

## Retirement Plan Participation, by Race/Ethnicity, 2023

### Introduction

Since the Current Population Survey (CPS) added several new variables relating to retirement accounts starting in 2019 (2018 results),<sup>1</sup> new methodological estimates of employment-based retirement plan participation from the CPS have been developed that are consistent with other data sources on retirement plan participation.<sup>2</sup> The data provided by the CPS are valuable because the data are at the worker level, as opposed to the employer level, making it possible to determine differences in retirement plan participation by worker characteristics. This *Fast Fact* examines how plan participation differs by race/ethnicity, as well as how those differences are affected by other socioeconomic and demographic variables like income, age, educational status, gender, and employer size.

### Overall Race/Ethnicity Participation

#### Race/Ethnicity Definitions

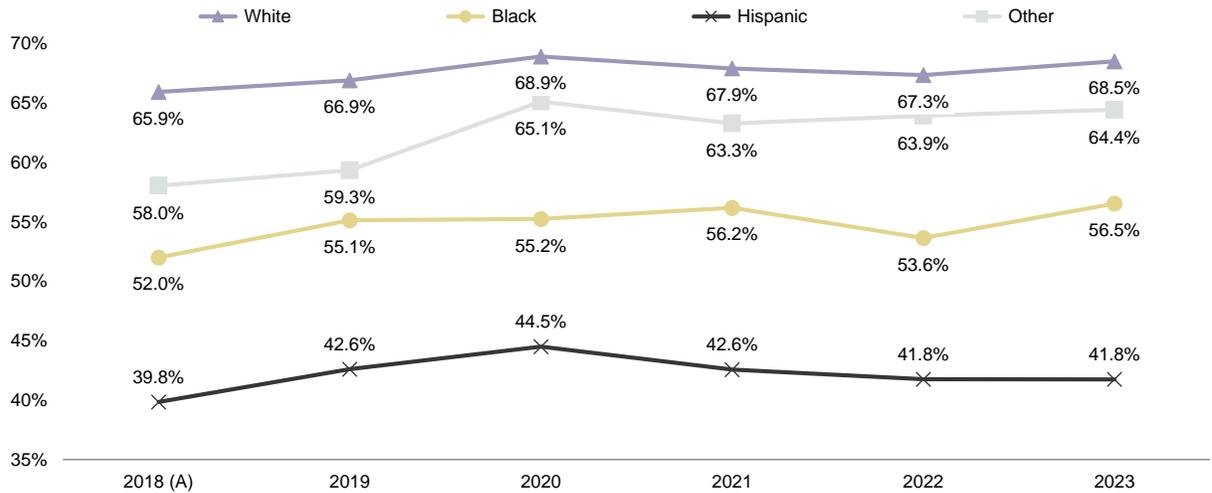
The race/ethnicity categories are determined by the self-identified responses to the race and ethnicity questions in the Current Population Survey and include White, non-Hispanic; Black/African American; Hispanic; and “other.” The “other” category consists of those races/ethnicities not defined in the three prior categories, such as Asian Americans, as well as those who identify as multiracial. All workers indicating that they have a Hispanic origin are only included in the Hispanic category.

Participation in employment-based retirement plans increased slightly from 2018–2023, but overall levels of participation differed greatly by race and ethnicity (Figure 1). For instance, while the percentage of White workers participating rose from 65.9 percent in 2018 to 68.5 percent in 2023, the participation level for Black workers was only 52.0 percent in 2018, rising to 56.5 percent in 2023. The participation levels of those in the “other” race/ethnicity category were between those of the White and Black workers, growing closer to the level of White workers over time. Finally, Hispanic workers had the lowest participation levels, going from 39.8 percent in 2018 to 41.8 percent in 2023.

### Demographic Characteristics

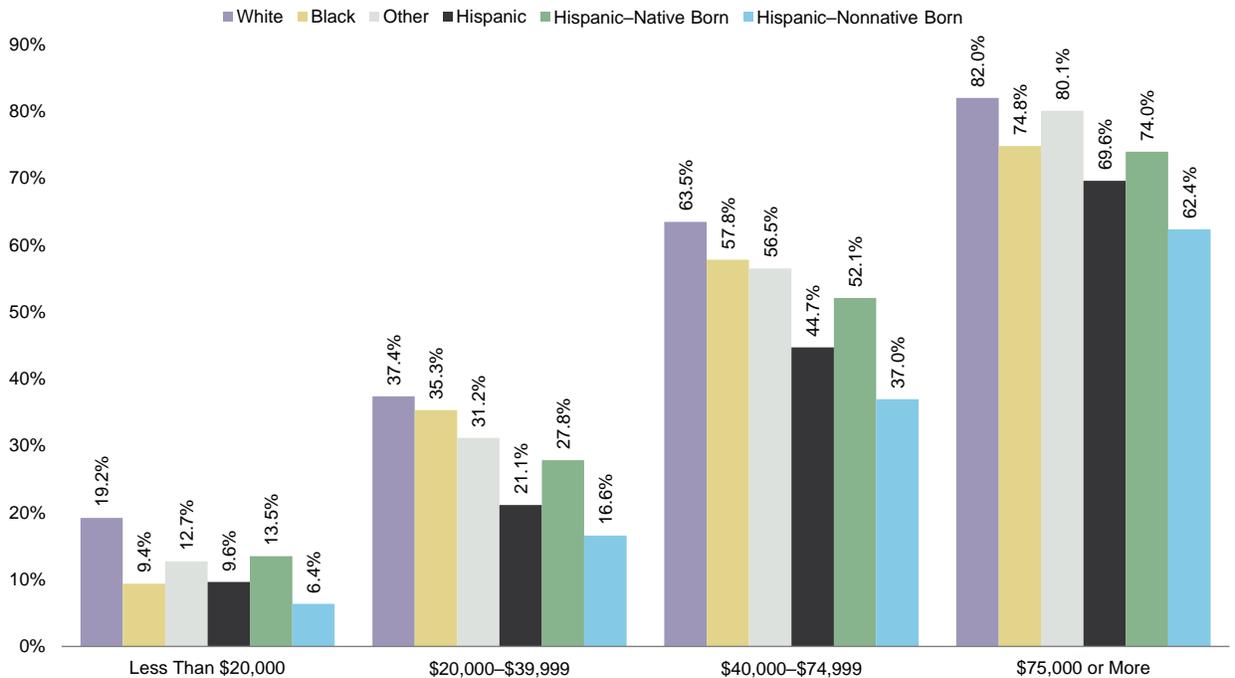
*Income* — Relative to White workers, Hispanic workers saw lower levels of participation that persisted across earnings levels, whereas the remaining race/ethnicity categories’ participation levels grew closer to those of White workers as earnings increased (Figure 2). However, the differences between Hispanic workers’ participation levels and White workers’ participation levels narrowed for native-born Hispanic workers as earnings increased, matching the result among the remaining race/ethnicity categories. In contrast, the participation levels among the nonnative-born Hispanic workers persisted below those of all the remaining workers as earnings increased, resulting in the overall Hispanic worker participation levels being comparably lower. For example, among workers with earnings of \$75,000 or more, native-born Hispanic workers had a participation level of 74.0 percent, compared with 62.4 percent for nonnative-born Hispanic workers.

**Figure 1**  
**Percentage of Full-Time, Full-Year Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Race/Ethnicity, 2018–2023**



Source: Employee Benefit Research Institute estimates of the March Current Population Survey 2019–2024.

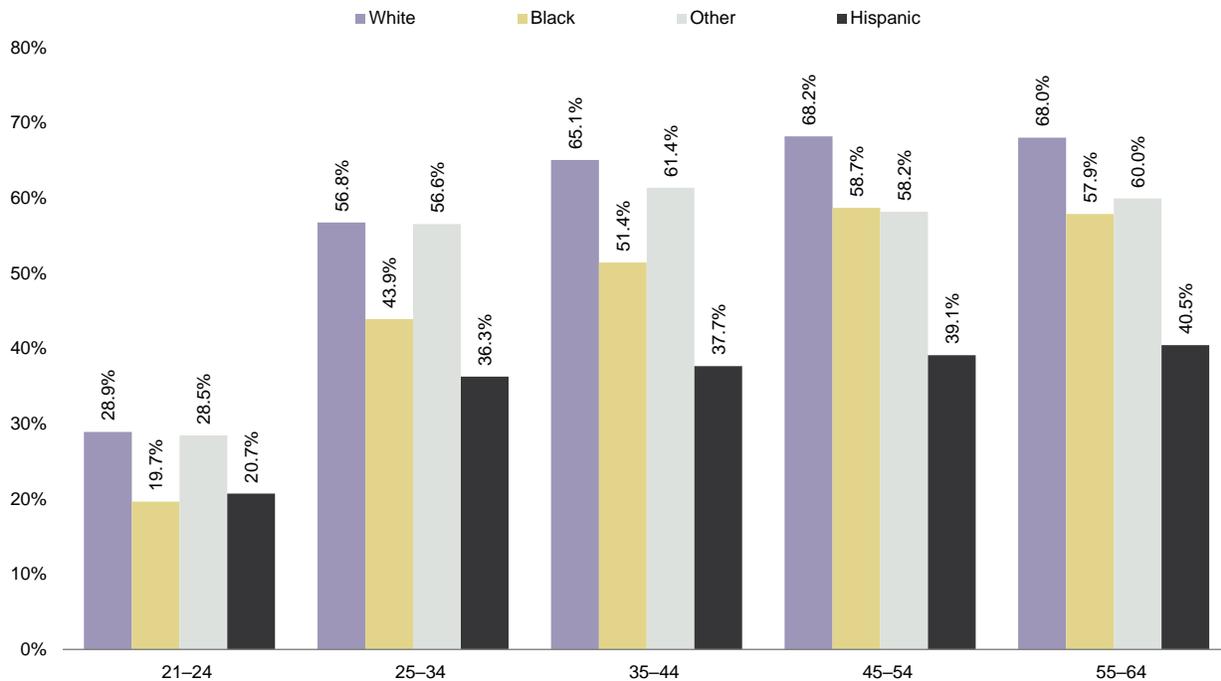
**Figure 2**  
**Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Race/Ethnicity With Hispanic Detail and Annual Earnings, 2023**



Source: Employee Benefit Research Institute estimates of the 2024 March Current Population Survey.

*Age* — Controlling for age does not reduce the gap in retirement plan participation by race, though being older is associated with higher participation (Figure 3). For example, in the youngest age category (21–24), 28.9 percent of White workers participated in a plan, compared with 19.7 percent of Black workers and 20.7 percent of Hispanic workers. Meanwhile, at the ages with the highest retirement plan participation (55–64), 68.0 percent of White workers participated in a plan in 2023, while 57.9 percent of Black workers and 40.5 percent of Hispanic workers did the same. While not shown here, native-born Hispanic workers participated at higher levels than nonnative-born Hispanic workers across each age group.

**Figure 3**  
**Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Race/Ethnicity and Age, 2023**

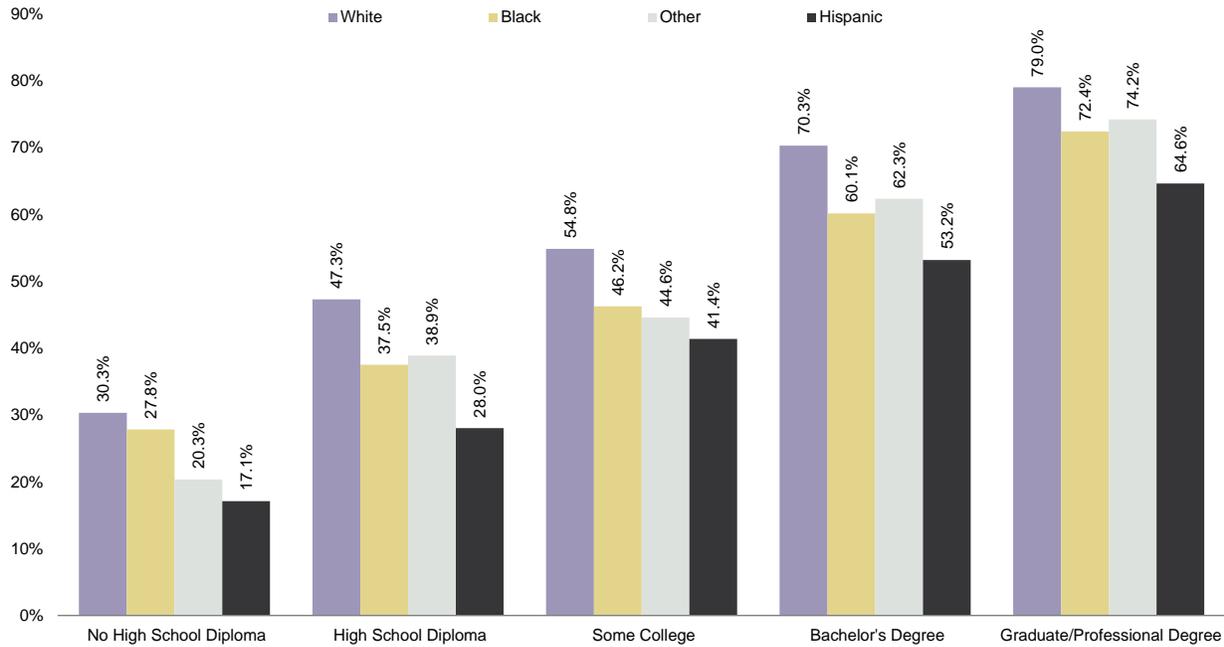


Source: Employee Benefit Research Institute estimates of the 2024 March Current Population Survey.

*Educational Attainment* — Similarly to income and age, higher educational attainment was correlated with higher employment-based retirement plan participation levels across all races/ethnicities (Figure 4). Among those without a high school diploma, White and Black workers had the highest levels of participation at 30.3 percent and 27.8 percent, respectively, while workers in the “other” race/ethnicity category and Hispanic workers had lower participation levels (20.3 percent or less). White worker participation became more disparate starting among those with a high school diploma, before the racial participation gap narrowed again among those with a graduate degree, the highest educational attainment category. Within this group, White, Black, and “other” workers all had participation levels over 70 percent, while Hispanic participation continued to lag.

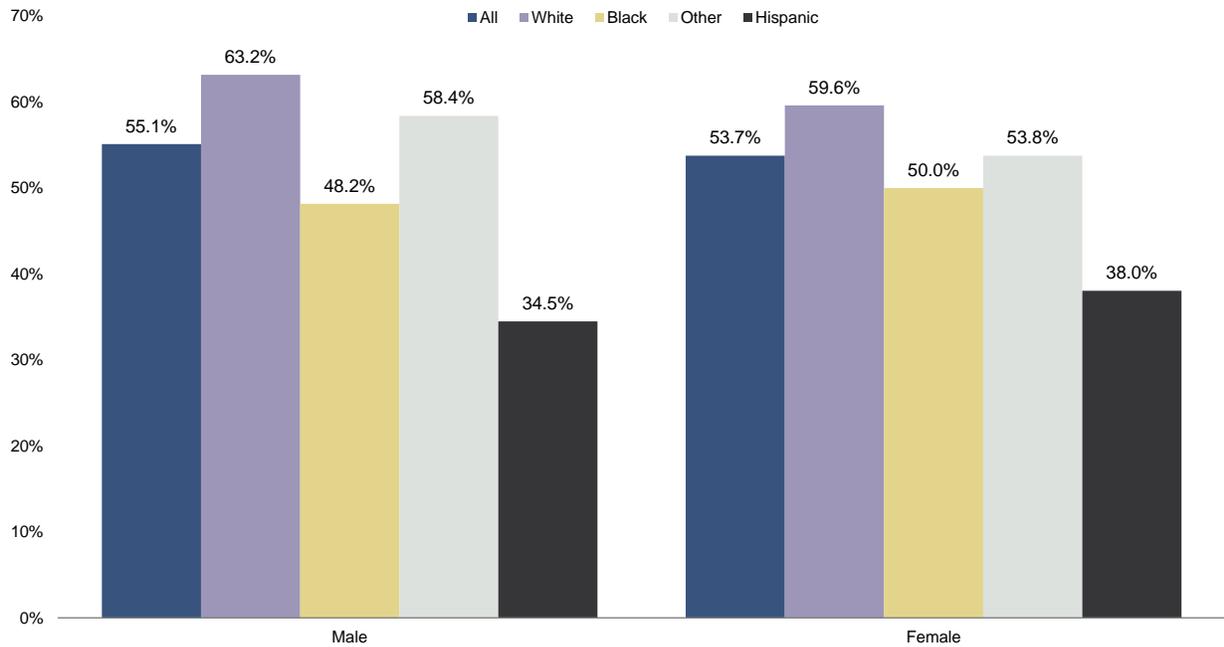
*Gender* — The employment-based retirement plan participation level of males was slightly higher than that of females — 55.1 percent vs. 53.7 percent (Figure 5). Participation was highest among both male and female White workers. Within each gender, the order of participation after White workers was consistent from highest to lowest: “other,” Black, and then Hispanic workers. However, White and “other” male workers had slightly higher levels of participation than women of the corresponding race/ethnicity, while Black and Hispanic female workers had higher participation levels than their male counterparts.

**Figure 4**  
**Percentage of Wage and Salary Workers Ages 21–64 Who**  
**Participated in an Employment-Based Retirement**  
**Plan, by Race/Ethnicity and Education, 2023**



Source: Employee Benefit Research Institute estimates of the 2024 March Current Population Survey.

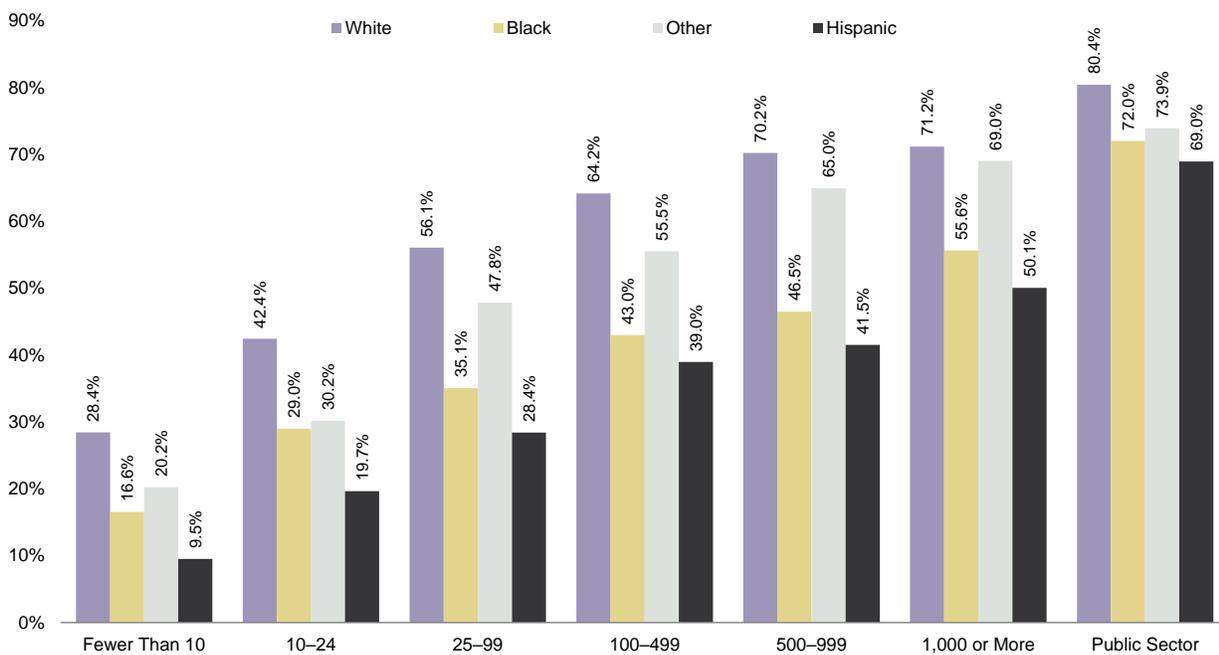
**Figure 5**  
**Percentage of Wage and Salary Workers Ages 21–64 Who**  
**Participated in an Employment-Based Retirement**  
**Plan, by Race/Ethnicity and Gender, 2023**



Source: Employee Benefit Research Institute estimates of the 2024 March Current Population Survey.

*Employer Size* — Employment-based retirement plan participation increased as employer size (number of employees) increased, with public-sector workers surpassing the participation levels of the workers at the largest private-sector employers (Figure 6). Across all employer sizes, White workers were the most likely to be participating in a plan. While the gap in participation between White and “other” workers narrowed at the larger employer sizes, Black and Hispanic worker participation continued to fall below the levels of White workers. For example, among workers at employers with 500–999 employees, 70.2 percent of White workers were retirement plan participants, compared with 46.5 percent of Black workers and 41.5 percent of Hispanic workers. Among employers with 10–24 workers, the participation level for White workers was 42.2 percent, vs. 29.0 percent and 19.7 percent for Black and Hispanic workers, respectively. Hispanic workers had the lowest share participating in a plan in each employer size group.

**Figure 6**  
**Percentage of Wage and Salary Workers Ages 21–64 Who Participated in an Employment-Based Retirement Plan, by Race/Ethnicity and Employer Size (Number of Employees), 2023**



Source: Employee Benefit Research Institute estimates of the 2024 March Current Population Survey.

## Conclusion

When examining participation by race/ethnicity, White workers are found to have the highest levels of participation, while Hispanic workers have the lowest, and this pattern holds across income, education, age, gender, and employer size. The low levels of Hispanic participation are driven by the especially low levels of participation of nonnative-born Hispanic workers. While there are many non-racial socioeconomic and demographic factors that correlate with having more or less plan participation, racial/ethnicity gaps in participation exist even when controlling for these factors. Thus, further research is needed to better understand the causes of the persistently lower participation of non-White workers.<sup>3</sup> As this research is being further developed, plan sponsors can look to employee resource groups (ERGs) to help identify other factors that might be resulting in disparate retirement savings behavior. Financial wellbeing benefits can also be a source of assistance that plan sponsors can provide to help their employees better manage their individual budgets, which could result in higher retirement plan participation.

## Endnotes

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<sup>1</sup> The survey of a particular year gives results about the prior year, e.g., the 2019 survey gives results for 2018.

<sup>2</sup> See Copeland, Craig, and Kyle Bedu, “Retirement Plan Participation and the Current Population Survey: The Impact of the Retirement Account Questions, 2018-2023,” *EBRI Issue Brief*, no. 628 (Employee Benefit Research Institute, January 16, 2025) for complete results from the most recent CPS data.

<sup>3</sup> See Copeland, Craig, and Lisa Greenwald, “2021 Retirement Confidence Survey: A Closer Look at Black and Hispanic Americans,” *EBRI Issue Brief*, no. 530 (Employee Benefit Research Institute, June 10, 2021) for some of the reasons that there is lower participation among minority workers. The 2025 Retirement Confidence Survey will have a special focus on Black Americans to build on the results from the 2021 survey.

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