



Fast Facts from EBRI

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FFE #60, Aug.2, 2007

Minority Workers' Expectations on Retiree Health Savings Needs

WASHINGTON—How much money do African-American and Hispanic workers think they will need to save to cover health care expenses in retirement? Are those expectations realistic?

The 2007 Minority Retirement Confidence Survey—the first since 2003—provides these answers:

- African-American (22 percent) and Hispanic workers (18 percent) appear more likely than workers overall (12 percent) to assume they will need less than \$50,000 to cover their health care costs in retirement. However, these differences apparently are due to income disparity. Workers at similar levels of household income seem equally likely to report they will need this little to pay for these expenses.
- A recent study calculated that couples will need approximately \$300,000–\$550,000 to cover health expenses in retirement (assuming Medicare benefits remain at current levels). But nearly 6 in 10 (58 percent) of African-Americans expect to need less than \$250,000 to cover the cost of their health care, prescription drugs, and health insurance in retirement. This compares with similar levels of 52 percent for both Hispanic workers and all workers.

Amount of Money Needed to Cover Health Care Expenses in Retirement, by Race/Ethnicity

	All Workers	African- Americans	Hispanics
Less than \$50,000	12%	22%	18%
\$50,000–\$99,999	20	19	20
\$100,000–\$249,999	20	17	14
\$250,000–\$499,999	11	9	4
\$500,000–\$999,999	8	5	4
\$1 million or more	5	5	2
No idea/don't know	23	21	37

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

The nonpartisan Employee Benefit Research Institute (EBRI) and Mathew Greenwald & Associates sponsored the 2007 Minority Retirement Confidence Survey, with a grant from the Rockefeller Foundation. Full results appear in the June 2007 *EBRI Issue Brief*, available at www.ebri.org

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