

LATINOS *for a* SECURE
RETIREMENT

Retirement Solutions & Evolving Policy Options

Retirement Challenges Facing Millennials Panel

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LATINOS *for a* SECURE RETIREMENT

Our mission includes protecting Social Security, strengthening Medicare, increasing pension access and financial literacy, ensuring seniors get equal access to Older American Act services.



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In 2016, the wealth of a Latino household was only \$6,300 compared to White Americans, who held \$140,500.

Source: <https://prosperitynow.org/blog/racial-wealth-snapshot-latino-americans>

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In 2016, the wealth of Millennials
was only \$8,000.

Source: <https://prosperitynow.org/blog/racial-wealth-snapshot-latino-americans>

Retirement & Savings Statistics for Latino Millennials



Source: NIRS

- ▶ There is a significant gap between Millennial Latinos and other racial and ethnic groups in terms of participation in employer-sponsored retirement plans.
- ▶ Two-thirds (66.2%) of working Millennials have nothing saved for retirement. This situation is far worse for working **Millennial Latinos, as 83 percent have nothing saved for retirement.**
- ▶ **Only 19.1 percent of Millennial Latinos and 22.5 percent of Latinas participate in an employer sponsored plan,** compared to 41.4 percent of Asian men and 40.3 percent of Millennial White women, who had the highest rate of participation in a retirement plan.

Retirement & Savings Statistics for Millennials



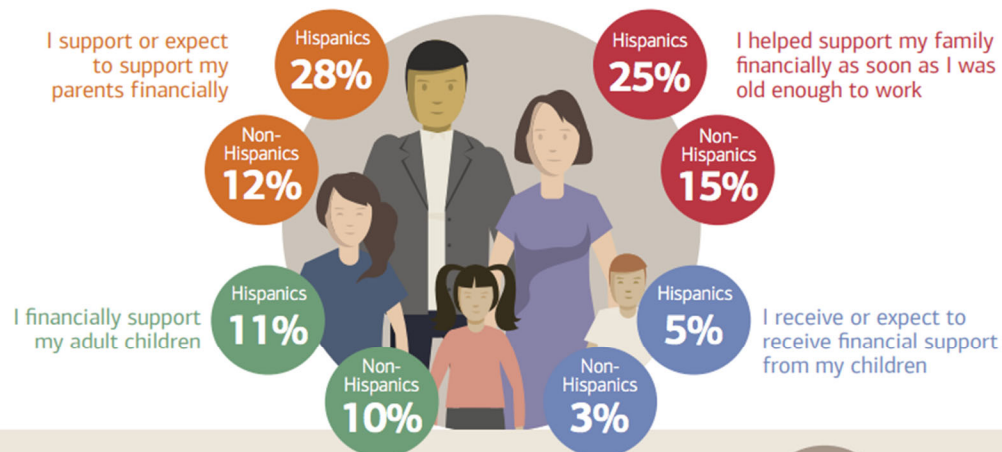
Source: NIRS

- ▶ Only five percent of working Millennials are saving adequately for retirement.
- ▶ Even though two-thirds (66%) of Millennials work for an employer that offers a retirement plan, only slightly over one-third (34.3%) of Millennials participate in their employer's plan.
- ▶ Four out of ten (40.2%) of Millennials cited eligibility requirements set by employers, such as working a minimum number of hours, or having a minimum tenure on the job, as a reason for not participating in a plan. introduction
- ▶ Hope for improvement for this generation stems from the fact that across all racial and ethnic groups, more than nine out of ten Millennials actually participate in employer-sponsored retirement plans, when they are eligible to participate

***The American Pension Crisis
an Alliance for Retired Americans Seminar
November 19-20, 2019***

Finances are a family affair

More than half (**52 percent**) of Hispanic-Latino Americans are financially tied to their families, compared to just one-third (**33 percent**) of non-Hispanic-Latino Americans.



Hispanic-Latino millennials are significantly more likely to support or expect to support their parents financially (**36%** compared to **19%** of non-Hispanic-Latino millennials).



Source: https://newsroom.bankofamerica.com/system/files/Better_Money_Habits_-_Financial_Habits_Among_Hispanic-Latino_Americans_%28English%29.pdf

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Existing & Evolving Policy Options

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Social Security Expansion

- ▶ Adoption of a consumer price index (CPI) for the elderly, or CPI-E, as a more accurate means of calculating Social Security Cost Of Living Adjustments. This proposal would ensure that the CPI reflects the expenditures of the elderly and produce a higher cost-of-living-adjustment that truly keeps pace with inflation.
- ▶ Insure College and Vocational Students of Deceased and Disabled Parents - A college graduate will on average make about \$26,000 more annually than someone with only a high school education, contributing \$145,000 more into the Social Security trust fund over their lifetime.
- ▶ A special benefit minimum will ensure benefit adequacy for all Americans. Enacted to pay 125 percent of the poverty line for those who have worked 30 years and retire at the normal retirement age

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Caregiver Credit

- ▶ Sandwich Generation Problems
- ▶ This proposal would provide caregivers a Social Security earnings credit when they take unpaid time off from their employment to provide care, whether by leaving their jobs or reducing their hours.
- ▶ The credit would be added to earnings to calculate future Social Security benefits for the caregiver's retirement.

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Creating a Pathway to Legalization for the 11 Million + Undocumented Americans

- ▶ In 2016, Undocumented immigrants contributed \$13 Billion into the SS program and \$3 billion to Medicare... funds that are not accessible to these communities.
- ▶ DACA and Social Security - An additional 800,000 people into the workforce estimating \$31.8 Billion revenue to Social Security
- ▶ If GOP succeeds in plan to cut in half the number of legal immigration, SS will lose \$2.4 trillion in revenue over the next 75 years.
- ▶ Alternatively, if immigration doubled, SS would gain \$5 Trillion over the next 75 years.

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Raising the Minimum Wage

- ▶ More than half of the 41 million workers who would benefit by an increase are age 25-54, and 56 percent are women.
- ▶ Although the majority of workers who would benefit from increasing the minimum wage are white, **40 percent of all African Americans would receive higher pay, while 34 percent of all Latinos would benefit.**
- ▶ An increase to \$15.00 per hour would increase a worker's earnings by \$3.10 per hour, on average, resulting in a \$5,100 increase in annual wages for those who work fulltime. For those working seniors whose wages are increased, the increased earnings would be reflected in their Social Security benefit.
- ▶ **Impact on seniors: Raising the minimum wage to \$15 could add over \$100,000 to Social Security benefits for many workers. *If a worker earned \$15 an hour and claimed at 62, he would see \$425,000 in lifetime Social Security benefits, and \$576,000 if he claimed at 70.***

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Equal Pay For Equal Work/ Closing the Gender Pay Gap

- ▶ Overall, women in the United States are paid 82 cents for every dollar paid to men, amounting to an annual gender wage gap of \$10,194.
- ▶ This persistent, pervasive wage gap is driven in part by gender and racial discrimination, workplace harassment, job segregation and a lack of workplace policies that support family caregiving, which is still most often performed by women.
- ▶ Among women who hold full-time, year-round jobs in the United States, Black women are typically paid 62 cents, Native American women 58 cents and Latinas just 54 cents for every dollar paid to white, non-Hispanic men.
- ▶ The Paycheck Fairness Act would prohibit employers from retaliating against employees who discuss their wages and make it easier to demonstrate that discrimination has occurred. It would also prohibit screening of job applicants based on their salary histories. The Fair Pay Act would diminish wage disparities that result from gender-based occupational segregation.

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Thank You!

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