

# FAST Facts

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## Retirement Plan Participation: Race/Ethnicity Differences—An Update

WASHINGTON—How do race and ethnicity affect the likelihood of participating in a retirement plan? How do the size of employers and the birthplace of workers affect these levels?

The November 2009 *EBRI Issue Brief*, published by the nonpartisan Employee Benefit Research Institute (EBRI), provides answers to these and other questions. Here are some of the key findings concerning race/ethnicity differences in employment-based retirement plan participation in 2008:

**Overview:** An analysis of race/ethnicities by earnings level shows that Hispanic wage and salary workers were significantly less likely than both white and black workers to participate in a retirement plan. The gap between the percentages of black and white plan participants that exists overall narrows when compared across earnings levels. In contrast, the gap between Hispanic and whites persisted in all earnings groups, although it showed some narrowing in the highest two earnings groups.

**Percentage of Wage and Salary Workers Ages 21-64 Who Participated in an Employment-Based Retirement Plan, by Annual Earnings and Race/Ethnicity, 2008**

	White	Black	Other	Hispanic
\$20,000–\$29,999	42%	37%	31%	24%
\$50,000 or more	70	69	64	58

Source: Employee Benefit Research Institute estimates from March 2009 Current Population Survey.

**Firm size:** Across all firm sizes, with the exception of public-sector employers, Hispanic workers had significantly lower participation in employment-based retirement plans than workers of all other races/ethnicities. For workers at the smallest employers (fewer than 10 employees), 19 percent of white wage and salary workers participated in a plan, compared with 6 percent of Hispanic workers. These levels increased as the employer size increased, but white workers still has a significantly higher participation level among those working for employers with 1,000 or more employees—60 percent for whites versus 42 percent for Hispanics.

**Birthplace:** Native-born Hispanic workers age 21 and older had participation levels very similar to those of black and other workers, but still lower than white workers. In contrast, nonnative-born Hispanic workers had substantially lower levels of participation across all age groups. Even across earnings, nonnative-born Hispanics have a lower probability of participating in a retirement plan, while native-born Hispanics have participation levels closer to those of white and black Americans.

The complete November 2009 *EBRI Issue Brief* is available at [www.ebri.org](http://www.ebri.org)

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