

Retirement Planning, Savings & Expectations among Ethnic Groups

The 1998 Retirement Confidence Survey (RCS) includes a survey of three minority groups (African-Americans, Hispanic-Americans, and Asian-Americans). This survey of retirement confidence, expectations, and planning for retirement reveals interesting similarities and differences in attitudes and expectations among ethnic groups.

Who Will Pay For Retirement?

Ethnic groups differ on what they expect to be their most important source of income in retirement. Most important expected sources of retirement income include:

	White	African-American	Hispanic-American	Asian-American
Money personally saved (in a work-related plan or outside work)	32%	19%	21%	41%
Money from an employer, like a pension or contribution to a retirement account	25	31	14	21
Social Security	24	32	25	14
Part- or full-time employment	6	4	17	7
Other government income programs, such as SSI or veterans' benefits	2	4	7	1

Retirement Preparations

	White	African-American	Hispanic-American	Asian-American
Have personally saved for retirement	66%	47%	37%	62%
Have money earmarked for retirement in an account in their name	75	52	45	75
Completed a savings needs calculation	45	37	22	37
Expect to retire early (before age 65)	48	64	38	50
Expect to work in retirement	54	58	53	55
Could save an extra \$20 per week	69	68	67	87

Why Individuals Don't Save: Current Needs is #1

Reasons for not saving vary among ethnic groups. Respondents could choose multiple reasons, and in almost all cases, higher percentages of Hispanic-Americans cited these. Major reasons provided for not saving:

	White	African-American	Hispanic-American	Asian-American
Too many current financial responsibilities	66%	49%	52%	53%
I expect to have a pension	26	34	35	19
Economic events, such as inflation and unemployment, are too uncertain	26	28	39	24
I just have not thought about it	22	25	32	19
My retirement will work itself out when the time arrives	21	24	32	23
I cannot find investment information that is easy to understand	16	18	25	21
I do not know where to start	15	18	27	25
Social Security will take care of me when I retire	14	13	27	20
I am not comfortable dealing with banks, life insurance companies, or mutual funds	14	20	22	16
My children will help me out	4	6	16	3
Other family will help me out	4	8	9	7
I cannot find information in Spanish	n/a	n/a	32	n/a