



# **Black and Hispanic Retirement Confidence: Diving Deep with the Retirement Confidence Survey**

EBRI Webinar

June 23, 2021

# Speakers



**Craig Copeland,  
Senior Research  
Associate, EBRI**



**Lisa Greenwald,  
CEO, Greenwald  
Research**



**Kai Walker, Head of  
Inclusion  
Transformation,  
Bank of America**



**Moderator: Ali  
Ahmed, Director,  
Thought  
Leadership,  
Fidelity  
Investments**

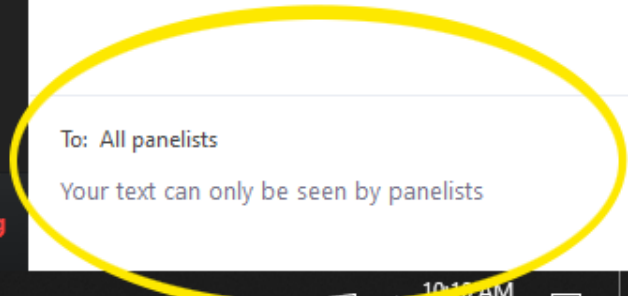
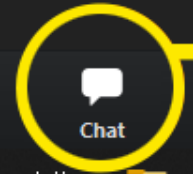
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# 2021 Retirement Confidence Survey

Craig Copeland, EBRI

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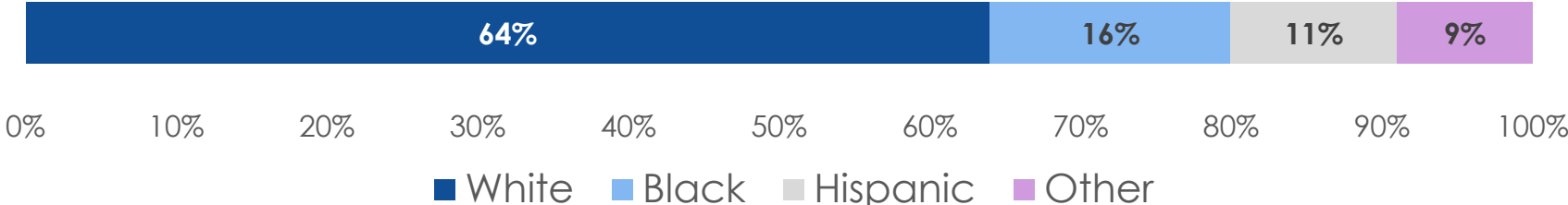
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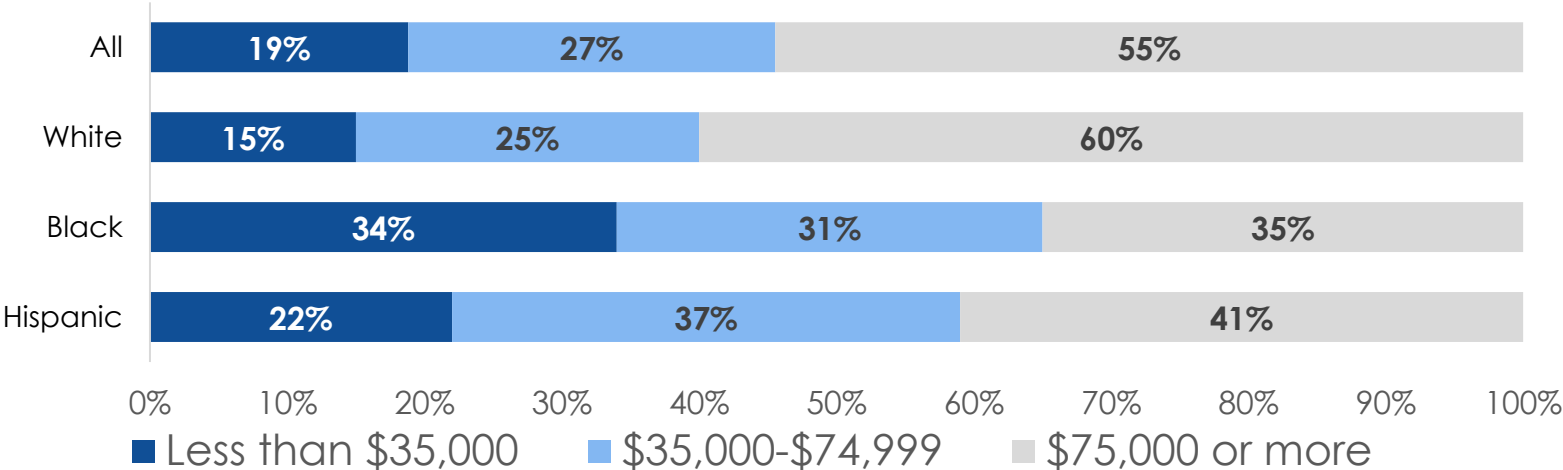
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# Demographic Breakdowns, by Race/Ethnicity

## Race/Ethnicity



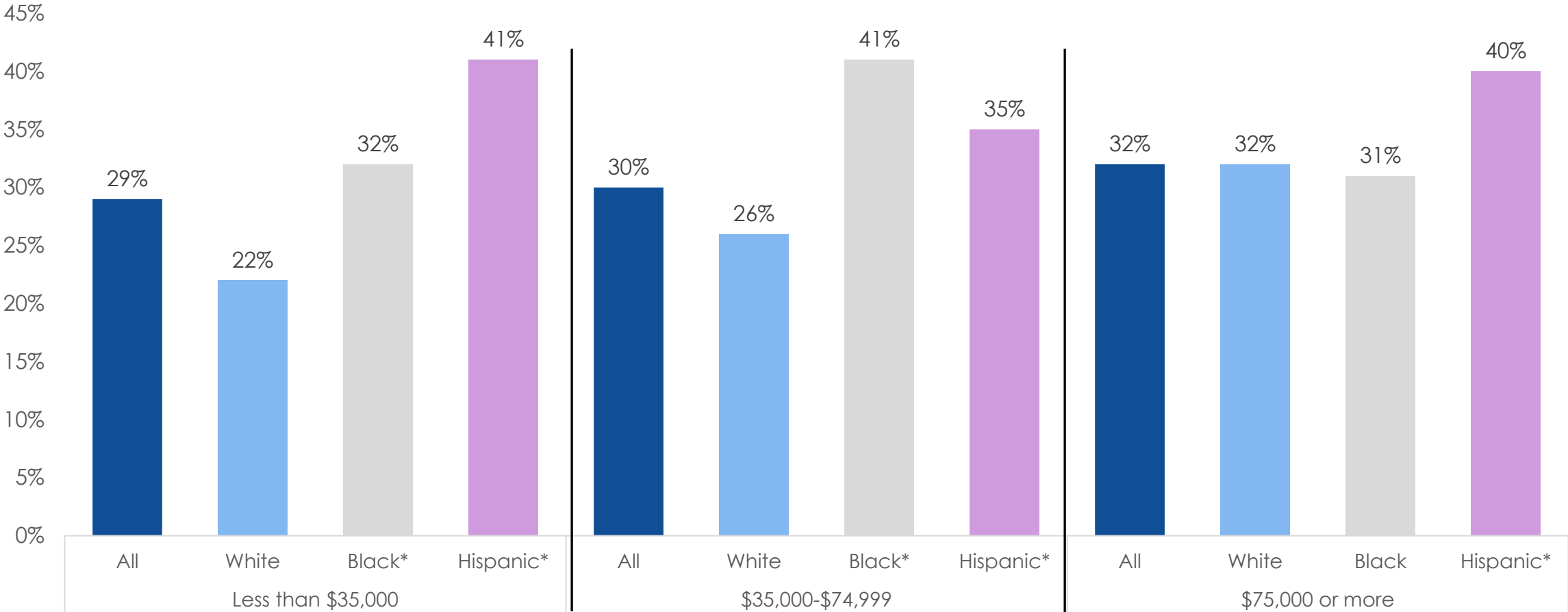
## Household Income



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

# Percentage of Workers and Retirees Who Report a Negative Job or Income Change Since February 1, 2020, by Race/Ethnicity and Income

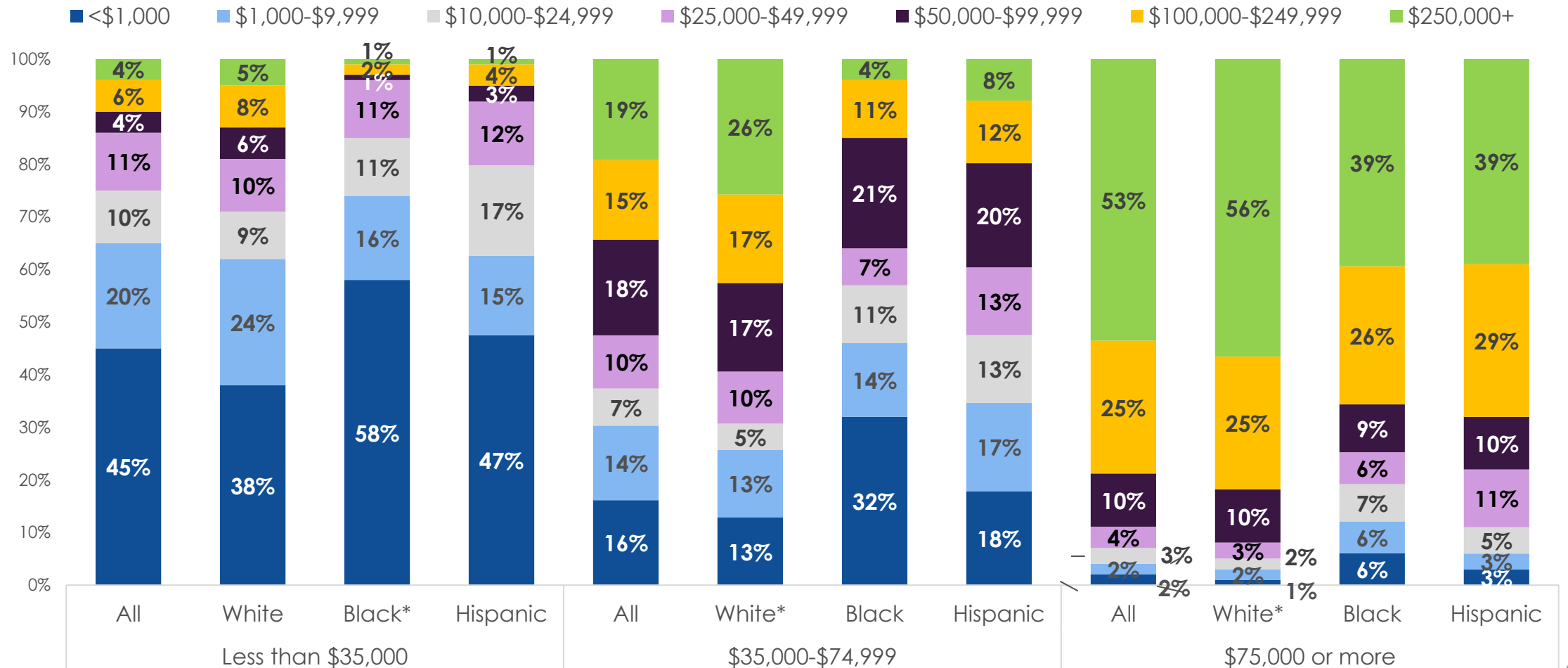
Have any of the following work changes happened in your household since February 1st, 2020? (Please select all that apply.)  
 Total: Workers n=1,507, Retirees n=1,510, Net Negative Job or Income Change



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

# Amount Held in Savings and Investments, by Race/Ethnicity and Income

In total, about how much money would you say you (and your spouse) currently have in savings and investments, not including the value of your primary residence or defined benefit plan assets?  
Workers n=1,507, Retirees n=1,510

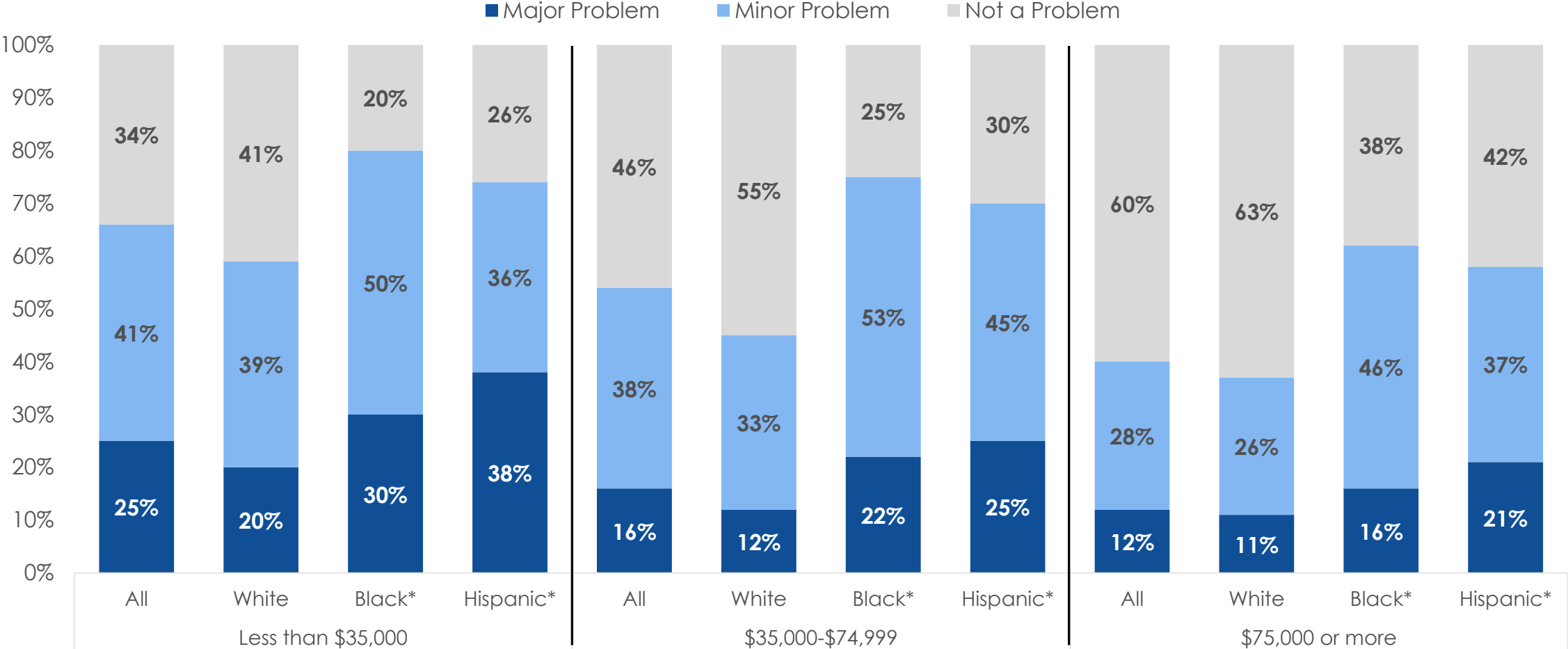


Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.



# Debt Level a Problem, by Race/Ethnicity and Income

Thinking about your current financial situation, how would you describe your level of debt?  
 Workers n=1,507, Retirees n=1,510

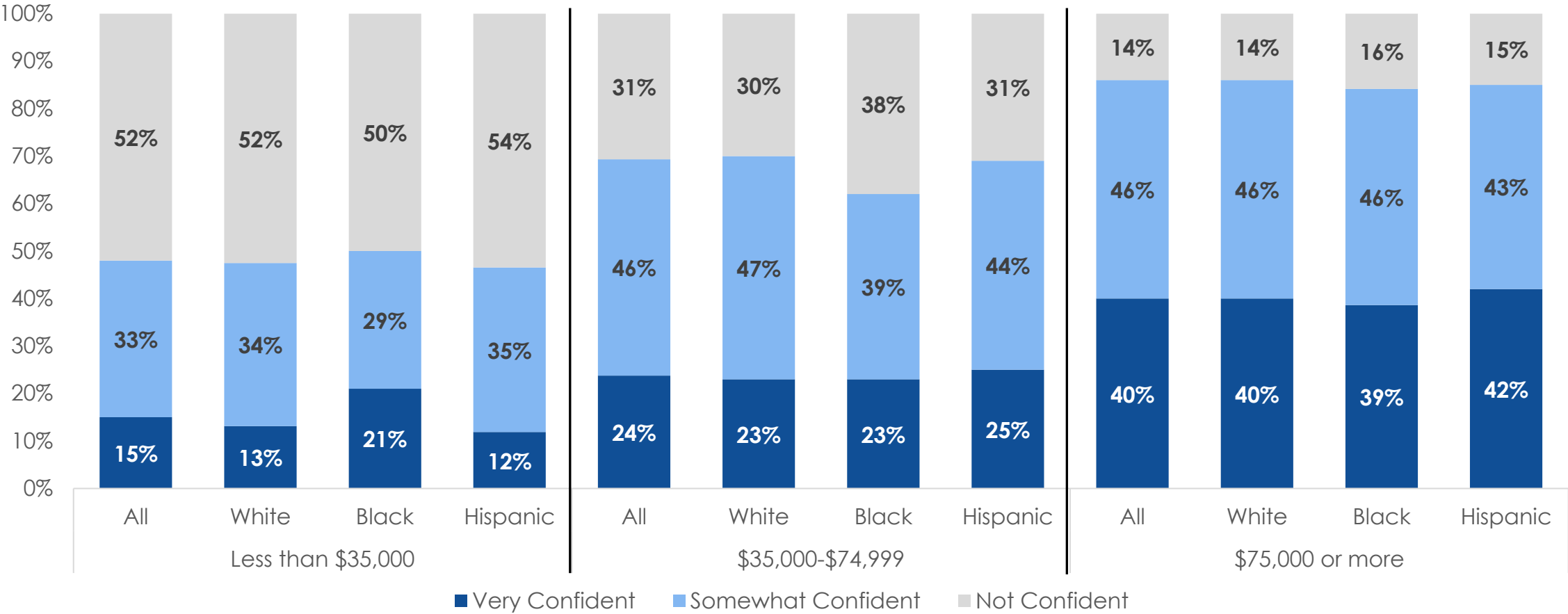


Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

# Confidence in Having Enough Money to Live Comfortably Through Retirement, by Race/Ethnicity and Income

Overall, how confident are you that you (and your spouse) will have enough money to live comfortably throughout your retirement years?

Total: Workers n=1,507, Retirees n=1,510

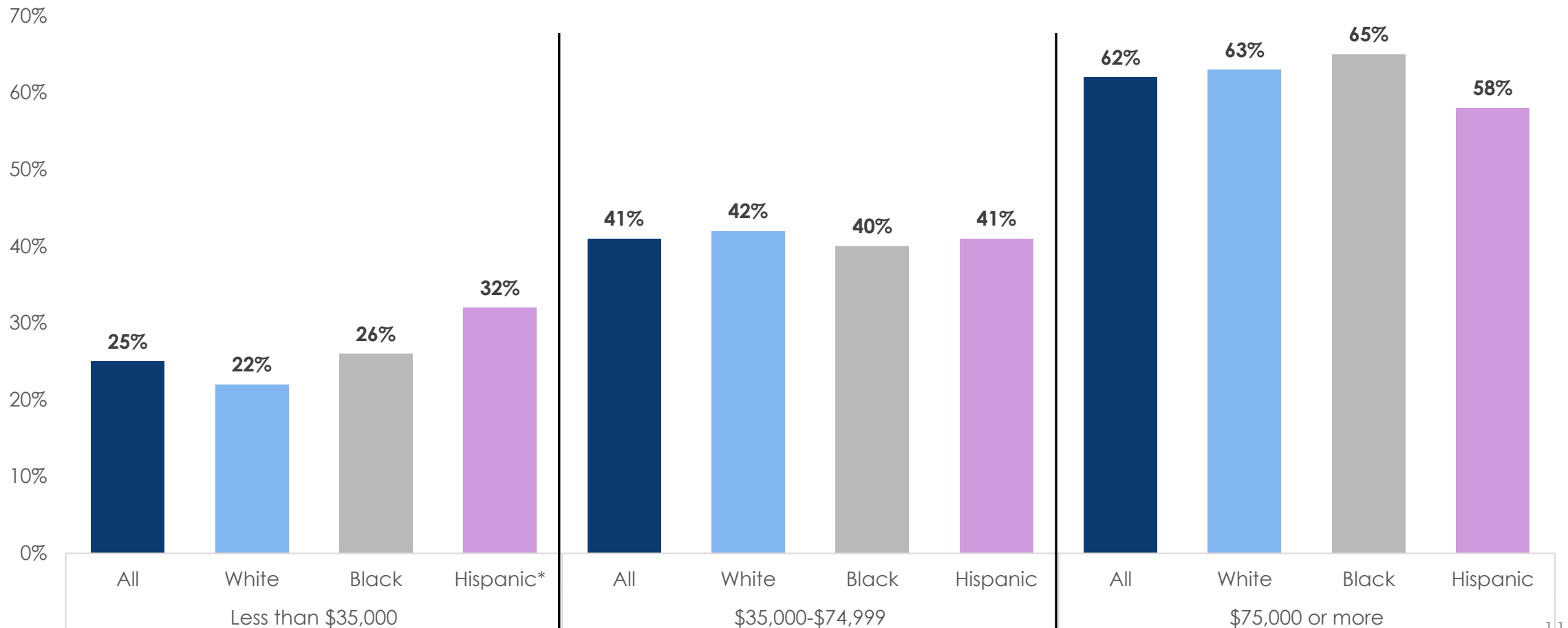


Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

# Percentage of Workers and Retirees Who Calculated How Much They Need to Save for Retirement, by Race/Ethnicity and Income

Have you (or your spouse) tried to figure out how much money you will need to have saved by the time you retire so that you can live comfortably in retirement? / To prepare for retirement, did you (or your spouse) try to figure out how much money you needed to have saved by the time you retired so that you could live comfortably in retirement?

Workers n=1,507, Retirees n=1,510, Percentage Yes

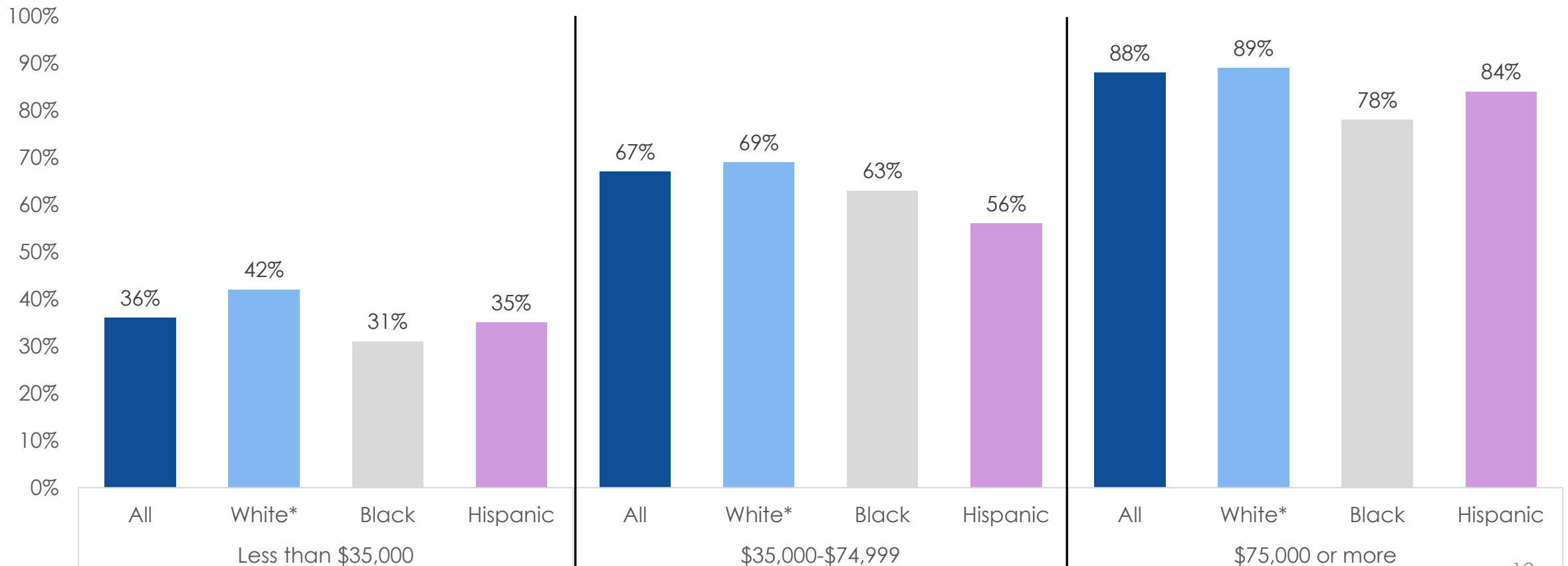


Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

# Percentage Who Have Ever Personally Saved for Retirement, by Race/Ethnicity and Income

Not including Social Security or employer-provided money, have you (or your spouse) personally saved any money for retirement? / Not including Social Security or employer-provided money, did you (or your spouse) personally save any money for retirement before you retired?

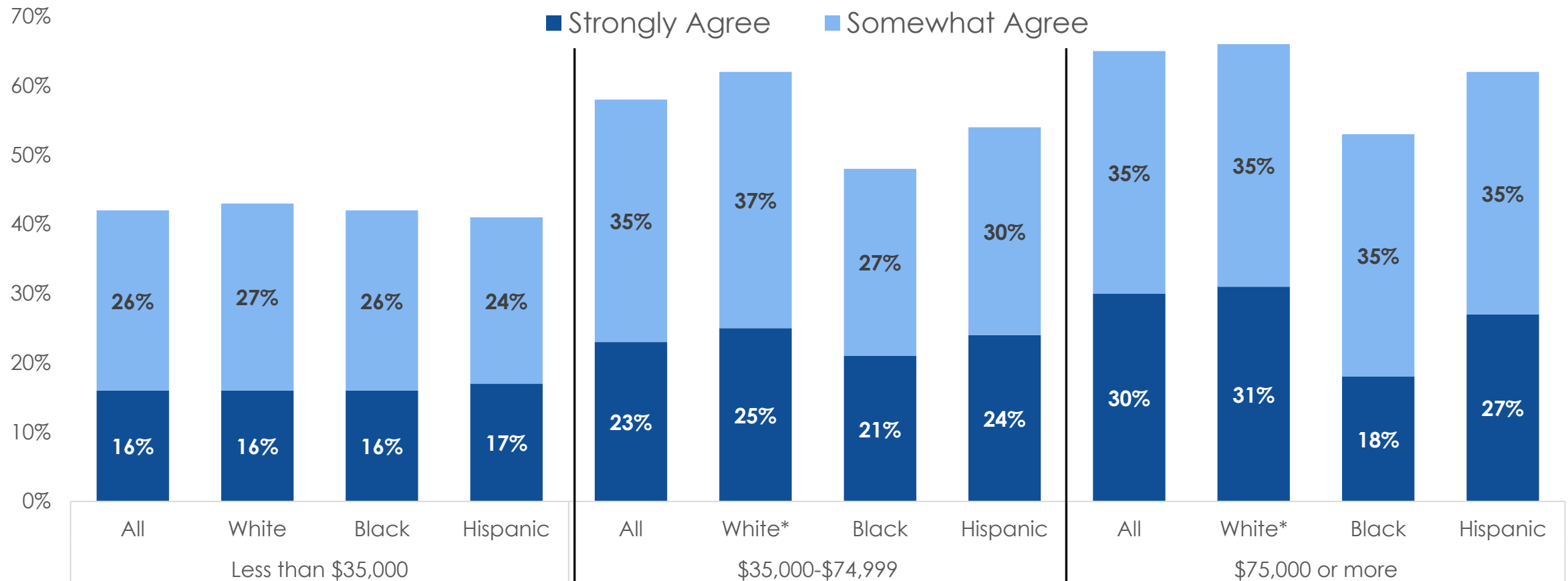
Total: Workers n=1,507, Retirees n=1,510



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

# Percentage Who Agree That Their Parents Had or Are Having a Financially Comfortable Retirement, by Race/Ethnicity and Income

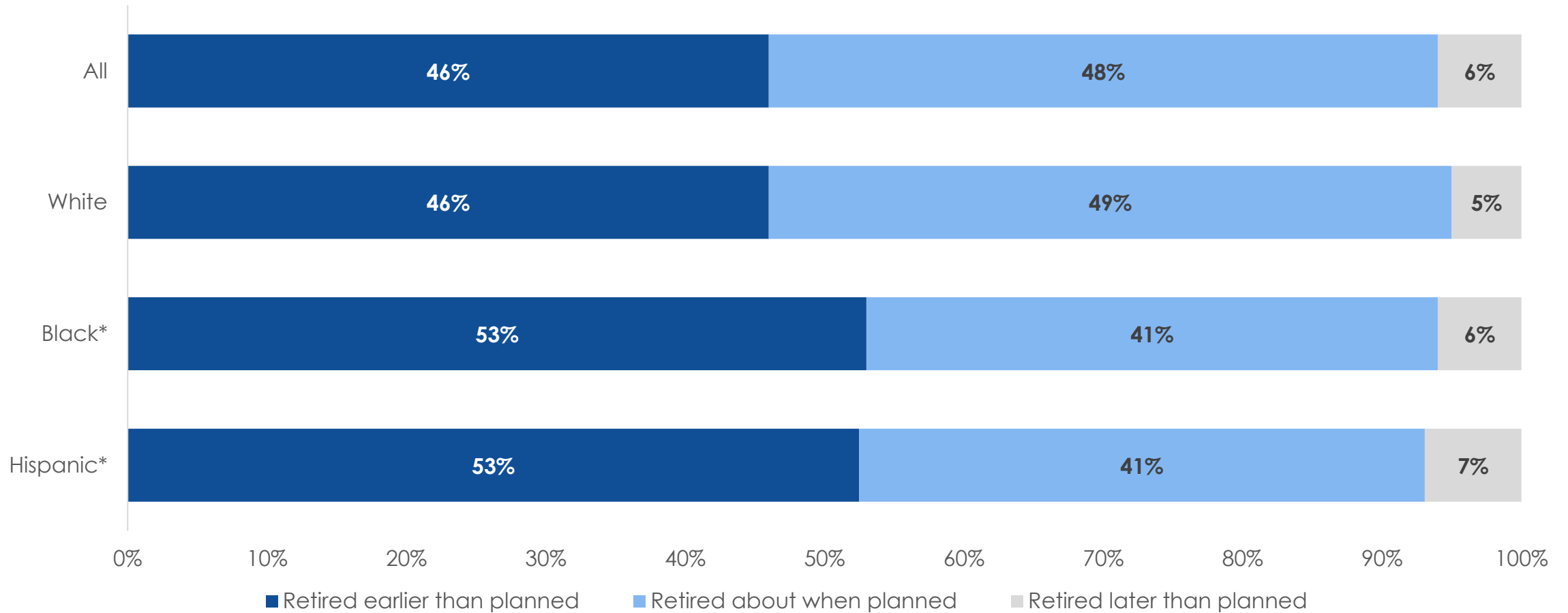
To what extent do you agree or disagree with the following?  
 Your parents had or are having a financially comfortable retirement.  
 Total: Workers n=1,507, Retirees n=1,510



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

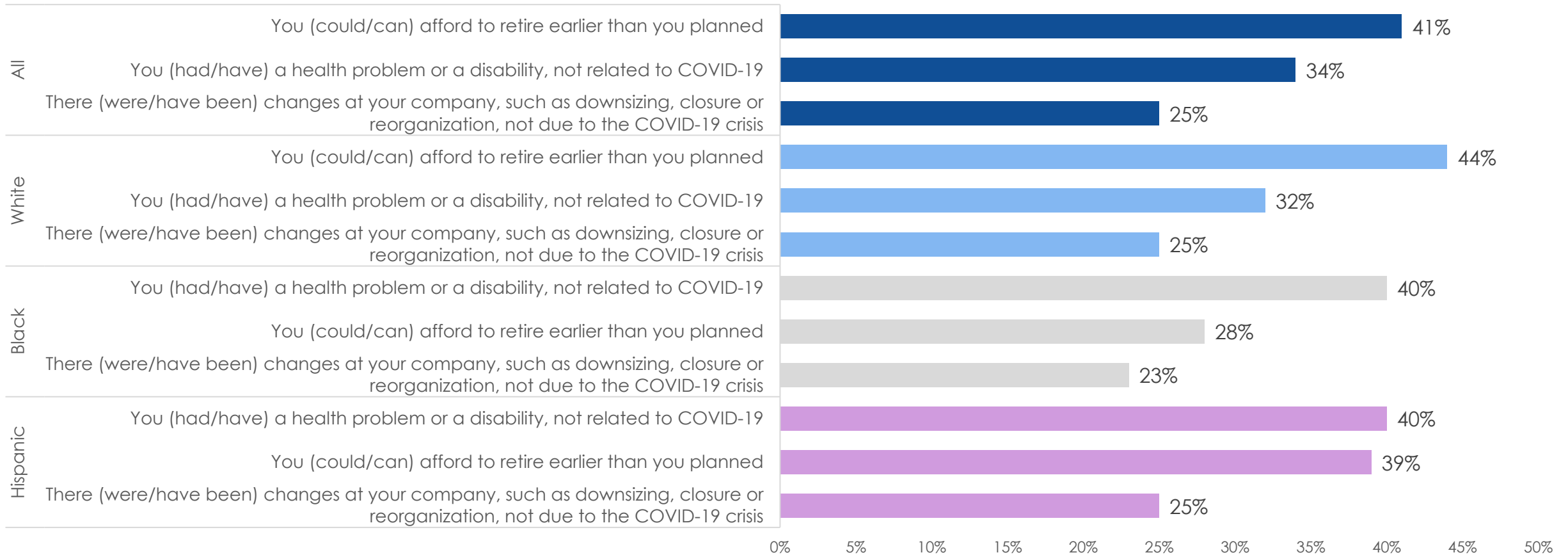
# Share of Retirees Who Retired Earlier, Later, or When Planned, by Race/Ethnicity

Did you retire earlier than planned, about when planned, or later than planned?  
Retirees n=1,510



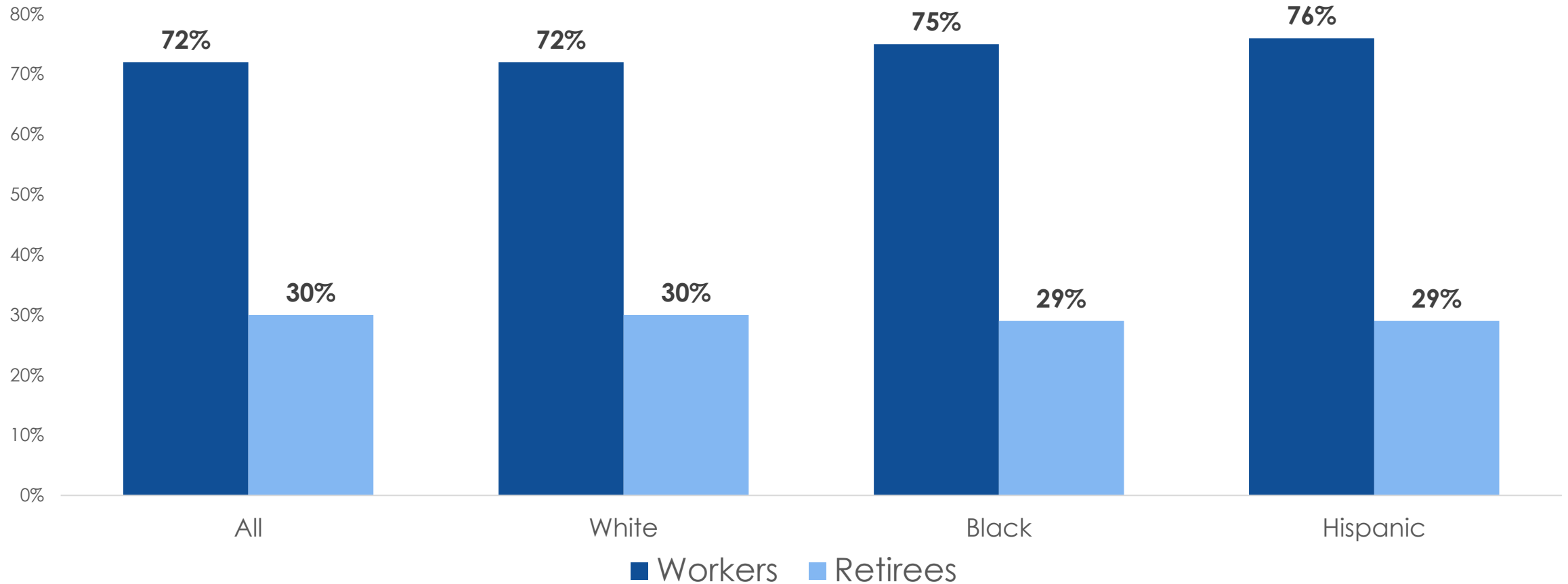
# Top Three Reasons for Retiring Earlier Than Planned, by Race/Ethnicity

**Did you retire earlier than you planned because...?**  
**Retired earlier than planned, Retirees n=740**



# Workers' Expectations About Working After Retirement vs. Retirees Actually Doing So, by Race/Ethnicity

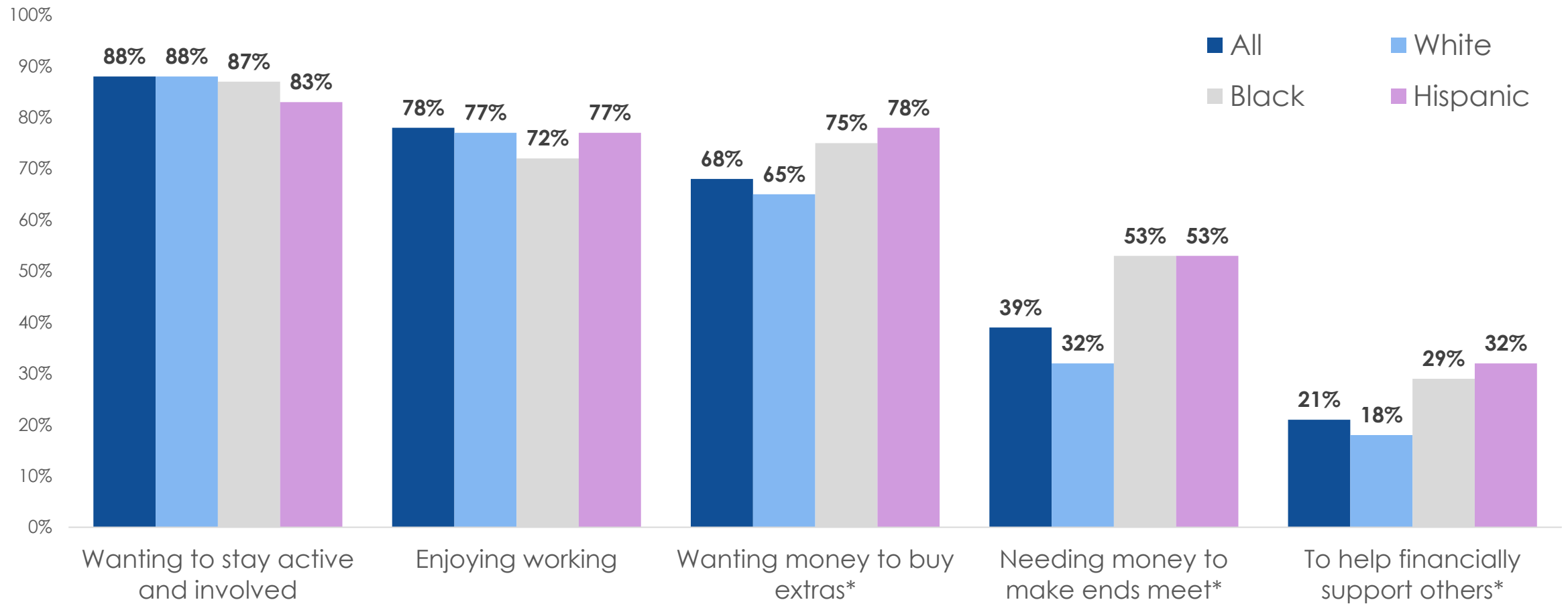
Do you think you will do any work for pay after you retire?  
Workers who say they will retire n=1,393  
Have you worked for pay since you retired?  
Retirees n=1,510





# Reasons for Working for Pay Since Retiring, by Race/Ethnicity

Which of the following are reasons why you worked for pay after you retired?  
 Worked for pay since retiring n=437, Percentage Major or Minor Reason



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

# 2021 Retirement Confidence Survey

Lisa Greenwald, Greenwald Research

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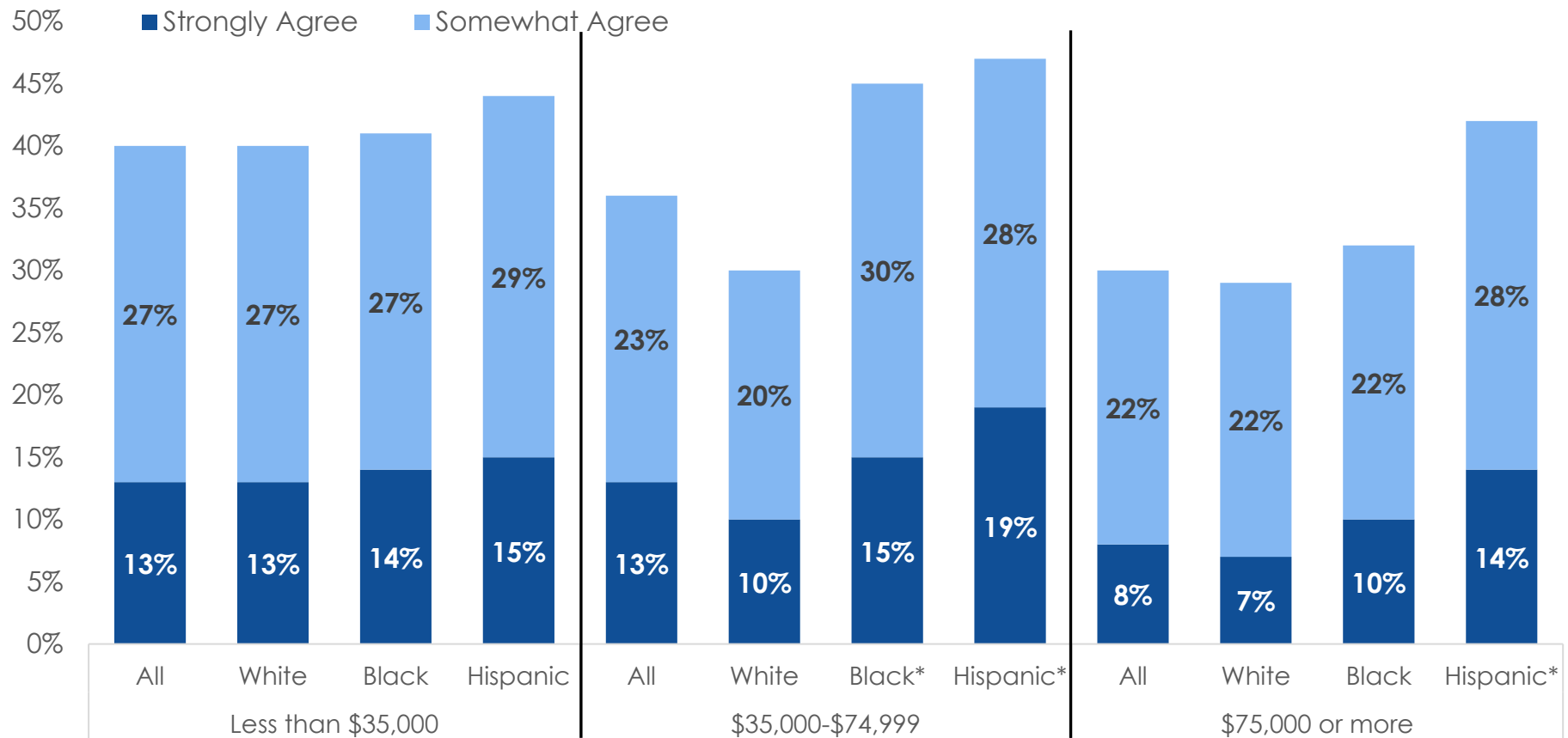
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## Percentage Who Agree That Retirement Savings Is Not a Priority Relative to Current Needs, by Race/Ethnicity and Income

To what extent do you agree or disagree with the following?  
**Retirement savings is not a priority relative to the current needs of my family.**

Total: Workers n=1,507, Retirees n=1,510



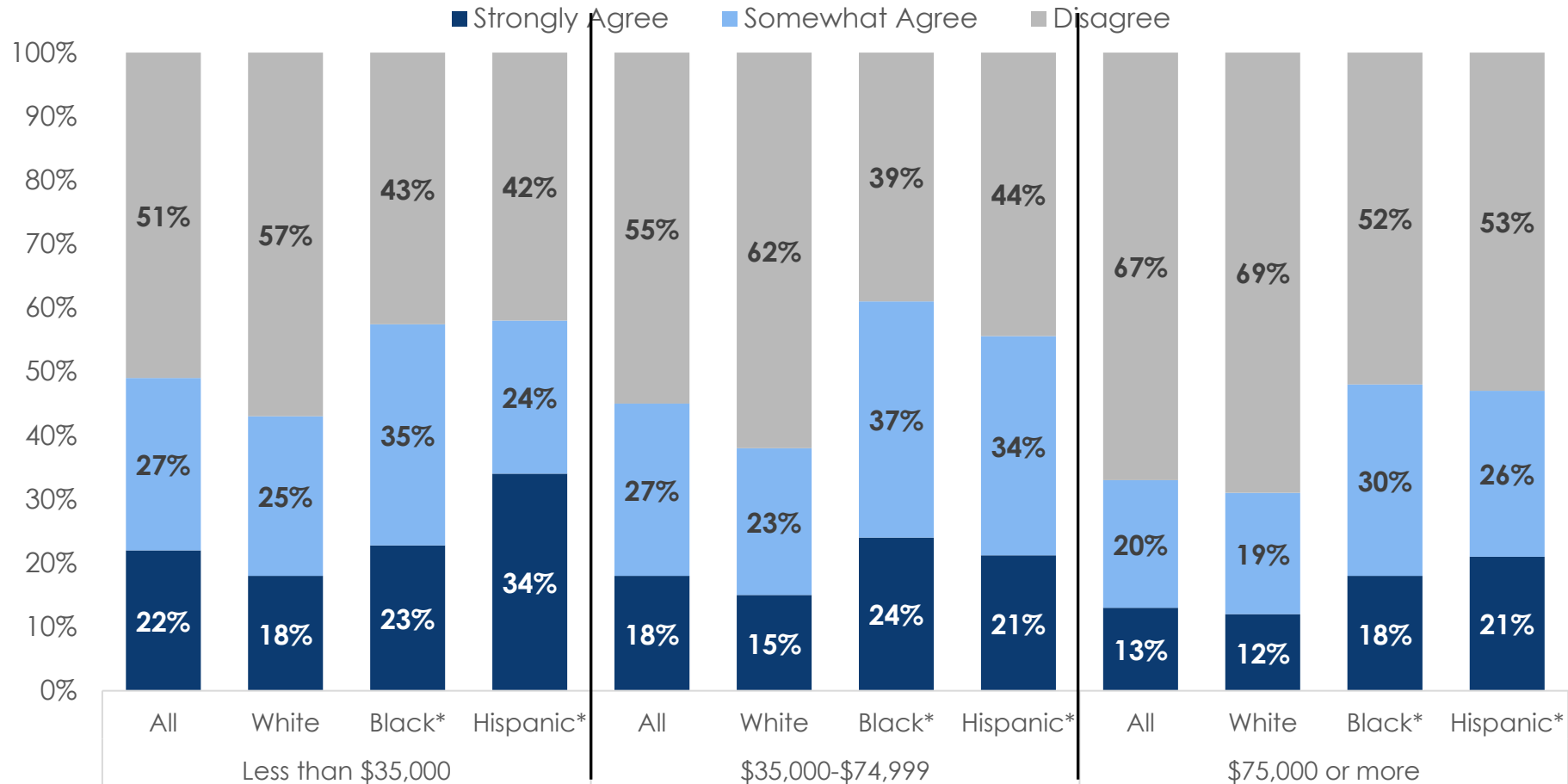
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

# Debt's Impact on Ability to Save for Retirement/Live Comfortably in Retirement, by Race/Ethnicity and Income

To what extent do you agree or disagree with the following statement?

**Debt is negatively impacting your ability to save for retirement/live comfortably in retirement.**

Workers n=1,507, Retirees n=1,510

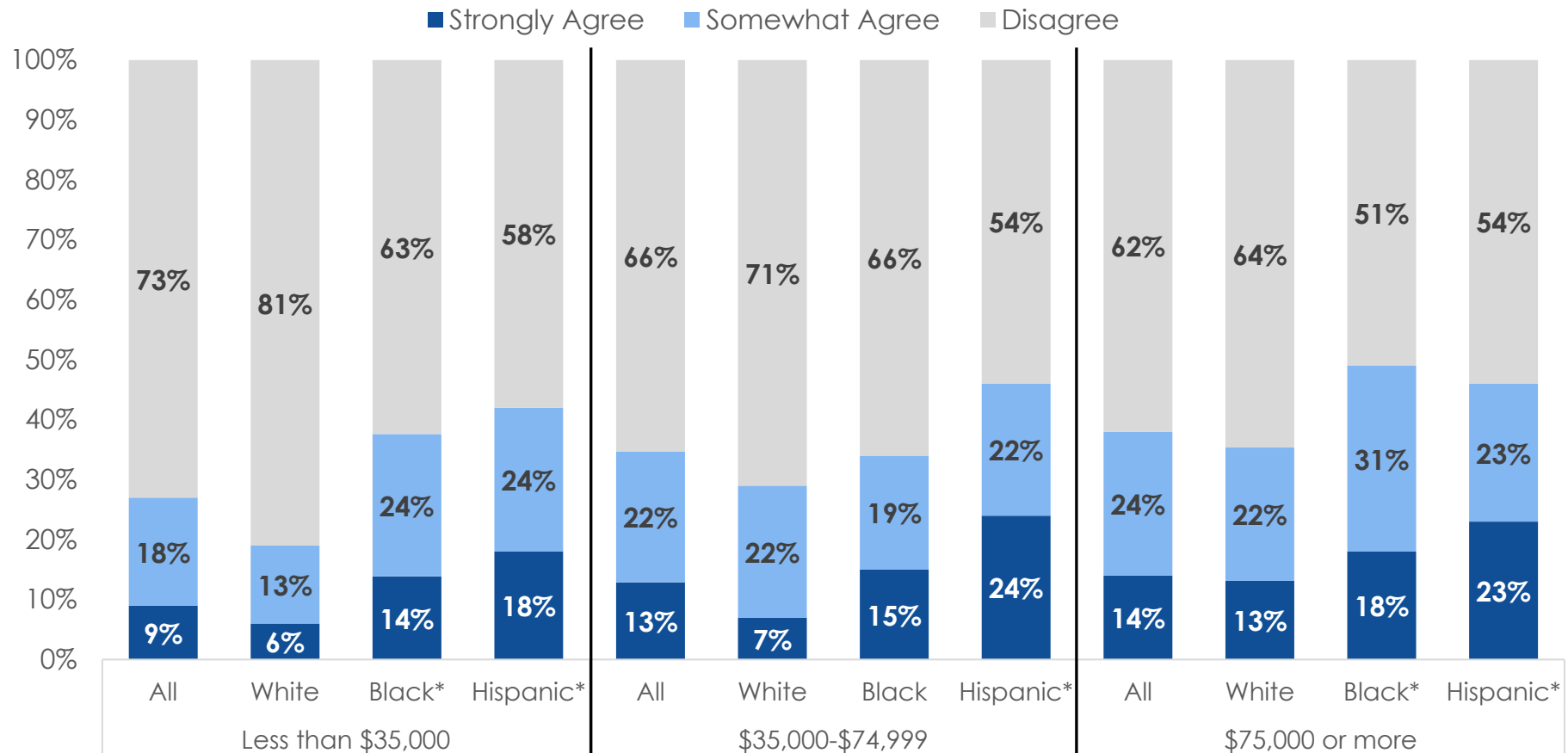


Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

# Percentage Who Agree That Saving/Paying for a Child's Education Is Reducing Retirement Savings, by Race/Ethnicity and Income

To what extent do you agree or disagree with the following statement?  
**Saving for a child's education or paying off a child's education is reducing how much you can save for retirement**

Total: Workers n=1,507, Retirees n=1,510



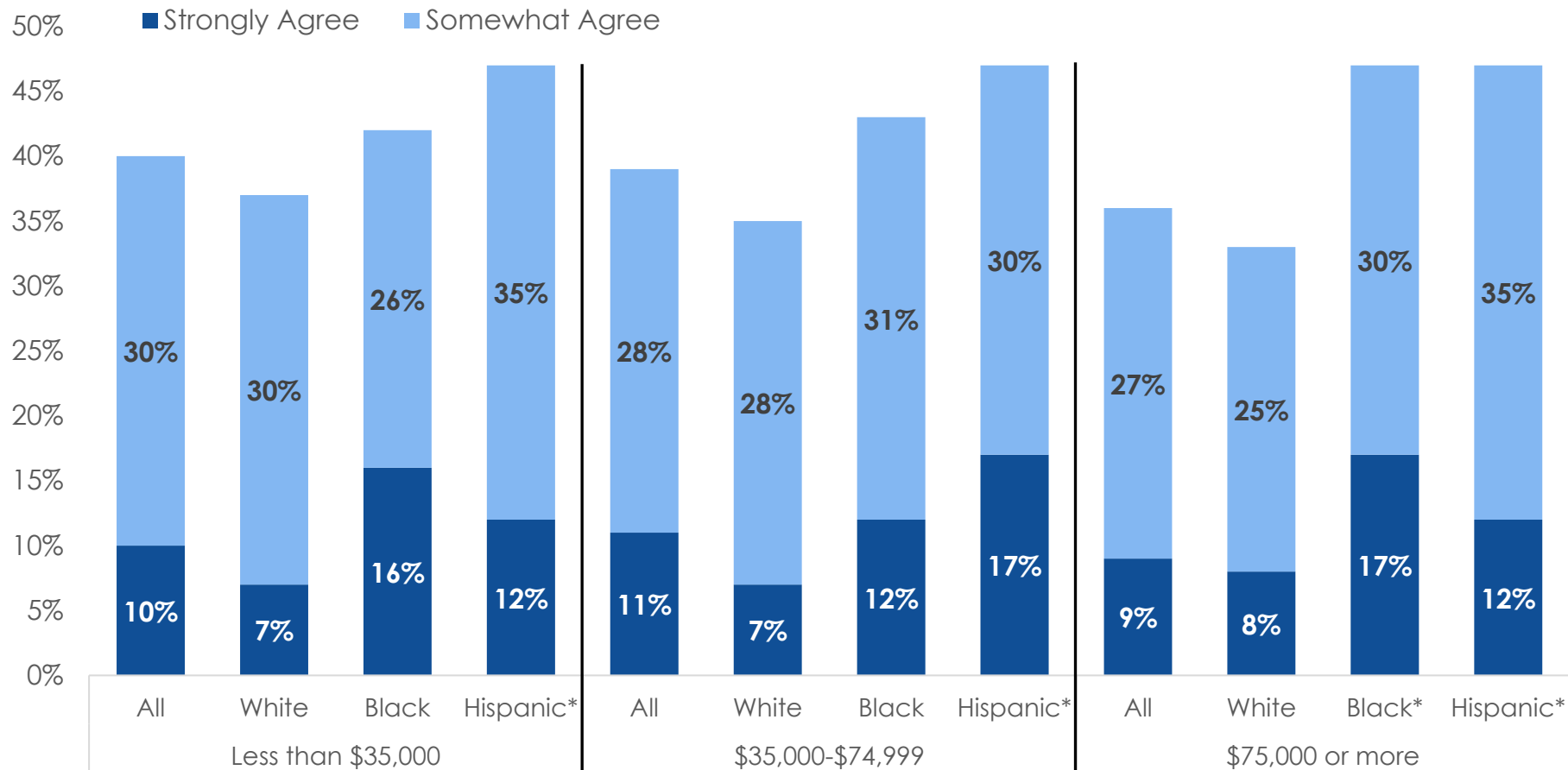
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

# Percentage Who Agree That Helping Friends and Family Is More Important Than Saving for Retirement, by Race/Ethnicity and Income

To what extent do you agree or disagree with the following?

**It is more important to help friends and family now than to save for your own retirement.**

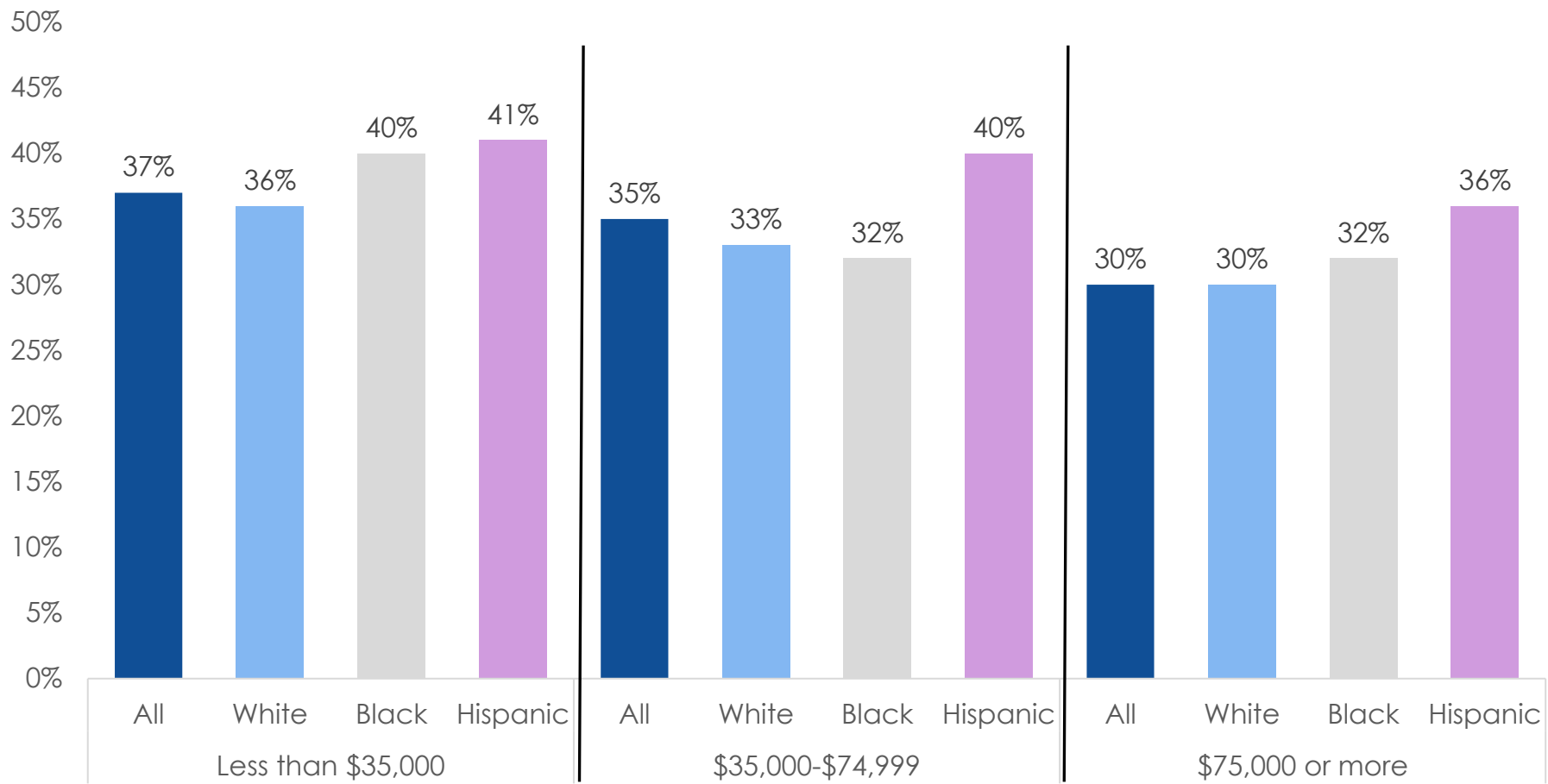
Total: Workers n=1,507, Retirees n=1,510



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

# Percentage Who Feel They Do Not Know Who to Go to for Good Financial Advice, by Race/Ethnicity and Income

To what extent do you agree or disagree with the following?  
**You do not know who to go to for good financial or retirement planning advice.**  
 Total: Workers n=1,507, Retirees n=1,510, Percentage Agree



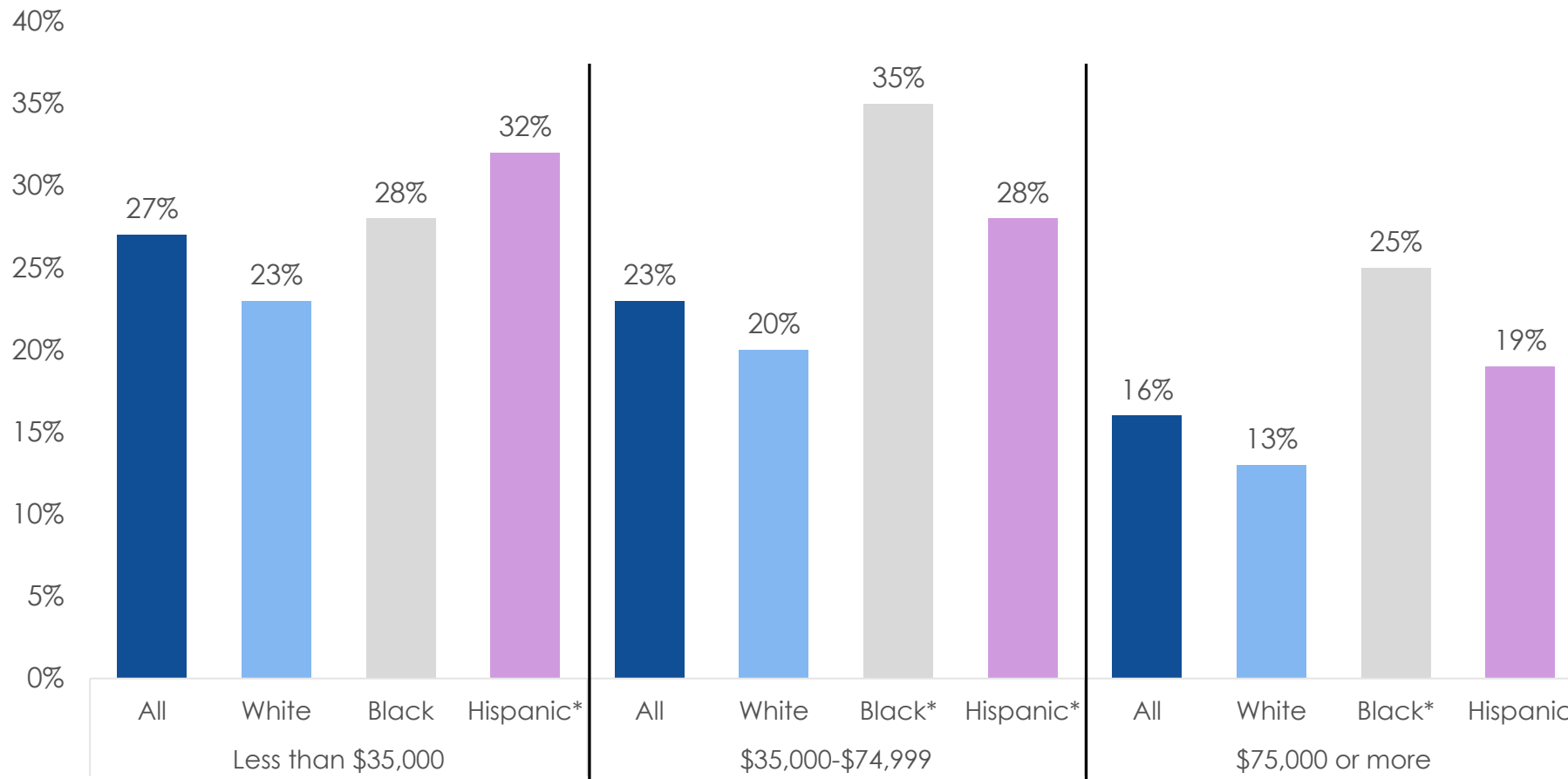
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

# Percentage Who Feel They Have Not Been Treated Fairly by Financial Services Companies, by Race/Ethnicity and Income

To what extent do you agree or disagree with the following?

**You feel you have been fairly treated by financial services companies and their representatives.**

Total: Workers n=1,507, Retirees n=1,510, Percentage Disagree



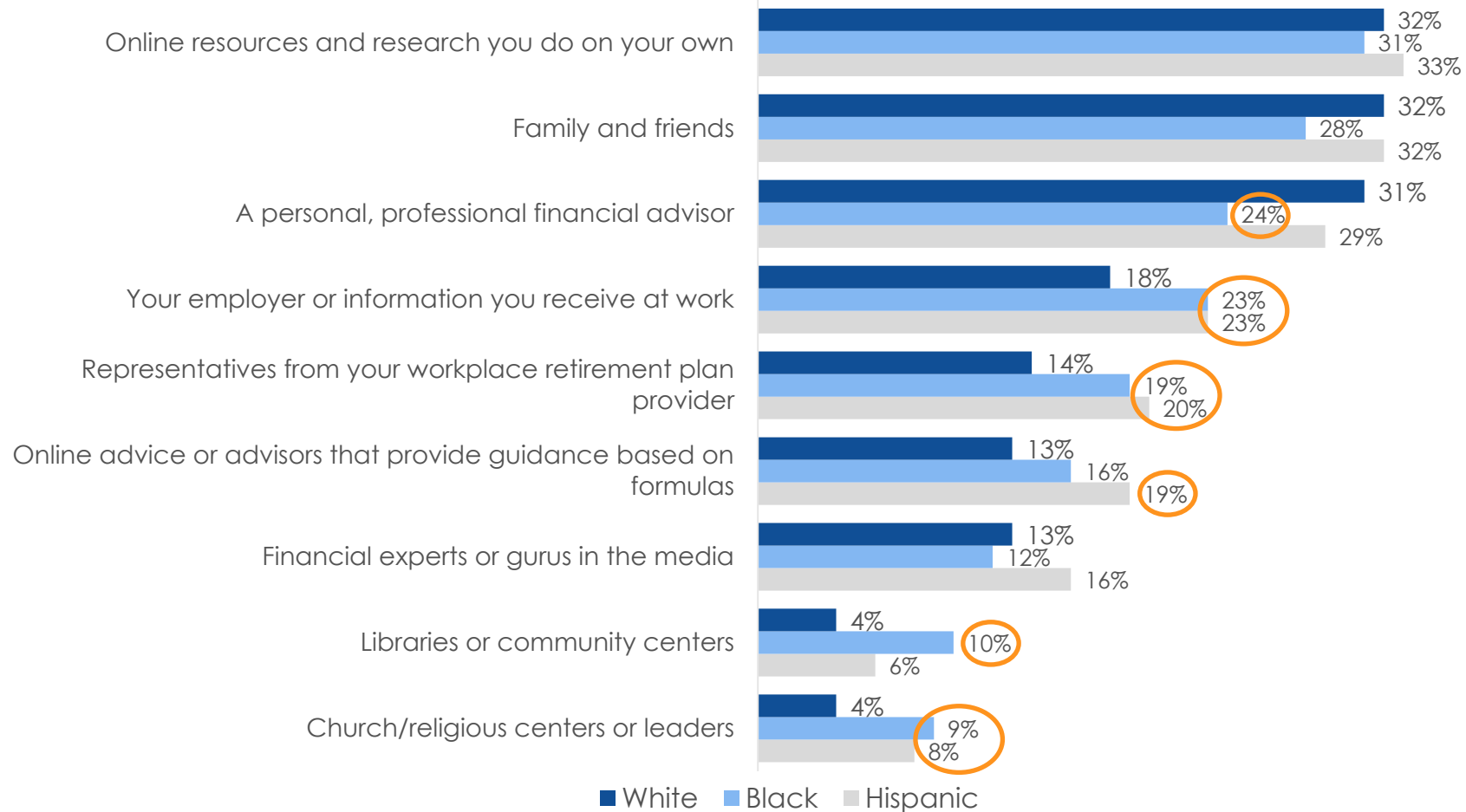
Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.



## Sources of Information Used for Retirement Planning, by Race/Ethnicity

Which of the following people or groups do you use as a source of information for retirement planning?

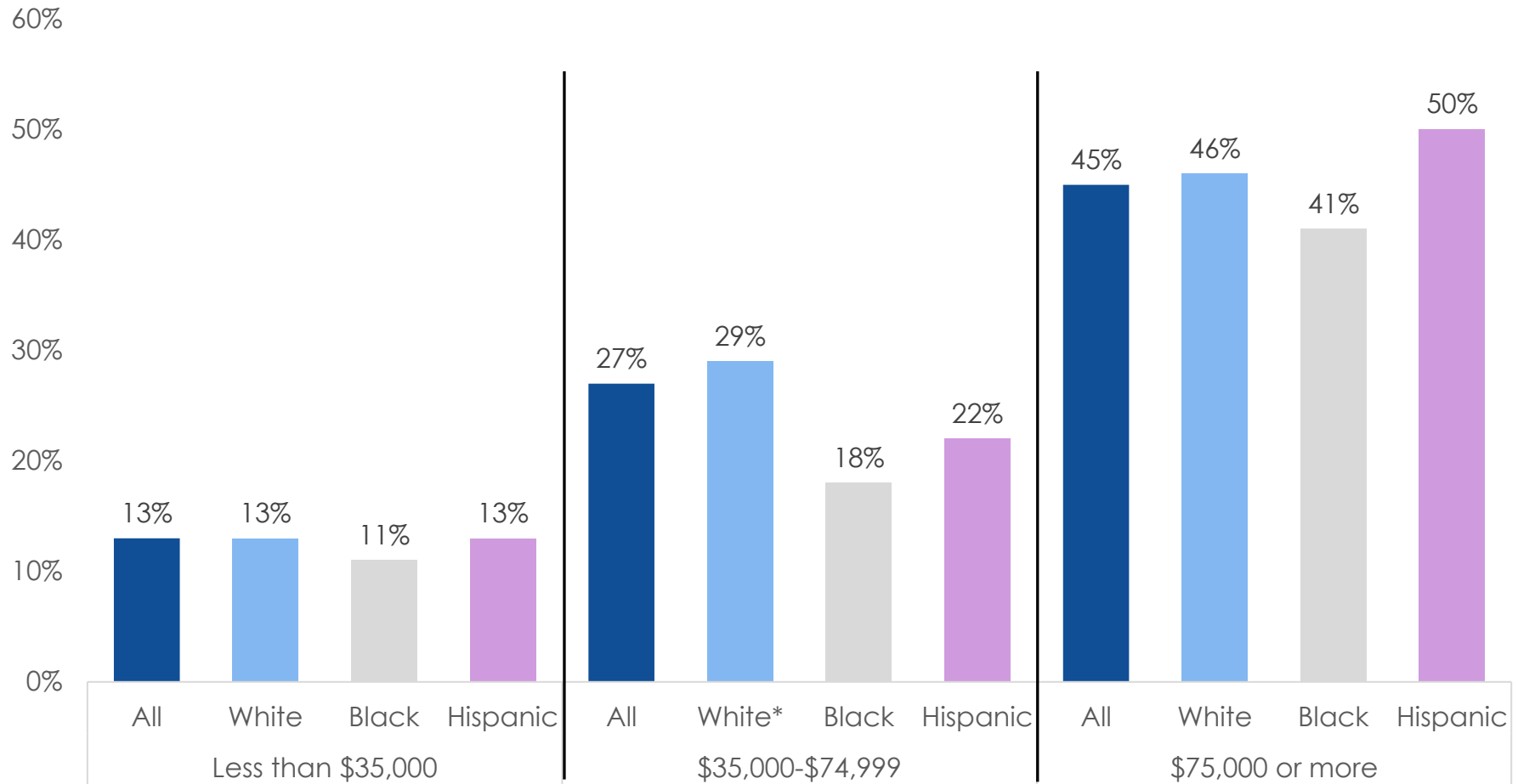
Total: Workers n=1,507, Retirees n=1,510



# Percentage Who Work With a Professional Financial Advisor, by Race/Ethnicity and Income

Do you currently work with a professional financial advisor?

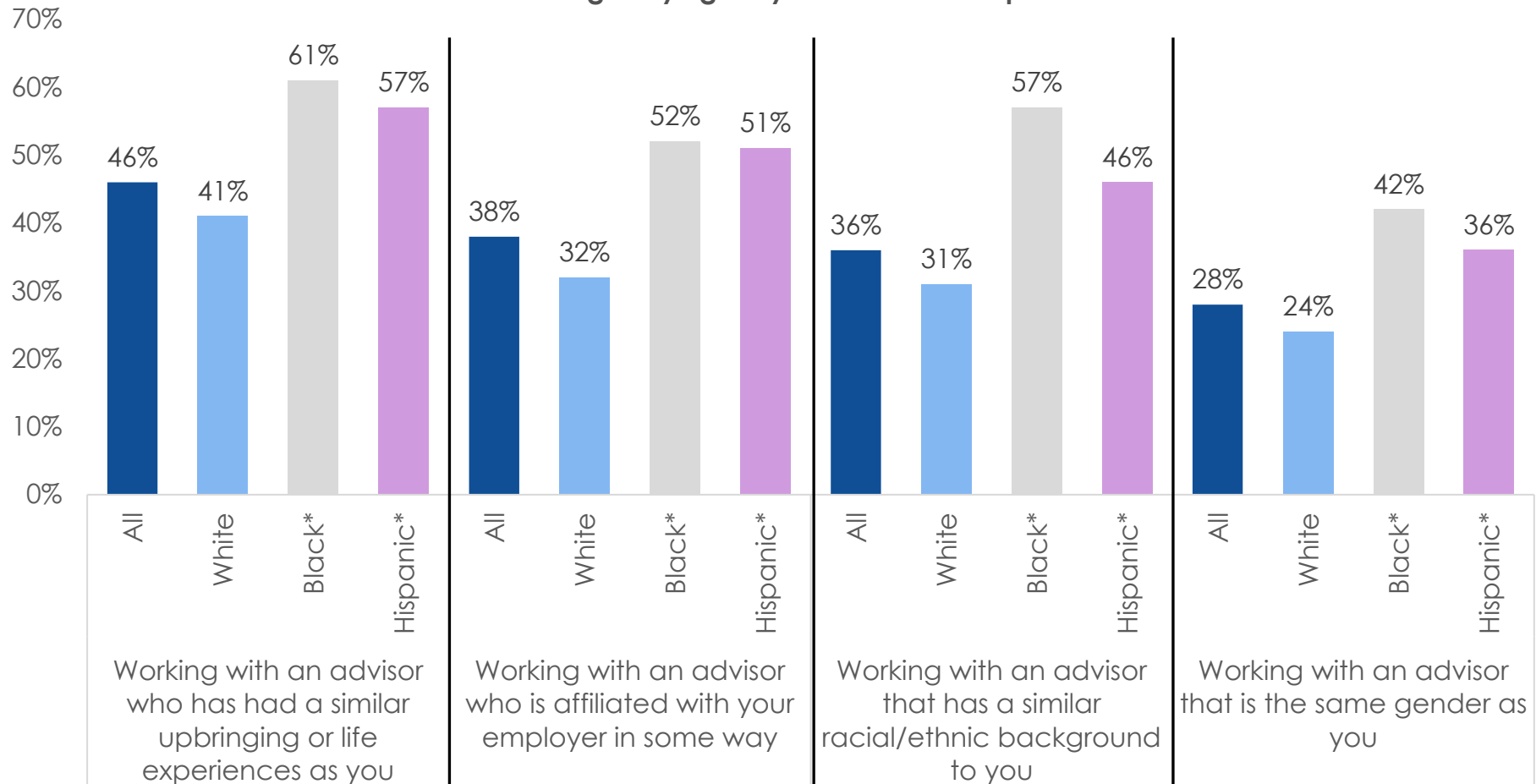
Workers n=1,507, Retirees n=1,510, Percentage Yes



Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

# Criteria Important When Looking for a Financial Advisor, by Race/Ethnicity

When you look(ed) for a professional financial advisor to work with, how important are/were the following criteria?  
 Workers and retirees working with or thinking of working with an advisor n=1,442  
 Percentage Saying Very or Somewhat Important

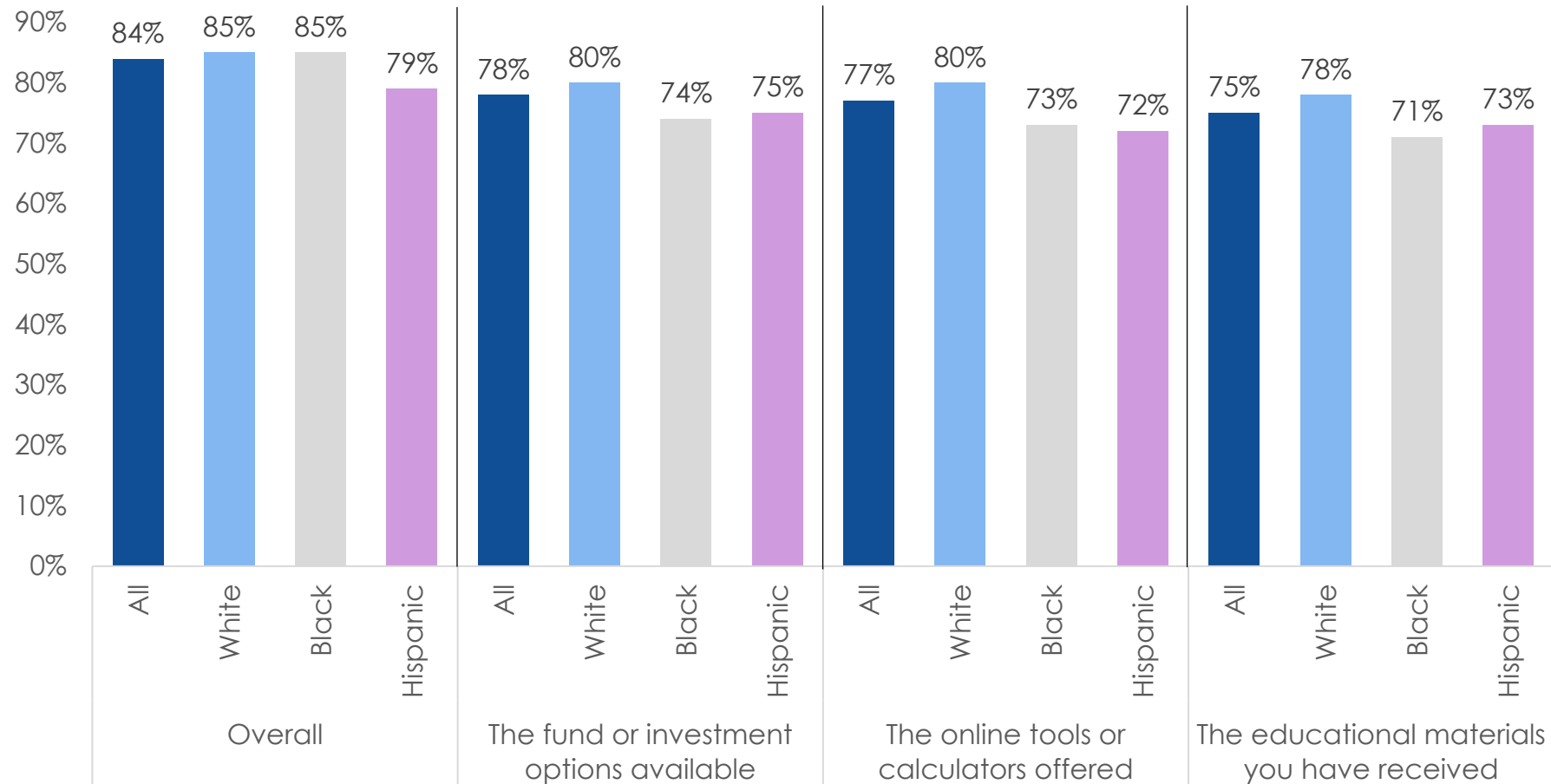


Source: Employee Benefit Research Institute and Greenwald Research 2021 Retirement Confidence Survey.

## Percentage of Workplace Retirement Plan Participants Satisfied With Various Aspects of the Plan, by Race/Ethnicity

How satisfied are you with the following aspects of your workplace retirement savings plan?

Percentage Very Satisfied or Somewhat Satisfied  
Employer offers a retirement savings plan n=862

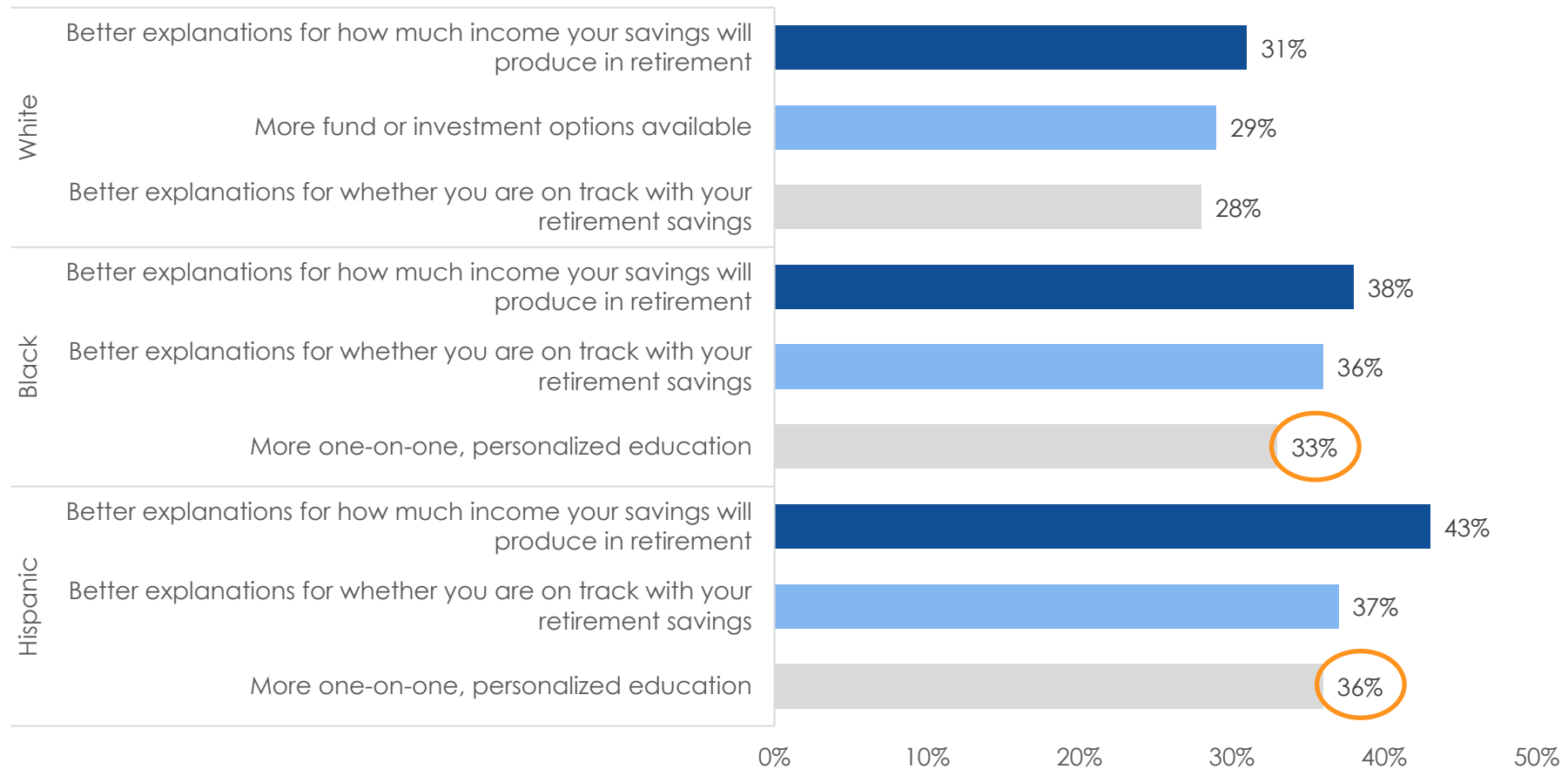


## Top Three Most Valuable Improvements to Retirement Savings Plans, as Ranked by Those Offered a Plan, by Race/Ethnicity

Which of the following would be the most valuable improvements to your retirement savings plan?

(Please select all that apply.)

Employer offers a retirement savings plan n=862

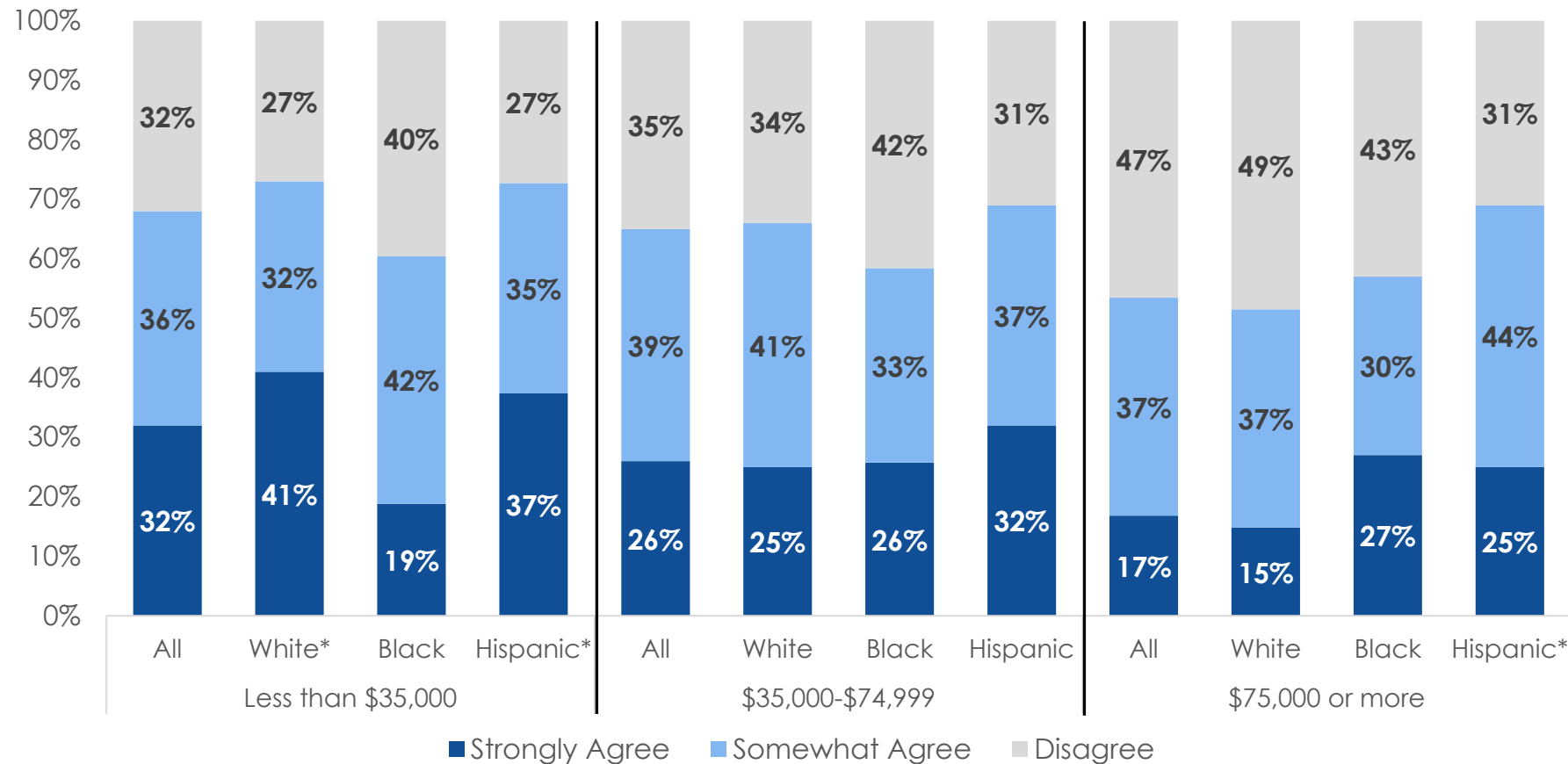


## Percentage of Workers Who Agree That Preparing for Retirement Makes Them Stressed, by Race/Ethnicity and Income

To what extent do you agree or disagree with the following statement?

**Preparing for retirement makes you feel stressed**

Workers n=1,507



## 5 KEY TAKEAWAYS

- 1) For Black and Hispanic respondents, competing financial priorities – debt & college savings – are more likely to be negatively impacting retirement savings
- 2) Helping family & friends now is prioritized over retirement savings for Hispanic Americans in particular
- 3) Roughly one-third of all respondents across racial/ethnic backgrounds DO NOT KNOW where to go for financial/retirement planning advice
- 4) Black and Hispanic respondents are more likely to use their employer and retirement plan reps as a source of information and are more likely to seek an advisor affiliated with their employer
- 5) While satisfied with plans overall, Black and Hispanic workers are more likely to say increased one-on-one advice would be a valuable enhancement

### STRESS IS UNIVERSAL.

Half to two-thirds of all workers say preparing for retirement causes stress, and there's indication this sentiment is felt somewhat more by Hispanic workers.

# EBRI Retirement Confidence Survey

June 2021



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# A snapshot of workplace financial wellness

**62%**

...of employers feel extreme responsibility for their employees' financial wellness, up from 13% in 2013<sup>1</sup>

**83%**

...of employers believe financial wellness tools lead to greater productivity

**49%**

...of employees say they are feeling financially well today, down from 61% just two years ago<sup>2</sup>

**59%**

...of employees say they don't have control over their debt, likely contributing to reduced feelings of financial wellness

**67%**

...of eligible employees contribute to their Health Savings Account (HSA)

**47%**

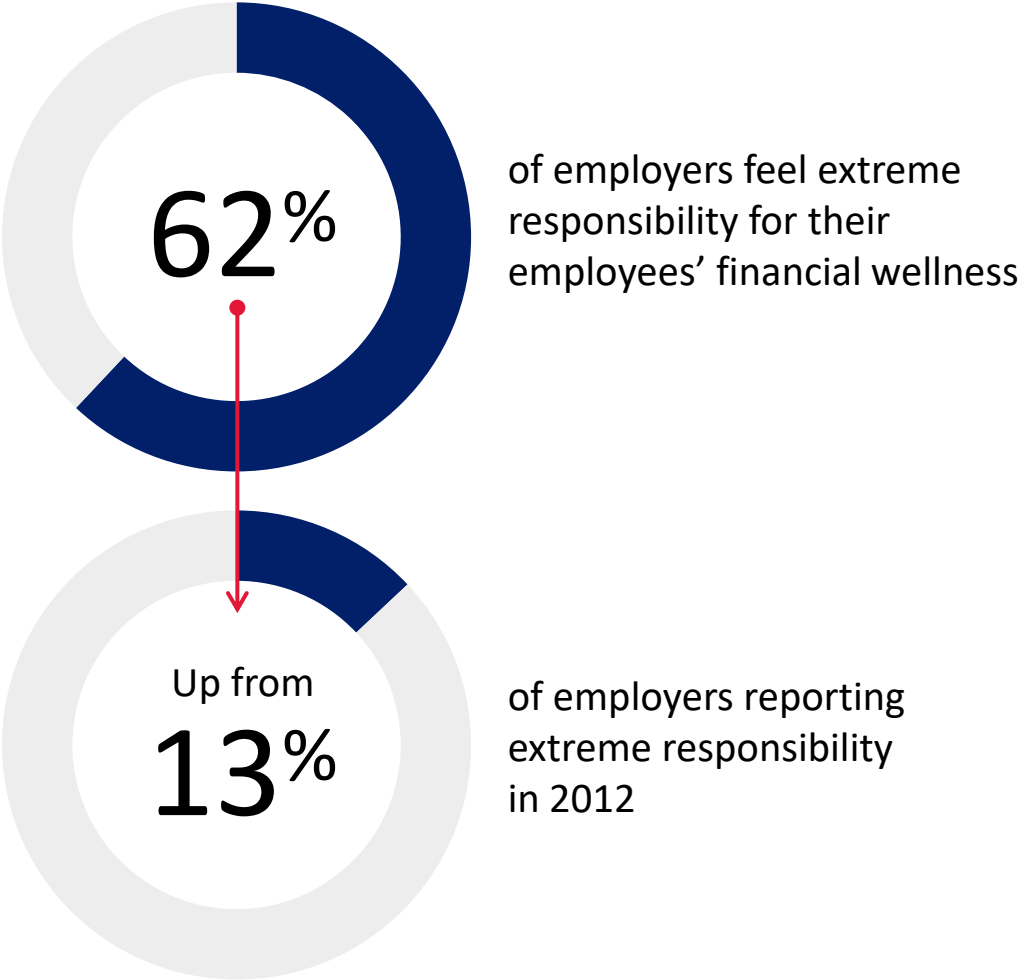
...of employers are promoting workplace wellness with established diversity and inclusion programs



<sup>1</sup> Bank of America Workplace Benefits Report, 2013

<sup>2</sup> Bank of America Workplace Benefits Report, 2018

# The responsibility employers feel to support their employees' financial lives beyond retirement saving has increased dramatically



Employers are even more likely to report a feeling of responsibility to retirement related responsibilities — one that has also increased dramatically.

### Sponsor feelings of responsibility

Retirement healthcare needs/costs (Very/Extremely Responsible)



Sustaining assets through retirement (Very/Extremely Responsible)



■ 2020 ■ 2012



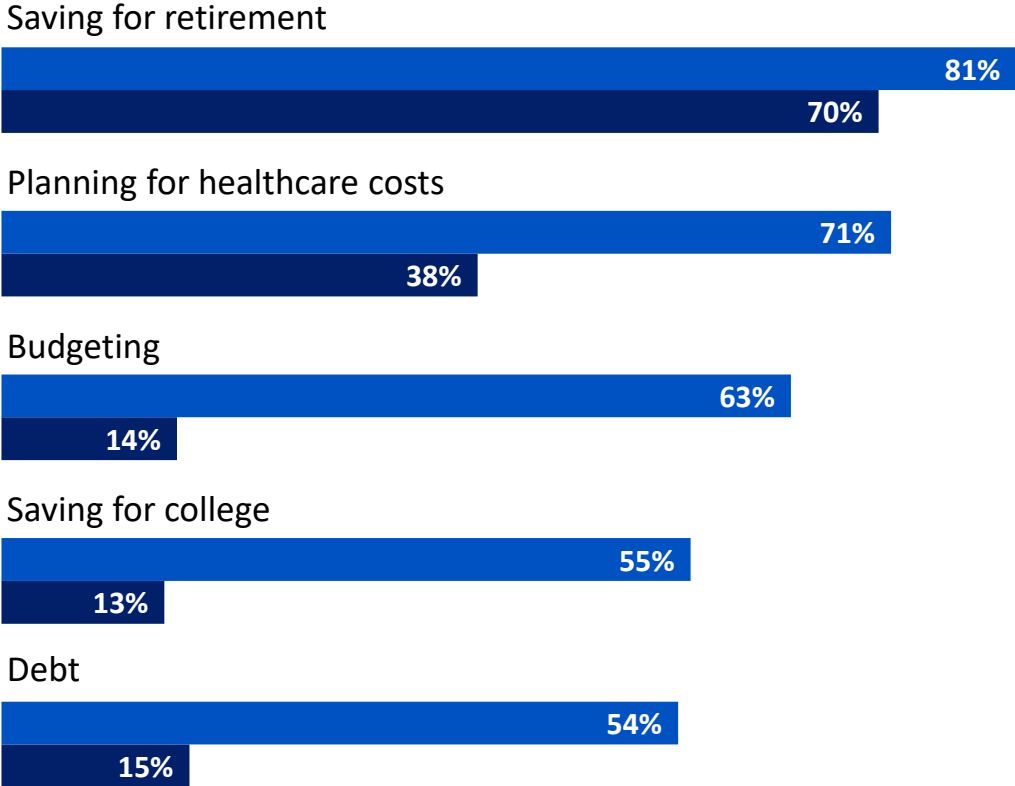
# Increased desire to support employee financial wellness has resulted in stronger and more diverse offerings

Financial wellness is now an essential workplace benefit

And when they are asked, more than **8 in 10** employers across companies large and small indicate they believe that employee financial wellness helps deliver:

- More loyal employees
- Greater employee productivity
- More satisfied employees
- More engaged employees

## Sponsor offerings — Education and Guidance

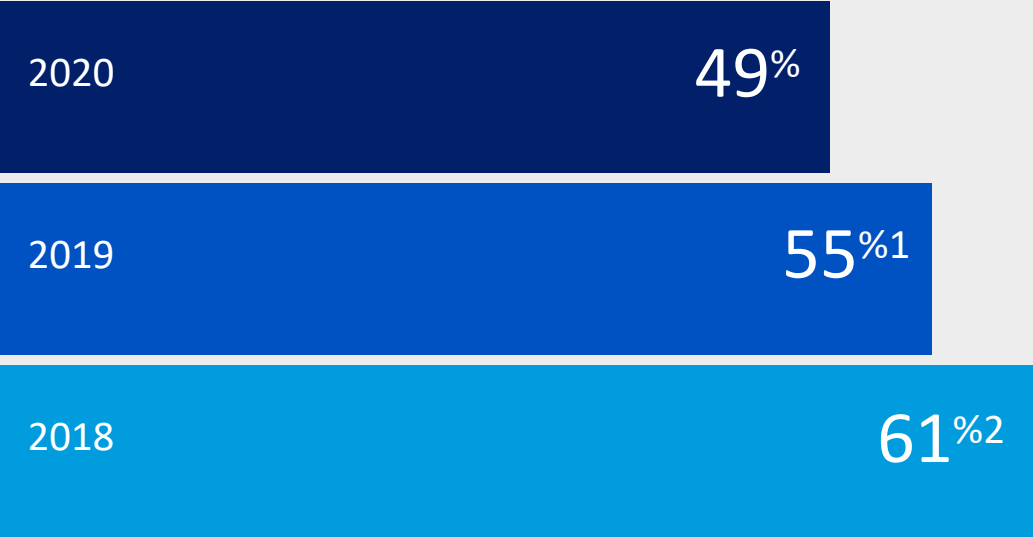


■ 2020 ■ 2013



# Employees feelings of financial wellness have shown a recent decline

Employees who rated their financial wellness as good or excellent has been declining



<sup>1</sup> Bank of America Workplace Benefits Report, 2019

<sup>2</sup> Bank of America Workplace Benefits Report, 2018

Women continue to trail men in the feeling of financial wellness

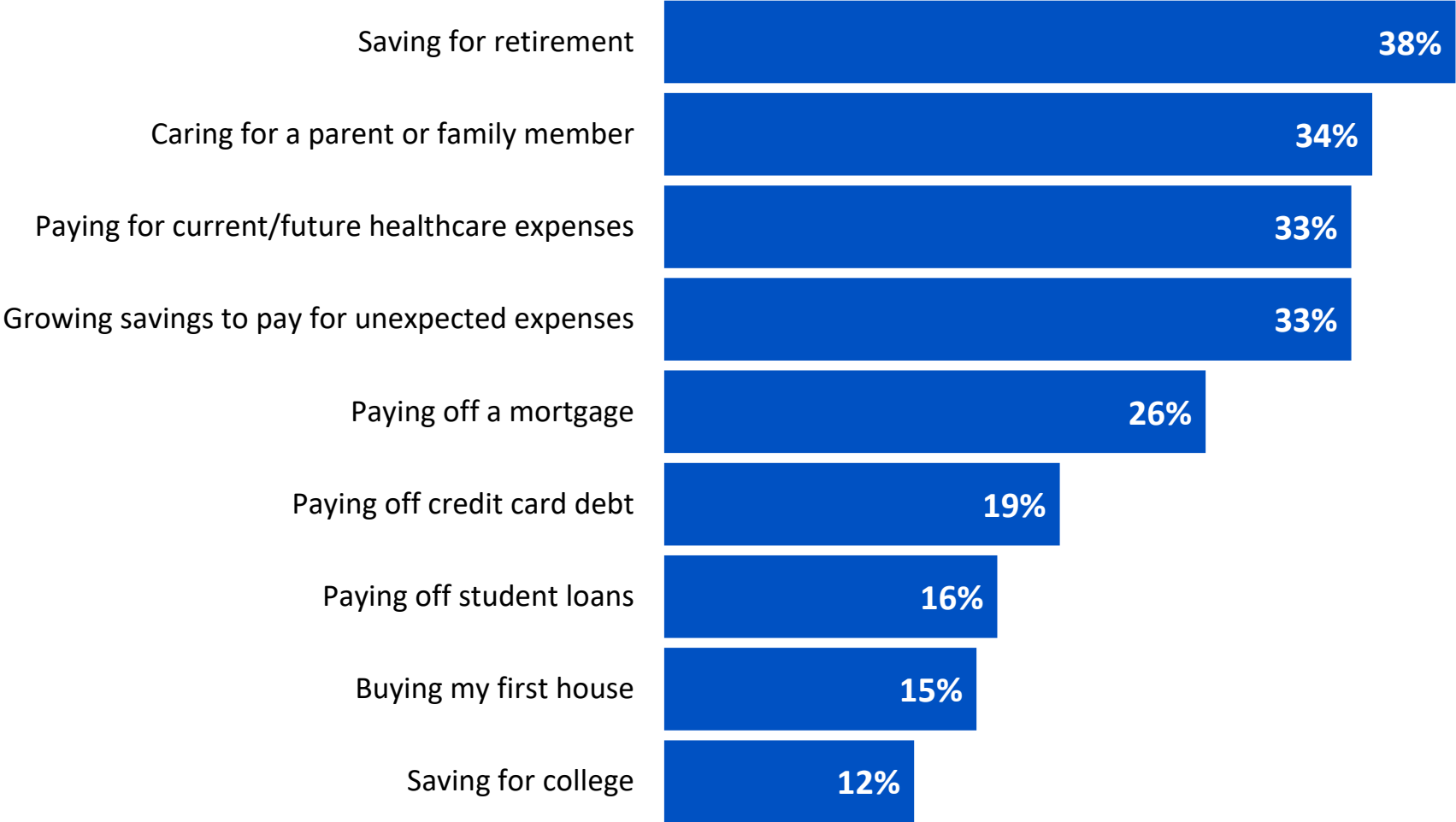


Women are more than 2x as likely to rank paying off credit card debt in their top 3 goals



# Employees still feel cash-strapped and this is resulting in employees feeling like they are not making significant progress towards their goals

Number of employees who say they have made significant progress towards their goals



Not having any spare money after my monthly expenses is the

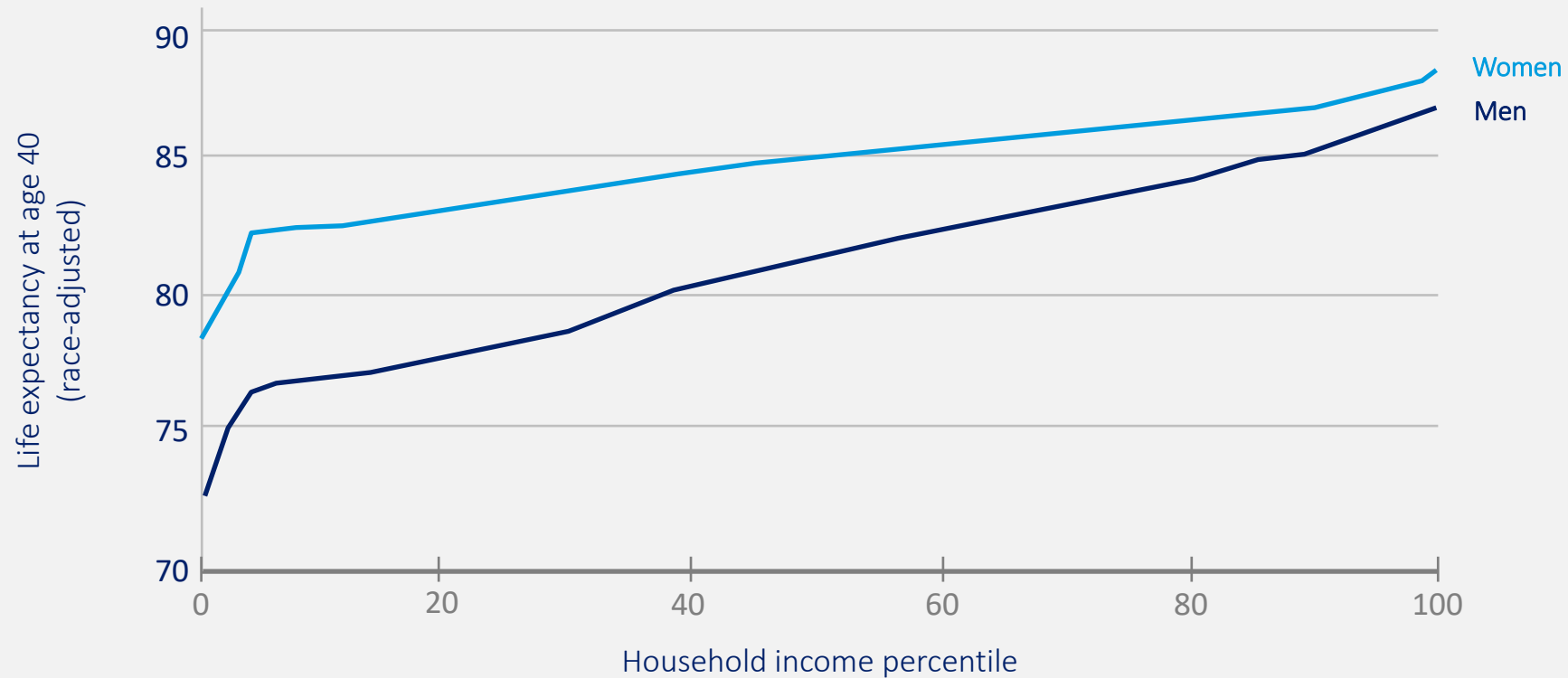
**#1**

obstacle employees say prevents them from making progress towards their financial goals



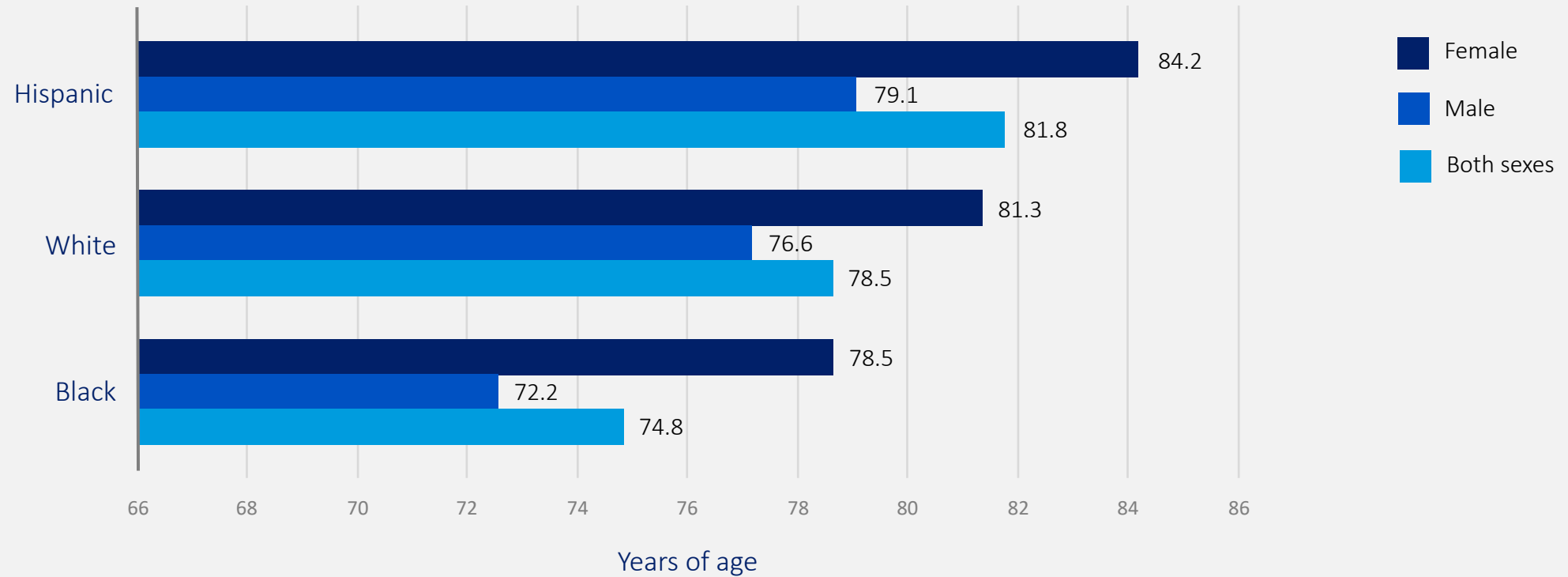
# Life expectancy by income level

At age 40 in the United States, 2001-14



# Life expectancy at birth by race

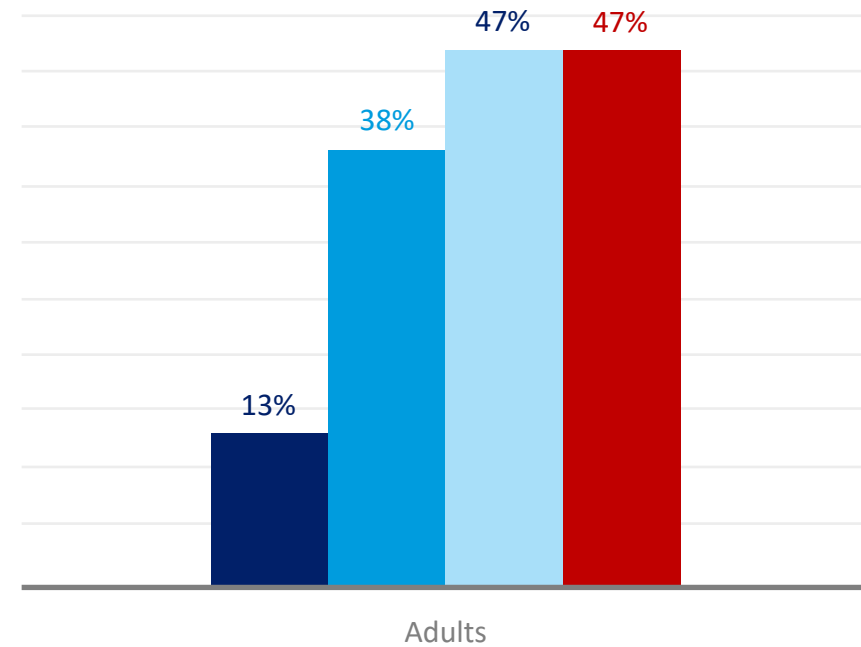
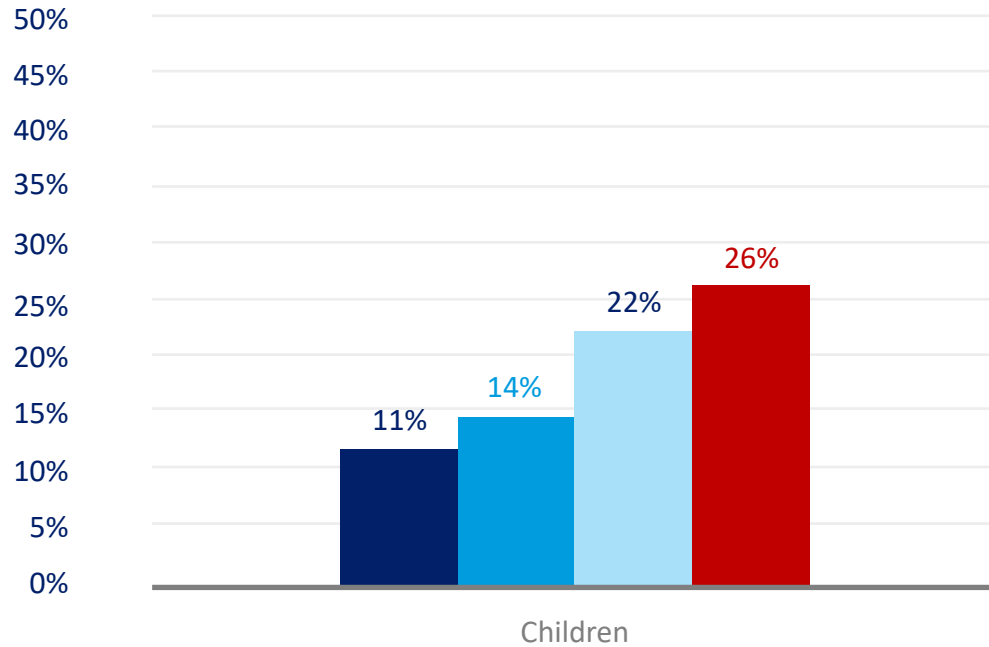
United States, 2016





# Obesity among Americans by race/ethnicity, 2015-16

■ Asian ■ White ■ Black ■ Hispanic



# And when it comes to identifying the tools that can best help them manage their finances, employers should offer options to cover all the bases

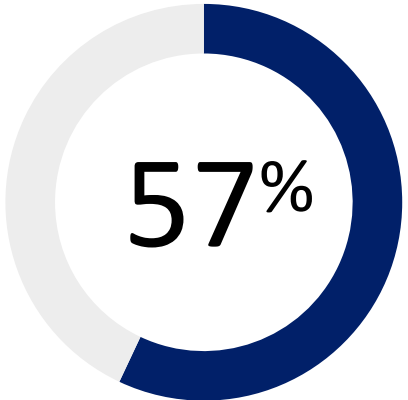
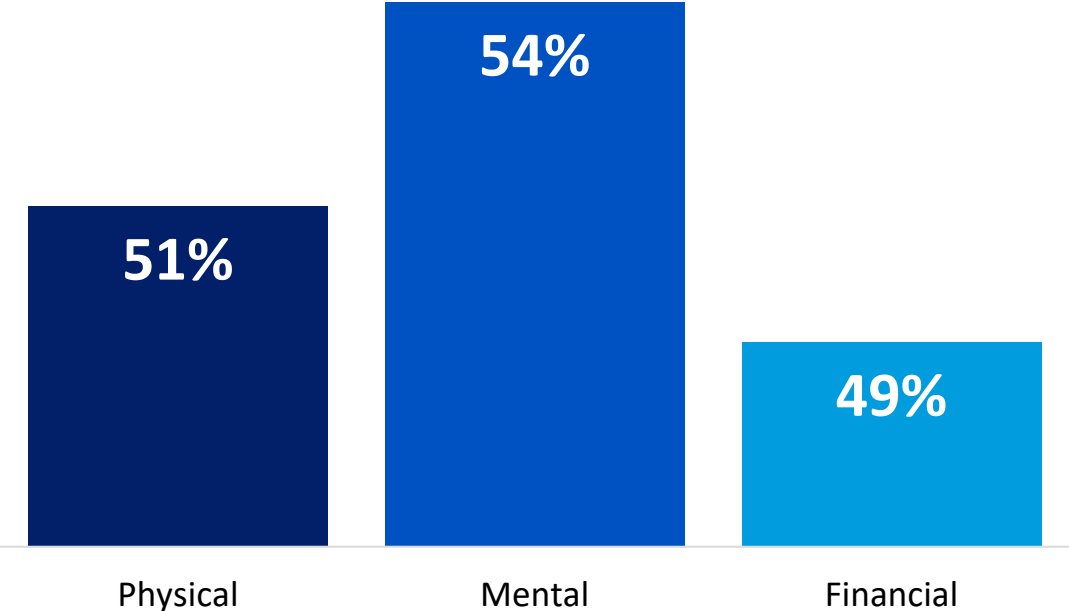
Employees are mixed on which financial wellness resources, would better help them manage their finances



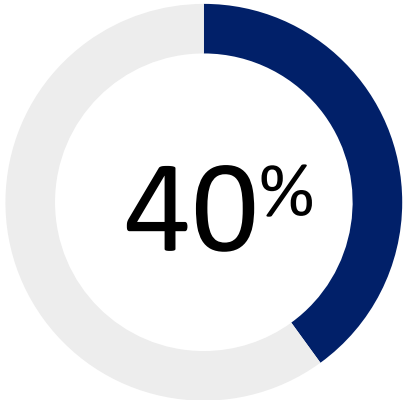
# Employers need to understand the true impact of overall wellness on their employees

Respondents were also asked to rate factors related to their holistic wellness, that we defined as going beyond just physical health and including things like mental and emotional, as well as feelings of financial wellness.

Effects of different aspects of well-being on overall well-being



of employers feel their well-being has a great impact on their productivity

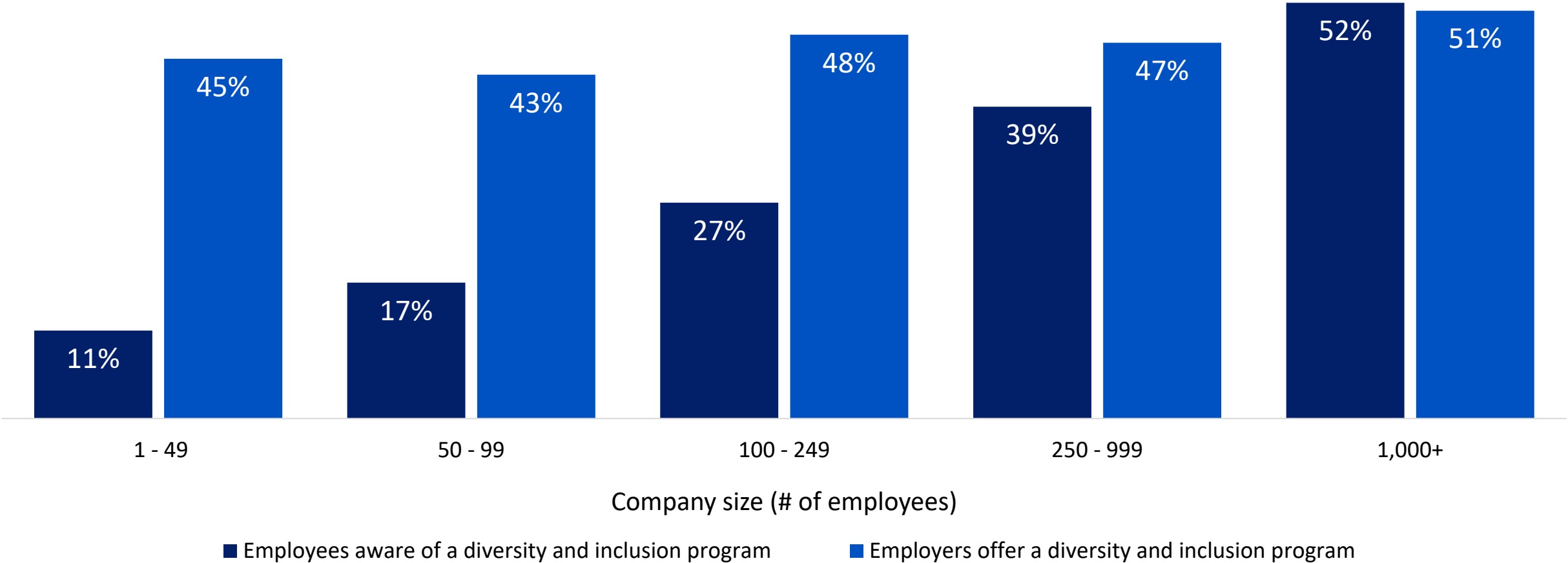


of employees report their mental health affects their financial well-being

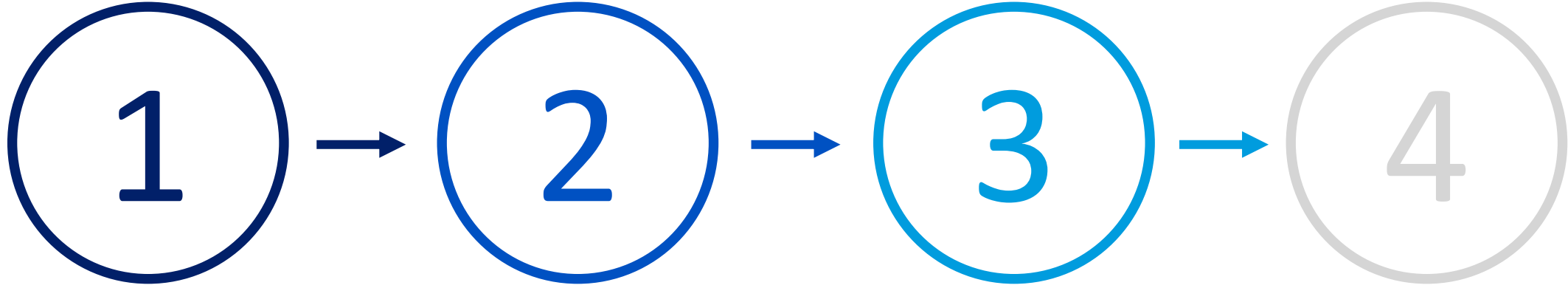


# Employers should also consider the impact of diversity and inclusion

Companies of all sizes are embracing diversity and inclusion, but smaller companies need to do more about promoting them.



# Action steps for employers



Address common employee challenges that go beyond retirement saving — like budgeting, debt management and managing healthcare costs

Provide guidance across a spectrum of financial goals and priorities, addressing short-term challenges and planning for long-term goals together

Acknowledge differences within the workplace and the ways needs may differ based on gender or age, so financial wellness tools speak to the unique needs of each employee group

Think about wellness in a more holistic way, one that acknowledges the interconnected nature of financial, physical and mental wellness



# Q&A





# 2022 Retirement Confidence Survey

## Oversampling Women and LGBTQ+

- Obtain full survey results—available only to sponsors!
- Provide input into the study and get key questions answered
- Use findings in marketing and public relations efforts
- Get specialized breakouts of key target markets
- Benefit from being featured in survey reports, webinars, articles
- Engage with researchers to delve into survey findings

Contact Betsy Jaffe at [Jaffe@ebri.org](mailto:Jaffe@ebri.org) to sign up or for more information. Project kicks off October 2021!

# Upcoming Events

**Wednesday, September 22** — Financial Wellbeing Symposium\*

EBRI is holding a webinar on the topic of legislative proposals' potential impact on retirement security on **Monday, September 13**.

*\*To Join Our Financial Wellbeing Research Center* Contact Betsy Jaffe at [jaffe@ebri.org](mailto:jaffe@ebri.org)





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