AFRICAN-AMERICAN WORKERS

Retirement Confidence

• In general, African-American workers are as likely as American workers overall to be very confident about various financial aspects of retirement (e.g., 29 percent very confident about having enough money for basic expenses).
• And two in 10 African-Americans surveyed are very confident that they will have enough money to live comfortably throughout their retirement years (19 percent vs. 21 percent of workers overall).
• African-American workers tend to be more likely than American workers overall to say they are not confident about having enough money to live comfortably throughout their retirement years (42 percent vs. 33 percent are not too or not at all confident); having enough money to take care of basic expenses (33 percent vs. 21 percent); and about doing a good job of preparing for retirement (39 percent vs. 29 percent). But, when household income is held constant, there are no differences in confidence between the two groups.

Retirement Expectations

• The typical African-American worker expects to retire around age 62, although 31 percent anticipate retiring at age 65. Some plan to retire even later, at age 66 or older (14 percent), and 3 percent think they will never retire.
• Nearly a quarter of African-American workers count on Social Security to make up the largest share of their retirement income (23 percent). Even when household income is held constant, they are more likely than American workers overall (13 percent) to say they will rely most heavily on Social Security for retirement income.
• The vast majority of African-American workers have thought about the need for health insurance coverage for them and their spouse in retirement (85 percent), including a majority who say they have given it a lot of thought (57 percent). Many have also given a lot of thought to the possibility of having to pay health care expenses not covered by Medicare (44 percent) and how to manage their money in retirement so they do not outlive their savings (43 percent).

Retirement Saving and Preparation

• Fifty-nine percent of African-American workers report that they or their spouse have personally saved for retirement, compared with 71 percent of workers overall. Also, half of African-American workers indicate they are currently saving (49 percent), fewer than the 62 percent of all workers who say the same.
• Among employed African-American savers, more than 4 in 10 report having some kind of tax-qualified retirement savings plan outside of work (43 percent), fewer than the 57 percent of overall workers.
• African-Americans workers are less likely than workers overall to say they are offered a retirement savings plan by their current employer (58 percent vs. 73 percent). However, when income is held constant, African-Americans are just as likely as workers overall to report both an employer contribution in the past year to a retirement savings account, and being offered a workplace retirement savings plan. Of those who are offered a plan, 73 percent say they contribute money to it.
• Two-thirds of African-American workers say it is possible for them to save $20 per week more than they are currently saving for retirement (67 percent), and 16 percent of those who could save this amount report that they would not need to sacrifice anything in order to do so.
Knowledge about Savings and Investments

- Most African-Americans have some knowledge of retirement saving and investing, as do Americans overall, yet in most cases it is not far-reaching. Nearly half of African-American workers describe their personal knowledge of investing or saving for retirement as a general knowledge (46 percent), while another third say they have a limited knowledge (32 percent). While 13 percent think they know nothing about it, 9 percent call their knowledge comprehensive.

- Among savers, the majority of African-American workers describe their preferred approach to decisions about saving and investing as wanting suggestions from a professional, but often making their own decisions (58 percent), while about a fifth prefer researching and investing entirely on their own (19 percent).

- About a third of African-American workers (35 percent) report that, in the past year, their employment-based retirement plan provider has given them educational materials, information, or seminars about retirement planning and savings (compared with 47 percent of all workers). Among those who did receive such material, about 1 in 5 report making changes to their retirement planning as a result (22 percent).

Source: 2003 Minority Retirement Confidence Survey—EBRI/ASEC/Greenwald