

LATINOS AND RETIREMENT SECURITY

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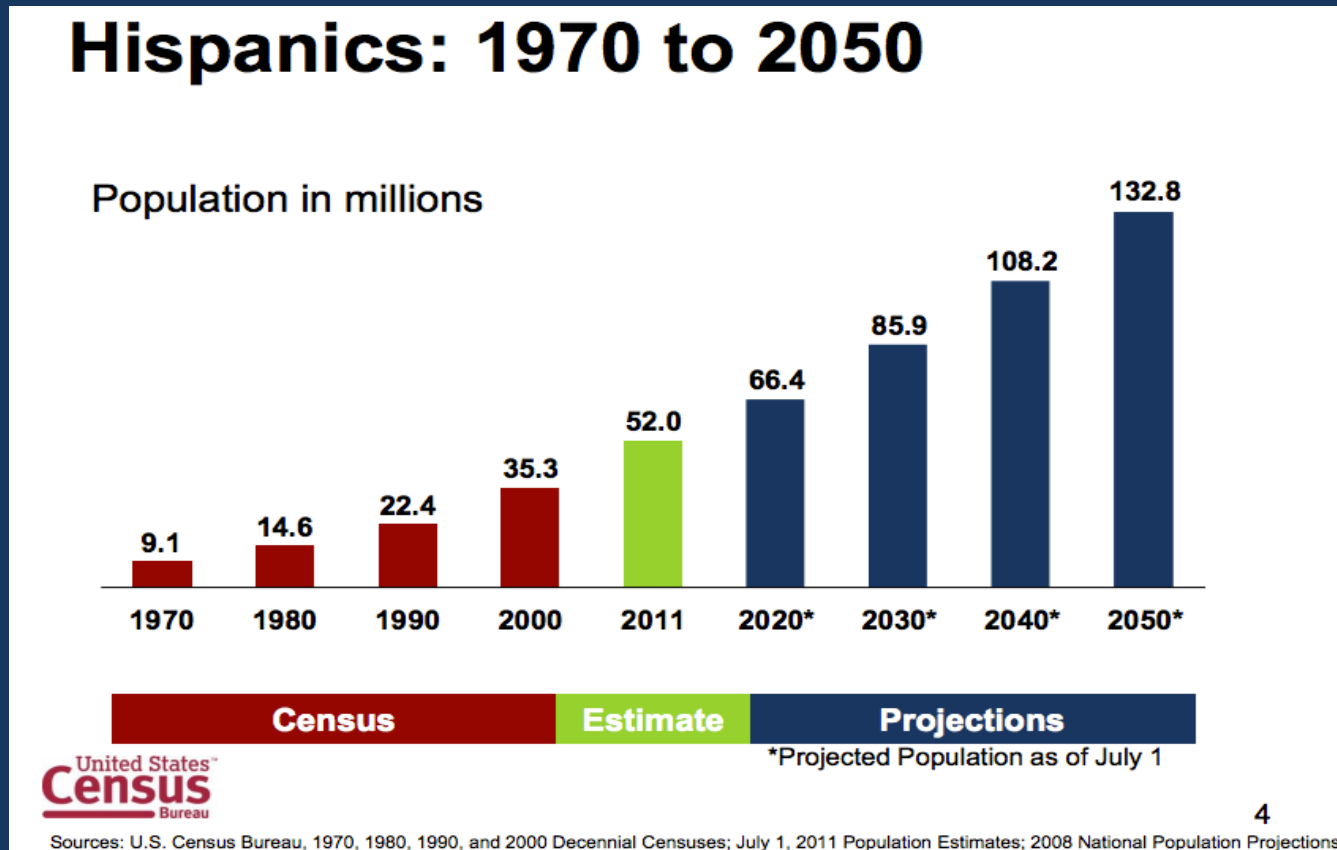
National Academy of Social Insurance
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Presentation Overview

- Demographic Change
- The State of Retirement for Latinos
- Importance of Social Security to Latinos

Latino Demographic Growth

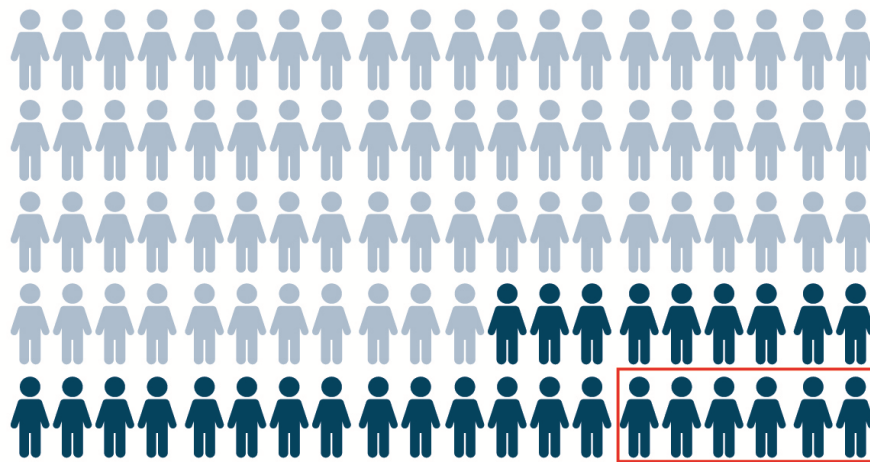
The U.S. Latino population numbers 54 million. By 2060, Latinos will make up 31% of the U.S. population.



The State of Retirement for Latinos

Latinos Lack Access to Retirement Plans

Nationally, **two-thirds** of Hispanics are **NOT** covered by employer-sponsored retirement plans. In California, only 29% have access.



Only **29%** of Latinos in California have access to an employer-sponsored retirement plan.

Of those, only **21%** participate in the plan.

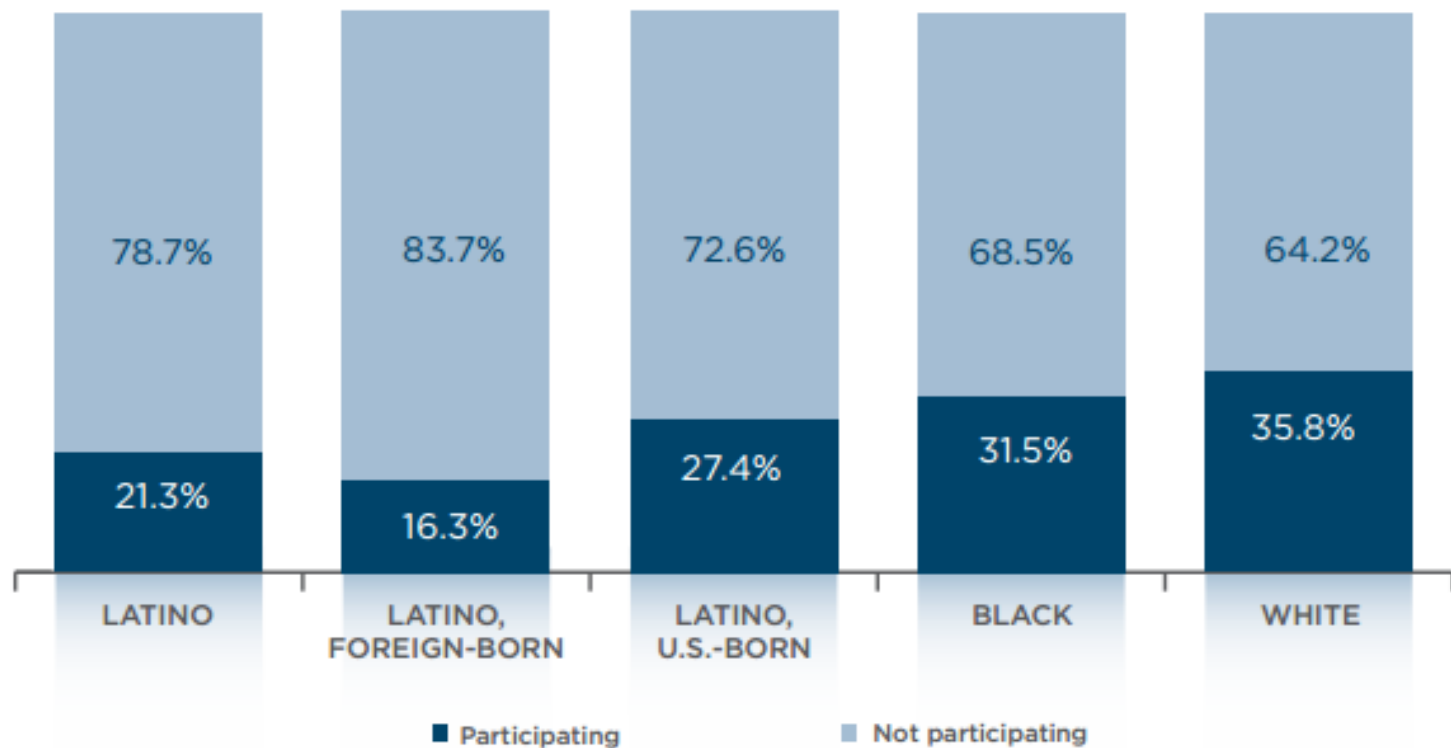
■ NO ACCESS 71%

■ ACCESS 29%

Participation is Lowest Among Latinos

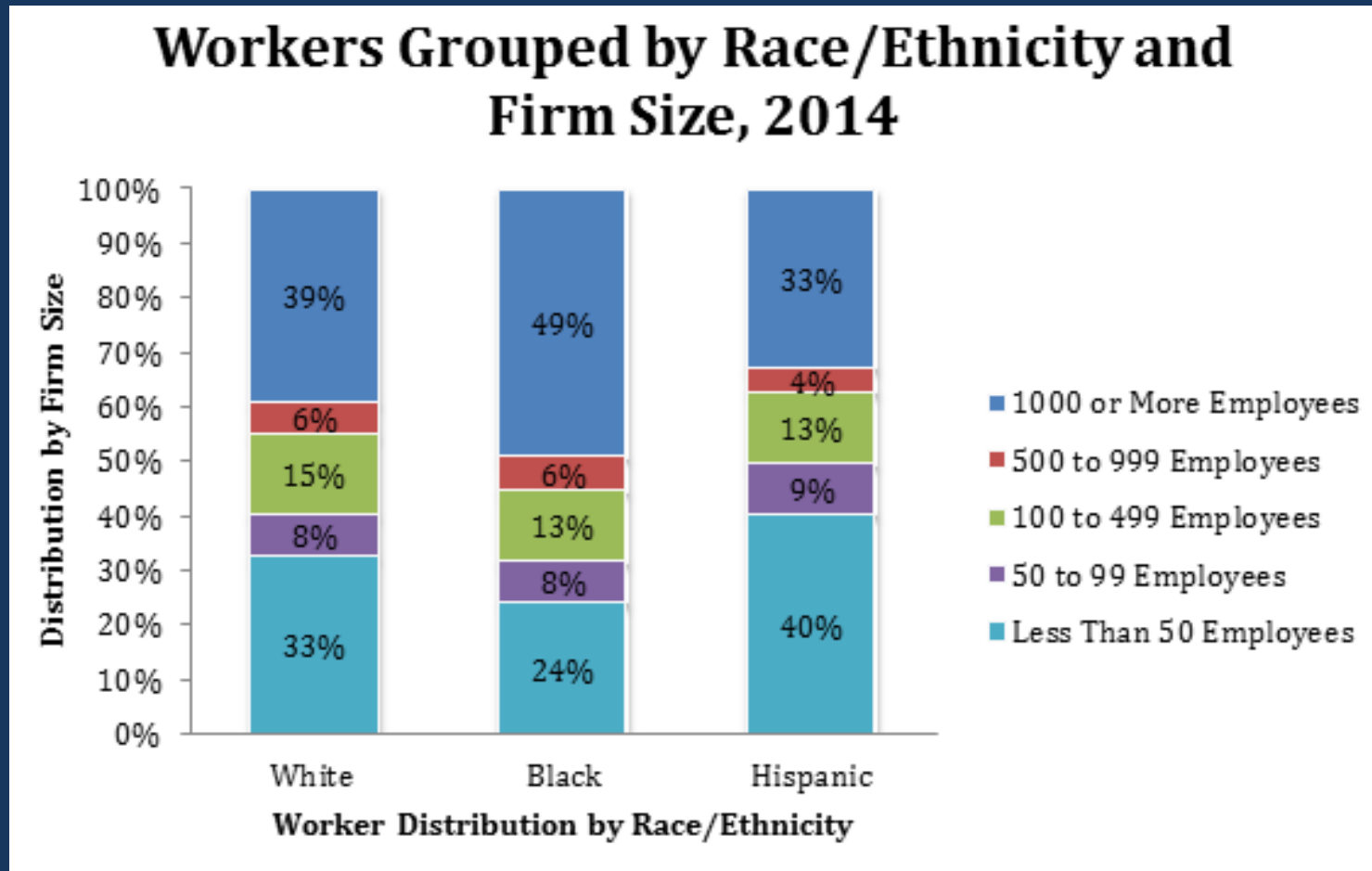
Figure 3. Latinos Are Least Likely to Participate in Workplace Plans When They Are Offered

Participation in Employer-Sponsored Retirement Plans by Race/Ethnicity and Nativity, California, 2014



Source: NCLR analysis of Current Population Survey, Annual Social and Economic Supplement, March 2014.

Latinos Are More Likely to Work for Small Businesses



Source: NCLR calculation using U.S. Bureau of the Census, "2014 Annual Social and Economic Supplement," Current Population Survey. Washington, DC, 2014, <https://cps.ipums.org/cps/> (accessed January 2015)

Workers Who Get Paid in Cash Lose Out On Retirement Benefits

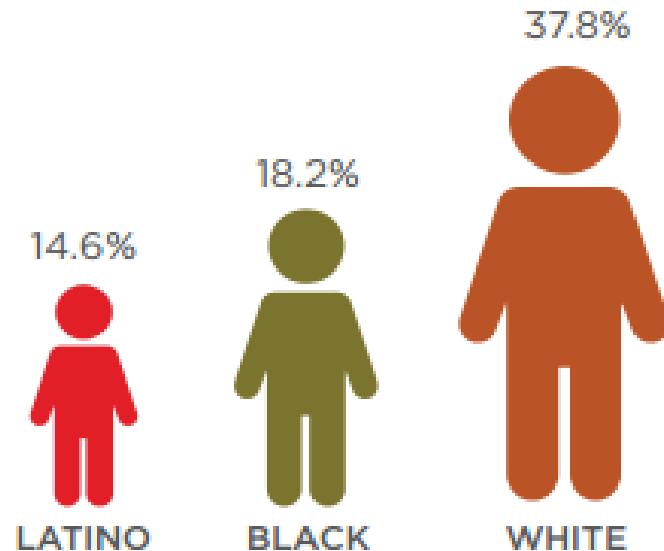
In the long term, tax-free cash costs workers their Social Security benefits.

- Workers in the informal sector may encounter specific barriers in accessing and participating in Social Security.
- Some employers will pressure people to be paid in cash, but this is illegal.
- In California, one out of six jobs in the construction industry was part of the underground economy in 2011.

Adequacy Remains a Roadblock to Latino Retirement Security

Figure 7. Working Latinos Are Half as Likely as Whites to Have a Year's Pay Saved for Retirement

Share of workers age 40 and older with retirement savings equal to or greater than annual income, California



Source: NCLR analysis of U.S. Bureau of the Census, Survey of Income and Program Participation, 2008 panel data, Wave 10.

Importance of Social Security to Latinos


Latinos and Longer Life Expectancy

With longer life expectancies, than the general population elderly Hispanics, especially women, will live more years in retirement and rely on Social Security.

- Currently nearly one in five elderly Latinas (65+) live in poverty.
- Hispanic women who are age 65 in 2012 can expect to live to age 89, compared to age 85 for all women.
- Hispanic men who are age 65 in 2012 can expect to live to age 85, compared to age 82 for all men.

Anti-Poverty Effects of Social Security

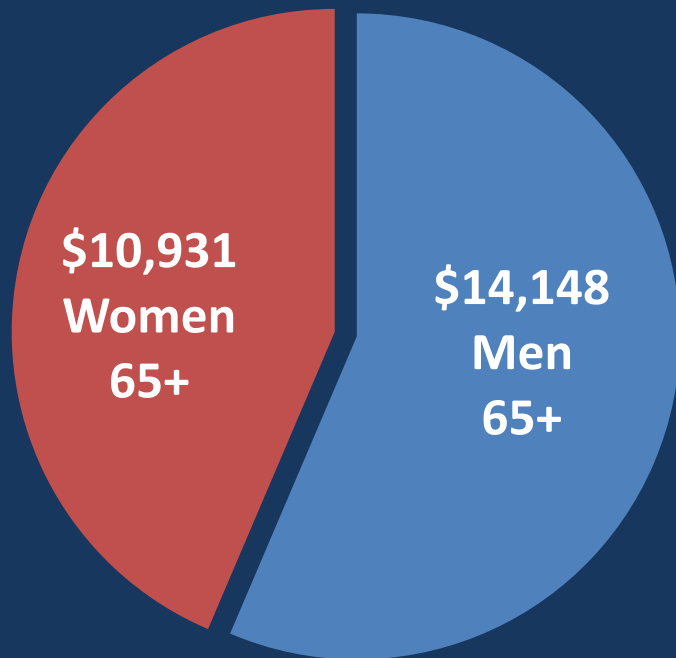
The anti-poverty effects of Social Security are critical to older Latinos, especially women.

Nearly **1 in 5 Latinas** 65 and older are **living in poverty**  without Social Security, this number would increase to **half** of all Latinas 65 and older.

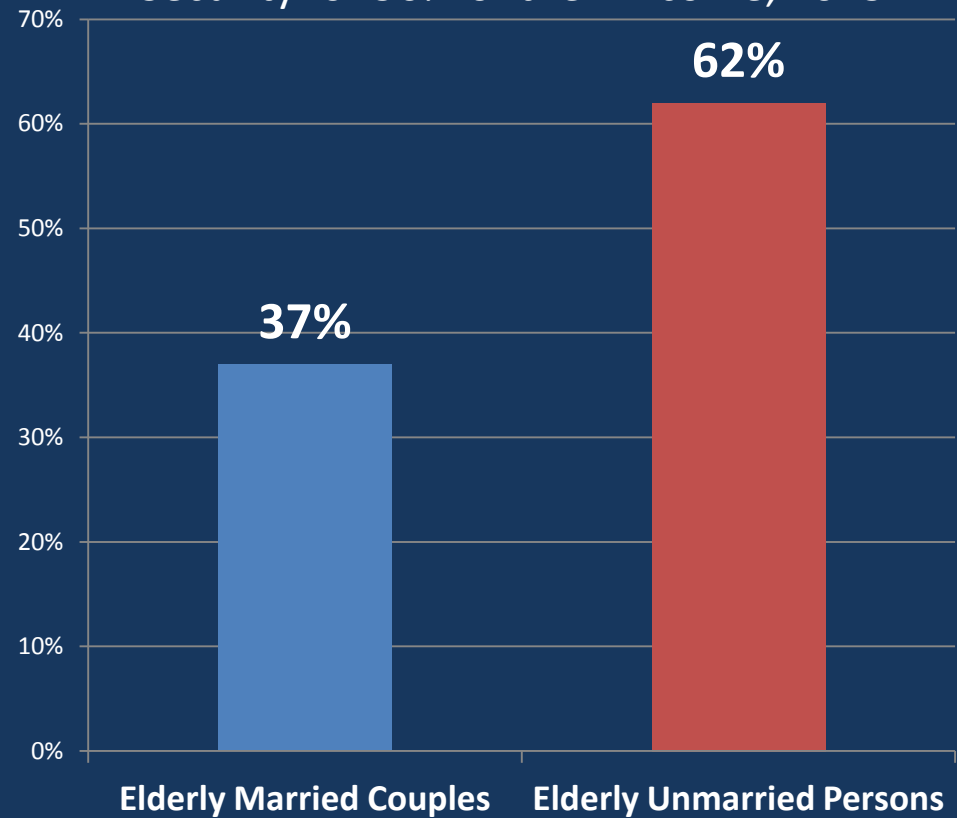
- Immigrant contributions to Social Security

Latinos Rely More but Earn Less

Average annual Social Security income received by Hispanic women and men 65+, 2013



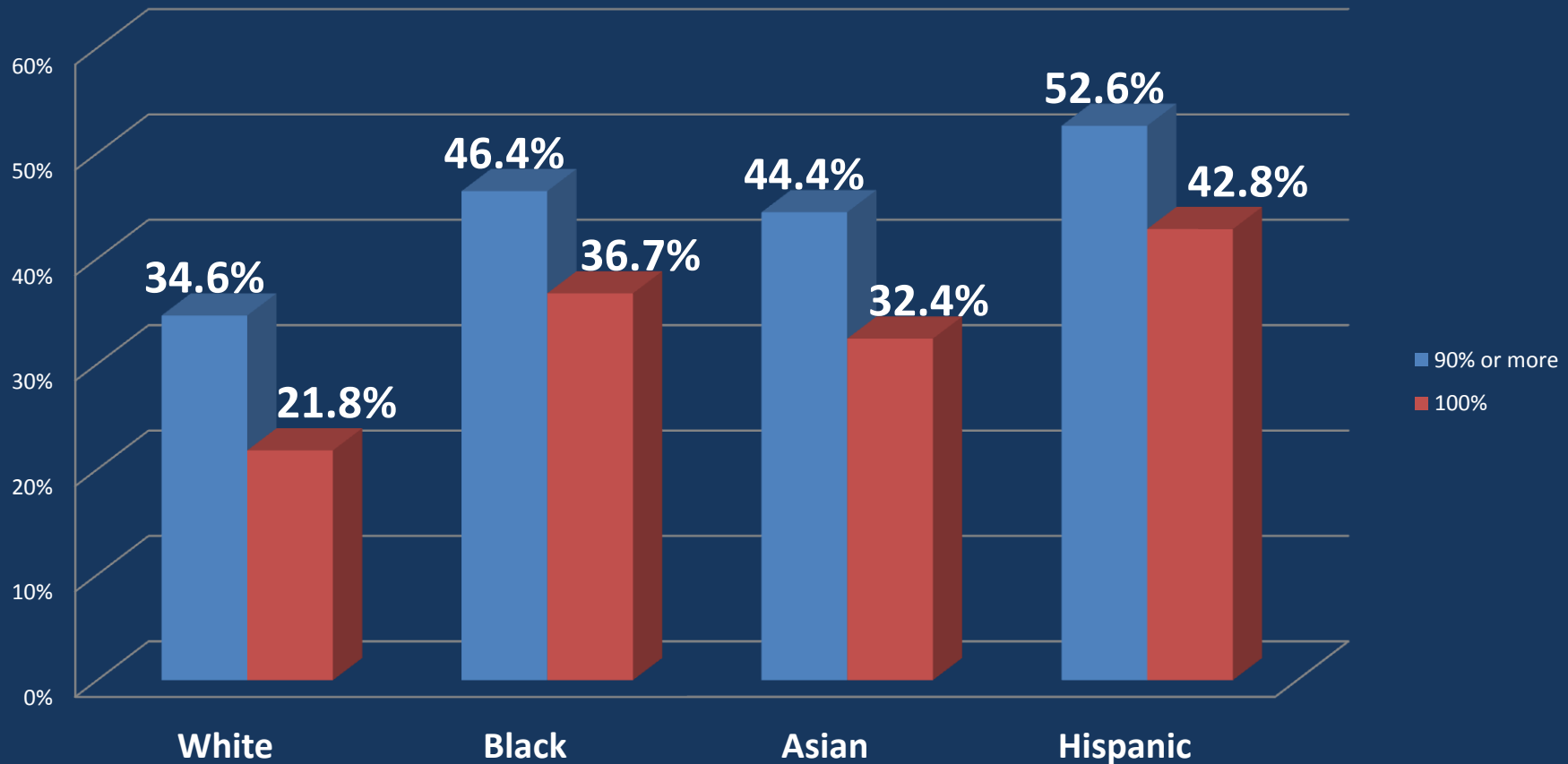
Percent of Hispanic Beneficiaries by marital status who rely on Social Security for 90% of their income, 2013



Source: Social Security Administration, "Hispanics and Social Security." <https://www.ssa.gov/people/hispanics/> (accessed November 2015).

Of Those Age 65 and Older, Social Security is the Sole Source of Income for 43% of Latinos.

Percent of Beneficiaries by Race/Ethnicity who rely on Social Security for 90% or 100% of their income, 2012



Social Security Administration, "Income of the Population 55 or Older, 2012."

https://www.ssa.gov/policy/docs/statcomps/income_pop55/2012/incpop12.pdf (accessed November 2015), Table 9.A3

Can Latinos Help Solve the Looming Retirement Crisis?

Thank You!

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