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# Sí Se Puede: Building Retirement Security for Latinos and the US

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# INTRODUCTION

Latinos\* today constitute 18 percent of the United States population<sup>1</sup> – up from roughly one percent in the 1960s.<sup>2</sup> Over the next 40 years, this demographic group will continue to grow and is projected to account for nearly 30 percent of the US population in 2060.<sup>3</sup> This projected population surge has been the subject of much attention, particularly in the world of politics. What is not as well understood is what this rapid rise will mean for the state of household financial security.

The state of Latino financial security is complex. Hispanics are more likely to start businesses than other ethnic groups and do so at a rate two times the national average.<sup>4</sup> And Hispanic businesses are growing revenue 15 times faster than average.<sup>5</sup> In others areas, like home ownership, the Great Recession had a particularly destructive impact, reversing decades of progress<sup>6</sup> – though recent evidence indicates that the Hispanic homeownership rate is slowly starting to bounce back.<sup>7</sup> In retirement preparedness – the subject of this brief – Latinos trail many of their white counterparts,<sup>8</sup> a fact that will become painfully clear as more and more Hispanics, a community that currently skews young, begin to reach retirement age.

Of course, the Latino community is not monolithic and, as this brief will show, many questions about the state of financial security among Latinos are still under-researched and thus unknown. Generally, though, it is clear that Latinos are facing a number of barriers to sustained financial security. Reducing those barriers, particularly around workplace retirement plan access, would help unlock the Latino community's full economic potential and improve standards of living. And, Latinos would not be the only ones to benefit from a more inclusive retirement savings system. Roughly half of *all* Americans lack access to a retirement plan at work,<sup>9</sup> which helps explain the overall lack of retirement preparedness across the country.<sup>10</sup> On the other hand, should the barriers to financial security remain in place, not only will Latinos' economic prospects dim, but given the growing importance of

**This brief, the product of a collaboration between the Aspen Institute Financial Security Program and the Aspen Institute Latinos and Society Program and released in conjunction with an Aspen-hosted panel and roundtable discussion [[as.in/SiSePuede](https://as.in/SiSePuede)], focuses on retirement insecurity in the Latino community. It synthesizes what we know about the problem and identifies policy and market implications and research gaps. Our hope is that the analysis will catalyze the creativity and political courage needed to address shortcomings in the current system.**

Latino spending, entrepreneurship, and workforce participation on overall prosperity, the entire economy would surely suffer.

For this reason, researchers, policymakers, and business leaders should take notice. Solving the retirement insecurity of Latinos will require both creativity and political courage. This brief will attempt to catalyze both by synthesizing what we know about the problem and identifying policy and market implications as well as research gaps. The first section will explore the prevalence of retirement insecurity in the Latino community, the second section will investigate the causes, and the third section will discuss the implications.

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\*Consistent with the US Census Bureau's definition, "Latino" and "Hispanic" will be used interchangeably in this brief and will mean "a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race." See US Census Bureau, "Definition of Hispanic or Latino," [https://www.census.gov/newsroom/cspan/hispanic/2012.06.22\\_cspan\\_hispanics\\_2.pdf](https://www.census.gov/newsroom/cspan/hispanic/2012.06.22_cspan_hispanics_2.pdf).

# RETIREMENT INSECURITY AMONG LATINOS

Americans of all backgrounds are struggling to prepare for retirement. Over half of US households age 55 and older have no money saved in a retirement account like a 401(k) or Individual Retirement Account (IRA).<sup>11</sup> Latinos, though, are even less well-prepared. And because Hispanics tend to live longer than other groups, the need for retirement savings is even greater.<sup>12</sup>

## SOCIAL SECURITY

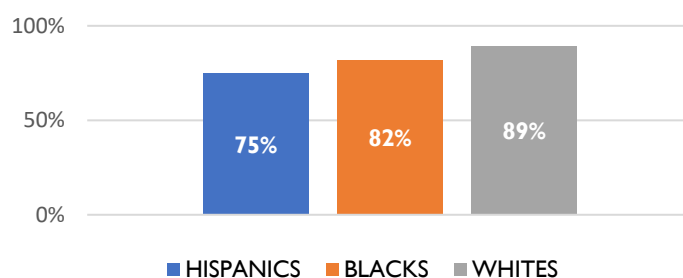
Latinos are less likely to benefit from Social Security, the bedrock of the country's retirement system. Only 75 percent of older Hispanics receive Social Security, compared to nearly 90 percent of older whites and 82 percent of blacks.<sup>13,14</sup> This is largely a result of Social Security rules that limit eligibility to those who have worked "on the books" (i.e., making payroll tax contributions under their own Social Security number) for at least 40 quarters.<sup>15</sup> Immigrants who arrive later in life, and thus are not in the workforce long enough to qualify, make up the bulk of these "never-beneficiaries."<sup>16</sup> As a result, it is probably the case that Latinos are more likely than other groups to pay into Social Security but then not collect (which actually bolsters the Social Security trust fund) both because they are not refunded their contributions should they work for fewer than 10 years and because they may be unauthorized workers paying in on a false Social Security number.<sup>17</sup>

Even when Latinos do receive benefits, the *amount* of their monthly check tends to be lower than that of other beneficiaries, a result of less full-time work and lower wages during working years. The median annual Social Security benefit for Hispanic seniors ages 65 and older in 2014 was \$11,459, compared with \$14,400 for all senior beneficiaries.<sup>18</sup> This is not to say that Social Security is not delivering vital support.<sup>19</sup> Indeed, 29 percent of older Hispanics are lifted out of poverty each year solely because of Social Security.<sup>20</sup>

Additionally, Hispanics are less likely to have other, non-Social Security sources of retirement income: 73 percent of Hispanic beneficiaries rely on Social Security

for at least half of their retirement income, compared to 61 percent of all other beneficiaries.<sup>21</sup> And 31 percent of older Hispanics rely on Social Security for at least 90 percent of their family's total income.<sup>22</sup> That same rate of reliance is just 24 percent among whites.<sup>23</sup>

**PERCENT OF OLDER AMERICANS RECEIVING SOCIAL SECURITY BY RACE**



Source: AARP Public Policy Institute

## WORKPLACE PLANS

One major reason why Latinos rely on Social Security at such high rates is that many Latinos do not participate in workplace savings plans. Hispanics have below-average participation in both types of workplace retirement plans, defined benefit (DB) and defined contribution (DC), largely as a result of working in jobs that do not offer either (see "Drivers of Vulnerability" section below).

Only 12 percent of Latinos own a DB plan, which is an employer-guaranteed pension that provides a monthly check - typically calculated based on the employee's length of employment and salary history - from retirement until death. Whites are twice as likely to be enrolled in a DB plan (24 percent).<sup>24</sup>

Across the entire US population, DB enrollment is far below historic highs. Since the 1990s, DB plans have significantly eroded, with many institutions (governmental, public, and corporate) replacing these traditional retirement plans with DC plans. DC plans, such as 401(k)s and 403(b)s, do not guarantee any

benefit in retirement, but rather help workers, through both employee and employer contributions, accumulate funds during their working years that are earmarked for retirement.

But Hispanics trail behind their white counterparts when it comes to DC enrollment as well. Among Hispanic families age 32-61 in 2013, 20 percent participated in a DC plan, compared with 49 percent for whites and 32 percent for blacks.<sup>25</sup> In the same year, only 26 percent of working-age Hispanic families had accumulated any savings in a DC account or an IRA (the vehicle into which assets from DC plans at past jobs are often “rolled over”), compared with 65 percent of white families and 41 percent of black families.<sup>26</sup>

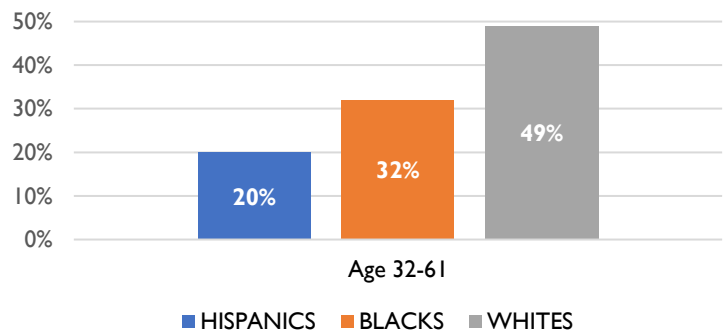
Even those Hispanics who do have a DC plan have lower savings balances than whites and are more likely to access the money before retirement, which normally comes with hefty taxes or penalties. The median balance for Latino families with retirement account savings is \$22,600, compared with \$77,000 for white families.<sup>27</sup> Notably, blacks – who make up 13 percent of the population<sup>28</sup> – are also underperforming, with just \$24,600 saved in a DC account. Furthermore, nearly six in 10 pre-retirement Hispanics who left their job in 2010 cashed out their DC account, compared to 39 percent of whites, 34 percent of Asian-Americans, and 63 percent of blacks.<sup>29</sup> Hispanics are also more likely than whites and Asian-Americans to take pre-retirement withdrawals for “hardships” (employers often give their DC plan participants an option to access their money before retirement in exigent circumstances) and to take out loans against their retirement balances.<sup>30</sup> To what extent these differences in loans, cash-outs, and other withdrawals are a function of greater financial need in Latino and black communities, lack of access to sound financial advice or education, or different cultural conceptions of family and retirement is an open question (see “Drivers of Vulnerability” section below).

**OTHER ASSETS**

Of course, saving in a retirement account is not the only way to be financially prepared for retirement. Other assets – like stock holdings, home equity, inheritances, and small business ownership – can also provide income during retirement. However, Hispanics lag behind other groups in all four asset categories. According to the 2016 Survey of Consumer Finances (SCF), only 4.2 percent of Hispanics own stocks (not including mutual funds) outside of retirement

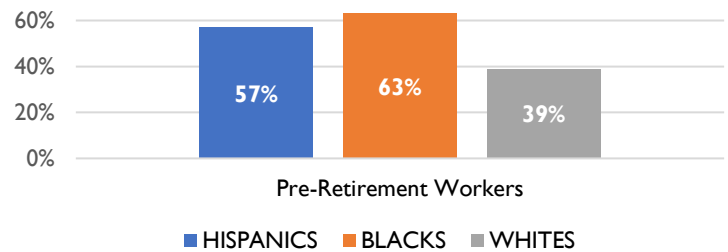
accounts,<sup>31</sup> while 17 percent of whites do so. Forty-five percent of Hispanics own their homes, compared to 73 percent of whites.<sup>32</sup> The difference is smaller, but still substantial, for older, US-born Hispanics: 75 percent owned a house in 2012, compared with 85 percent for older whites.<sup>33</sup> Inheritances are also very uncommon in the Latino community: only six percent of 30-59 year-olds receive one, compared to blacks (11 percent) and whites (23 percent).<sup>34</sup> And despite the progress in Hispanic-owned businesses referenced in the “Introduction,” whites are twice as likely as people of color, including Hispanics, to own business equity.<sup>35</sup>

**PERCENT PARTICIPATING IN A DEFINED CONTRIBUTION PLAN IN 2013**



Source: Economic Policy Institute

**PERCENT WHO CASHED OUT THEIR DEFINED CONTRIBUTION ACCOUNT UPON LEAVING THEIR JOB IN 2010**



Source: Ariel/Aon Hewitt

The overall wealth gap between the average Latino family and the average white family was an astounding \$522,000 in 2010.

It is no wonder then that, in addition to being ill-prepared for retirement, the overall wealth gap between the average Latino family and the average white family was an astounding \$522,000 in 2010.<sup>36</sup>

It is important to note, though, that this wealth gap varies widely depending on whether or not the Latino family was born in the US and which country the family emigrated from. Foreign-born Latinos, which make up just over one-third of all Hispanics and 48 percent of all Hispanic adults (ages 25 and older),<sup>37</sup> tend to have less wealth than US-born Latinos. Americans who immigrated from Mexico and Puerto Rico make up approximately three-quarters of the country's Latino population, and these workers tend to earn lower incomes than Latinos who immigrated from countries like Argentina, Peru, and Venezuela.<sup>38</sup> More research is needed on how these differences map onto retirement preparedness.

## RETIREMENT OUTCOMES

The lack of retirement preparedness in the general Latino community results, unsurprisingly, in poor retirement outcomes. The poverty rate among Hispanic seniors is well above that of whites. In 2014, 18 percent of Hispanics aged 65 years and older lived in poverty, more than double the rate for whites (8 percent).<sup>39</sup> The median annual income for Hispanics aged 65 and older in 2014 was only \$13,199, which is 43 percent lower than the median income of whites.<sup>40</sup> This is well below what experts have determined retirees need to cover basic costs of living.<sup>41</sup> Similarly, a 2015 study found that senior households with less than \$15,000 in annual income require housing that costs no more than \$375 per month. Yet, in 2015, the median gross rent among Hispanics in California, for example, was \$1,172.<sup>42</sup> Furthermore, a comparatively large proportion of older Hispanics are food insecure – 18 percent compared with seven percent of whites.<sup>43</sup> These statistics help explain why Hispanics are about twice as likely to report being unsatisfied with retirement (11 percent of US-born Hispanics and 14 percent of foreign-born Hispanics versus six percent of whites).<sup>44</sup>

# DRIVERS OF VULNERABILITY

The causes of retirement insecurity among Latinos are varied and not always clear cut. The biggest driver, as already mentioned, is lack of access to workplace retirement plans. But this cause is itself a result of occupational segregation and other labor market disparities. Additionally, there is some evidence that cultural factors limit Latinos' uptake and contribution amounts even when plans are offered. Immigration status and discrimination may also play a role.

## OCCUPATIONAL SEGREGATION

In 2014, only 38 percent of full-time employed Hispanic men ages 25 to 64 worked for an employer that provided employees a retirement plan, compared to 61 percent of whites.<sup>45</sup> For foreign-born Hispanics, offer rates were even lower: only 29 percent worked for an employer that offered a retirement plan.<sup>46</sup>

This is largely a result of occupational segregation. For example, many Hispanics belong to the contingent workforce, work for a small business, or are employed in industries or non-union occupations that offer few retirement choices.<sup>47</sup> In addition, Latino immigrants are more likely than other foreign-born populations to be undocumented and to work off the books.<sup>48</sup>

Hispanic men are underrepresented in higher-paying fields such as business and finance, management, science, engineering, architecture, and the law.<sup>49</sup> Full-time working Hispanic women are heavily concentrated in low-skilled and low-paying occupations such as office and administrative support, food preparation, personal care, and cleaning and maintenance.<sup>50</sup>

Even when employers sponsor retirement plans, some employees choose not to sign up or don't qualify for coverage because, for example, they have not worked enough hours or have not been employed long enough. Enrollment rates among Hispanics are generally high: when given the opportunity, high rates of Latinos sign up for workplace retirement plans.<sup>51</sup> But those figures are even higher for whites,<sup>52</sup> potentially reflecting the higher likelihood that Hispanics work part-time and are thus ineligible for the company's DC plan. More research in this area is needed.

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## CONFOUNDING VARIABLES

Occupational disparities are linked to many other gaps between Hispanics and non-Hispanics: earnings,<sup>53</sup> job tenure,<sup>54</sup> educational attainment,<sup>55</sup> and liquid savings,<sup>56</sup> among others. In all of these areas, Hispanics do worse than whites, and poor indicators in these categories are historically associated with low retirement savings.<sup>57</sup>

As a result, it is hard to tease out exactly what is driving poor retirement outcomes. According to one study of six large DC plans by Cynthia Pagliaro and Stephen Utkus, controlling for earnings and job tenure reduces the Hispanic-white account balance gap by 71 percent.<sup>58</sup> And according to a more comprehensive analysis of the Hispanic-white wealth gap, researchers found that income, education, inheritance, and age (Hispanics tend to be younger) explain nearly all of the wealth gap.<sup>59</sup> However, that study is based on the SCF, which does not account for DB pension or Social Security wealth. Furthermore, as retirement expert David John has pointed out, even older, high-income Hispanics have account balances that are significantly lower than that of other households.<sup>60</sup>

## ATTITUDES AND BEHAVIORS

The SCF analysis also controls for attitudes towards borrowing, savings, and investment. The researchers find that Hispanics are more likely to be risk averse and have a shorter time horizon for financial planning than whites, but were just as likely to think that borrowing to pay for vacations or other luxury items was a bad idea. However, controlling for these attitudes did not have much effect on the wealth gap.



Nevertheless, it could be that retirement preparedness in the Latino community is, in part, a function of unique attitudes, strategies, and behaviors. For example, qualitative studies have found that Latinos are more likely to distrust financial institutions and that financial education levels in the Latino community are low.<sup>61</sup> In a 2014 Prudential report, more than half of the Hispanics surveyed indicated a “poor” or “very poor” understanding of U.S. workplace retirement plans.<sup>62</sup> Thirty-two percent of Hispanics ages five and older lack English language proficiency, creating additional barriers to navigating the country’s financial system.<sup>63</sup> Moreover, a substantial number of Hispanics send money back to family abroad, and there is evidence that, as more remittances are sent, less is saved for retirement.<sup>64</sup> It may also be the case that Latinos are more likely than other groups to provide financial help to immediate or extended family in the US, whether it is helping with a first-home purchase or private school tuition, which can reduce retirement preparedness. There is evidence, for example, that older Americans who co-sign their children’s student loans or have outstanding student loan debt themselves have less saved for retirement.<sup>65</sup> Given the growing number of Latinos enrolling in for-profit colleges and other higher education institutions – which can be very aggressive and even predatory with student loan marketing – Latinos’ retirement security may be especially under threat by the rise of student loans.<sup>66</sup>

Latinos also may often have unique views about retirement itself. According to a set of recent focus groups conducted in Los Angeles, many Latino immigrants intend to retire in their country of origin, where living costs are lower.<sup>67</sup> Hispanics considering such a move might hesitate to participate in an employer-sponsored retirement plan because they are unsure how much they need to save or how they will access the money when abroad.<sup>68</sup> There is also a widespread sense in the Latino community that “family takes care of family,” which may reduce the urgency workers feel about saving for their own retirement.<sup>69</sup>

It is unclear to what extent these cultural explanations outweigh other factors that may be driving retirement insecurity in the Latino community. Pagliaro and Utkus found that the Hispanic-white gap that remains after controlling for pay and time on the job can be at least partially explained by lower contribution rates and higher pre-retirement withdrawal rates among Hispanics. However, they also found that investment behavior – the potentially culturally-specific behavior

of allocating funds inside the account to asset classes with varying risk profiles – differs very little among groups and so does not drive any of the variation in account balances. The most likely explanation for sub-optimal retirement planning behavior among Latinos, then, is not “Latino culture,” but rather the sub-optimal economic circumstances many Hispanic families find themselves in. Retirement is understandably far from the minds of the many Latinos who were not born into or do not stand to inherit wealth; have little in the way of emergency savings; are struggling to afford education, health care, and other critical human capital investments; and are facing regular demands for financial help from friends and family.

## **IMMIGRATION STATUS**

Immigration status may also be a factor. In 2015, 48 percent of Latino immigrants who were eligible for citizenship had not yet naturalized, though citizenship rates have been increasing in recent decades.<sup>70</sup> Lack of citizenship can reduce earnings potential, which has a deleterious effect on retirement security. Indeed, according to the National Endowment for Financial Education, being a citizen is correlated with a boost in the average middle-income worker’s retirement savings of \$7,247.<sup>71</sup> Additionally, nearly nine million Hispanics in the US – or 16 percent of the overall Hispanic population – are undocumented (neither citizens, nor green card or other visa holders).<sup>72</sup> These Latinos are ineligible for Social Security and can face challenges finding work, opening bank accounts, and accessing worker training.

## **DISCRIMINATION**

Finally, the fact that the retirement preparedness gap in the Latino community might be explained by factors *other than race* does not mean that racial discrimination does not play a role.<sup>73</sup> Labor market outcomes like wages and occupation could be caused in part by discriminatory hiring practices.<sup>74</sup> And educational outcomes could be linked to issues like teacher diversity,<sup>75</sup> housing discrimination,<sup>76</sup> and student discipline<sup>77</sup> that can have important racial and ethnic dimensions. More research is needed to disentangle these various threads so that policymakers and financial institutions can combat the problem of retirement insecurity in the Latino community most effectively.

# LOCAL AND NATIONAL IMPLICATIONS

Millions of Latinos will be retiring in the coming years without the necessary private savings to sustain their standard of living. This will have far-reaching consequences on communities, governments, and the nation overall:

- **Latino Communities:** Retirement insecurity in the Hispanic community is already driving millions of older Latinos into poverty. It is not uncommon for older Hispanics to struggle to afford necessary housing, food, and medicine. Unless current trends reverse, these problems will only grow worse – ultimately cascading into community-wide ailments. Local economies will suffer as seniors slow their consumer spending, kin networks will be financially strained as they try to support their aging parents and grandparents, and the next generation of workers may find themselves with fewer advancement opportunities should near-retirees decide they must work longer in order to retire with dignity.
- **Government Budgets:** This influx of financially insecure seniors will also stress the social safety net systems provided by state and federal governments. Public programs like Medicaid, the Supplemental Nutrition Assistance Program, and Supplemental Security Income will likely see a surge in utilization,<sup>78</sup> exploding already tight public budgets, undermining states' bond ratings, and potentially forcing tax increases or program cuts.
- **National Economy:** An aging Latino population that is not prepared for retirement can influence macroeconomic indicators as well. As already mentioned, seniors with less in retirement savings, income, and wealth are likely to decrease consumption and spending, which may slow economic growth in the places they reside. This effect could spillover regionally or nationally. Additionally, older workers whose skills are deteriorating but nevertheless remain in jobs in order to push off the costs of retirement could hurt firms' profitability, as well as nation-wide wage growth, as a result of reduced labor productivity.<sup>79</sup>

So, what should be done to combat financial insecurity in the Hispanic community? How should policymakers, employers, and researchers react to the harrowing statistics in this report? A number of areas deserve further consideration:

- **Universal Access to Workplace Plans:** Access to retirement plans at work is clearly one of the key missing ingredients for Latinos to achieve retirement security. A number of innovators, in both the public and private sectors, are currently experimenting with new approaches that promise to expand access to workplace retirement savings plans. New state-sponsored retirement programs, like Secure Choice in California, and new investment products leveraging financial technology, like Finhabits, are just a few examples. Rigorous evaluations of these interventions will help determine if they help Latinos save.
- **Automatic Enrollment:** Scores of academic studies show that making retirement enrollment opt-out instead of opt-in – so that the default for inertia-prone individuals is to start saving now, rather than putting off the decision into the future – is a highly effective and popular way to build financial security.<sup>80</sup> Given Latinos' lower participation and contribution rates in workplace plans, expanding the use of automatic enrollment mechanisms may prove a powerful way to reduce the Hispanic-white retirement savings gap. Indeed, in their study of DC plans, Pagliaro and Utkus found that automatic enrollment actually helps Hispanics and other workers of color more than it helps others since workers of color sign up for plans, when not automatically enrolled, at slightly lower rates than whites.<sup>81</sup>
- **Financial Capability:** More granular insight into Hispanics' views on retirement would be helpful as financial providers consider ways to customize financial advice and education. Though some cultural explanations for Latinos' lack of retirement preparedness border on victim-blaming, there likely is some truth to the idea that Hispanics think



about money, investment, and family in distinct ways and that current financial education models are not serving them well.<sup>82</sup> More research is needed in order to build the models of the future.<sup>83</sup>

- **Financial Services:** One possible model is embedding financial education and behavioral nudges into new types of financial products. More testing is necessary, but innovative savings tools that use prizes, gamification, and round-up mechanisms to build nest eggs may prove effective.<sup>84</sup> Other promising ideas include hybrid products, which combine different categories of financial tools into one user-friendly package,<sup>85</sup> and sidecar accounts, which would serve as a liquid savings buffer that reduces pressure for pre-retirement withdrawals from a linked retirement account.<sup>86</sup> It remains to be seen whether these nontraditional products, which could be offered by traditional financial institutions or new technology-focused startups, can build a following with Latinos.

## CONCLUSION

Latinos are now the nation's largest ethnic group after whites, yet they trail much of the rest of the country on a number of financial security indicators, including retirement preparedness. We still do not fully understand how different segments within the Hispanic community are coping with this insecurity and what exactly is driving it, but we do know that the current Hispanic-white retirement savings gaps is untenably large. While more research is needed to determine the most effective ways to reverse these troubling trends, this brief identifies four promising areas for exploration: universal workplace plan access, automatic enrollment, financial capability, and financial services. Meeting this national challenge will likely require the harnessing of creative minds in both the public and private sectors, and there is little time to waste.



PHOTO BY GOLDENKB

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The findings, interpretations, and conclusions expressed in this report – as well as any errors – are ours alone.

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The Aspen Institute Financial Security Program (FSP) connects the world’s best minds to find breakthrough solutions for America’s family financial security crisis. FSP advances a new generation of policies, products, and services that enable more Americans to meet basic financial needs and withstand financial shocks, while saving for long-term goals like college, homeownership, and retirement. To learn more, follow [@Aspen\\_FSP](https://twitter.com/Aspen_FSP) on Twitter, or visit [AspenFsp.org](https://AspenFsp.org).

## **ABOUT THE LATINOS AND SOCIETY PROGRAM**

The Aspen Institute founded the Latinos and Society Program in 2015 to provide a place for Latinos and non-Latinos to learn about their shared future and jointly explore solutions to the challenges of our time. Its vision is to foster a more informed citizenry and promote the engagement of all people in securing a prosperous and inclusive future for America. This policy program convenes diverse audiences and subject matter experts to advance three important policy areas, civic participation, economic advancement, and educational opportunity. The program is also connecting a pipeline of Latino leaders to Institute programs, fostering collaboration, and strengthening their networks. To learn more, follow [@AspenLatinos](https://twitter.com/AspenLatinos) on Twitter, or visit [AspenInstitute.org/policy-work/latinos-society](https://AspenInstitute.org/policy-work/latinos-society).

## ENDNOTES

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- <sup>7</sup> Marisa Calderon and Alejandro Becerra, "2016 State of Hispanic Homeownership Report," Hispanic Wealth Project, <http://hispanicwealthproject.org/shhr/2016-state-of-hispanic-homeownership-report.pdf> (finding that the Hispanic homeownership rate hit 49.7 percent in 2006-2007, dropped to a low of 45.4 percent in 2014, and was back up to 46 percent in 2016, the most recent year for which there is data).
- <sup>8</sup> Throughout this brief, the term "white" is used in place of "non-Hispanic white," and, as defined by the Census Bureau, refers to an individual who is racially white and not of Hispanic or Latino origin/ethnicity. U.S. Census Bureau, "Explanation of Race and Hispanic Origin Categories," 15 September 1999, <https://www.census.gov/population/estimates/rho.txt>.
- <sup>9</sup> David John and Gary Koenig, "Workplace Retirement Plans Will Help Workers Build Economic Security," AARP Public Policy Institute, Fact Sheet 317, October 2014, <http://www.aarp.org/content/dam/aarp/ppi/2014-10/aarp-workplace-retirement-plans-build-economic-security.pdf>.
- <sup>10</sup> See, for example, Nari Rhee, "Race and Retirement Insecurity in the United States," National Institute on Retirement Security, December 2013, [http://www.nirsonline.org/storage/nirs/documents/Retirement%20Savings%20Crisis/retirementsavingscrisis\\_final.pdf](http://www.nirsonline.org/storage/nirs/documents/Retirement%20Savings%20Crisis/retirementsavingscrisis_final.pdf).
- <sup>11</sup> Monique Morrissey, "The State of American Retirement – How 401(k)s have failed most American workers," Economic Policy Institute, March 3, 2016, <http://www.epi.org/publication/retirement-in-america/>.
- <sup>12</sup> Paola Scommegna, "Exploring the Paradox of U.S. Hispanics' Longer Life Expectancy," Population Reference Bureau, July 2013, <http://www.prb.org/Publications/Articles/2013/us-hispanics-life-expectancy.aspx>.
- <sup>13</sup> Throughout this brief, the term "black" is used in place of "non-Hispanic black," and, as defined by the Census Bureau, refers to an individual who is racially black and not of Hispanic or Latino origin/ethnicity. U.S. Census Bureau, "Explanation of Race and Hispanic Origin Categories," 15 September 1999, <https://www.census.gov/population/estimates/rho.txt>.
- <sup>14</sup> Mikki Waid, "Social Security: A Key Retirement Income Source for Older Minorities," AARP Public Policy Institute, March 2016, <http://www.aarp.org/content/dam/aarp/ppi/2016-03/social-security-a-key-income-source-for-older-minorities-aarp-ppi.pdf>. Similarly, 5.5 percent of Hispanic seniors do not have health insurance, meaning they are not enrolled in Medicare. The comparable figure for non-Hispanics is 0.6 percent. National Hispanic Council On Aging, "State of Hispanic Older Adults: An Analysis and Highlights from the Field," 2012, <http://www.nhcoa.org/wp-content/uploads/2012/10/State-of-Hispanic-Older-Adults-Brief-2012-.pdf>.
- <sup>15</sup> Social Security eligibility rules are complex, especially for noncitizens. For more information, see Dawn Nuschler and Alison Siskin, "Social Security Benefits for Noncitizens," Congressional Research Service, 17 November 2016, <http://greenbook.waysandmeans.house.gov/sites/greenbook.waysandmeans.house.gov/files/RL32004%20-%20Social%20Security%20Benefits%20for%20Noncitizens%20%28C%29.pdf>.
- <sup>16</sup> Social Security Office of Retirement Policy, "Population Profiles: Never Beneficiaries, Aged 60-89, 2015," March 2015, <https://www.ssa.gov/retirementpolicy/fact-sheets/never-beneficiaries.html> (showing that 37 percent of never-beneficiaries are immigrants who arrive at age 50 or later).
- <sup>17</sup> Stephen Goss, Alice Wade, J. Patrick Skirvin, Michael Morris, K. Mark Bye, and Danielle Huston, "Effects of Unauthorized Immigration on the Actuarial Status of the Social Security Trust Funds," Social Security Administration, Actuarial Note Number 151, April 2013 (estimating that there were about 3.1 million unauthorized immigrants working and paying Social Security taxes in 2010, and that, along with their employers, these workers paid \$13 billion in Social Security taxes that year). See also Dawn Nuschler and Alison Siskin, "Social Security Benefits for Noncitizens," Congressional Research Service, 17 November 2016, <http://greenbook.waysandmeans.house.gov/sites/greenbook.waysandmeans.house.gov/files/RL32004%20-%20Social%20Security%20Benefits%20for%20Noncitizens%20%28C%29.pdf> (reporting that Social Security taxes that cannot be matched to any individual's work record, due to clerical error or the use of an invalid or stolen Social Security number, total \$1.3 trillion through tax year 2014).
- <sup>18</sup> Monique Morrissey, "The State of American Retirement – How 401(k)s have failed most American workers," Economic Policy Institute, March 3, 2016, <http://www.epi.org/publication/retirement-in-america/>.
- <sup>19</sup> In fact, Social Security benefits for Hispanics likely replace a larger percentage of their preretirement wages than for other groups, given the progressive nature of the benefit schedule. Patricia P. Martin, "Hispanics, Social Security, and Supplemental Security Income," Social Security Bulletin, vol.67, no.2, 2007, <https://www.ssa.gov/policy/docs/ssb/v67n2/v67n2p73.pdf>. Hispanics likely also receive additional benefits from Social Security because of their longer life expectancies. Lila Rabinovich, Janice Peterson, and Barbara A. Smith, "Hispanics' Understanding of Social Security and the Implications for Retirement Security - A Qualitative Study," Social Security Bulletin, vol.77, no.3, 2017, <https://www.ssa.gov/policy/docs/ssb/v77n3/v77n3p1.pdf>.
- <sup>20</sup> Mikki Waid, "Social Security: A Key Retirement Income Source for Older Minorities," AARP Public Policy Institute, March 2016, <http://www.aarp.org/content/dam/aarp/ppi/2016-03/social-security-a-key-income-source-for-older-minorities-aarp-ppi.pdf>.
- <sup>21</sup> Government Relations and Policy Department, "Social Security is Important to Hispanic Americans," National Committee to Preserve Social Security and Medicare, May 2017, <http://www.ncpsm.org/SocialSecurity/HispanicAmericansandSS>.
- <sup>22</sup> Mikki Waid, "Social Security: A Key Retirement Income Source for Older Minorities," AARP Public Policy Institute, March 2016, <http://www.aarp.org/content/dam/aarp/ppi/2016-03/social-security-a-key-income-source-for-older-minorities-aarp-ppi.pdf>.

<sup>23</sup> Ibid

<sup>24</sup> Nari Rhee, "Race and Retirement Insecurity in the United States," National Institute on Retirement Security, December, 2013, [http://www.nirsonline.org/storage/nirs/documents/Race%20and%20Retirement%20Insecurity/race\\_and\\_retirement\\_insecurity\\_final.pdf](http://www.nirsonline.org/storage/nirs/documents/Race%20and%20Retirement%20Insecurity/race_and_retirement_insecurity_final.pdf).

<sup>25</sup> Monique Morrissey, "The State of American Retirement – How 401(k)s have failed most American workers," Economic Policy Institute, March 3, 2016, <http://www.epi.org/publication/retirement-in-america/>.

<sup>26</sup> Ibid

<sup>27</sup> Federal Reserve Bank, "2016 SCF Chartbook," pp 451 <https://www.federalreserve.gov/econres/files/BulletinCharts.pdf>.

<sup>28</sup> United States Census Bureau, "QuickFacts, United States," <https://www.census.gov/quickfacts/fact/table/US/PST045216>.

<sup>29</sup> The Ariel/Aon Hewitt Study, "401(k) Plans in Living Color – A Study of 401(k) Savings Disparities Across Racial and Ethnic Groups," 2012, <https://www.arielinvestments.com/images/stories/PDF/ariel-aonhewitt-2012.pdf>.

<sup>30</sup> Ibid

<sup>31</sup> Federal Reserve Bank, "2016 SCF Chartbook," pp 306, <https://www.federalreserve.gov/econres/files/BulletinCharts.pdf>.

<sup>32</sup> Lisa J. Dettling, Joanne W. Hsu, Lindsay Jacobs, Kevin B. Moore, Jeffrey P. Thompson, and Elizabeth Llanes, "Recent Trends in Wealth-Holding by Race and Ethnicity: Evidence from the Survey of Consumer Finances," Board of Governors of the Federal Reserve System, September 27, 2017, <https://www.federalreserve.gov/econres/notes/feds-notes/recent-trends-in-wealth-holding-by-race-and-ethnicity-evidence-from-the-survey-of-consumer-finances-20170927.htm>.

<sup>33</sup> Richard W. Johnson, Stipica Mudrazija, and Claire Xiaozhi Wang, "Hispanics' Retirement Security – Past Trends and Future Prospects," Urban Institute, December, 2016, [https://www.urban.org/sites/default/files/publication/86526/hispanic\\_retirement\\_security\\_1.pdf](https://www.urban.org/sites/default/files/publication/86526/hispanic_retirement_security_1.pdf).

<sup>34</sup> Jeffrey P. Thompson, and Gustavo A. Suarez, "Exploring the Racial Wealth Gap Using the Survey of Consumer Finances," Divisions of Research & Statistics and Monetary Affairs, Federal Reserve Board, 2015, <https://www.federalreserve.gov/econresdata/feds/2015/files/2015076pap.pdf>. Though note that the authors also found that including families with inherited wealth actually reduces the overall wealth gap between Hispanics and whites; this finding was based on a small sample and thus only suggestive.

<sup>35</sup> Federal Reserve Bank, "2016 SCF Chartbook," pp 738-739, <https://www.federalreserve.gov/econres/files/BulletinCharts.pdf>

<sup>36</sup> Signe-Mary McKernan, Caroline Ratcliffe, Eugene Steverle, and Sisi Zhang, "Less Than Equal: Racial Disparities in Wealth Accumulation," Urban Institute, April 2013. <https://www.urban.org/sites/default/files/publication/23536/412802-less-than-equal-racial-disparities-in-wealth-accumulation.pdf> (finding that the average wealth of white families in 2010 was \$632,000, while the average wealth of Hispanic families was \$110,000). When using medians instead of means, the gap shrinks in absolute terms but actually gets larger in percentage terms. See Jeffrey P. Thompson and Gustavo A. Suarez, "Exploring the Racial Wealth Gap Using the Survey of Consumer Finances," Divisions of Research & Statistics and Monetary Affairs, Federal Reserve Board, 2015, <https://www.federalreserve.gov/econresdata/feds/2015/files/2015076pap.pdf> (finding that, in 2013, the median white family had \$134,000 in net worth, compared to \$14,000 for Hispanic families).

<sup>37</sup> Antonio Flores, "Facts on U.S. Latinos, 2015 – Statistical portrait of Hispanics in the United States," Pew Research Center, September 18, 2017, <http://www.pewhispanic.org/2017/09/18/facts-on-u-s-latinos/#hispanic-pop>.

<sup>38</sup> Roberto A. Ferdman, "The Great American Hispanic Wealth Gap," [washingtonpost.com](http://www.washingtonpost.com/news/wonk/wp/2014/07/01/hispanics-make-up-more-than-16-of-the-u-s-population-but-own-less-than-2-3-of-its-wealth/?utm_term=.cb9c400f98c1), July 1, 2014,

[https://www.washingtonpost.com/news/wonk/wp/2014/07/01/hispanics-make-up-more-than-16-of-the-u-s-population-but-own-less-than-2-3-of-its-wealth/?utm\\_term=.cb9c400f98c1](https://www.washingtonpost.com/news/wonk/wp/2014/07/01/hispanics-make-up-more-than-16-of-the-u-s-population-but-own-less-than-2-3-of-its-wealth/?utm_term=.cb9c400f98c1). See also Ana Patricia Muñoz, "The Color of Wealth in Boston," Federal Reserve Bank of Boston, March 25, 2015, <https://www.bostonfed.org/publications/one-time-pubs/color-of-wealth.aspx> (reporting uniquely granular insights about the wealth gap in Boston among U.S. born blacks, Caribbean blacks, Cape Verdeans, Puerto Ricans, and Dominicans).

<sup>39</sup> Mikki Waid, "Social Security: A Key Retirement Income Source for Older Minorities," AARP Public Policy Institute, March 2016,

<http://www.aarp.org/content/dam/aarp/ppi/2016-03/social-security-a-key-income-source-for-older-minorities-aarp-ppi.pdf>.

<sup>40</sup> Monique Morrissey, "The State of American Retirement – How 401(k)s have failed most American workers," Economic Policy Institute, March 3, 2016, <http://www.epi.org/publication/retirement-in-america/>.

<sup>41</sup> The Elder Economic Security Standard Index, which is specific to household size, geographic location, health status, and housing, calculates that single retirees need between \$19,104 and \$28,860 annually, and that couples need between \$29,448 and \$39,204, in order to cover basic and necessary living expenses without relying on benefit programs, loans, or gifts. University of Massachusetts Boston ScholarWorks at UMass Boston, "The National Economic Security Standard Index," Gerontology Institute, University of Massachusetts Boston, 2012, <http://www.wowonline.org/wp-content/uploads/2013/09/Elder-Economic-Security-Standard-Index-2012.pdf>. See also National Council On Aging, "Latino Economic Security," September 18, 2017, <https://www.ncoa.org/wp-content/uploads/Latino-Economic-Security-Webinar.pdf> (finding that only 49 percent of older Hispanic couples and 26 percent of older Hispanic singles are economically secure according to the Elder Economic Security Standard Index).

<sup>42</sup> National Hispanic Council On Aging, "Status of Hispanic Older Adults in California: Insights from the Field," October, 2016, <http://www.nhcoa.org/wp-content/uploads/2016/11/2016-Status-of-Hispanic-Older-Adults-California.pdf>.

<sup>43</sup> Despite this higher need, Hispanic seniors are less likely to access benefits that they qualify for through the Supplemental Nutrition Assistance Program (SNAP) than U.S. seniors in general. Barriers such as transportation, stigmas, and language help explain the difference. National Hispanic Council on Aging, "Status of Hispanic Older Adults: Insights from the Field," October 2015, <http://www.nhcoa.org/wp-content/uploads/2015/11/NHCOA-Status-of-HOA-Final-10-27-15.pdf>.

<sup>44</sup> Richard W. Johnson, Stipica Mudrazija, and Claire Xiaozhi Wang, "Hispanics' Retirement Security – Past Trends and Future Prospects," Urban Institute, December, 2016, [https://www.urban.org/sites/default/files/publication/86526/hispanic\\_retirement\\_security\\_1.pdf](https://www.urban.org/sites/default/files/publication/86526/hispanic_retirement_security_1.pdf) (citing the 2012 Health and Retirement Study, a national, longitudinal survey of older Americans conducted by the University of Michigan).

<sup>45</sup> Ibid

<sup>46</sup> Ibid

<sup>47</sup> National Council of La Raza "Enhancing Latino Retirement Readiness in California," May 2015,

[http://www.prudential.com/media/managed/Latino\\_Retirement\\_Readiness\\_Prudential.pdf](http://www.prudential.com/media/managed/Latino_Retirement_Readiness_Prudential.pdf).

<sup>48</sup> Monique Morrissey, "The State of American Retirement – How 401(k)s have failed most American workers," Economic Policy Institute, March 3, 2016, <http://www.epi.org/publication/retirement-in-america/>.

<sup>49</sup> Richard W. Johnson, Stipica Mudrazija, and Claire Xiaozhi Wang, "Hispanics' Retirement Security – Past Trends and Future Prospects," Urban Institute, December, 2016, [https://www.urban.org/sites/default/files/publication/86526/hispanic\\_retirement\\_security\\_1.pdf](https://www.urban.org/sites/default/files/publication/86526/hispanic_retirement_security_1.pdf).

<sup>50</sup> Ibid

<sup>51</sup> Ibid, pages 35-38 (finding that 84% of Hispanic men (32/38) and 81% of Hispanic women (38/47) participated when offered). But see National Council of La Raza, "Enhancing Latino Retirement Readiness in California," May 2015,



[http://www.prudential.com/media/managed/Latino\\_Retirement\\_Readiness\\_Prudential.pdf](http://www.prudential.com/media/managed/Latino_Retirement_Readiness_Prudential.pdf) (finding that only 21 percent of Hispanics in California who were offered a workplace plan, chose to participate).

<sup>52</sup> Karen Richman, Wei Sun, Justin Sena, and Sung David Chun, "The Significance of Gender for Latina/o Savings and Retirement," Institute for Latino Studies, University of Notre Dame, December, 2015, <http://www.nefe.org/Portals/0/WhatWeProvide/PrimaryResearch/PDF/Significance-of-Gender-for-Latino-Savings-and-Retirement.pdf> (finding that "Latino workers are more likely than other groups to choose not to take advantage of the retirement savings program at work"). See also the Ariel/Aon Hewitt Study, "401(k) Plans in Living Color – A Study of 401(k) Savings Disparities Across Racial and Ethnic Groups," 2012, <https://www.arielinvestments.com/images/stories/PDF/ariel-aonhewitt-2012.pdf> (finding that, in a survey of large employer plans, Hispanics, when not automatically enrolled, participated in plans at a rate of 59 percent in 2010, compared to 77 percent of whites).

<sup>53</sup> For example, the median hourly wage of Hispanic men is 69 percent of that of white men. Eileen Patten, "Racial, gender wage gaps persist in U.S. despite some progress," Pew Research Center, July 1, 2016, <http://www.pewresearch.org/fact-tank/2016/07/01/racial-gender-wage-gaps-persist-in-u-s-despite-some-progress/>.

<sup>54</sup> As of January 2016, 22 percent of Hispanics had been with their current employer for 10 years or more, compared with 30 percent of whites. News Release Bureau of Labor Statistics, U.S. Department of Labor, "Employee Tenure in 2016," September 22, 2016, <https://www.bls.gov/news.release/pdf/tenure.pdf>.

<sup>55</sup> For example, 26 percent of Hispanics aged 25 to 44 in 2014 did not hold a high school degree, compared with 11 percent and 5 percent for their black and white peers. Dave Buchholz, Jeff Larrimore, and Jeff Thompson, "Housing Finance Policy Center Lunchtime Data Talk – Federal Reserve Surveys of the Economic Well-Being of US Households: SCF and SHED," Urban Institute, January 21, 2016, [https://www.urban.org/sites/default/files/urban\\_institute\\_data\\_talk\\_scf\\_shed\\_combinedv2.pdf](https://www.urban.org/sites/default/files/urban_institute_data_talk_scf_shed_combinedv2.pdf).

<sup>56</sup> According to the Prosperity Now Scorecard, 42.5 percent of Hispanics have saved some money for emergencies over the past year, compared to 61.3 percent of whites. Dave Buchholz, Jeff Larrimore and Jeff Thompson, "Housing Finance Policy Center Lunchtime Data Talk – Federal Reserve Surveys of the Economic Well-Being of US Households: SCF and SHED," Urban Institute, January 21, 2016, [https://prosperitynow.org/files/PDFs/2017\\_Scorecard\\_Report.pdf](https://prosperitynow.org/files/PDFs/2017_Scorecard_Report.pdf).

<sup>57</sup> For example, the Economic Policy Institute found that high-income families were 10 times more likely to have retirement accounts than low-income families, and that the median family headed by someone with a college degree or more has more than three times as much retirement savings than the typical family headed by someone with no more than a high school degree or GED. Monique Morrissey, "The State of American Retirement – How 401(k)s have failed most American workers," Economic Policy Institute, March 3, 2016, <http://www.epi.org/publication/retirement-in-america/>

<sup>58</sup> From \$33,584 to \$9,784. Cynthia A. Pagliaro, and Stephen P. Utkus, "Diversity and defined contribution plans: Differences in 401 (k) retirement wealth," Vanguard Research, July 1, 2014, <https://institutional.vanguard.com/iam/pdf/0CRRDABP.pdf?cbfForceDomain=true>

<sup>59</sup> Eighty-nine percent of the Hispanic/white wealth difference was explained by controlling for usual income, demographic, labor force, inheritance, health status, investment attitudes, parental longevity, and regional real estate variables. Jeffrey P Thompson and Gustavo A. Suarez, "Exploring the Racial Wealth Gap Using the Survey of Consumer Finances," Divisions of Research & Statistics and Monetary Affairs, Federal Reserve Board, 2015, page 56, <https://www.federalreserve.gov/econresdata/feds/2015/files/2015076pap.pdf>.

<sup>60</sup> David C. John, "Disparities For Women and Minorities in Retirement Saving," Brookings Institution, September 1, 2010, <https://www.brookings.edu/testimonies/disparities-for-women-and-minorities-in-retirement-saving/>

<sup>61</sup> See, for example, Karen Richman, Wei Sun, Justin Sena, and Sung David Chun, "The Significance of Gender for Latina/o Savings and Retirement," Institute for Latino Studies, University of Notre Dame, December, 2015, <http://www.nefe.org/Portals/0/WhatWeProvide/PrimaryResearch/PDF/Significance-of-Gender-for-Latino-Savings-and-Retirement.pdf>.

<sup>62</sup> Prudential Research, "The Hispanic American Financial Experience," 2014, [https://www.prudential.com/media/managed/hispanic\\_en/prudential\\_hafe\\_researchstudy\\_2014\\_en.pdf](https://www.prudential.com/media/managed/hispanic_en/prudential_hafe_researchstudy_2014_en.pdf)

<sup>63</sup> One study from 2013 found that although 68 percent of Hispanics reported that they spoke only English at home or spoke English "very well," only 34 percent of the foreign-born had English proficiency. Jens Manuel Krogstad, Renee Stepler, and Mark Hugo Lopez, "English Proficiency on the Rise Among Latinos - U.S. Born Driving Language Changes," Pew Research Center, May 12, 2015, <http://www.pewhispanic.org/2015/05/12/english-proficiency-on-the-rise-among-latinos/>.

<sup>64</sup> Karen Richman, Wei Sun, Justin Sena, and Sung David Chun, "The Significance of Gender for Latina/o Savings and Retirement," Institute for Latino Studies, University of Notre Dame, December, 2015, <http://www.nefe.org/Portals/0/WhatWeProvide/PrimaryResearch/PDF/Significance-of-Gender-for-Latino-Savings-and-Retirement.pdf>.

<sup>65</sup> Consumer Financial Protection Bureau, "Snapshot of older consumers and student loan debt," Office for Older Americans & Office for Students and Young Consumers, January 2017, [http://files.consumerfinance.gov/f/documents/201701\\_cfbp\\_OA-Student-Loan-Snapshot.pdf](http://files.consumerfinance.gov/f/documents/201701_cfbp_OA-Student-Loan-Snapshot.pdf). See also Alicia H. Munnell, Wenliang Hou, and Anthony Webb, "Will the Explosion of Student Debt Widen the Retirement Security Gap?" Center for Retirement Research, Boston College, February 2016, Brief Number 16-2, [http://crr.bc.edu/wp-content/uploads/2016/01/IB\\_16-2.pdf](http://crr.bc.edu/wp-content/uploads/2016/01/IB_16-2.pdf).

<sup>66</sup> Amal Kumar and Michael Hurwitz, "Supply and Demand in the Higher Education Market: College Enrollment." College Board, February 2015, Figure 3, <https://research.collegeboard.org/sites/default/files/publications/2015/8/college-board-research-brief-supply-demand-college-enrollment.pdf>. But note that African Americans have much higher rates of enrollment in four-year for-profit colleges.

<sup>67</sup> Luisa R. Blanco, Emma Aguila, Arturo Gongora, and O.Kenrik Duru, "Retirement Planning among Hispanics: In God's Hands?" J Aging Soc Policy, vol.29, no.4, pp 311-331, July-September 2017. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5500435/>. See also "The Hispanic American Financial Experience," 2014, [https://www.prudential.com/media/managed/hispanic\\_en/prudential\\_hafe\\_researchstudy\\_2014\\_en.pdf](https://www.prudential.com/media/managed/hispanic_en/prudential_hafe_researchstudy_2014_en.pdf) (finding that an estimated 23 percent of Hispanics interviewed in 2014 planned to spend equal time between the United States and another country in retirement).

<sup>68</sup> For example, in one survey, one out of 10 Hispanics cited "not knowing what will happen to my money if I retire outside the US" as a barrier that contributed to lack of participation in workplace-based plans. "The Hispanic American Financial Experience," 2014, [https://www.prudential.com/media/managed/hispanic\\_en/prudential\\_hafe\\_researchstudy\\_2014\\_en.pdf](https://www.prudential.com/media/managed/hispanic_en/prudential_hafe_researchstudy_2014_en.pdf).

<sup>69</sup> Thought Capital, "U.S. Hispanic Retirement Attitudes: How does culture influence retirement savings?" Principal, July 2016, <https://secure02.principal.com/publicsupply/GetFile?fm=PQ8167U&ty=VOP&EXT=VOP>. The authors characterize this part of the Hispanic population as "unacculturated." They estimate roughly one-fourth of Hispanic adults fall into this category, which they associate with being foreign-born and speaking Spanish at home.

<sup>70</sup> Ana Gonzalez-Barrera, "Mexican Lawful Immigrants Among the Least Likely to Become U.S. Citizens," Pew Research Center, June 29, 2017, <http://www.pewhispanic.org/2017/06/29/mexican-lawful-immigrants-among-least-likely-to-become-u-s-citizens/>. See also Ana Gonzalez-Barrera, "Mexican Lawful Immigrants Among the Least Likely to Become U.S. Citizens - Recent trends in naturalization, 1995-2015," June 29, 2017, <http://www.pewhispanic.org/2017/06/29/recent-trends-in-naturalization-1995-2015/>.



- <sup>71</sup> National Endowment for Financial Education, “Income Shocks and Life Events – Why Retirement Savings Fall Short,” 2017, <http://www.nefe.org/Portals/0/WhatWeProvide/PrimaryResearch/PDF/Why-Retirement-Savings-Fall-Short-Executive-Summary.pdf?ver=2017-07-14-140038-653>.
- <sup>72</sup> Jeffrey S. Passel, and D’Vera Cohn, “Overall Number of U.S. Unauthorized Immigrants Holds Steady Since 2009 – Birth regions and nations,” Pew Research Center, September 20, 2016, <http://www.pewhispanic.org/2016/09/20/1-birth-regions-and-nations/> (finding that 8,625,000 Hispanics were unauthorized in 2014). According to the Census Bureau, the total Hispanic population in 2014 was 55,387,539. 8,625,000 divided by 55,387,539 is 15.5 percent.
- <sup>73</sup> According to Pew Research Center, 52 percent of Hispanics say they have experienced discrimination or been treated unfairly because of their race or ethnicity. Jens Manuel Krogstad, and Gustavo Lopez, “Roughly half of Hispanics have experienced discrimination,” Pew Research Center, June 29, 2017, <http://www.pewresearch.org/fact-tank/2016/06/29/roughly-half-of-hispanics-have-experienced-discrimination/>.
- <sup>74</sup> See, for example, Lincoln Quillian, Devah Pager, Ole Hexel, and Arnfinn H. Midtbøen, “Meta-analysis of field experiments shows no change in racial discrimination in hiring over time,” *Proceedings of the National Academy of Sciences of the United States of America*, vol. 114, no. 41, October 10, 2017, <http://www.pnas.org/content/114/41/10870.full.pdf>, page 2 (finding that white applicants receive 24 percent more job callbacks than Latinos on average).
- <sup>75</sup> See, for example, Ulrich Boser, “Teacher Diversity Matters - A State-by-State Analysis of Teachers of Color,” Center for American Progress, November 2011, [https://cdn.americanprogress.org/wp-content/uploads/issues/2011/11/pdf/teacher\\_diversity.pdf](https://cdn.americanprogress.org/wp-content/uploads/issues/2011/11/pdf/teacher_diversity.pdf), page 7 (finding that “students of color do better on a variety of academic outcomes if they’re taught by teachers of color” and that students of color make up more than 40 percent of the public school population but teachers of color make up only 17 percent of the teaching force).
- <sup>76</sup> See, for example, Margery Austin Turner, Rob Santos, Diane K. Levy, Doug Wissoker, Claudia Aranda, and Rob Pitingolo, “Housing Discrimination Against Racial and Ethnic Minorities 2012,” U.S. Department of Housing and Urban Development, June 2013, [https://www.huduser.gov/portal/Publications/pdf/HUD-514\\_HDS2012\\_execsumm.pdf](https://www.huduser.gov/portal/Publications/pdf/HUD-514_HDS2012_execsumm.pdf) (finding that well-qualified Hispanic home-seekers are told about and shown fewer housing units by agents than whites; this discrimination could limit Hispanics’ ability to live in areas with high-performing schools). See also Ryan B. Smith, “Lending Discrimination and the Costs of Credit to People of Color,” Penn Wharton, University of Pennsylvania, Public Policy Initiative, 22 July 2016, <https://publicpolicy.wharton.upenn.edu/live/news/1339-lending-discrimination-and-the-costs-of-credit-to> (finding that discrimination by one of the nation’s largest residential mortgage providers cost the average Hispanic borrower in Los Angeles \$545 in additional fees and interest on a \$200,000 loan than white borrowers).
- <sup>77</sup> See, for example, Jennifer Castillo, “Tolerance in Schools for Latino Students; Dismantling the School to Prison Pipeline,” *Harvard Journal of Hispanic Policy*, May 1, 2015, <http://www.harvardhispanic.org/tolerance-in-schools-for-latino-students-dismantling-the-school-to-prison-pipeline/> (finding that “Latino students are 1.5 times more likely to be suspended and twice more likely to be expelled than their White peers”).
- <sup>78</sup> For an overview of public benefit eligibility based on immigration status, see table 1, page 3 of Congressional Budget Office, “How Changes in Immigration Policy Might Affect the Federal Budget,” January 2015, <https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/49868-Immigration4.pdf>.
- <sup>79</sup> But see Gary Burtless, “The Impact of Population Aging and Delayed Retirement on Workforce Productivity,” Center for Retirement Research at Boston College, May 2013, <https://www.brookings.edu/wp-content/uploads/2016/06/impact-aging-population-workforce-productivity-burtless.pdf> (finding that the aging workforce will not hurt worker productivity).
- <sup>80</sup> See, for example, James J. Choi, David Laibson, Brigitte C. Madrian, and Andrew Metrick, “Savings for Retirement on the Path of Least Resistance,” 2014, <https://sites.hks.harvard.edu/fs/bmadria/Documents/Madrian%20Papers/Saving%20for%20Retirement%20on%20the%20Path%20of%20Least%20Resistance.pdf>. But note that studies have also found that automatic enrollment can lead to lower contribution rates, since defaults are often set low (usually three percent) and participants rarely change them.
- <sup>81</sup> Cynthia A. Pagliaro and Stephen P. Utkus, “Diversity and defined contribution plans: Differences in 401(k) retirement wealth,” Vanguard Research, July 2014, <https://institutional.vanguard.com/iam/pdf/0CRRDABP.pdf?cbdForceDomain=true>. See also The Ariel/Aon Hewitt Study, “401(k) Plans in Living Color – A Study of 401(k) Savings Disparities Across Racial and Ethnic Groups,” 2012, <https://www.arielinvestments.com/images/stories/PDF/ariel-aonhewitt-2012.pdf> (showing Hispanic participation in workplace retirement plans increased from 59 percent to 83 percent when automatic enrollment was implemented).
- <sup>82</sup> Though outside the scope of this brief, it is also likely the case that the nation’s human capital development system could be more Latino-friendly. Given that retirement preparedness is so closely linked to other labor market outcomes, and that the Hispanic population is relatively young, smart investments in Latinos’ education today could have far-reaching, positive effects on retirement security. More research is needed in this area, but for an overview of Hispanics’ current level of educational attainment, see Jens Manuel Krogstad, “5 Facts About Latinos and Education,” Pew Research Center, <http://www.pewresearch.org/fact-tank/2016/07/28/5-facts-about-latinos-and-education/>.
- <sup>83</sup> Particular attention should be paid to the difference between foreign- and US-born Hispanics. According to recent research, US-born Hispanics have higher levels of financial literacy than their foreign-born counterparts and thus “financial literacy programs that separately address US-born and foreign-born Hispanics are likely to experience better results for both groups.” Andrea Hasler, Annamaria Lusardi, and Paul J. Jakoboski, “Financial Literacy among U.S. Hispanics: New Insights from the Personal Finance (P-Fin) Index,” TIAA Institute & Global Financial Literacy Excellence Center, October 2017, [https://www.tiaainstitute.org/sites/default/files/presentations/2017-10/TIAA%20Institute-GFLEC%20Hispanic%20P-Fin%20Index%20Report\\_October%202017.pdf](https://www.tiaainstitute.org/sites/default/files/presentations/2017-10/TIAA%20Institute-GFLEC%20Hispanic%20P-Fin%20Index%20Report_October%202017.pdf).
- <sup>84</sup> For a summary of these strategies, see David S. Mitchell, “Shortfall Savings: The All-Important Financial Buffer Against Volatility,” The Aspen Institute Expanding Prosperity Impact Collaborative, June 2017, [https://assets.aspeninstitute.org/content/uploads/2017/06/06-2017\\_ASPEN\\_EPIC\\_SHORTFALL\\_WEB.pdf](https://assets.aspeninstitute.org/content/uploads/2017/06/06-2017_ASPEN_EPIC_SHORTFALL_WEB.pdf).
- <sup>85</sup> For a detailed explanation of this approach, see Katherine Lucas McKay, “Two Birds, One Stone: Using Hybrid Financial Products to Manage Income Volatility,” The Aspen Institute Expanding Prosperity Impact Collaborative, April 2017, [https://assets.aspeninstitute.org/content/uploads/2017/04/EPIC\\_TWOBIRDS\\_APRIL2017.pdf](https://assets.aspeninstitute.org/content/uploads/2017/04/EPIC_TWOBIRDS_APRIL2017.pdf).
- <sup>86</sup> For further explanation of the sidecar idea, see David S. Mitchell, and Gracie Lynne, “Driving Retirement Innovation: Can Sidecar Accounts Meet Consumers’ Short- and Long-Term Financial Needs?” The Aspen Institute, June 2017, <https://assets.aspeninstitute.org/content/uploads/2017/06/FSP-Sidecar-Accounts-Brief.pdf>.

