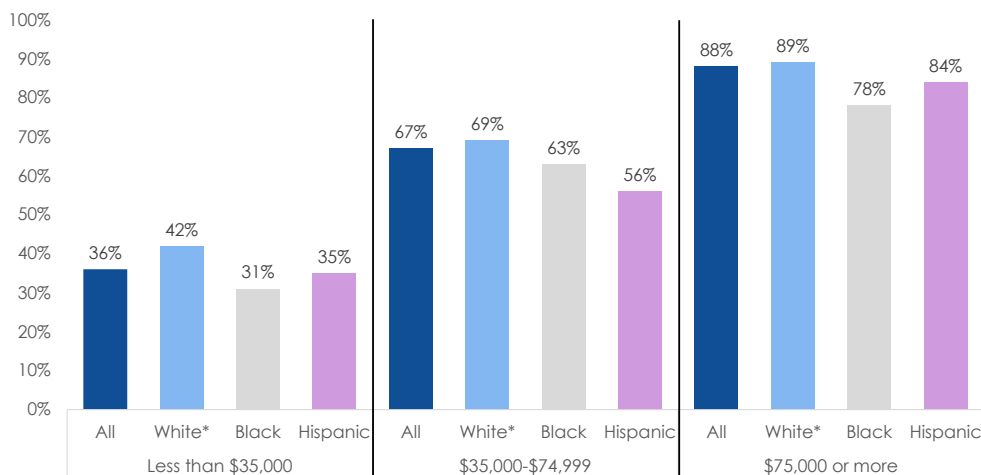
While the differences in taking the first step in preparing for retirement were minimal across the races/ethnicities, the percentages who reported having ever personally saved for retirement do show significant differences, with White Americans more likely to have done so than Black Americans in the lower- and upper-income groups and Hispanic Americans in the middle-income group (Figure 56). However, there were no significant differences in having saved between Black and Hispanic Americans.

When comparing the likelihood of having ever saved for retirement, differences between the genders emerged for lower-income Black Americans, where males were more likely to have ever saved (Figure 57). No significant gender differences resulted among the middle- and upper-income groups for each race/ethnicity. In contrast, there were differences by marital status among Black and Hispanic Americans in the upper-income group; married Black and Hispanic Americans were more likely to have saved for retirement than those not married (Figure 58). Among White Americans, upper-income married respondents were more likely to have saved than those not married, but this difference was not present among the two lower income groups.

An emergency or sudden large expense can derail an individual’s retirement planning, so having enough money to cover such an expense is important for individuals to stay on track. The likelihood of Americans agreeing that they feel they have enough savings to handle an emergency or sudden large expense increases with income, from 43 percent among the lower income group to 84 percent among the upper income group (Figure 59). In the lower-income group, at or just above 40 percent of Americans in each racial/ethnic group agreed that they can handle an emergency expense. However, in the two higher income groups, White Americans were more likely to agree that they can handle an emergency expense than Black Americans. White Americans in the middle-income group were also more likely to agree with the statement than middle-income Hispanic Americans. Yet, middle-income Hispanic Americans were more likely to agree that they can handle the large expense than middle-income Black Americans.

Figure 56
Percentage Who Have Ever Personally Saved for Retirement,
by Race/Ethnicity and Income

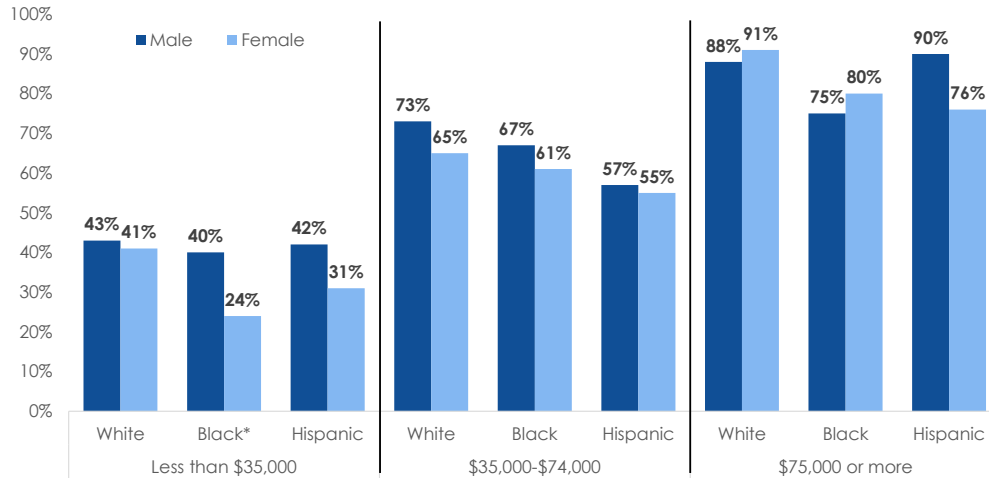
Not including Social Security or employer-provided money, have you (or your spouse) personally saved any money for retirement? / Not including Social Security or employer-provided money, did you (or your spouse) personally save any money for retirement before you retired?
 Total: Workers n=1,507, Retirees n=1,510



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 57
Percentage Who Have Ever Personally Saved for Retirement,
by Race/Ethnicity, Income, and Gender

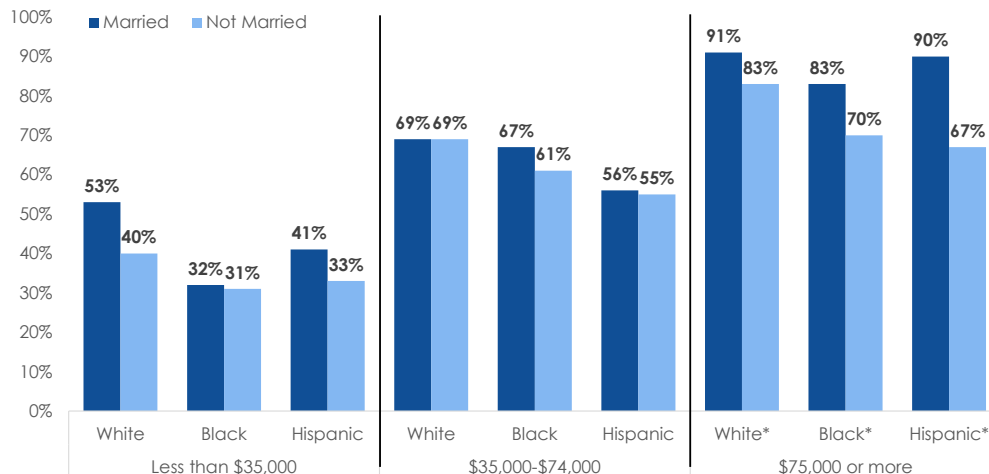
Not including Social Security or employer-provided money, have you (or your spouse) personally saved any money for retirement? / Not including Social Security or employer-provided money, did you (or your spouse) personally save any money for retirement before you retired?
 White n=1,384, Black n=741, Hispanic n=731, Percentage Yes



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 58
Percentage Who Have Ever Personally Saved for Retirement,
by Race/Ethnicity, Income, and Marital Status

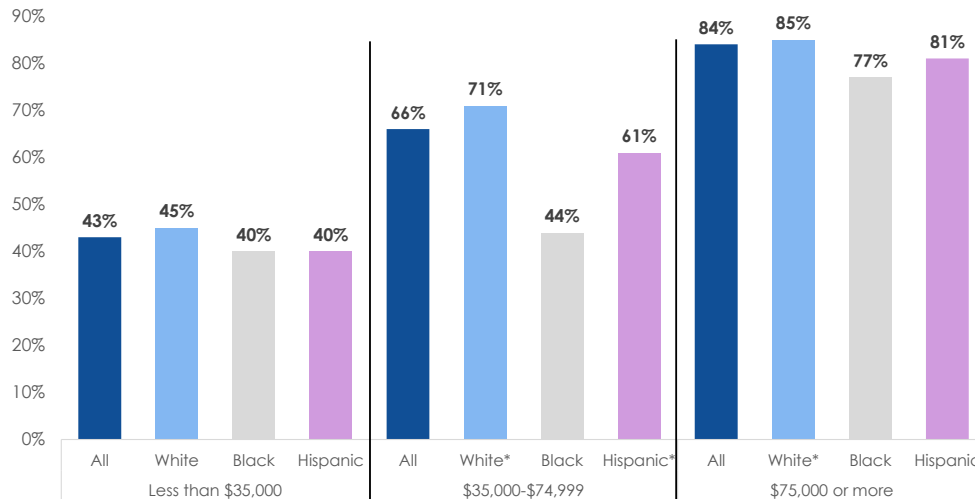
Not including Social Security or employer-provided money, have you (or your spouse) personally saved any money for retirement? / Not including Social Security or employer-provided money, did you (or your spouse) personally save any money for retirement before you retired?
 White n=1,384, Black n=741, Hispanic n=731, Percentage Yes



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 59
Percentage Who Agree They Have Enough Savings to Handle an
Emergency Expense, by Race/Ethnicity and Income

To what extent do you agree or disagree with the following statement?
 You feel you have enough savings to handle an emergency or sudden large expense
 Workers n=1,507, Retirees n=1,510, Percentage Strongly or Somewhat **Agree**



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Retirement Age

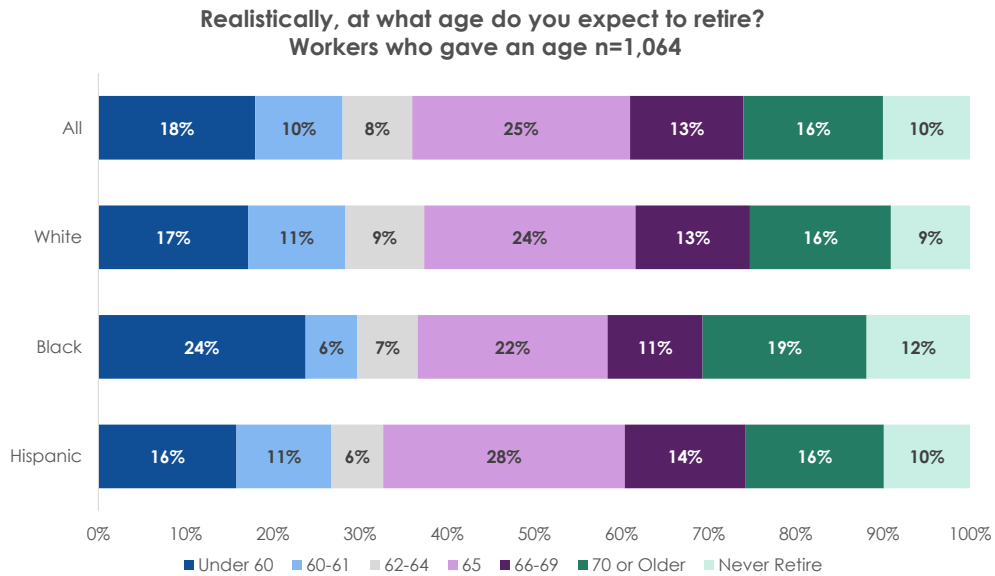
Consistent across racial/ethnic groups, roughly 3 in 10 workers expected to retire before age 62 (Figure 60). Workers of each race/ethnicity had a median expected retirement age of 65, showing no significant differences in retirement expectations by race/ethnicity. Retirees of each race/ethnicity were more likely to retire at younger ages than the age workers expected to retire (Figure 61). The reported median retirement age of 62 for retirees was consistent across race/ethnicity groups, and the overall distribution of the retirement ages was also consistent across these groups.

However, when retirees were asked if they retired earlier than planned, about when planned, or later than planned, both Black and Hispanic retirees were more likely to report that they had retired earlier than planned (Figure 62). Fifty-three percent of Black and Hispanic retirees said they retired earlier than planned compared with 46 percent of White retirees, but there was no significant difference in the share that retired later than planned. Among Black and Hispanic retirees, those not married were more likely to retire earlier than planned (Figure 63). Fifty-eight percent of not-married Black retirees retired earlier than planned compared with 45 percent of those married. A similar difference emerges for Hispanic retirees by marital status — 63 percent vs. 43 percent, respectively. Gender differences are present among Hispanic retirees but not among Black retirees, as 60 percent of female Hispanic retirees reported retiring earlier than planned compared with just 43 percent of male Hispanic retirees, whereas 55 percent of female Black retirees and 50 percent of male Black retirees retired earlier than planned.

When asked about the reasons for retiring earlier than planned, the same top three reasons were cited by retirees in each racial/ethnic group but in a different order (Figure 64).⁸ The top three reasons were that they could afford to retire earlier than they planned; there were changes at their company, such as downsizing, closure or reorganization, not due to the COVID-19 crisis; and they had a health problem or a disability, not related to COVID-19. The big difference in the order of these reasons was that White retirees said they could afford to retire earlier than planned most often vs. Black retirees saying they had a health problem or disability most often. Hispanic retirees reported these two reasons essentially equally as the top reason and were not significantly different from the share of White and Black retirees citing these reasons.

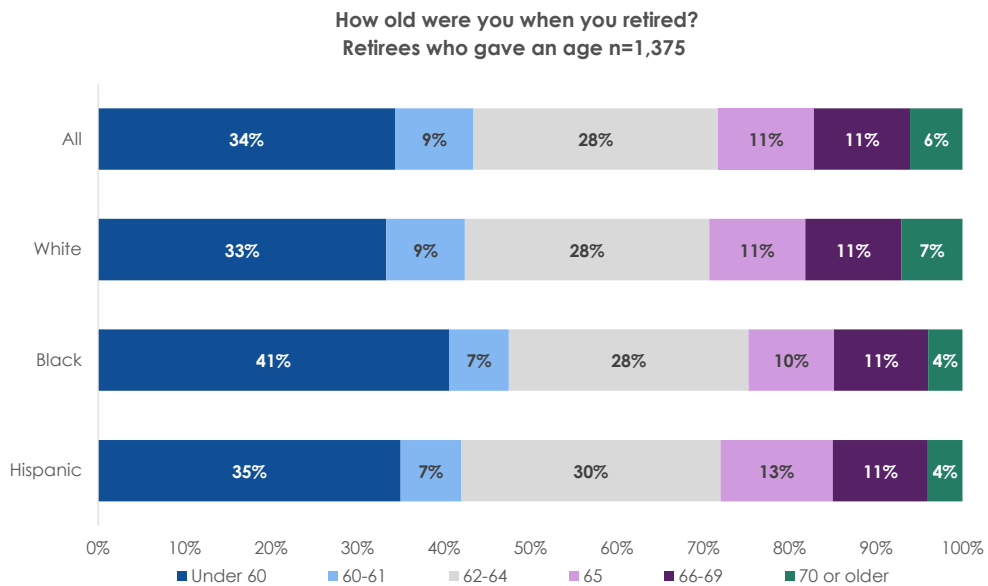
Furthermore, Hispanic workers and Black workers were more likely than White workers to say that they adjusted their target retirement date since January 1, 2020 (Figure 65). Twenty-five percent of Hispanic workers and 21 percent of Black workers said they plan to retire later now vs. 14 percent of White workers saying they will retire later.

Figure 60
Expected Retirement Age of Workers, by Race/Ethnicity



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

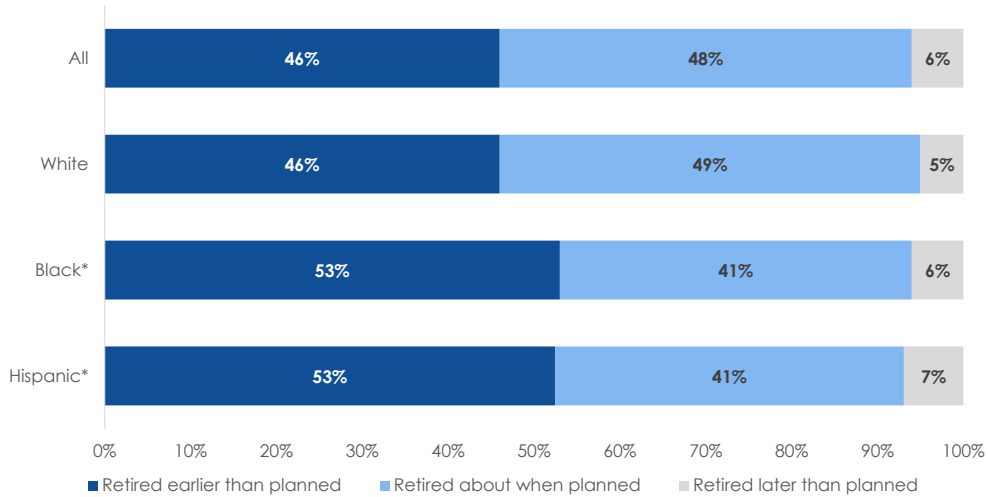
Figure 61
Retirement Age of Retirees, by Race/Ethnicity



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 62
Share of Retirees Who Retired Earlier, Later, or When Planned,
by Race/Ethnicity

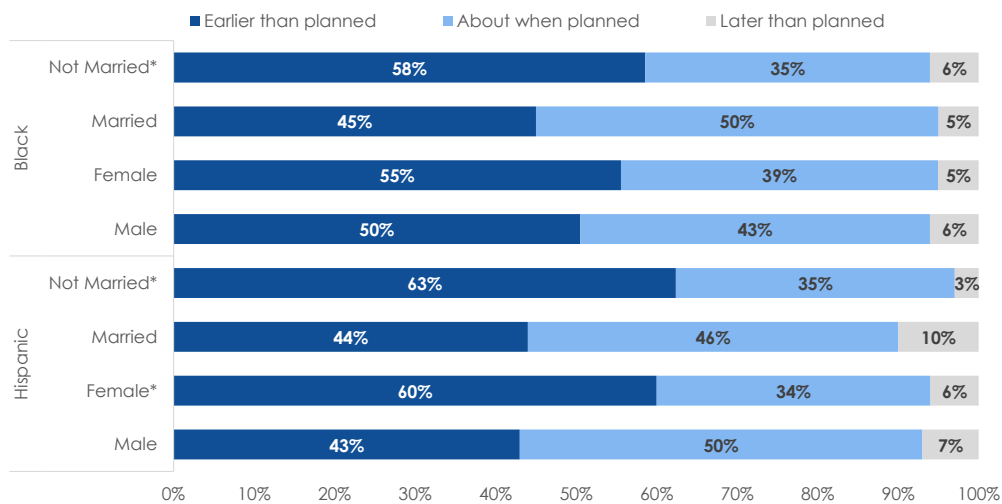
Did you retire earlier than planned, about when planned, or later than planned?
 Retirees n=1,510



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 63
Share of Black and Hispanic Retirees Who Retired Earlier, Later, or
When Planned, by Gender and Marital Status

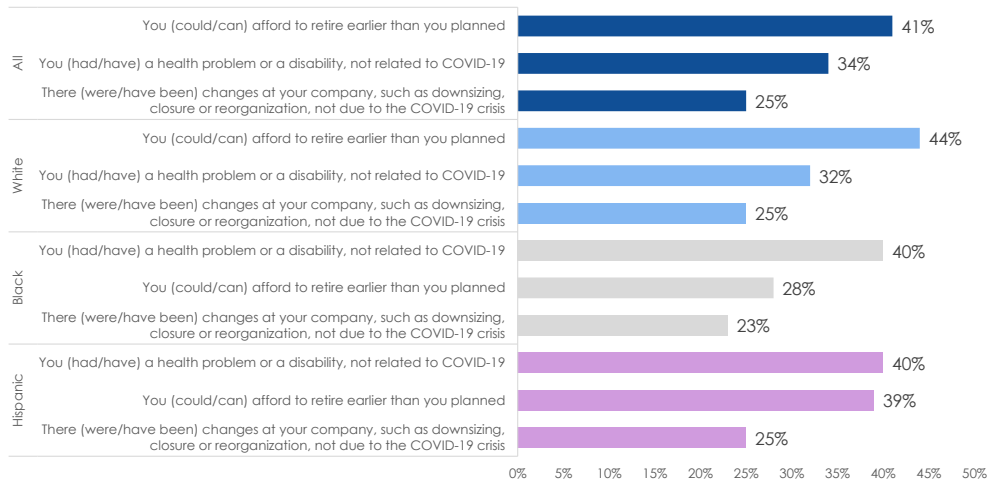
Did you retire earlier than planned, about when planned, or later than planned?
 Retirees: Black n=361, Hispanic n=327



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 64
Top Three Reasons for Retiring Earlier Than Planned, by Race/Ethnicity

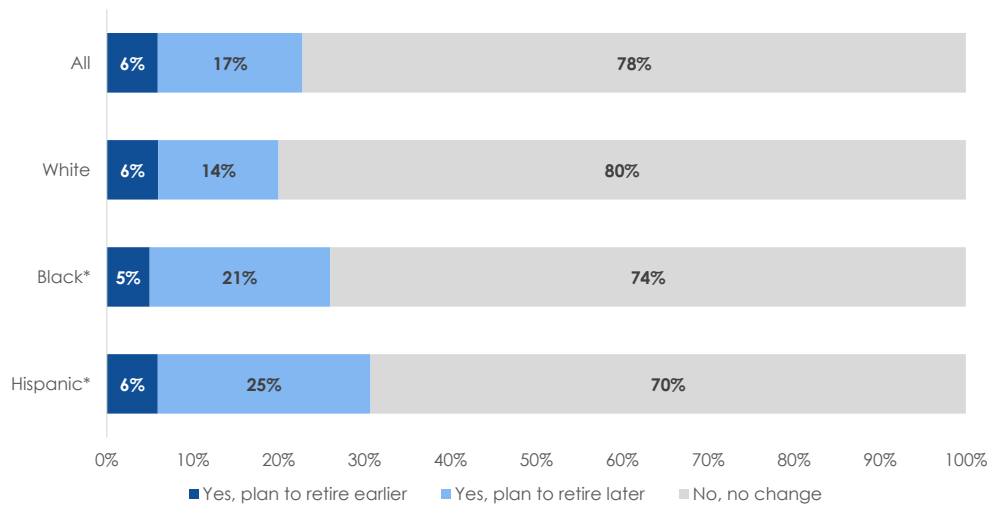
Did you retire earlier than you planned because...?
Retired earlier than planned, Retirees n=740



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 65
Workers Adjusting Target Retirement Age Since January 1, 2020, by Race/Ethnicity

Have you adjusted your target retirement age since January 1st, 2020?
Workers n=1,507



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

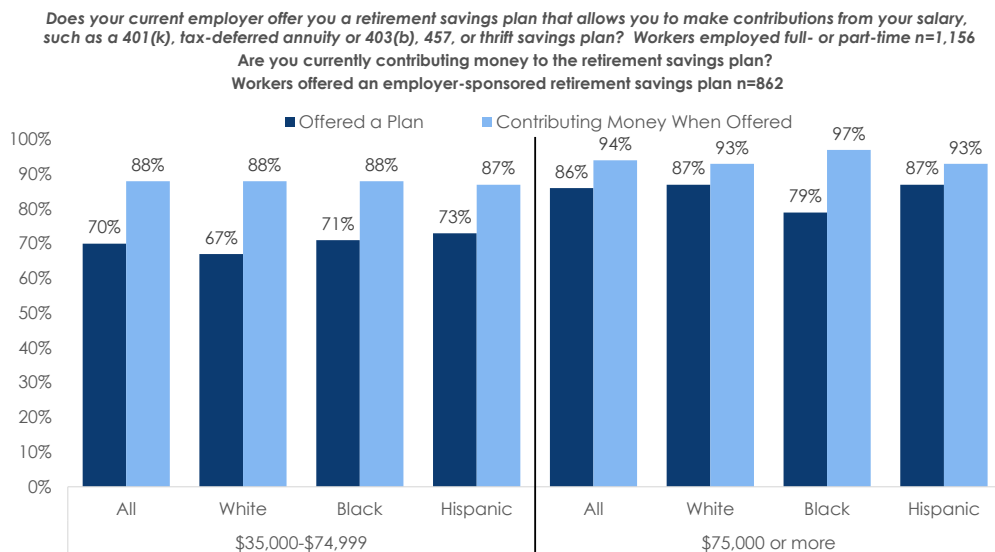
Workplace Retirement Savings Plans

One of the most important savings vehicles for retirement is a workplace retirement savings plan offered through employment such as a 401(k) plan. Seven in ten employed workers with incomes of \$35,000 up to \$75,000, regardless of race/ethnicity, reported being offered a retirement savings plan through their employer, and nearly 9 in 10 workers with incomes of \$75,000 or more said they were offered a plan (Figure 66). Of those offered a plan, approximately 9 in 10 reported contributing money to the plan. Again, this did not vary significantly by race/ethnicity.

Those currently contributing to a retirement savings plan were asked whether they actively chose their investments in the plan or used the default option. While there were no significant differences by race/ethnicity among those with incomes of \$75,000 or more, in the middle-income group, White participants were more likely to use the default option, whereas Hispanic participants in the middle-income category were more likely to actively choose their investments (Figure 67). When the participants were asked about investing in a target-date fund (TDF), 4 in 10 participants of each race/ethnicity said that were invested in them (Figure 68). In addition, roughly 3 in 10 participants didn't invest in them but were familiar with them, and roughly a quarter didn't invest in them and were not familiar with them.

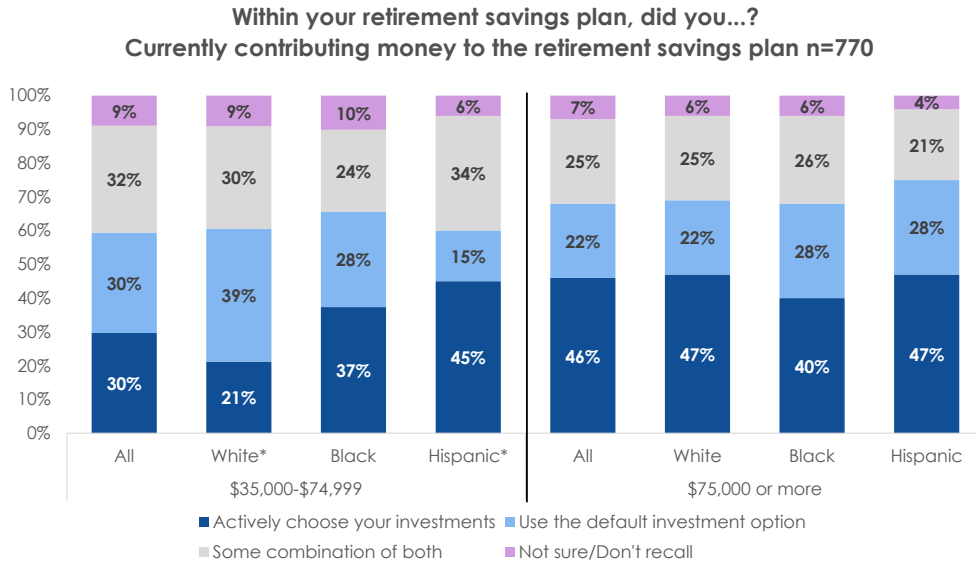
Confidence in one's ability to choose the right retirement products or investments for their situation increased with the income but was not significantly different among racial/ethnic groups in each income group (Figure 69). Nearly half of those in the lower-income group, 7 in 10 of those with middle incomes, and over 8 in 10 of those with upper incomes were confident in their ability to choose the right investments for their situation. Two of the top three factors⁹ considered when selecting investment options were the same across racial/ethnic groups: performance/growth over time and fees (Figure 70). Rounding out the top three, White participants sought to have investments that match their risk tolerance, whereas Black and Hispanic participants considered the recommendations of a professional financial advisor as their third factor.

Figure 66
Percentage of Employed Workers Who Are Offered a Retirement Savings Plan and the Percentage Who Participate When Offered, by Race/Ethnicity and Income



Note: The under \$35,000 income group sample size was too small to show any statistically significant results.
 Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 67
How Retirement Savings Plan Participants Choose Their Investments, by Race/Ethnicity and Income



Note: The under \$35,000 income group sample size was too small to show any statistically significant results.
 Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 68
Percentage of Those Contributing to a Retirement Savings Plan Who Invest in a Target-Date Fund, by Race/Ethnicity

Within your workplace retirement savings plan, do you currently have money invested or allocated to...?
A Target Date Fund (TDF)- Target Date Funds typically have a target retirement year in the name of the fund/investment option
Currently contributing money to the retirement savings plan n=770

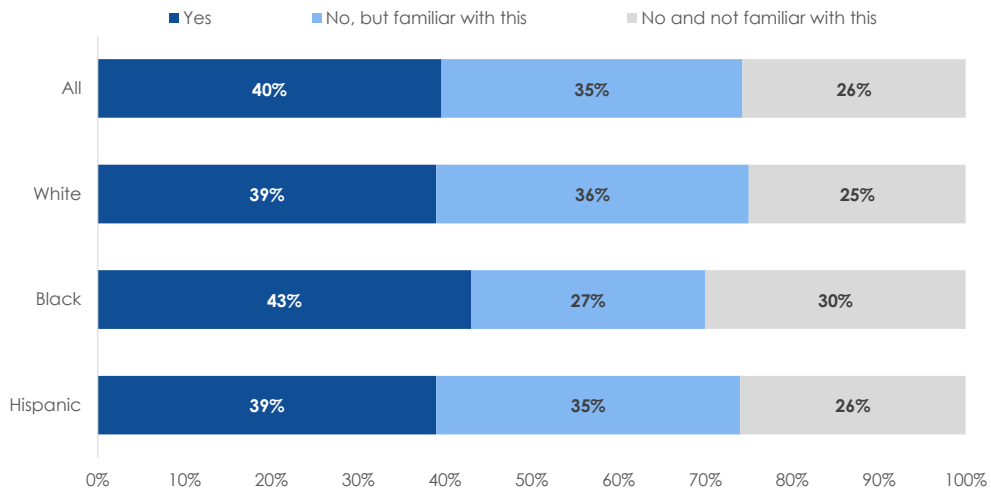
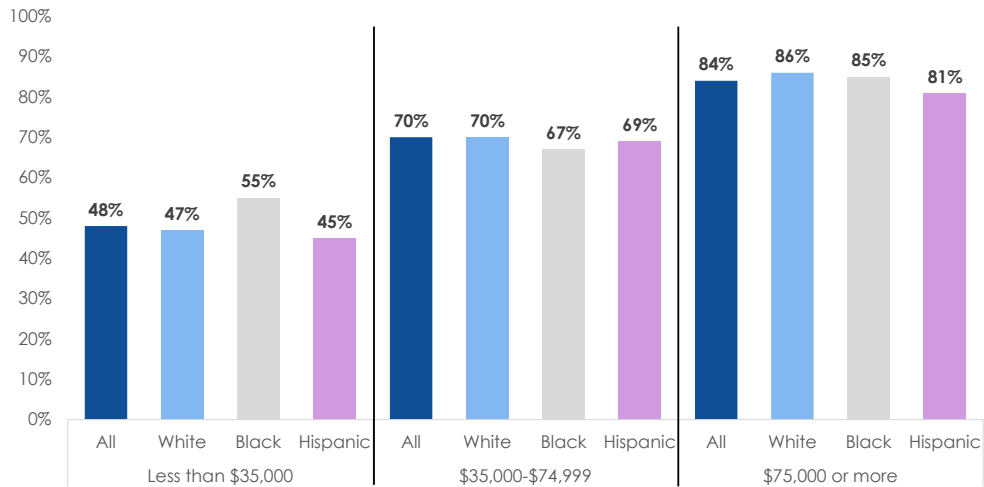


Figure 69
Percentage Who Are Confident in Their Ability to Choose the Right Investments for Their Situation, by Race/Ethnicity and Income

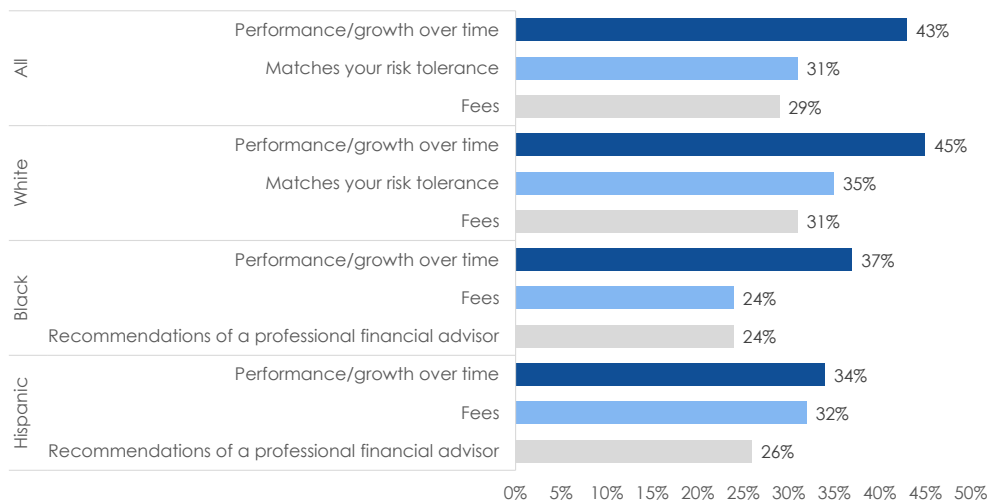
(Before you retired,) how confident were/are you (and your spouse)...?
 In your ability to choose the right retirement products or investments for your situation
 Total: Workers n=1,507, Retirees n=1,510, Percentage Very or Somewhat Confident



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 70
Top Three Factors Workplace Retirement Plan Participants Consider When Selecting Investment Options, by Race/Ethnicity

What factors do you consider when selecting investment options within your workplace retirement plan? Please select your top three factors.
 Currently contributing money to the retirement savings plan n=770



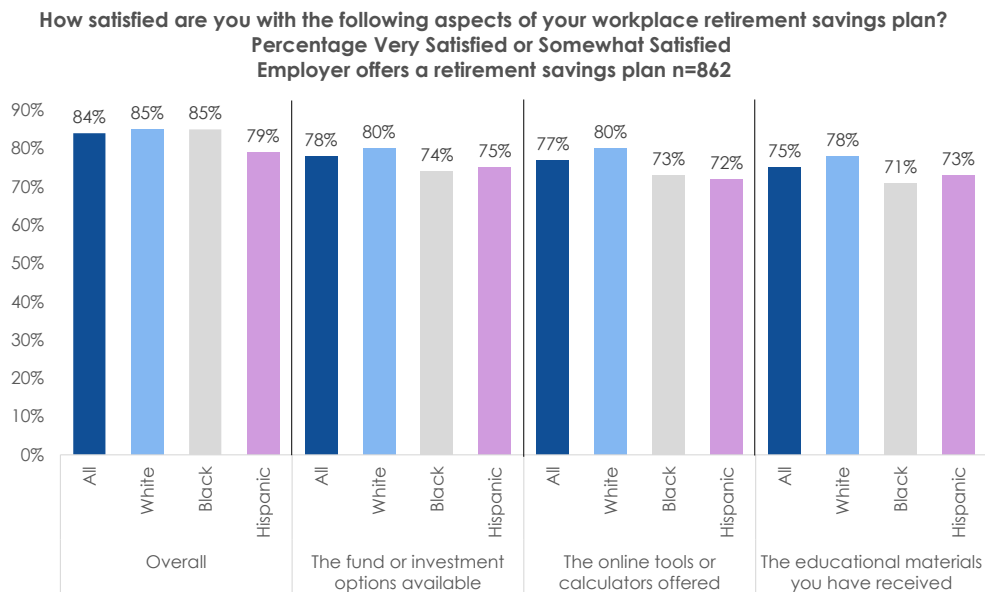
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Over 8 in 10 workers who were offered a workplace plan said they were satisfied overall with the plan, regardless of the worker’s race/ethnicity (Figure 71). Workers also had similarly high satisfaction rates with other aspects of the workplace plan, and no significant differences by race/ethnicity resulted. Over 7 in 10 workers offered a plan (regardless of race/ethnicity) said they were satisfied with the fund or investment options available, the online tools or calculators offered, and the educational materials they have received.

Consistent across racial/ethnic groups, those offered a plan cited better explanations for whether they are on track with their retirement savings and better explanations for how much income their savings will produce in retirement among their top three potential improvements to their workplace plan (Figure 72).¹⁰ The third potential improvement in the top three was different for Black and Hispanic workers offered a plan compared with White workers: More one-on-one, personalized education was cited more by Black and Hispanic workers vs. more fund or investment options available being cited by White workers.

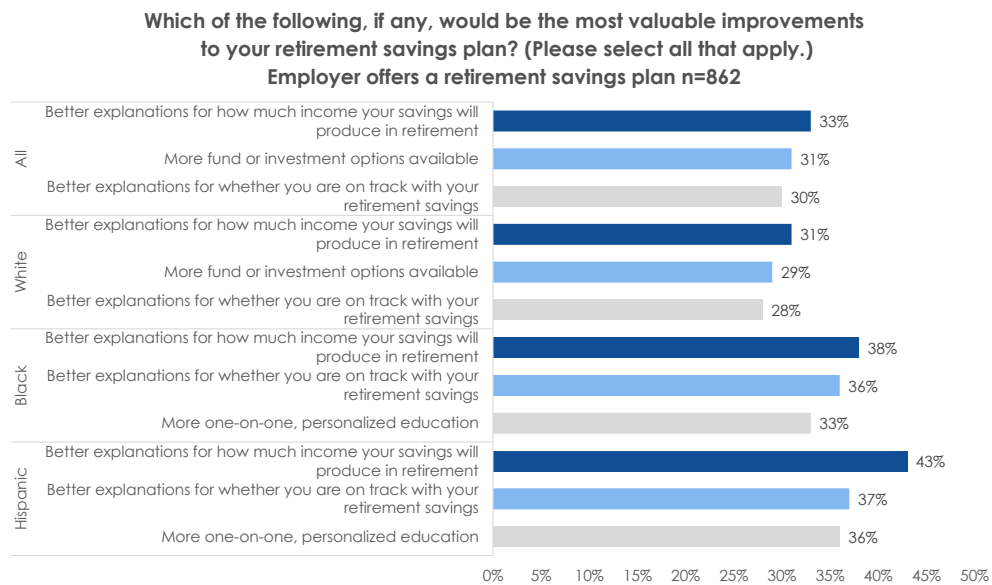
Workers offered a workplace plan overwhelmingly (nearly 9 in 10) said that it would be valuable to them if their retirement plan savings with a previous employer were automatically transferred to their current employer’s plan when changing jobs; as a result, retirement plan savings would be preserved (Figure 73). This was even more likely to be considered valuable by Hispanic workers offered a plan.

Figure 71
Percentage of Workplace Retirement Plan Participants Satisfied With Various Aspects of the Plan, by Race/Ethnicity



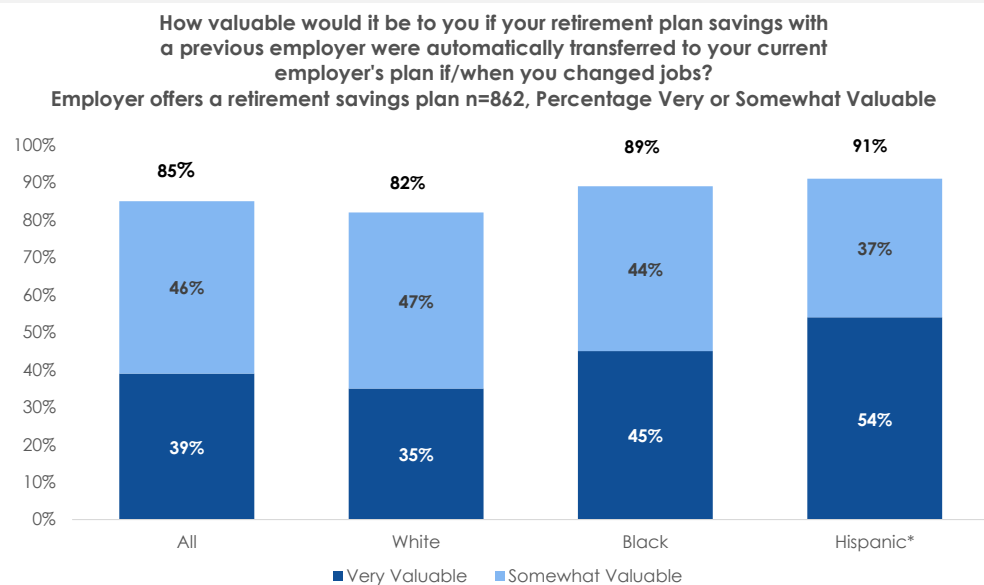
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 72
Top Three Most Valuable Improvements to Retirement Savings Plans, as Ranked by Those Offered a Plan, by Race/Ethnicity



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 73
How Valuable Is Automatically Transferring Retirement Savings From a Previous Employer to a Current Employer Plan, by Race/Ethnicity



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Plan Changes & Loans

With the challenges of 2020, workers offered a retirement plan may have made a change to their contributions or investment allocations in response to the pandemic. Three in ten workers offered a plan reported having made such a change since January 1, 2020, with this level holding across each racial/ethnic group (Figure 74).

Americans may have also taken a loan or a withdrawal from their retirement savings plan. Between 10 and 20 percent of Americans overall who have saved for retirement reported ever having taken a loan or some type of withdrawal from their workplace plan (Figure 75). Black and Hispanic Americans were more likely to have taken each of these from a retirement plan relative to White Americans.

These differences by race/ethnicity hold across many of the income groups, but not all, for each of the distribution types. For loans, Black Americans were more likely to have taken them across each income group relative to White Americans, and Hispanic Americans in the upper-income group were as well (Figure 76). The same differences held for hardship distributions among Hispanic Americans in the lower-income group and Black Americans (Figure 77). The differences by income for early distributions were just in the higher two income groups, where Black Americans were more likely to have taken one relative to White Americans and Hispanic Americans in the upper-income group (Figure 78). Other types of withdrawals had very limited differences by income. In the lower-income group, Black Americans were more likely to have taken one compared with both White and Hispanic Americans, and in the upper-income group, Hispanic Americans were more likely to have taken an "other" type of withdrawal than White Americans (Figure 79).

Two of the top three reasons for taking a loan were same across the races/ethnicities: to pay off credit card bill or credit card debt and to buy a home, car, or other large purchase (Figure 80).¹¹ The third reason was different between Hispanic Americans (to cover medical expenses) and White and Black Americans (to make ends meet), but Black Americans cited to make ends meet the most compared with it being the third most cited by White Americans.

Figure 74
Percentage Who Have Made Changes in Their Workplace Retirement Savings Plan Since January 1, 2020, by Race/Ethnicity

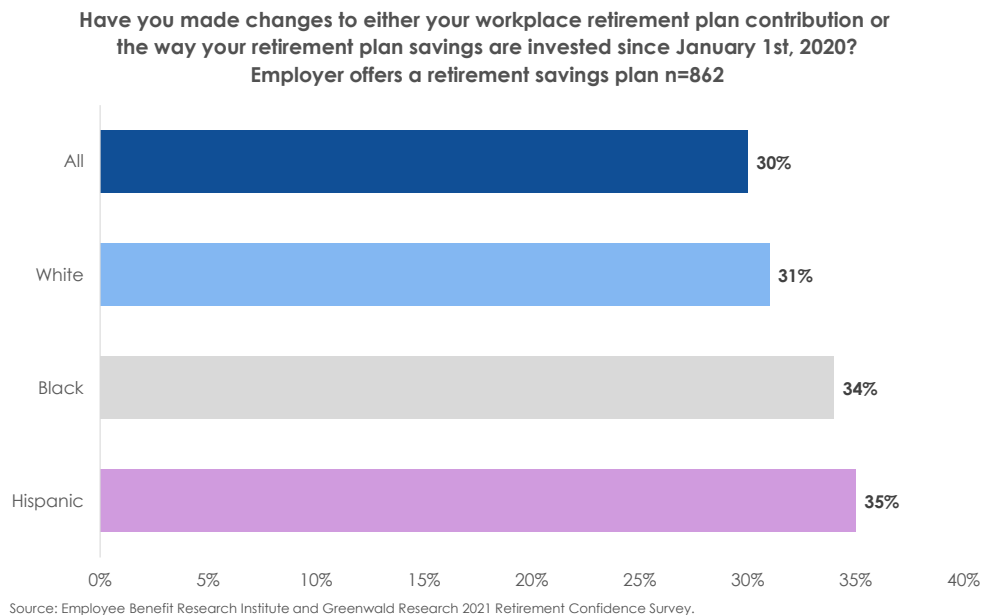
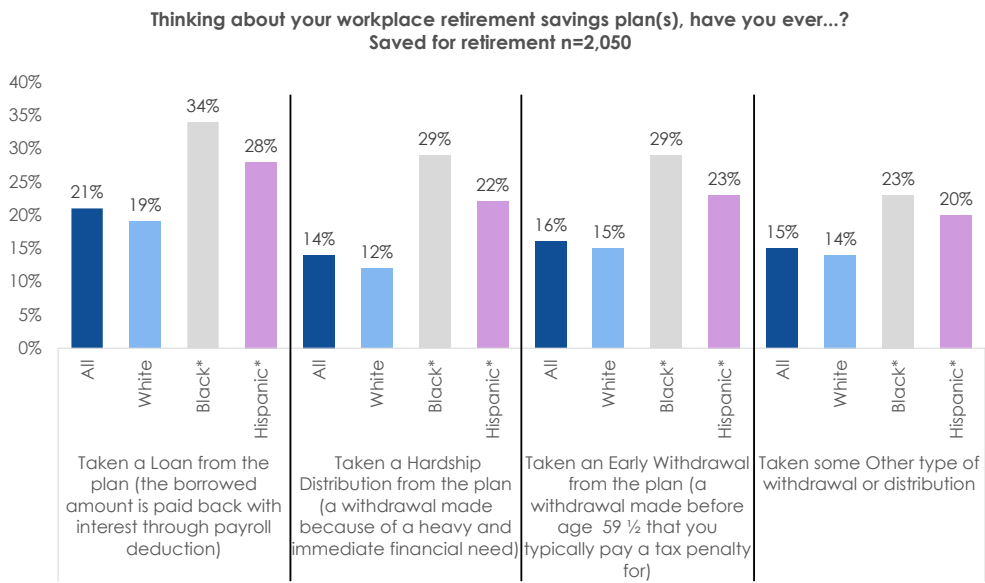
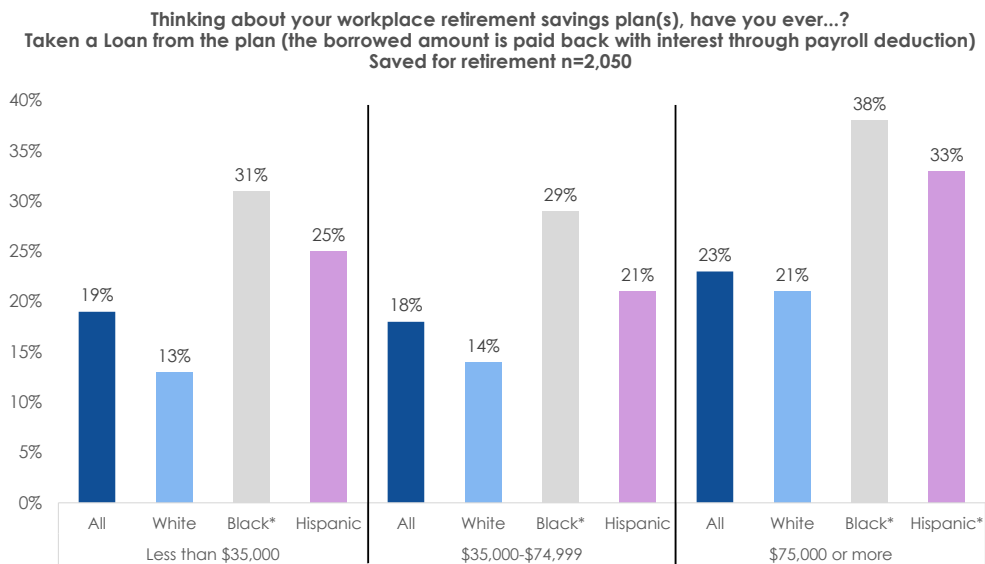


Figure 75
Percentage of Those Who Saved for Retirement Who Took a Loan or an Early Withdrawal, by Race/Ethnicity



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

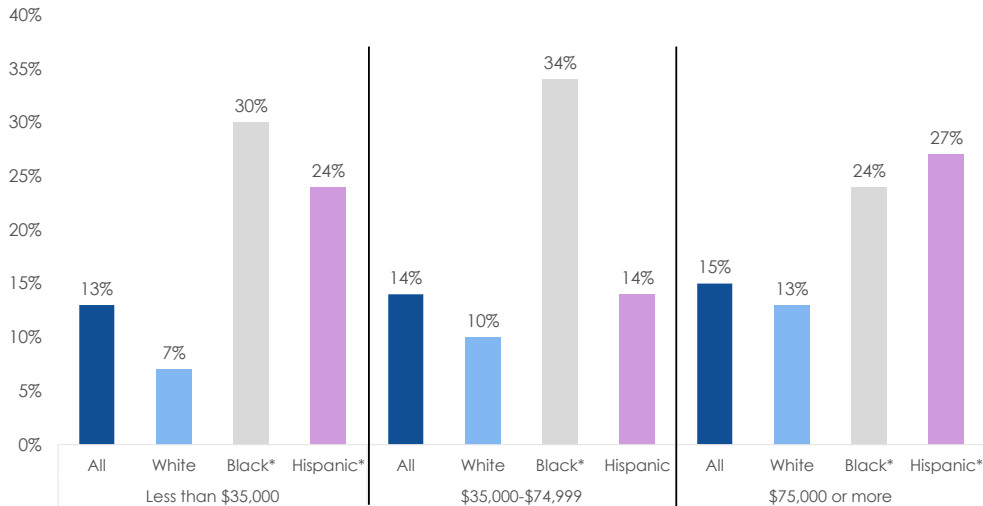
Figure 76
Percentage of Those Who Saved for Retirement Who Took a Loan, by Race/Ethnicity and Income



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 77
Percentage of Those Who Saved for Retirement Who Took a Hardship Withdrawal, by Race/Ethnicity and Income

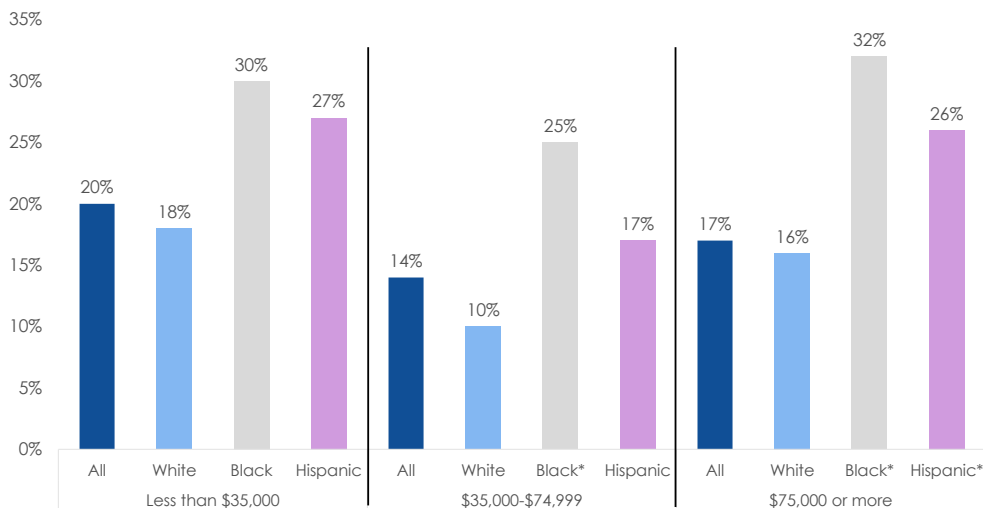
Thinking about your workplace retirement savings plan(s), have you ever...?
 Taken a Hardship Distribution from the plan (a withdrawal made because of a heavy and immediate financial need)
 Saved for retirement n=2,050



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

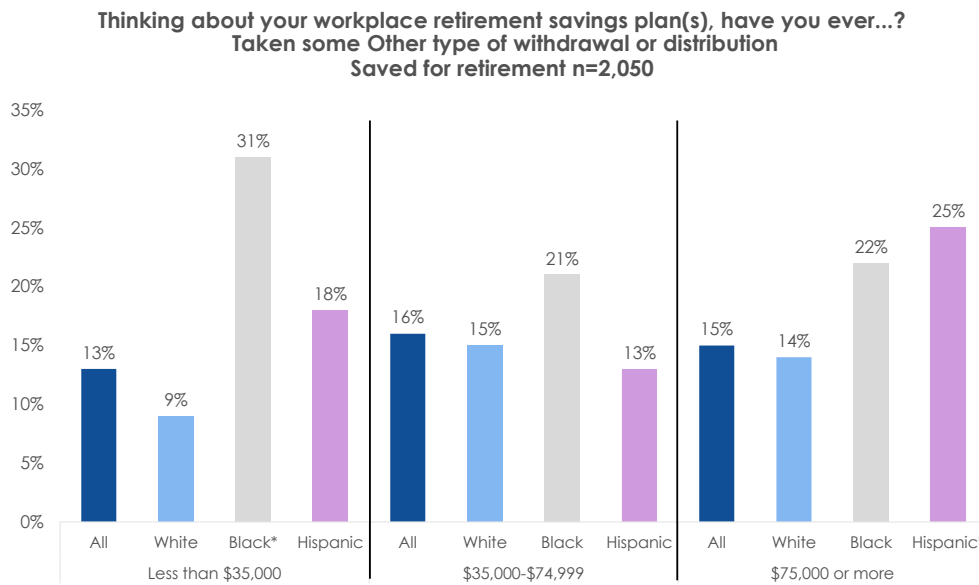
Figure 78
Percentage of Those Who Saved for Retirement Who Took an Early Withdrawal, by Race/Ethnicity and Income

Thinking about your workplace retirement savings plan(s), have you ever...?
 Taken an Early Withdrawal from the plan (a withdrawal made before age 59 ½ that you typically pay a tax penalty for)
 Saved for retirement n=2,050



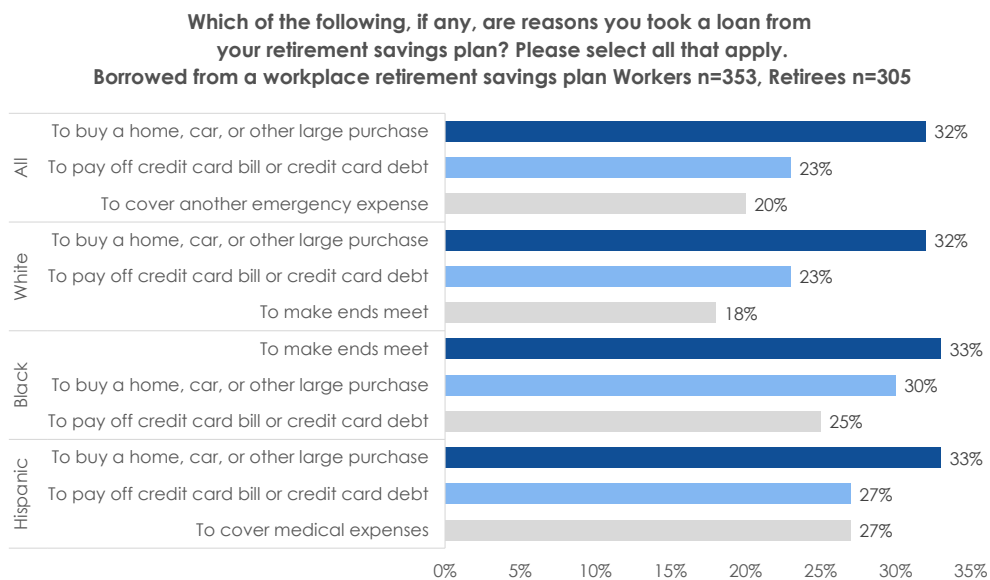
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 79
Percentage of Those Who Saved for Retirement Who Took Some Other Withdrawal, by Race/Ethnicity and Income



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 80
Top Three Reasons for Taking a Loan From a Retirement Savings Plan, by Race/Ethnicity



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

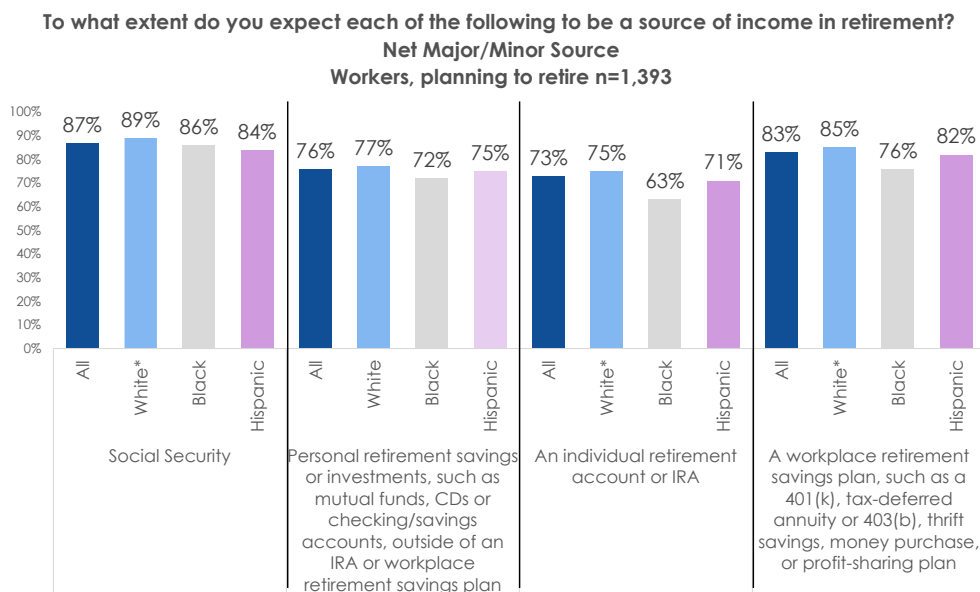
Sources of Income in Retirement

Over 8 in 10 workers expected to receive Social Security income in retirement, with White workers more likely to expect it than Hispanic workers (89 percent vs. 84 percent) (Figure 81). In addition, over 7 in 10 workers were more likely to expect to receive income in retirement from personal retirement savings or investments, such as mutual funds, CDs, or checking/savings accounts; an individual retirement account (IRA); and a defined contribution workplace retirement savings plan. White workers were more likely to expect income from an IRA and a workplace retirement savings plan than were Black workers. Black and Hispanic workers were more likely to expect retirement income from a product that guarantees monthly income for life, such as an annuity, and to expect financial support from family or friends, including inheritances, to be a source of income in retirement than White workers (Figure 82).

Other than Social Security and defined benefit plans, current retirees were less likely to say that these same income types were major or minor sources of income in retirement (Figure 83 and Figure 84). White and Hispanic retirees were more likely to say that an IRA and personal savings were sources of income than Black retirees. Notably, there were no significant differences by race/ethnicity in a workplace defined contribution plan being a source of income for retirees. Black and Hispanic retirees were more likely to say that work for pay and financial support from family or friends are sources of income than White retirees. The finding on financial support from family or friends holds across all income groups for workers and retirees combined.

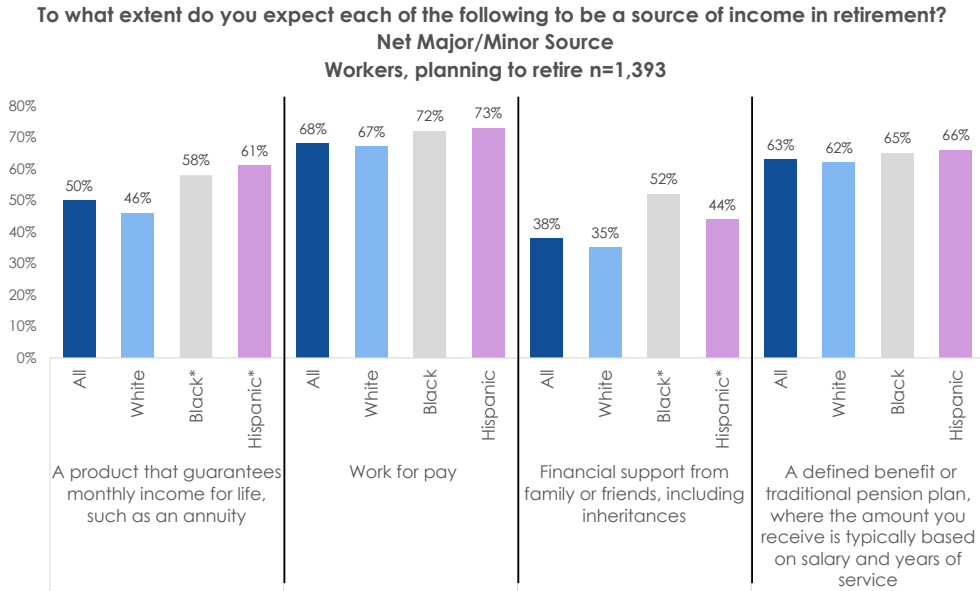
There is a significant disconnect between workers' expectations about working for pay in retirement and the share of retirees who actually do work in retirement, which could have troubling consequences for retirement security. This disconnect is consistent across all races/ethnicities, as over 7 in 10 workers expected to work for pay in retirement, but only 3 in 10 retirees reported that they had actually worked for pay in retirement (Figure 85). For the retirees who worked in retirement, more than 7 in 10 did it for positive reasons like wanting to stay active or they enjoy it; this is consistent across race/ethnic groups (Figure 86).¹² The less positive reasons like having to make ends meet and helping to financially support others were less likely to be cited as reasons overall but were more likely to be cited by Black and Hispanic retirees than by White retirees.

Figure 81
Extent of Workers' Expected Sources of Income (Net Major/Minor Source), by Race/Ethnicity



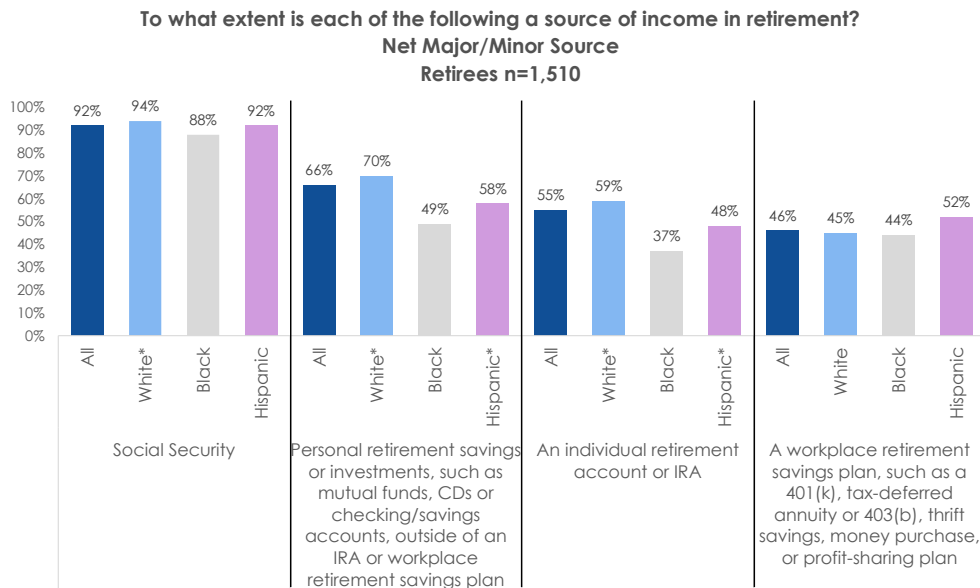
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 82
Extent of Workers' Expected Sources of Income (Net Major/Minor Source),
by Race/Ethnicity



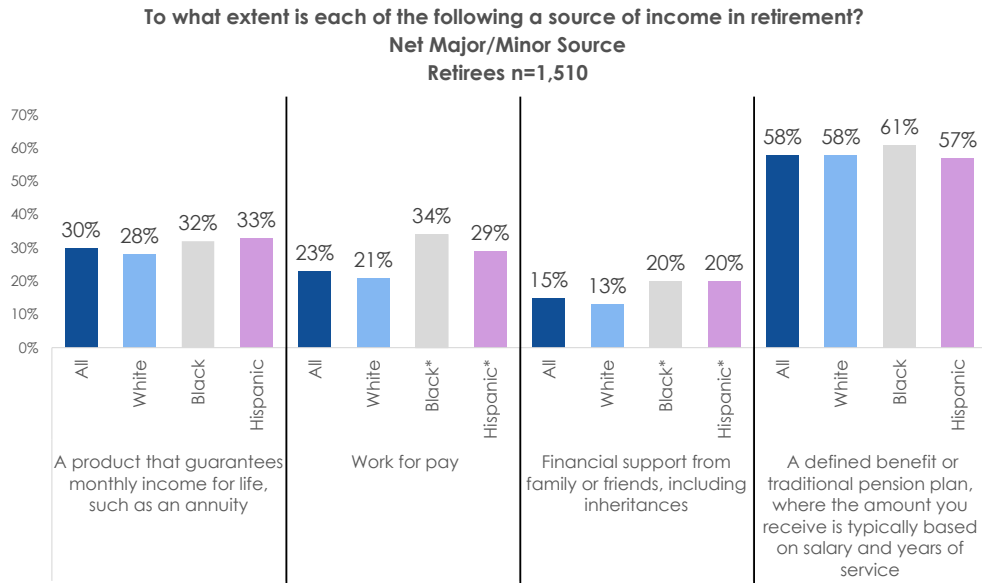
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 83
Extent of Retirees' Sources of Income (Net Major/Minor Source),
by Race/Ethnicity



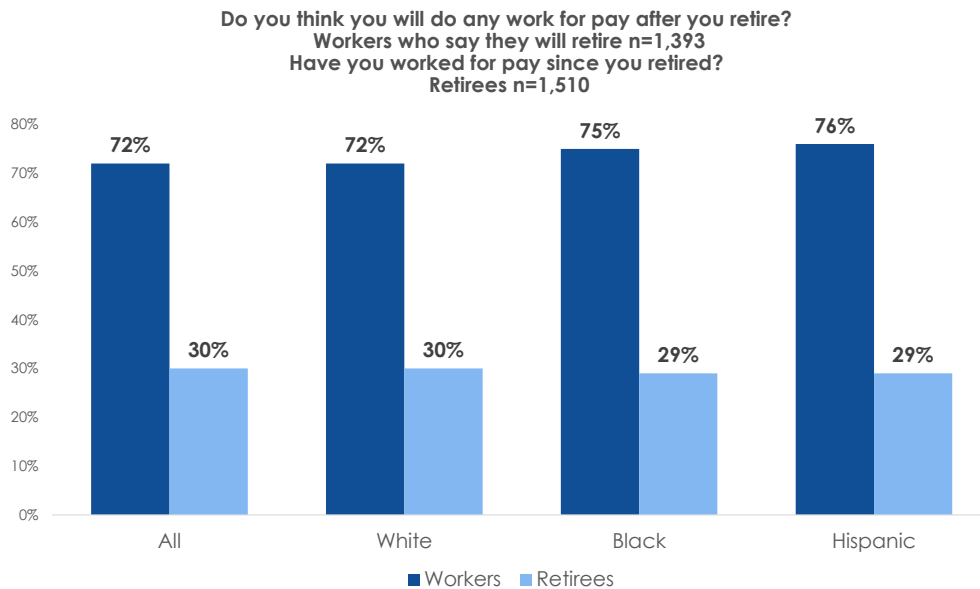
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 84
Extent of Retirees' Sources of Income (Net Major/Minor Source),
by Race/Ethnicity



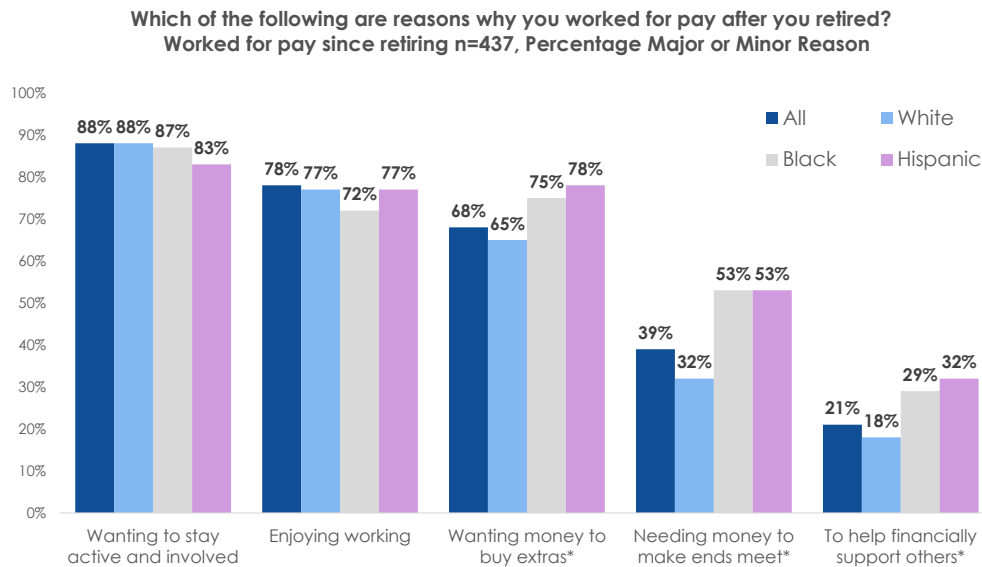
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 85
Workers' Expectations About Working After Retirement vs.
Retirees Actually Doing So, by Race/Ethnicity



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 86
Reasons for Working for Pay Since Retiring, by Race/Ethnicity



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Retiree Expectations and Experiences

Retirees' feelings about their lifestyle in retirement seemed to align with what they expected it would be, as just over half of retirees regardless of race/ethnicity reported their retirement lifestyle is about as expected (Figure 87). Another approximately one-quarter of retirees across each of the races/ethnicities felt it was better than expected, leaving only about 2 in 10 retirees saying it is worse than expected.

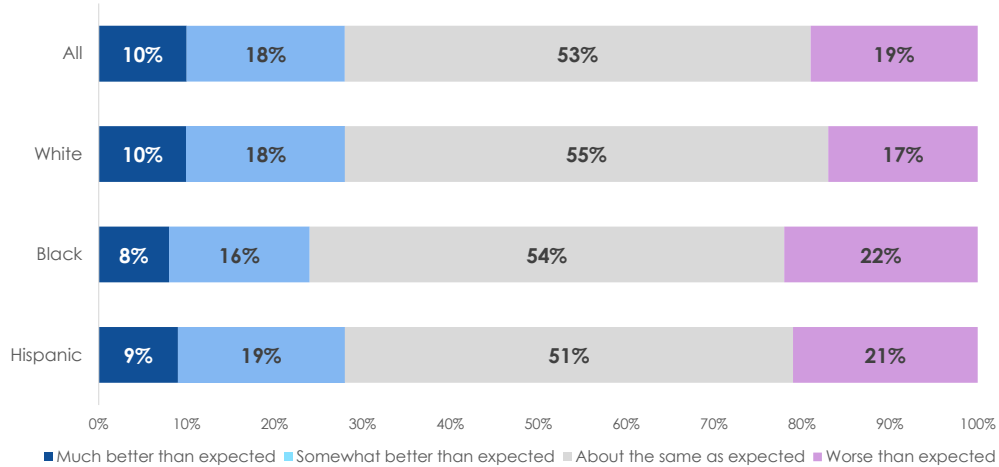
When asked about their expenses and spending experiences, again retirees largely said their spending was in line with their expectations for overall spending, housing expenses, spending to support or help a family member (when expressing an opinion), and health care or dental expenses (such as Medicare or insurance premiums and deductibles, plus costs for doctor or hospital visits and prescription drugs) (Figure 88). However, one-quarter to one-third of retirees reported these expenses were higher than expected, except for support of a family member. This held for each race/ethnicity, as no significant differences emerged about their experiences vs. expectations.

One question that has vexed policymakers and analysts is how retirees will spend down their assets in retirement. Thus, the RCS asked retirees what best represents their behavior when it comes to their level of assets. There were minimal differences by race/ethnicity. The differences found were mostly driven by Black retirees more often saying that the question was not applicable/they did not have any assets (24 percent of Black retirees saying this vs. 14 percent of Hispanic retirees and 10 percent of White retirees) (Figure 89). Nearly 4 in 10 White and Hispanic retirees said they try to increase their level of assets in retirement compared with 3 in 10 Black retirees. Across all races, approximately 4 in 10 said they try to maintain their asset level, and just 5 percent said they spend down their assets.

The higher likelihood of saying not applicable/they did not have any assets among Black Americans persisted in the lower- and middle-income groups compared with White Americans in both income groups and Hispanic Americans in the lower-income group (Figure 90). Lower-income White Americans were more likely to try to maintain their assets relative to Black and Hispanic Americans (45 percent of White retirees vs. 24 percent of Black retirees and 32 percent of Hispanic retirees), and middle-income Hispanic Americans were more likely to try to increase their assets than Black Americans (42 percent of Hispanic retirees vs. 29 percent of Black retirees).

Figure 87
How Do Retirees' Lifestyles Compare With What Was Expected Before Retirement, by Race/Ethnicity

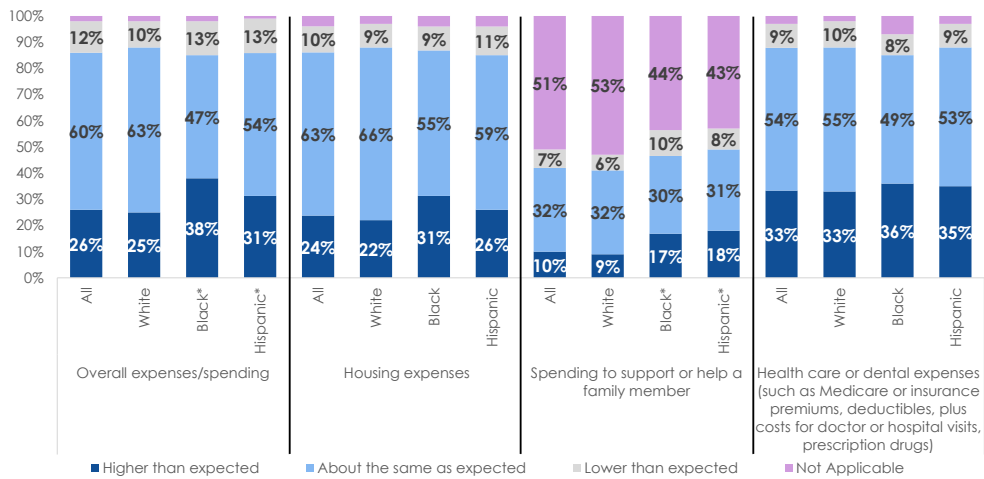
How does your overall lifestyle in retirement now compare to how you expected it to be before you retired? For example, are you traveling, spending time with family or volunteering as much as you expected?
 Retirees n=1,510



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 88
Expected Spending vs. Actual Spending of Retirees, by Race/Ethnicity

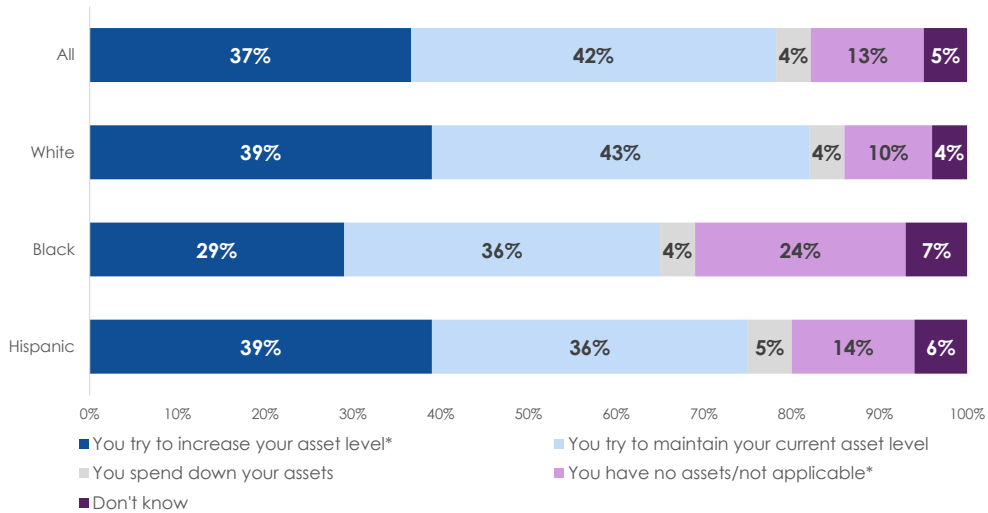
Compared with what you expected when you first retired, would you say the following are higher or lower for you now than you expected?
 Retirees n=1,510



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 89
Retiree Behavior in Regard to Their Level of Assets, by Race/Ethnicity

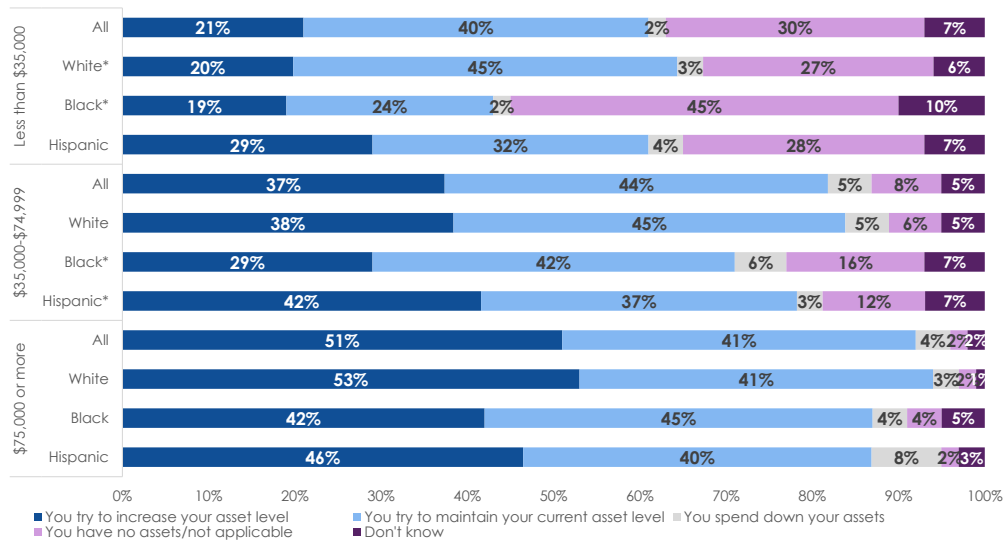
Which one of the following best represents your behavior when it comes to your level of assets?
 Retirees n=1,510



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Figure 90
Retiree Behavior in Regard to Their Level of Assets, by Race/Ethnicity and Income

Which one of the following best represents your behavior when it comes to your level of assets?
 Retirees n=1,510



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

Conclusion

Overall, Black and Hispanic Americans view retirement similar to others with comparable financial means. For example, middle- and upper-income Black and Hispanic Americans were just as likely to feel knowledgeable about managing their day-to-day finances and saving and investing for the future. However, Black and Hispanic Americans, on average, have lower financial means. They were more likely to report and be burdened by higher incidences of lower incomes and assets as well as higher likelihoods of “problematic” debt. The RCS has consistently shown that Americans with lower incomes report feeling less confident about their retirement prospects. However, having debt is also one of the largest indicators of individuals not being able to save, build wealth, and live comfortably in retirement. Despite these challenges, Black and Hispanic Americans are still optimistic for their futures, as shown by their high levels of retirement confidence across the income spectrum. A compounding factor to consider is Black and Hispanic Americans’ higher likelihood of being negatively impacted by the COVID-19 pandemic, which may further hinder some from making gains in their retirement preparations.

But critically, even given comparable median retirement ages and expected retirement ages, Black and Hispanic retirees were more likely to have retired earlier than planned and to do so for negative reasons, such as due to health concerns or a disability, as opposed to being able to afford to retire earlier. Also, Black and Hispanic retirees who work for pay in retirement were more likely to cite negative reasons like making ends meet or helping to support others. In certain income groups, Black and Hispanic Americans are less likely to save for retirement. But, when offered a workplace retirement plan, they said they participate at the same rate as White Americans. Furthermore, Black and Hispanic workers were satisfied overall with the workplace plans offered, although when asked about improvements to these plans, they were more likely to cite one-on-one, personalized advice being more available as valuable.

Experiences with the financial system and financial professionals also have an impact. In fact, Black and Hispanic Americans were more likely to report feeling treated unfairly by financial service companies. However, while Black Americans of all ages were equally likely to report feeling treated unfairly, younger Hispanic Americans were less likely to report they have been treated unfairly relative to their older counterparts. Black and Hispanic Americans also emphasized additional criteria when seeking a professional financial advisor. Like all respondents, the top criteria were to work with a professional who has expertise relevant to their goals as well as experience working with households with the same asset level as them. In addition to these common criteria, Black and Hispanic Americans were more likely to prefer some connection (through their workplace) or personal similarity to those providing them financial advice. This includes advisors who are the same race/ethnicity or gender as them, or who have had a similar upbringing. These connections or similarities carry over to where these individuals seek retirement planning, with a higher likelihood of doing so in community centers and churches along with the more common sources.

The importance of financially supporting family and friends and the desire to provide this support, while laudable, can also have a negative impact on a person’s ability to save and prepare for their own long-term financial security. Family and friends were particularly important for Hispanic Americans, as they tend to place a higher value on helping family members over saving for their own retirement. Furthermore, while not a majority, both Black and Hispanic respondents were more likely to say they are counting on financial support from family and friends, including inheritances, as an income source in retirement. This family emphasis may point to financial planning or product needs, like life insurance, will and estate planning, or college savings accounts. It also exposes a risk to retirement security for those who expect or depend on family as a source of retirement income that may be less reliable or predictable.

Black and Hispanic Americans are more likely to be behind in their financial standing and face many challenges in improving their situation. Still, there are some modifications in the financial system that could help improve their prospects, including access to workplace retirement savings plans that provide one-on-one, personalized advice that builds on their comfort with having a connection to those providing advice. In addition, the findings point to a need for financial service companies to have more advisors who are similar to Black and Hispanic Americans and also to root out sources that might cause Black and Hispanic Americans to feel they are being treated unfairly. A greater understanding of the importance of supporting family and friends that in particular Hispanic Americans feel when making financial decisions is needed, so that this obligation can be weighed against their own savings to build wealth that could result in

a lesser need for supporting family members in the future. Obviously, higher incomes would help, but these issues arise even for those already with higher incomes.

Appendix 1: Methodology

The Retirement Confidence Survey, in its 31st year in 2021, is the longest-running survey of its kind, measuring worker and retiree confidence about retirement, and is conducted annually by the Employee Benefit Research Institute (EBRI) and Greenwald Research. The 2021 survey of 3,017 Americans was conducted online January 5 through January 25, 2021. All respondents were ages 25 or older. The survey included 1,507 workers and 1,510 retirees — this year included an oversample of roughly 500 completed surveys among Black Americans (252 workers and 253 retirees) and roughly 500 completed surveys among Hispanic Americans (253 workers and 249 retirees).

Data were weighted by age, gender, education, household income, and race/ethnicity. Unweighted sample sizes are noted in figures to provide information for margin-of-error estimates. The margin of error would be ± 2.5 percentage points for both workers and retirees in a similarly sized random sample.

Please note percentages in the figures may not total to 100 percent due to rounding and/or missing categories. Any trend changes or differences in subgroups noted in the text are statistically significant; if no trend changes are noted, there were no significant differences.

Appendix 2: Figure Statistical Significance Key

Figure 3

- Less than \$35,000 (lower income): Black Americans were more likely than White Americans to have less than \$1,000 in assets.
- \$35,000-\$74,999 (middle income): White Americans were more likely to have \$250,000 or more in assets than Black and Hispanic Americans.
- \$75,000 or more (upper income): White Americans were more likely to have \$250,000 or more in assets than Black and Hispanic Americans.

Figure 4

- In each income group: Black and Hispanic Americans were more likely to consider debt to be a problem than White Americans.

Figure 6

- In each income group: Black and Hispanic Americans were more likely to agree that debt is negatively impacting their ability to save for retirement/live comfortably in retirement than White Americans.

Figure 7

- In each income group: Black and Hispanic Americans were more likely to say that their non-mortgage debt is having a negative impact on their ability to save for emergencies than White Americans.

Figure 8

- In each income group: Black and Hispanic Americans were more likely to say that their non-mortgage debt is having a negative impact on their ability to save for retirement in general than White Americans.

Figure 9

- In the lower- and upper-income groups: Black and Hispanic Americans were more likely to say that their non-mortgage debt is having a negative impact on their ability to participate in or contribute to an employer's retirement plan than White Americans.

Figure 10

- In each income group: Hispanic Americans were more likely to have a negative job or income change since February 1, 2020, than White Americans.
- Low- and middle-income Black Americans were more likely to have a negative job or income change since February 1, 2020, than White Americans.

Figure 11

- Married Black and Hispanic Americans were more likely to have a negative job or income change in their household since February 1, 2020, than their not-married counterparts.
- Black and Hispanic Americans younger than age 50 were more likely to have a negative job or income change in their household since February 1, 2020, than their ages 50 or older counterparts.

Figure 12

- Male Hispanic Americans younger than age 50 were more likely to have a negative job or income change in their household since February 1, 2020, than their ages 50 or older counterparts.

Figure 13

- Black and Hispanic Americans were more likely to say that the COVID-19 pandemic and related health concerns and business and school closures negatively impacted their ability to work the number of hours they want/need due to child care needs or child supervision than White Americans.

Figure 14

- Not-married Black Americans were more likely to say that the COVID-19 pandemic and related health concerns and business and school closures negatively impacted their ability to work the number of hours they want/need due to child care needs or child supervision than their married counterparts.

Figure 15

- Black and Hispanic Americans were more likely to say that the COVID-19 pandemic and related health concerns and business and school closures negatively impacted their ability to work the number of hours they want/need due to caregiving for someone other than a child than White Americans.

Figure 16

- Upper-income Hispanic Americans were more likely to say that the COVID-19 pandemic and related health concerns and business and school closures negatively impacted their ability to save for retirement because of reduced hours, reduced income, or job changes than White Americans.
- Lower-income Hispanic Americans were more likely to say that the COVID-19 pandemic and related health concerns and business and school closures negatively impacted their ability to save for retirement because of reduced hours, reduced income, or job changes than Black Americans.

Figure 19

- Middle-income married White and Hispanic Americans were more likely to be confident that they (and their spouse) will have enough money to live comfortably throughout their retirement years than their not-married counterparts.
- Upper-income married White and Hispanic Americans were more likely to be confident that they (and their spouse) will have enough money to live comfortably throughout their retirement years than their not-married counterparts.

Figure 20

- Upper-income, U.S.-born Hispanic Americans were more likely to be confident that they (and their spouse) will have enough money to live comfortably throughout their retirement years than their non-U.S.-born counterparts.

Figure 21

- In each income group: Black Americans were more likely to say that the COVID-19 pandemic and related health concerns *increased* their confidence in having enough money to live comfortably throughout their retirement years than White Americans.
- Middle- and upper-income Hispanic Americans were more likely to say that the COVID-19 pandemic and related health concerns *increased* their confidence in having enough money to live comfortably throughout their retirement years than White Americans.
- Lower-income Hispanic Americans were more likely to say that the COVID-19 pandemic and related health concerns *decreased* their confidence in having enough money to live comfortably throughout their retirement years than White Americans.

Figure 22

- Not-married Hispanic Americans and female Black and Hispanic Americans were more likely to say that the COVID-19 pandemic and related health concerns *decreased* their confidence in having enough money to live comfortably throughout their retirement years than their male counterparts.

Figure 23

- Upper-income White Americans were more likely to be confident that they will have enough money to take care of their basic expenses during their retirement than Black Americans.

Figure 24

- Lower-income Black Americans were more likely to be confident that they are doing/did a good job preparing financially for their retirement than Hispanic Americans.

Figure 25

- Lower-income White and Hispanic Americans were more likely to agree that preparing for retirement makes them feel stressed than Black Americans.
- Upper-income Hispanic Americans were more likely to agree that preparing for retirement makes them feel stressed than White Americans.

Figure 26

- Lower- and upper-income Black Americans were more likely to be confident that the Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today than White Americans.
- Middle-income Hispanic Americans were more likely to be confident that the Social Security system will continue to provide benefits of at least equal value to the benefits received by retirees today than White Americans.

Figure 27

- Lower- and upper-income Black Americans were more likely to be confident that the Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today than White Americans.
- Middle-income Hispanic Americans were more likely to be confident that the Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today than White Americans.

Figure 28

- In the middle-income group: White Americans were more likely to agree that their parents or in-laws are/were good at managing their money than Black and Hispanic Americans.

Figure 29

- In the middle- and upper-income groups: White Americans were more likely to agree that their parents had or are having a financially comfortable retirement than Black Americans.

Figure 30

- In the lower-income group: Black Americans were more likely to agree that as a child or young adult, they were taught how to save and invest for the future than White and Hispanic Americans.
- In the middle- and upper-income groups: White Americans were more likely to agree that as a child or young adult, they were taught how to save and invest for the future than Black Americans.

Figure 32

- In the lower-income group: White Americans were more likely to strongly or somewhat agree that they feel knowledgeable about managing their day-to-day finances than Black and Hispanic Americans.

Figure 33

- In the lower-income group: White Americans were more likely to strongly or somewhat agree that they feel knowledgeable about managing savings and investments for the future than Hispanic Americans.

Figure 34

- Black Americans ages 55 or older were more likely to strongly or somewhat agree that they feel knowledgeable about managing their day-to-day finances than Black Americans younger than age 55.
- Hispanic Americans ages 65 or older were more likely to strongly or somewhat agree that they feel knowledgeable about managing their day-to-day finances than Hispanic Americans younger than age 55.

Figure 35

- Black Americans ages 65 or older were more likely to strongly or somewhat agree that they feel knowledgeable about managing savings and investments for the future than Black Americans ages 35–54.
- Hispanic Americans ages 25–34 were less likely to strongly or somewhat agree that they feel knowledgeable about managing savings and investments for the future than Hispanic Americans ages 35 or older.

Figure 36

- In each income group: Hispanic Americans were more likely to strongly or somewhat agree that it is more important to help friends and family now than to save for their own retirement than White Americans.
- In the upper-income group: Black Americans were more likely to strongly or somewhat agree that it is more important to help friends and family now than to save for their own retirement than White Americans.

Figure 37

- Among Black Americans, those ages 25–34 were more likely to strongly or somewhat agree that it is more important to help friends and family now than to save for their own retirement than those ages 45 or older; those ages 35–54 were more likely than those ages 55 or older.
- Among Hispanic Americans, those ages 25–34 were more likely to strongly or somewhat agree that it is more important to help friends and family now than to save for their own retirement than those ages 45 or older; those ages 35–44 were more likely than those ages 55 or older, and those ages 45–54 were more likely than those ages 65 or older.

Figure 38

- Hispanic Americans in the higher two income groups and Black Americans in the middle-income group were more likely to strongly or somewhat agree that retirement savings is not a priority relative to the current needs of their family than White Americans.

Figure 39

- Hispanic Americans ages 25–44 were more likely to strongly or somewhat agree that retirement savings is not a priority relative to the current needs of their family than those ages 55 or older.
- Black Americans ages 25–34 were more likely to strongly or somewhat agree that retirement savings is not a priority relative to the current needs of their family than those ages 45 or older.

Figure 40

- Upper-income, U.S.-born Hispanic Americans were more likely to strongly or somewhat agree that retirement savings is not a priority relative to the current needs of their family than non-U.S.-born Hispanic Americans.

Figure 41

- In each income group: Hispanic Americans were more likely to agree that saving for a child’s education or paying off a child’s education is reducing how much they can save for retirement than White Americans, and middle-income Hispanic Americans were also more likely than Black Americans to agree with this statement.
- Lower- and upper-income Black Americans were more likely to agree that saving for a child’s education or paying off a child’s education is reducing how much they can save for retirement than White Americans.

Figure 42

- Male Black and Hispanic Americans were more likely to agree that saving for a child’s education or paying off a child’s education is reducing how much they can save for retirement than their female counterparts.

Figure 43

- Hispanic Americans in the lower- and middle-income groups and Black Americans in the middle- and upper-income groups were more likely to disagree that they feel they have been fairly treated by financial services companies and their representatives than White Americans in those income groups.

Figure 44

- Hispanic Americans ages 35–44 were more likely to agree that they feel they have been fairly treated by financial services companies and their representatives than Hispanic Americans ages 45–64.

Figure 46

- Not-married Black Americans were more likely to agree that they do not know who to go to for good financial or retirement planning advice than their married counterparts.
- Black Americans ages 25–34 were more likely to agree that they do not know who to go to for good financial or retirement planning advice than Black Americans ages 55 or older.
- Hispanic Americans ages 25–34 were more likely to agree that they do not know who to go to for good financial or retirement planning advice than Black Americans ages 45 or older.
- Hispanic Americans ages 35–44 were more likely to agree that they do not know who to go to for good financial or retirement planning advice than Black Americans ages 55 or older.
- Hispanic Americans ages 45–54 were more likely to agree that they do not know who to go to for good financial or retirement planning advice than Black Americans ages 65 or older.

Figure 47

- *A personal, professional advisor:* White Americans were more likely to use this source than Black Americans.
- *Their employer or information they receive at work:* Black and Hispanic Americans were more likely to use this source than White Americans.
- *Representatives from their workplace retirement plan provider:* Black and Hispanic Americans were more likely to use this source than White Americans.
- *Online advice or advisors that provide guidance based on formulas:* Hispanic Americans were more likely to use this source than White Americans.
- *Libraries or community centers:* Black and Hispanic Americans were more likely to use this source than White Americans; Black Americans were more likely to use this source than Hispanic Americans.
- *Church/religious centers or leaders:* Black and Hispanic Americans were more likely to use this source than White Americans.

Figure 48

- White and Hispanic workers and retirees were more likely to say they are currently working with a professional financial advisor than Black workers and retirees.

- White retirees were more likely to say they are currently working with a professional financial advisor than Hispanic retirees.
- Black and Hispanic retirees were more likely to say they think they will work with a professional financial advisor in the future than White retirees.

Figure 49

- Middle-income White Americans were more likely to say they are currently working with a professional financial advisor than Black Americans.

Figure 50

- Black and Hispanic Americans were more likely to say they used the following criteria when looking for a professional financial advisor than White Americans: has a similar upbringing or life experiences as them, affiliated with their employer, has a similar racial/ethnic background to them, and that is the same gender as them.

Figure 51

- *Working with an advisor that has a similar racial/ethnic background as them:* Black Americans ages 25–34 were more likely to use this criterion than those ages 35 or older; Black Americans ages 35–54 were more likely to use this criterion than those ages 55 or older; and Hispanic Americans ages 25–54 were more likely to use this criterion than those ages 55 or older.
- *Working with an advisor that is the same gender as them:* Black Americans ages 25–34 were more likely to use this criterion than those ages 35 or older; Black Americans ages 35–44 were more likely to use this criterion than those ages 55 or older; Black Americans ages 45–54 were more likely to use this criterion than those ages 55–64; Hispanic Americans ages 25–54 were more likely to use this criterion than those ages 55 or older; and Hispanic Americans ages 55–64 were more likely to use this criterion than those ages 65 or older.
- *Working with an advisor who is affiliated with their employer in some way:* Black Americans ages 25–34 were more likely to use this criterion than those ages 35 or older; Black Americans ages 35–54 were more likely to use this criterion than those ages 65 or older; Hispanic Americans ages 25–54 were more likely to use this criterion than those ages 55 or older; and Hispanic Americans ages 55–64 were more likely to use this criterion than those ages 65 or older.
- *Working with an advisor who has had a similar upbringing or life experiences as them:* Black Americans ages 25–34 were more likely to use this criterion than those ages 35 or older; Black Americans ages 35–44 were more likely to use this criterion than those ages 55 or older; Hispanic Americans ages 25–44 were more likely to use this criterion than those ages 55 or older; and Hispanic Americans ages 45–54 were more likely to use this criterion than those ages 65 or older.

Figure 52

- Lower-income Hispanic Americans were more likely to have tried to figure out how much money they will need to have saved by the time they retire so that they can live comfortably in retirement than White Americans.

Figure 53

- Male and married Black and Hispanic Americans were more likely to have tried to figure out how much money they will need to have saved by the time they retire so that they can live comfortably in retirement than their female and not-married counterparts.

Figure 54

- Middle-income male Black Americans were more likely to have tried to figure out how much money they will need to have saved by the time they retire so that they can live comfortably in retirement than their female counterparts
- Lower-income married Black Americans were more likely to have tried to figure out how much money they will need to have saved by the time they retire so that they can live comfortably in retirement than their not-married counterparts.
- Upper-income married Hispanic Americans were more likely to have tried to figure out how much money they will need to have saved by the time they retire so that they can live comfortably in retirement than their not-married counterparts.

Figure 55

- Among Americans of each race/ethnicity, those who tried to figure out how much money they will need to have saved by the time they retire so that they can live comfortably in retirement were more likely to be confident that they will have enough money to live comfortably throughout their retirement years than those who did *not* try figure out how much money they will need.

Figure 56

- Lower- and upper-income White Americans were more likely to have personally saved any money for retirement (not including Social Security or employer-provided money) than Black Americans.
- Middle-income White Americans were more likely to have personally saved any money for retirement (not including Social Security or employer-provided money) than Hispanic Americans.

Figure 57

- Lower-income male Black Americans were more likely to have personally saved any money for retirement (not including Social Security or employer-provided money) than their female counterparts.

Figure 58

- Upper-income married White, Black, and Hispanic Americans were more likely to have personally saved any money for retirement (not including Social Security or employer-provided money) than their not-married counterparts.

Figure 59

- Middle-income White Americans were more likely to agree that they have enough savings to handle an emergency or sudden large expense than Black and Hispanic Americans.
- Middle-income Hispanic Americans were more likely to agree that they have enough savings to handle an emergency or sudden large expense than Black Americans.
- Upper-income White Americans were more likely to agree that they have enough savings to handle an emergency or sudden large expense than Black Americans.

Figure 62

- Black and Hispanic Americans were more likely to say that they retired earlier than planned than White Americans.

Figure 63

- Not-married Black and Hispanic Americans were more likely to say that they retired earlier than planned than their married counterparts.
- Female Hispanic Americans were more likely to say that they retired earlier than planned than their male counterparts.

Figure 65

- Black and Hispanic Americans were more likely to have adjusted their target retirement age since January 1, 2020, to retire later than White Americans.

Figure 67

- Middle-income White Americans were more likely to use the default option than Hispanic Americans.
- Middle-income Hispanic Americans were more likely to actively choose their investments than White Americans.

Figure 73

- Hispanic Americans were more likely to say that it would be valuable to them if their retirement plan savings with a previous employer were automatically transferred to their current employer's plan if/when they changed jobs than White Americans.

Figure 75

- Black and Hispanic Americans were more likely to have taken the following from their retirement plan than White Americans: a loan from the plan (the borrowed amount is paid back with interest through payroll deduction), a hardship distribution from the plan (a withdrawal made because of a heavy and immediate financial need), an early withdrawal from the plan (a withdrawal made before age 59 ½ that you typically pay a tax penalty for), and some other type of withdrawal or distribution.

Figure 76

- Lower- and middle-income Black Americans were more likely to have taken a loan from the plan (the borrowed amount is paid back with interest through payroll deduction) than White Americans.
- Upper-income Black and Hispanic Americans were more likely to have taken a loan from the plan (the borrowed amount is paid back with interest through payroll deduction) than White Americans.

Figure 77

- Lower- and upper-income Black and Hispanic Americans were more likely to have taken a hardship distribution from the plan (a withdrawal made because of a heavy and immediate financial need) than White Americans.
- Middle-income Black Americans were more likely to have taken a hardship distribution from the plan (a withdrawal made because of a heavy and immediate financial need) than White and Hispanic Americans.

Figure 78

- Middle-income Black Americans were more likely to have taken an early withdrawal from the plan (a withdrawal made before age 59 ½ that you typically pay a tax penalty for) than White Americans.

- Upper-income Black and Hispanic Americans were more likely to have taken an early withdrawal from the plan (a withdrawal made before age 59 ½ that you typically pay a tax penalty for) than White Americans.

Figure 79

- Lower-income Black Americans were more likely to have taken some other type of withdrawal or distribution than White and Hispanic Americans.
- Upper-income Hispanic Americans were more likely to have taken some other type of withdrawal or distribution than White Americans.

Figure 81

- White workers were more likely to expect that Social Security will be a major/minor source of income in retirement than Hispanic workers.
- White workers were more likely to expect that IRAs and workplace retirement savings plans will be major/minor sources of income in retirement than Black workers.

Figure 82

- Black and Hispanic workers were more likely to expect that a product that guarantees monthly income for life, such as an annuity, will be a major/minor source of income in retirement than White workers.
- Black workers were more likely to expect that financial support from family or friends, including inheritances, will be a major/minor source of income in retirement than White and Hispanic workers.
- Hispanic workers were more likely to expect that financial support from family or friends, including inheritances, will be a major/minor source of income in retirement than White workers.

Figure 83

- White retirees were more likely to say that Social Security is a major/minor source of income in retirement than Black retirees.
- White retirees were more likely to say that personal retirement savings is a major/minor source of income in retirement than Black and Hispanic retirees.
- Hispanic retirees were more likely to say that personal retirement savings is a major/minor source of income in retirement than Black retirees.
- White retirees were more likely to say that an IRA is a major/minor source of income in retirement than Black and Hispanic retirees.
- Hispanic retirees were more likely to say that an IRA is a major/minor source of income in retirement than Black retirees.

Figure 84

- Black and Hispanic retirees were more likely to say that work for pay is a major/minor source of income in retirement than White retirees.
- Black and Hispanic retirees were more likely to say that financial support from family or friends, including inheritances, is a major/minor source of income in retirement than White retirees.

Figure 86

- Black and Hispanic retirees were more likely to say that the following reasons are why they worked for pay after they retired than White retirees: needing money to make ends meet and to help financially support others.
- Hispanic retirees were more likely to say that the following reason is why they worked for pay after they retired than White retirees: wanting money to buy extras.

Figure 88

- Black and Hispanic retirees were more likely to say that the following expenses were higher now than what they expected when they first retired than White retirees: overall expenses/spending and spending to support or help a family member.

Figure 89

- White and Hispanic retirees were more likely to say that they try to increase their asset level than Black retirees.
- White retirees were more likely to say that they try to maintain their current asset level than Black and Hispanic retirees.
- Black retirees were more likely to say that they have no assets/not applicable than White and Hispanic retirees.

Figure 90

- Lower-income White retirees were more likely to say that they try to maintain their current asset level than Black and Hispanic retirees.
- Lower- and middle-income Black retirees were more likely to say that have no assets/not applicable than White retirees.
- Lower-income Black retirees were more likely to say that have no assets/not applicable than Hispanic retirees.
- Middle-income Hispanic retirees were more likely to say that they try to increase their asset level than Black retirees.

Endnotes

¹ See Appendix 1 of this study for the survey details. Also see the 2021 Retirement Confidence Survey, April 2021, at <https://www.ebri.org/docs/default-source/rcs/2021-rcs/2021-rcs-summary-report.pdf>, and the associated fact sheets at <https://www.ebri.org/retirement/retirement-confidence-survey> for specific results from the 2021 survey.

² An oversample refers to collecting more data from groups that are a lower share of the population in order to do a more complete analysis of these groups by having a sufficient sample size to control for other variables besides just the variable of interest, in this case race and ethnicity. However, the overall results are weighted to retain national representation despite the larger sample of Black and Hispanic Americans than would actually be found in the population.

³ Flood, Sarah, Miriam King, Renae Rodgers, Steven Ruggles, and J. Robert Warren. Integrated Public Use Microdata Series, Current Population Survey: Version 8.0 [dataset]. Minneapolis, MN: IPUMS, 2020. <https://doi.org/10.18128/D030.V8.0>

⁴ In other studies, it was shown that Hispanic Americans born outside of the United States were less likely to participate in a workplace retirement plan even when controlling for income. For example, see Copeland, Craig, "Retirement Plan Participation and the Current Population Survey: The Impact of New Income Questions on These Estimates," *EBRI Issue Brief* no. 499 (Employee Benefit Research Institute, January 20, 2020).

⁵ The Retirement Confidence Survey does not ask what this teaching about savings and investing involves. Ariel Investments and Charles Schwab asked Black investors what financial topics they talked about with their parents when they were growing up, and the results showed that most of the financial topics were equally likely to be discussed between Black and White investors, except for the stock market, where Black investors were much less likely to discuss it. These discussions are now more likely to be occurring among Black investors. See Ariel Investments and Charles Schwab, "Black Investor Survey 2020: Report of Findings." February 2021 at <https://www.arielinvestments.com/images/stories/PDF/ariel-schwab-black-investor-survey-2020.pdf>

⁶ In a study on the financial wellbeing of women, Black and Hispanic women were found to score lower on a three-question test on financial literacy than White women were, although the scores overall were low. For more information, see Robert Clark et al. "Financial Well-being Among Black and Hispanic Women." *GFLEC Working Paper Series* WP 2021-1, February 2021 available at <https://gflec.org/wp-content/uploads/2021/02/Financial-Well-being-among-Black-and-Hispanic-Women-WP-Feb2021.pdf?x27564>

⁷ The sources offered as choices were online resources and research you do on your own; family and friends; a personal, professional financial advisor; your employer or information you receive at work; representatives from your workplace retirement plan provider; online advice or advisors that provide guidance based on formulas; financial experts or gurus in the media; libraries or community centers; church/religious centers or leaders; and other.

⁸ The list of reasons for retiring earlier than planned offered as choices included the following: You could afford to retire earlier than you planned; You (had/have) a health problem or a disability, not related to COVID-19; There (were/have been) changes at your company, such as downsizing, closure or reorganization, not due to COVID-19 crisis; Because of changes in the skills required for your job or your skills no longer matching job requirements; You (wanted/want) to do something else; You (had/have) to care for a spouse or another family member; There (were/have been) changes at your company, such as downsizing, closure or reorganization, as a result of the COVID-19 crisis; The nature of your work or risk associated with your work changed due to COVID-19, and you no longer (wished/wish) to work anymore; You or someone in your household (had/have) an issue that was related to COVID-19; You were offered an early retirement package or your employer incentivized you to take an early retirement; and You had another work-related reason.

⁹ The list of factors offered for choosing investments included the following: Performance/growth over time, Matches your risk tolerance, Fees, Recommendations of a professional financial advisor, Easy investment that adjusts for you based on age or risk tolerance, Investment matches a well-known index, It's the employer default option, Recommendations from a friend or family, Recognize/know the name of fund/investment company, Investment is actively managed by a fund manager, Matches your views on social and environmental causes, Other, and None of these.

¹⁰ The list of potential improvements offered as choices included the following: Better explanations for how much income your savings will produce in retirement; More fund or investment options available; Better explanations for whether you are on track with your retirement savings; More one-on-one, personalized education; More online educational tools; More investment options designed for after you retire; More environmentally or socially responsible investment options available (ESG); Fewer investment options available; Other; and None of the above.

¹¹ The list of reasons for taking a loan or a withdrawal offered as choices included the following: To buy a home, car, or other large purchase; To pay off credit card bill or credit card debt; To cover another emergency expense; To make ends meet; Because of job loss or a spouse's job loss; To cover a financial need as a result of COVID-19; To cover an education expense (tuition, student loans); To cover medical expenses; To pay for home or car repairs; To pay for child care, eldercare, or another caregiving obligation; Required Minimum Distribution (RMD); and Other.

¹² The list of reasons for working for pay after retirement offered as choices included the following: Needing money to make ends meet; Wanting money to buy extras; Trying a different career; Enjoying working; Wanting to stay active and involved; Keeping health insurance or other benefits; A decrease in the value of your savings or investments; A job opportunity; To help financially support others; and To avoid reducing your savings, your “nest egg”.