



RESEARCH REPORT



The Significance of Gender for Latina/o Savings and Retirement

by
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with
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Final Report Submitted to
National Endowment for Financial Education

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I. Summary

This study extends previous research into the complex causes and consequences of Latinos' inability to save for retirement. With support from the National Endowment for Financial Education, we have investigated the relationship of Latinos' employment, citizenship, household income and resources to their low rates of pension eligibility (*La Tercera Edad: Latinos' Pensions, Retirement and Impact on Families* 2008). We moved next from examination of these structural-economic factors to social and cultural institutions to investigate how low-wealth Latinos' "investment" in collectivist, and often long-distance, networks substitutes for savings in the formal retirement system (*Confianza, Savings and Retirement: A Study of Mexican Immigrants in Chicago* 2012). Now we add gender to the equation to consider whether and how gender, in relation to factors identified in previous phases of our research, affects Latinos' planning and saving for retirement.

Understanding the interplay of gender, structural and economic factors and sociocultural practices in Latinos' retirement savings is an endeavor beyond the scope of a typical economic or cultural research project. Consequently, this project transcends the usual disciplinary boundaries of economics, sociology and anthropology to synthesize divergent approaches and methods, and to use them to inform one another. Results of inductive ethnographic observations and personal interviews suggest directions for deductive regression research; patterns discovered in large data analysis point to the need for further ethnographic evidence. The methodologies used in this study to understand the context and meaning of gender in Latino retirement include statistical analysis of national census data from the Survey of Income and Pension Participation (SIPP) and the Health and Retirement Survey, and a qualitative, case study of (foreign-born) Mexican immigrants' and (native-born) Mexican-Americans' retirement savings in metropolitan Chicago. The research was conducted between 2012 and 2014, and comprised individual interviews, focus groups, questionnaires and participant observation in Mexican neighborhoods and at a Mexican immigrant senior center.

Results of our combined quantitative and qualitative research demonstrate that Mexican-heritage women and men are far more alike than different in attitudes toward earning, exchanging and saving money within social networks built on *confianza* or mutual trust. Mexican-heritage women and men are equally collectivist, a contradiction of stereotypes portraying women as more dependent upon relationships and men more rewarded by independence. Those with collectivist commitments are less likely to contribute to retirement savings accounts.



Mexican immigrant seniors perform traditional regional Mexican dances at the Grand Re-Opening of Second Federal Savings on September 21, 2013. Photo courtesy of The Resurrection Project.

A related finding is that women do not regard family formation and having children as barriers to getting ahead in careers; neither is their pension participation affected by maternity, a significant addition to the ongoing media and scholarly debate about professional women “opting out” of careers.

Collectivism is a response to and a bulwark against economic insecurity. As income and socio-economic status increase, collectivism diminishes. Mexican-heritage workers who were raised in more financially secure households are less invested in *confianza* networks and are more committed to independence. In regression analysis, therefore, the significance of collectivism for women’s participation in retirement savings programs is wiped out after controlling for immigration, language, education, age, income and employment characteristics.

Gender equality is the norm in Mexican immigrants’ and Mexican-Americans’ representations of conjugal relationship and decision-making. In the domain of family finances, women have long been the “administrators,” which suggests that traditional images of macho males and Madonna martyrs may be overdrawn.

Our findings confirm that income, more than gender, has a significant effect on Latinos’ and Latinas’ likelihood to save for retirement even after controlling for other demographic variables. Unfortunately, the stubborn persistence of race and gender gaps in earnings limits Latinos’ abilities to save for retirement. For every dollar earned by White men, Latino men earn 67 cents, White women earn 78 cents, Blacks earn 64 cents, and Latinas earn only 54 cents. Lower earnings not only make women voluntarily choose not to participate in pension plans, but also constrain their ability to accumulate savings. Latinas have much lower retirement account balances than any comparable demographic.

To address this problem, we should advocate for elimination of bias in take-home pay and support Latinas’ aspirations to seek the education and training that prepare them for higher paid jobs. We find strong evidence that salary increases of Latina workers do indeed correlate with increased contributions to retirement savings plans, better retirement savings options and more generous

contribution matches. Latino women, especially those who have been in the United States for a long time or were born in this country, are embracing saving for retirement. Our analysis of SIPP data indicates that Latinas are 39 percent more likely than Latinos to have retirement savings.

The good news that Latinas’ participation rates are increasing, is nonetheless dampened by evidence that those of lower- or middle-income levels often see their retirement savings as a source of liquidity. They deplete their defined contribution funds through loans and early withdrawals, and pay the penalties. But an ever-greater danger looms when these workers change jobs or leave work to retire. Latinas are even more likely than Latinos to liquidate their pensions with a lump-sum payment and to spend rather than reinvest the funds, obliterating their nest egg in one fell swoop. This ill-advised behavior puts their retirement savings at risk and points to the need for a better retirement savings alternative. The lack of portability of retirement savings plans exacerbates this problem and it is especially costly to Latino men and women as they tend to switch jobs more frequently than other demographics. A fundamental gap intrudes, therefore, between the rules of defined contribution retirement savings programs and the needs of low-income workers, who face limited funds, job insecurity and discrimination by race, gender, language and/or citizenship. As long as their manifold insecurity and their cooperative adaptations to it continue, increasing enrollment in the existing, punitive structure of tax-deferred defined contribution plans is unlikely to increase their retirement security and may, through loans, withdrawals and lump sum payments, undermine their savings for retirement.

New federal and state programs are being developed that address portability and eligibility barriers that have hindered Latinos’ full participation in retirement savings programs. We review these emerging programs to evaluate their potential to help Latinos and low-income workers save for retirement. The United States Department of Treasury’s *myRA* (*my* Retirement Account) program promises a simple, safe and affordable way to save for old age. We expect Latinos, in particular, to benefit from participating in *myRA* for the following reasons:

1. It is automatic, depositing passively every payday;
2. It is portable as it is not tied to a single employer so you don't need to withdraw or roll over into other plans every time you change jobs;
3. It is open to part-time and full-time workers;
4. It is affordable—there is no cost to open an account and it does not require large minimum contributions and
5. It is guaranteed by the U.S. Treasury.

Unlike the defined contribution plan, the *myRA* is not tax-deferred, but low-income workers do not tend to benefit much from tax-deferred plans. There is no penalty for withdrawal. We are concerned that this feature may make it too easy for participants to deplete their funds, but it does remove the costly penalties shouldered by current retirement contribution plan participants, especially those in lower- and middle-income brackets.

At the same time, half of the states in this country are moving toward a policy of automatic enrollment in retirement savings plans for all workers in the private sector. Many of the states are setting a mandatory contribution rate of three percent. Unlike the *myRA*, the programs are tax-deferred and operate like IRAs, albeit with lower fees, transferring the risk and the responsibility for investment choice to individual participants. Serious challenges are liable to confront future participants in the state programs. A similar challenge awaits future participants in the *myRA* who accumulate \$15,000. The only continuous investment option for *myRA* participants is to roll over the retirement savings into an IRA. A solid understanding of the options can equip the saver with the information necessary to make the best investment choice to secure a decent living in retirement. This study demonstrates that if financial information is communicated simply and respectfully, and in culturally and linguistically competent ways, Latinas, especially, listen.

The more rooted they are in the United States, the less Latinos expect their children to support them in their old age. They believe that they have to secure their own secure retirements. The Mexican-heritage adults we interviewed do not lack a clear understanding of what they need to empower themselves to save for retirement.

They do not expect large institutions to help them, least of all the government. Rather, participants describe their vision of a simple, potential solution: a regular way to save for retirement that would be guaranteed to be there for them when they can no longer work. They do not want to have to make complex decisions about where or how to invest the money. They want to find out more; indeed, many women, especially, have enrolled in continuing education classes in citizenship, financial literacy and homebuyer readiness programs at agencies like The Resurrection Project of Chicago. Participants have a hunger for more financial education and have enthusiastically accepted our financial education materials, suggesting that armed with good savings options and understanding of how to use them, they could and would save for retirement.

II. Introduction

The Significance of Gender for Latina/o Savings and Retirement investigates the factors of gender that affect Latinos' savings and retirement with the goal of informing solutions for increasing women's and men's financial security and economic independence over their lifetimes. Gender ideologies and norms powerfully influence financial investments, savings and commitments. Yet, the financial industry, organizations advocating for vulnerable populations and many researchers in the field know little about how gender affects Latino men's and women's savings in general or savings for retirement in particular. The financial industry and financial literacy programs are recognizing the importance of gender, but progress is hampered by static assumptions or stereotypes about Latinos, about women and about Latino women; for example, women are afraid of math, men make the financial decisions for the household, women value relationships while men value independence, women are more prone than men to put family interests ahead of their own, etc. In stereotypes of Latinos, these gender dichotomies are exaggerated and intensified, hence Latino women (Latinas) are often portrayed as extremely passive and to defer to men in financial decision-making and all other matters. *The Significance of Gender for Latina/o Savings and Retirement* confronts such stereotypes with concrete data based on qualitative and quantitative research.

Performers at the Grand Re-Opening of Second Federal. Photo courtesy of The Resurrection Project of Chicago.



This project builds upon our ongoing research on changing cultural values and social norms that influence Mexican immigrants' and Mexican-Americans' savings and retirement planning. We have found that, faced with the economic insecurity that results from low wages and limited access to benefits, Latinos often make choices about how to build assets and resources based on non-economic factors; they "invest" in people (with the expectation of future return) through contributing gifts, services, money and time as well as affective support. Collectivism (interdependence as opposed to individualism), multigenerational households and an informal economy of borrowing and lending guide many first- and second-generation working class immigrants' financial decisions. The third generation, who tend to be assimilated, believe more in individual social, spatial and economic independence, but many of these third-generation individuals lack the income, financial practices and resources to sustain this ideal.

Gender roles and relationships in Latino families and society are changing. This project investigates the role of gender within complex and changing social, cultural and economic contexts. In this report, we extend our previous discussions of Latino retirement insecurity to the role of gender and we present further evidence of the need to develop programs to empower lower-income women and men to save for retirement.

III. Gender, Immigrants and Retirement: Research and Practice

“Retirement, meaning a formally demarcated period between the end of labor and death, is a modern concept” (Garon 2013). Immigrants coming from rural, agrarian backgrounds do not tend to arrive in this country with a modern concept of “retirement.” Nor do they arrive with an idea of “saving” for the sole purpose of individual accumulation, as opposed to amassing wealth for redistribution within an interdependent community (Foster 1965). This ongoing study has tracked the extent to which Latinos—and Mexicans, in particular—are embracing the concept of saving for retirement, incorporating the values and practices that reinforce it and participating in the savings programs available to them. In this report, we investigate whether gender affects Latinos’ evolving retirement savings concepts and behaviors.

It is now well known that Americans are not financially prepared for the time when they can no longer work. The Government Accounting Office (2015) summarized the growing retirement insecurity in this country:

Half of households age 55 and older have no retirement savings. Among those with some retirement savings, the median amount of those savings is about \$104,000 for households age 55–64 and \$148,000 for households age 65–74, equivalent to an inflation-protected annuity of \$310 and \$649 per month, respectively. Social Security provides most of the income for about half of households age 65 and older.

As the GAO’s notice of American’s retirement insecurity appears, the prospects for Latinos, the nation’s largest minority group, are far worse. Less than one-third of full-time Latino employees participate in a pension plan through their work. They often do not work in jobs that offer pension savings plans, but even when eligible, Latinos may elect not to participate, take only partial advantage of the program or misuse it to the detriment of the accumulation of their retirement savings.

Retirement insecurity in the United States in large part results from the decline since the 1980s of American employers’ commitment to guaranteed pensions for workers and the rise of workers’ volunteer savings in

employer-based retirement plans managed by large financial firms (Ghilarducci 2008). Researchers have found that with the exception of Asians, minorities’ pension participation lagged far behind Whites, with Latinos at the bottom. African-Americans have had access to defined benefit pensions, thanks to anti-discrimination legislation, through opportunities in public sector employment jobs. African-Americans’ mobility through this sector has been eroded, however, by recent cuts to federal, state and local labor forces and the reduction of government jobs, which have been the last bastion of defined benefit plans (Pitts 2011).

The erosion of employer-managed, defined benefit pensions and the rise of voluntary, employee-directed defined contribution plans raise new research questions about the capacity of individual workers to make informed retirement investment choices. Unlike defined benefit pension plans, defined contribution plans now require the untrained individual participant to allocate contributions and make investment decisions. Mounting concern about workers’ need to make informed decisions fueled new research examining the financial literacy of demographic groups and the effectiveness of financial education. Studies led by Annamaria Lusardi and Mitchell (2004), Jeanne Hogarth and Marianne Hilgert (2002), Douglas Bernheim (1998) and other economists explored financial literacy and retirement savings decision-making using national datasets. Their research has continually revealed the shocking financial illiteracy of the millions of new investment novices. The financial literacy myth has nonetheless been assailed by some critics for emphasizing personal deficits rather than structural inequities as the cause of savings and retirement insecurity. Wickens & Sandlin (2007) and Ghilarducci (2008), for instance, have questioned the limits of individual financial empowerment in the absence of broader solutions to providing a steady lifetime income for workers.

Annamaria Lusardi and Olivia Mitchell, leading experts in the study of financial literacy, have drawn needed attention to Americans’ pervasive lack of financial knowledge, a precarious condition as more retirement

savings decision-making shifts to individuals. Women are even less financially literate than men in the United States. Lusardi and Mitchell have expanded their research on the financial knowledge gender gap to an international scope through their Global Financial Literacy Excellence Center. In the Center's recent study, Tabea Bucher-Koenen, Annamaria Lusardi, Rob Alessie and Maarten van Rooij (2014) examined and compared women's and men's responses to financial questions on surveys in the United States, Germany and the Netherlands. They found differences in the financial literacy of men and women that cannot be explained by marital status, age, education or income. In addition, they cite other studies undertaken in Sweden, Japan, New Zealand and Italy, which provide evidence of a gender gap in financial literacy in those countries as well. The researchers appear to suggest that this gap may be universal, with the possible exception of Russia. It is important to note, however, that all of these nation-states share similar economic and cultural institutions, gender ideologies are deeply instituted, and inequities may persist despite policies and discourse that appear egalitarian or modern.

Entrenched cultural stereotypes about women and money unfortunately still influence the financial advising profession. These images portray women's caution regarding investment risk and money management behaviors as inherent gender traits rather than rational responses to women workers' unequal labor force participation, career interruptions, part-time work, lower-ranking positions and limited access to pension savings programs (Even and Macpherson 1994). As a result, women often feel alienated from financial advisors, most of whom are men, and are far less likely than their male counterparts to seek them out (Loibl and Hira 2006).

On the other hand, many women readily acknowledge their need for financial education programs. Women who participated in the survey by Bucher-Koenen *et al* rate themselves lower than men on a personal financial knowledge scale. (The authors do not address the potentially adverse consequences of male respondents' over-confidence.) Bucher-Koenen *et al* conclude that women's awareness is "good news," as women have already demonstrated that they benefit more than men



Catalina and Rita, members at Our Lady of Mount Carmel Senior Center.

from targeted financial education programs aimed at them (Clark *et al* 2006; Lusardi, Keller and Keller 2008). Behavioral economists have provided ample evidence of the mixed results of financial education programs (Choi *et al* 2001). The Women's Institute for a Secure Retirement (WISER) has, since its founding in 1996, been a leader in developing programs on saving for retirement that speak to women, for example, "The Too Good to Be True Checklist" and "Know Your Paycheck" (wiserwomen.org). The National Endowment for Financial Education creates and disseminates accessible, targeted financial education tools to individuals, families and teachers (nefe.org). Lois Vitt's (2005 and 2009) clarion calls for the development of culturally appropriate financial literacy pedagogies for the diverse demographics in the United States, and, for Latinos, in particular, are beginning to be addressed.

Latinas of modest means are enthusiastically embracing financial literacy programs that are designed for them and culturally, socially and linguistically attuned to their situations and aspirations. Karin Sprow (2010), an expert in adult education, has provided scholarly evidence of the success of such targeted programs. Sprow's qualitative research followed a cohort of Mexican female students in an adult financial literacy program at an unnamed community development agency in Chicago. Three key factors that influenced the effectiveness of teaching and learning in the program were identified:

1. The program's holistic approach to financial education that includes the supporting role of the program in providing resources and connections to resources,

the development of the learners' leadership skills, the role of the program in the development of the local community, and the creation of connections and a cultural community between the women;

2. The use of a pedagogy that emphasizes content and process, including the use of stories and shared experiences as a pedagogical tool and source of knowledge and cultural connection between the learners; and
3. The importance of learning and monitoring learning behavior change for improved financial management (Sprow 2010:149).

(The Resurrection Project in Chicago applies the pedagogy recommended by Sprow. In this study, we describe the agency's leadership in supporting low-wealth Latinos' financial wellness, which has won national recognition as a model for the field.)

Minorities' rates and levels of participation in voluntary defined contribution plans have been a focus of increasing research. Scholars have documented the factors contributing to the relatively high participation of Asian workers and the low participation of Black workers. Latinos, now the largest minority population in the United States, have the lowest participation rates, a looming crisis in light of Latinos' relatively young age and their longer life expectancy (Bulanda and Zhang 2009). Ghilarducci and colleagues (Sun and Ghilarducci 2004; Ghilarducci, Richman and Sun 2007) have explained the causes of Latinos' lower participation in defined contribution plans relative to any other group. Latino workers are less likely to work for employers who sponsor pensions, and even when Latino employees are working for an employer who sponsors a pension plan, they are less likely than Asians, Whites and Blacks to be included and more likely to opt out—not to participate when they can be included. Fontes (2011) presents encouraging evidence that settlement or nativity correlates with increasing retirement savings participation: Latinos born in the United States have a higher propensity to save for retirement than the foreign-born.

While there is little difference in the retirement savings behavior of high-income minority and majority populations, studies have revealed that there are significant disparities

in the middle-income range. The 2009 Ariel/Aon Hewitt ongoing study, *401(k) Plans in Living Color*, surveyed the defined contribution practices of three million workers. The study found that Blacks and Latinos lag ten percentage points behind Whites in their propensity to have a retirement account. For those who save, Asians have the highest average contribution rate of 9.4 percent; Whites have an average contribution rate of 7.9 percent, African-Americans, 6.0 percent and Hispanics, 6.3 percent. One of the most concerning findings was the tendency of Blacks and Latinos to deplete their savings through hardship withdrawals: African-Americans were 167 percent more likely than Whites and Hispanics 50 percent more likely than Whites to take a hardship withdrawal (Ariel/Aon Hewitt 2009:7). Miranda (2009) analyzed the same survey to focus on Latinos and concluded that 401(k) employer-sponsored retirement plans do not serve Latino workers well and predicted that the adverse trend would worsen as the recession and high unemployment continues. The 2012 update by Ariel/Aon Hewitt of its study found a positive trend in all groups' participation rates as a consequence of the widespread implementation by employers of automatic enrollment, which requires workers to opt-out rather than sign up for the program (Ariel/Aon Hewitt 2012:3). This trend does not, of course, affect those who own micro-family enterprises, where the owner has to take action to initiate her or his own retirement savings program and to provide voluntary contributions.

A 2012 study by ING of 4,050 workers with an income of \$40,000 confirmed most of Ariel/Aon Hewitt's findings. *Culture Complex* showed that Asian-Americans were less likely than other groups to plan formally, but more likely to have the highest retirement and other savings. African-Americans reported that debt was their greatest barrier to saving for retirement and they were more likely to use life insurance as a savings instrument. The ING study found that Hispanics were more likely than any other group to allocate "extra" funds for entertainment, a pattern explained by emerging qualitative studies discussed below. According to the same study, Hispanics admitted feeling less confident about making retirement savings decisions, more anxious and less prepared for retirement than any other cohort (ING 2012:10–12).



Raimunda talks frequently with her immigrant daughter who lives in Chicago.

Confidence in retirement assets strongly influences how people plan, save or do not save, for retirement. Women and minority workers tend to have faulty expectations about when they will stop working, the length of their retirement, and the standard of living they will be able to afford in retirement. Awareness of this crisis has been facilitated by Employee Benefit Research Institute's (EBRI) analysis of data from the 2007 Retirement Confidence Survey, which oversampled African-Americans, Latinos/Hispanics, and Asian-Americans. The survey revealed that about half (48 percent) of African-American workers and only 41 percent of Hispanics said they saved for retirement, compared with 66 percent of American workers who reported that they saved for retirement. These savings rates are far lower than they were in 2003 when 62 percent of African-American and 60 percent of Hispanic workers reported they saved money for retirement (EBRI 2007).

There also appear to be stunning mismatches between minority and White groups in terms of their confidence

about the adequacy of their income in retirement. When asked about their expectations of retirement, only six percent of all workers said they would be well off in retirement. On the other hand, twice as many Black and Latino workers said they would be well off (12 percent). Whites were less confident about their retirement security, men more so than women, as we saw above, even though they had more assets, saved more and were much more likely to participate in an employer plan. The level of confidence among Blacks and Hispanics seems unwarranted compared to their lower savings rates and access to assets for retirement (reported in the next section). In 2007, more than half of African-Americans and Hispanics reported having less than \$15,000 in savings and investments, compared with approximately one-third of all workers. According to the same 2007 Retirement Confidence Survey, more than a third of African-Americans and Hispanics reported that they expected to receive a defined benefit pension plan from a future employer, compared with less than a quarter of all workers. Latinos at age 65 have a higher life expectancy than Whites or Blacks. Yet, the survey revealed that Blacks expected to retire sooner than Whites and to live longer, while Hispanic workers did not believe they would have long lives.

More recent national surveys indicate that Latinos generally have a positive outlook for the future. For example, Pew's 2012 National Survey of Latinos showed that despite the devastating toll of the recent economic recession on Hispanics' wealth, they were more optimistic and less anxious about their financial futures than other groups. Lopez and Motel (2012), who authored the report for the Pew Research Center Hispanic Trends, found that:

Half of Latinos (51 percent) express satisfaction with the direction of the country, a 13-percentage point increase over 2011, when 38 percent said the same. One-third (33 percent) now report that their finances are in "excellent" or "good" shape, up from one-quarter (24 percent) who said the same in 2011. And looking forward, Latinos have grown more optimistic about their family's finances in the next 12 months, with three-in-four (73 percent)

expecting improvement, up from 67 percent who said the same in 2011.

Subsequently, a 2014 survey of approximately 1,500 Latinos by the Robert Wood Johnson Foundation, the Harvard School of Public Policy and National Public Radio shed light on differences and continuities within the heterogeneous Latino population. The foreign-born tended to be more optimistic than native-born Latinos. Those who were in the United States longer compared themselves to other Americans, while immigrants tended to rank their status relative to their society of origin.

The poll indicated that financial insecurity was a concern for many Latinos. “When asked to describe the state of their personal finances, over one-third (36 percent) of all Latinos say their finances are not so good or poor” (Robert Wood Johnson et al 2014:5). There were, however, significant variations among Latino subgroups: “negative ratings range from 32 percent among Latinos of Mexican heritage to 45 percent among those of Cuban heritage.” In other words, more than two-thirds of the Mexican respondents felt positive about their financial situations. Cuban-Americans had the highest rates of wealth, income and education among Latinos, yet they felt the least secure financially. It is important to note that Cuban immigrants who arrived in the United States in the 1960s generally began their lives in this country with advantages of authorized refugee status, higher relative levels of education, social and economic capital, and “unprecedented direct and indirect assistance” (Grenier and Stepick 1992:11).

By contrast, Mexicans tend to arrive in the United States with far fewer capital assets and without the benefit of authorized immigrant status. Sociologist Jennifer Lee (2014) has argued that measurements of immigrants’ success in the United States must take into account where they started. Comparing rates of economic and social achievement of immigrants, Lee concluded that “Mexicans are the most successful immigrants in America.” Mexican immigrants’ and Mexican-Americans’ comparatively higher rates of confidence were not unwarranted.

Interdisciplinary research has emerged to explain the deeper meanings and consequences of minorities’ retirement behavior and the effect of financial policy

on their decision-making, attending to the interaction of what Robles (2009:241) called the microdimensions and macrodimensions of wealth creation. Richman, Ghilarducci, Knight, Jelm and Saad-Lessler (2012) have described how Mexican immigrants’ collectivist values—investing in social wealth—provide a bulwark against poverty in retirement, but these same collectivist norms can undermine an individual worker’s retirement savings. Mexican immigrants make economic choices about how to build assets and resources based on non-economic factors; they “invest” in people (with the expectation of future return) through contributing gifts, sponsoring celebrations, providing services, loaning money, passing time as well as lending affective support. Mexican immigrants regularly offer and receive interpersonal loans of money, and many participate in *tandas*, or informal lending circles, which are also known by the technical name of rotating savings and credit associations.

The second and third generations of Mexican immigrants are vulnerable, as they can neither depend on the group-oriented culture of their immigrant parents nor on the diminished prospects of retirement security in the future. These findings echo the work of Roland Angel and Jacqueline Angel (1997), who have been documenting the psychological and sociological consequences of the inevitable abandonment and isolation of the Latino elderly in the United States. Barbara Robles (2009:251) has



cautioned that Latinos' communal practice of pooling resources to acquire assets is at odds with mainstream institutions, which emphasize binding contracts between individuals, individual property rights, individual liability and nuclear families rather than extended, multigenerational family units.

The reciprocal effects of social mobility and collectivism have been a subject of research by Jody Agius Vallejo (2012). She found that Mexican-heritage professionals who grew up poor regularly engaged in off-label use of their savings and loan assets, diverting funds for purposes other than those "prescribed" to meet obligations to help poorer family members. These assets ranged from student loans to retirement savings, including 401(k) and IRA plans. Mexicans who were raised in more secure, "middle class" homes tended to be less collectivist and more committed to a cultural model of individualism and self-reliance. Vallejo (2012) and Vallejo and Lee (2009) concluded that even more so than generation or length of time in the United States, socio-economic class strongly influenced Mexican-heritage financial values and behaviors.

Cultural and gender norms of filial obligation to aging parents are also undergoing changes in the Mexican community, a reminder of the transnational scope of processes of this society. Some of these transformations are correlated with a shift from an agrarian to an urban lifestyle. Many of the foreign-born grew up on *ranchos* (ranches) where patrilineal inheritance, combined with patrilocal post-marital residence, meant that married sons stayed on their family's property and that married daughters would leave home to go live with their husbands' family. The expectation of their sons' continued co-residence and their daughters' inevitable departure influenced parents' differential affective investments in their children. Daughters-in-law were expected to care for their husbands' parents rather than their own. Urban residence, notions of gender equality, female employment,

delayed age at marriage and migration have all contributed to empowering adult daughters to support their own parents. Yet, at the same time, mainstream norms of individualism and the ideal of unilinear transfers of gifts and care from parents to children rather than reciprocal flows between generations have created pressure on the younger generation to withdraw from filial obligations.¹

Today gender is less of a barrier to retirement savings than it was even one decade ago. Employment opportunities for women have translated into greater opportunities for them to save for retirement. Indeed, in 2011, women had slightly higher rates of savings than men (55.5 percent for women, compared with 53.8 percent for men) (EBRI 2011). Latinas and Latinos earning over \$120,000 annually apparently saved at higher rates in defined contribution plans than their White peers, but they were twice as likely as their counterparts to take out loans and withdrawals (Aon 2013). African-Americans have even higher rates of "leakage," how employees use defined contribution plans, depleting their hard-earned savings before retirement. This study aims to explain retirement savings attitudes and behaviors of Latinos and Latinas.

¹ A comparable reinterpretation of the gendering of filial obligation was found among Korean immigrants (Yoo and Kim 2010). Asians' high participation rate in defined contribution plans as well as the relative magnitude of their savings suggests that they are indeed moving toward a more individualistic approach to retirement.

Opposite page: The findings of this Chicago-based study can be generalized to other areas with sizable Mexican immigrant communities.

IV. Methodology

This study transcends the disciplinary barriers that divide our knowledge of and approaches to financial behavior. Economics and anthropology are two fields that typically apply antithetical approaches to studying social reality generally and practices related to money and wealth in particular. “Economics,” wrote Shoshana Amyra Grossbard (1978:33), “farm(s) the scientifically most reachable and more quantifiable fields of society ‘at the intensive margin’ of inquiry whereas anthropology explores ‘the qualitative extensive margin of inquiry’” (Grossbard (1978:33). Our integrated approach of anthropology and economics takes up Grossbard’s call for a “marriage” between the two most opposed social science disciplines. Since their approaches are so extremely different, economists and anthropologists have the most to gain from a scholarly union.

Accordingly, this project has “married” economics and the related field of consumer science with anthropology by integrating the respective disciplines’ methods and

quantitative and qualitative approaches. The quantitative research involves statistical analysis of focus group members’ written questionnaires as well as national data gathered for the Survey of Income and Pension Participation and the Health and Retirement Survey. The qualitative research, meanwhile, has served both to shape and to substantiate the quantitative methods and to provide meaningful human faces to our analysis.

The ethnographic research was conducted between 2012 and 2014 in metropolitan Chicago, home to the second largest concentration of Mexican immigrants in the United States, after Los Angeles. Mexican immigrants and their Mexican-American descendants comprise the largest Latino group in the nation. In the Chicago metropolitan area, three out of every four Latinos is Mexican, and Mexicans are the largest immigrant group in Chicago, comprising, in 2013, 29 percent of the city’s population of approximately 2,700,000 and 25 percent of Cook County’s 5,246,635 residents. To enhance our perspective on Latino gender, savings and retirement, we additionally conducted a smaller, comparative study among another financially vulnerable minority group in metropolitan Chicago: African-Americans, who make up nearly 33 percent of Chicago’s demographic and 25 percent of Cook County’s population (United States Census 2013). The Mexican- and African-American women and men who participated in our research in Chicago revealed that they face similar challenges preparing for retirement.

Chicago is representative as an immigrant gateway city typical of urban centers to which foreign-born immigrants flock. At the same time, the residential patterns of metropolitan Chicago’s residents reflect trends taking place throughout the country, as Mexican immigrants are settling in suburbs, have moved out from the center city to other parts of the nation and arrive directly from other countries. Today more Mexican immigrants live in Chicago’s suburbs than inside the city limits. Chicago is also a consciously immigrant-friendly city and, as we reported in our previous study, its immigrant community bank, Second Federal, a division of Self-Help Federal Credit Union (Second Federal), is a model for the financial incorporation of immigrants and Mexican immigrants, in particular.



The findings of this Chicago-based study are generalizable to other areas with sizable Mexican immigrant communities and can be used to enhance our understanding of the retirement and financial status and challenges of not only the Mexican community in the United States, but also of women, minorities, immigrants and other vulnerable populations.

In view of the fact that the ethnographic research is a continuation of our previous study in Guanajuato, Mexico and Chicago, the research team had the advantage of extending existing relationships of mutual respect and trust that had already been established between the researchers, organizations and agencies involved in serving Mexican immigrants and seniors, especially in the realm of financial wellness. We used in-depth, ethnographic methodologies to reach a deeper understanding of the role of gender in the issues raised in our earlier study of Mexicans' savings practices: family interdependence versus individualism, changing family size and composition, generation, age factors, transnational networks and resource sharing.

The ethnographic research employed a variety of research strategies to ensure the reliability of its data and the replicability of the methods. These methods included structured focus group discussions, individual and group interviews, and participant observations. The sample was designed to represent variations in: immigrant generation (first, second or third); gender (women and men); age (young adults, adults and seniors); and socio-economic status or occupation. One hundred thirteen people took part in our focus group sessions and completed the associated written questionnaires. We conducted the focus groups at agencies, adult education sites, schools and churches, many of which were familiar to us from our earlier study.

In-depth, open-ended interviews comprised another major component of the research. The interviewees included individuals from the previous study as well as other individuals from the current round of focus groups, with the objective of following up each new focus group session by interviewing at least one participant representing the same range of categories of generation, gender, age, socio-economic status and occupation relevant to understanding the financial and retirement

preparedness of this population. Inasmuch as interviews and observations are complementary methods of gathering data that corroborate one another, we endeavored to interview people in their own environments in order to better understand findings from other methods and also to corroborate the data from interviews and focus groups. By conducting the interviews in the subjects' routine settings we were able to observe family composition size, support and relationships, age and gender relations, use of financial resources, communications media (radio, television, electronic and print media) and material consumption.

Interviewing experts and leaders was another important charge for our research. We interviewed financial education professionals, financial and retirement advisors, teachers of child and adult education, providers of senior services, health care, hospice and other services, advocates, and community and religious leaders who regularly worked with the Latino population. Conducting the interviews in the sites where these individuals worked with Latinos yielded further information about their relationships to Latino clients and about the services, resources and information provided to the community. Several of the leaders we interviewed became familiar to us through Oro Latino, a fluid, voluntary network of Chicago professionals who serve Latino seniors. The members gather once a month for a formal presentation and an informal exchange of information and advice; the principal investigator of this study joined this group as well as the financial wellness board of The Resurrection Project.

Continuous participant observation enhanced our understanding of the role of gender and collectivist culture in Mexican immigrant families and communities. During the summers of 2013 and 2014, the principal investigator regularly participated in the daily programs of Casa Esperanza Scalabrini Community Center, a community and senior center located in a close suburb of Chicago and run by Mexican immigrants. A description of this humble, but model, senior program begins on page 41. We also attended many Mexican community events where study participants had invited us, including celebrations, rallies, concerts and lectures. One example was the grand re-opening of Second Federal, which is described Section X of this report.



These brides married a pair of brothers at a double wedding ceremony in Guanajuato, which was attended by about 900 guests.

V. Gender, Money and Immigration

Language plays a key role in shaping our conception of reality. For researchers, attending to the way people ordinarily talk about gender can serve as a map for understanding and analysis. People tend to speak using metaphors, which are linguistic expressions that borrow from one domain of experience and apply them to another. Cultures tend to have a few key domains from which they often draw metaphors. These areas become “key metaphors” that give the culture a distinctive style and coherence (Robbins 1997:70–1).

“*En el norte, la mujer manda*” (In the North, the woman rules). The adage is so well known in ordinary Mexican speech, music and media today, that if a speaker starts to utter the first clause, “in the North,” the interlocutor will likely complete the complementary one, “the woman rules” without missing a beat and with a knowing laugh. The idiom signifies as the negation of the alleged norm in Mexico, where men supposedly rule the roost. Jennifer

Hirsch (1999, 2003) has detailed how Mexican couples today, whether in *el norte* or below the Río Grande, believe in the idea of companionate unions between husbands and wives. Notably, they describe this type of egalitarian marriage through the key metaphor of *confianza*. The notion of a bond of mutual trust (Vélez-Ibañez 1983) thus furnishes the conceptual framework for the new marriages. A *matrimonio de confianza* is a marriage of mutual trust—trust that is freely given and unconstrained. Mexicans view these partnerships as modern and enlightened, in contrast to the old form of union based upon *respeto* (respect), which demanded female deference to male authority and in which basic trust between the couple was lacking. The desire today for *confianza* between a wife and a husband is a key part of the appeal of companionate marriage.

Under the older pattern, a young woman was raised to leave her natal family upon marriage at about age sixteen to live with her husband’s kin, among whom she would

gain status by giving birth to and raising healthy sons, and caring for her spouse's parents as they aged. The new model of marriage no longer requires a daughter upon marriage to abandon her parents, and couples may choose to reside independently or with either set of relatives. Responses to our questionnaires provided evidence that daughters as well as sons feel strongly obligated to take care of their own parents. Moreover, they feel equal obligation to take care of both their mothers and their fathers. By comparison, as we describe in a later section, African-American women who participated in two focus groups tend to feel far more obligated to support their aging mothers than their fathers.

Our Mexican-heritage study members confirmed their sense that migration from Mexico to the United States has opened up opportunities for women in education and employment as it has simultaneously diminished migrant men's rights to dominate public and domestic spaces. Hence, Mexican migrant women's increased social status has grown in relation to the decline in male status. Migration to the north has disrupted norms of public space as masculine (dangerous for unaccompanied women), and domestic space as feminine (impenetrable by unrelated men and an "unnatural" site for male relatives to pass too much time) (Hondagneu-Sotelo 1994 and 1999; Rouse 1991).

As Jennifer Hirsh (2003), Matthew Gutmann (1996) and other ethnographers of Mexican migration and society have argued, women's increasing status in the home and wider society cannot be attributed solely to migration to the United States. Important shifts, which served to elevate women's social status, were already taking place in the second half of the twentieth century in Mexico. These developments included the requirement for girls to go to school, the expectation that young women find employment, massive male emigration and the subsequent absence of male authority in the household and, finally, mass media representations of alternative gender ideologies, relationships and roles.

Yet many of the older participants reached back further in time to talk about women's financial empowerment, asserting that women have "always" played the role of the "administrator" of the family money. They resisted attributing this pattern of behavior to recent

trends occurring in either Mexico or the United States. Some retold stories about their own underprivileged mother and/or grandmother taking charge of household economics, with or without a spouse—in many cases wives were in fact abandoned by their husbands. These older participants spoke in awe of their mothers' abilities to manage a budget, "stretch a dollar" and help the next generation advance. A public example of this speech behavior occurred coincidentally during our study, when a U.S. Representative from California, Xavier Becerra, echoed our participants' adulatory testimonies about their humble mothers' great monetary skills. In his keynote speech to the Latino Retirement Security Summit in Washington, D.C. in April 2012, Representative Becerra recounted in detail how his Jalisco-born immigrant mother applied her financial abilities to support the family against all odds and to send him to Stanford University.

Hence Mexican women's financial and budgetary acumen seems to have been long established in Mexican society and culture. In fact, many male participants in focus groups for our previous study, *La Tercera Edad*, including those in all-male focus groups, asserted that women were inherently more capable in the realm of money management. As an illustration, Vicente, who retired from a career as an executive financial officer of a corporation, admitted in a focus group that, "I am, however, no match for my wife's management of the household finances." Written responses to the values statements in the focus group questionnaire further showed that many of Mexican heritage believed that "women are better savers than men," but they also tended to express support for nurture over nature. Most respondents agreed with the statement that "there is no difference between men's and women's ability to save."

By observing study participants as they talked, attending to their invocations of metaphors and watching their bodily gestures, a distinctive cultural style for understanding gender emerged: an image of a Mexican woman as the deft, resourceful administrator of household cash. The positive association of strong femininity with the competent handling of cash was the basis of the tendency to identify women, more so than men, with *la tanda* (saving/lending circles). Many study participants illustrated tales

of their mothers' or grandmothers' financial prowess in lending circles while gesturing with their hands the counting and exchange of cash. "I don't know how she did it," Angel Castillo exclaimed, even after describing how his mother did just that, in the same rapt tone of expressing abounding praise of the mouth-wateringly delicious food prepared by Mexican women.

The association of female agency with cooking may, indeed, be a useful analogy for thinking about the identification of women with money handling. And it is impossible to think about the Mexican diet without tortillas. A dominant symbol of female production is the making and sharing of tortillas, the essential food, the backbone of every meal. "A tortilla is like life." The adage crystallizes the linkage between

women, preparation of the staple food and the very essence of social life (Counihan 2009). Like the physical manipulation of *tanda* money, the visual and kinesthetic details of tortilla production are symbolically linked to femininity in Mexico: a hand picking up a clump of moist cornmeal, rolling it into a



Womens' daily preparation of tortillas, a staple of Mexican diet, is symbolic of their gender identity. Photo courtesy of Alan Pogue.

ball, patting it back and forth, back and forth, flattening the cornmeal between strong palms into a perfect little circle, placing it on the sizzling, hot, cast-iron *comal*, picking up a new clump of cornmeal and doing it all over again and again, until all of the dough is gone.

In her memoir, *Barefoot Heart: Stories of a Migrant Child*, Elva Treviño Hart (1999) presented her memory of her competent mother's graceful, efficient movements as she created the daily staple of her family's diet. Treviño Hart, who was born into a family of Mexican migrant farmworkers, went on to become one of the first female and minority executives at IBM. Just as the tortilla-making scene epitomized Treviño Hart's image of her efficient

mother, so, in an analogous way, do Mexican-Americans identify feminine competence with the *confianza* to hold and circulate money—money that will grow from modest beginnings and will be used to sustain themselves and others.

Even though Mexican men lend money to and borrow funds from one another on regular and constant bases, and male employees often participate in rotating savings and credit associations with co-workers, *la tanda* remains more symbolic of femininity: female hands collecting, counting, giving and passing out money. Women organize and maintain the non-employment-based savings circles. Women take members' money, count the cash and distribute it each week or month. Even when men take "a number" to participate in the savings circle, they often ask

their wives to handle the transaction. This behavior reinforces the deep identification of women with the responsible, trustworthy handling and administration of individual and household finances.

Rotating savings and credit associations exist around the world, especially in lower-income parts of societies that

have to practice alternative strategies to build capital on the margins of urban and industrialized economies. Women have been universally known to be the primary participants (Ardener 1964; Vélez-Ibañez 1983). Daniel Fessler (2002) defined the savings circle as a means of "socially distributed willpower." Community trust is the reward and a concrete step toward obtaining economic capital. The enactment of this financial discipline ensures a very low default rate. Participants take pride in heeding to the discipline enforced by membership in the circle; as Monica, one of our study members, boasted, she felt like "a champion" when she adhered to the schedule of contributions to a savings circle through to its end.



*Financial wellness class at The Resurrection Project.
Photo courtesy of The Resurrection Project*

Mexican immigrants' use of *la tanda* was a central theme in our previous study of Mexican ideas and practices of lending and saving money. We highlighted the policy of the local community bank, Second Federal Savings and Loan of Chicago (now Second Federal, a division of Self-Help Federal Credit Union), which took the unprecedented step of formally recognizing a loan applicant's *tanda* receipts among documents submitted for their credit score.² A similar initiative subsequently developed in San Francisco in 2011, where a non-profit community organization, Mission Asset Fund, has helped organize what they call "lending circles" (Reyes, et al 2013:6). Mission Asset Fund organizes regular *tandas*, which women clients use to start small businesses, as well as targeted savings circles to finance the payment of residency and citizenship applications fees for immigrants can stabilize their stay in the U.S. And like *tanda* participants who used their receipts to apply for loans at "banked" Second Federal, clients of Mission Asset Fund are using proof of the exercise of their "socially distributed willpower" to improve their credit scores.

² We therefore recommended the translation *la tanda* principles of saving—investment, trust and delayed return—into a retirement savings mechanism: a *tanda* for retirement.

In essence the credit score is a modern version of the old *confianza*. One consciously builds a credit score to gain trust by large institutions the way one purposively constructed mutual trust in a small, collectivist community. Wider recognition of the key role credit-building plays in lower-income peoples' abilities to become financially secure occurred when the state of California passed State Bill 896. The 2014 legislation, which was sponsored by California State Senator Lou Correa, the chair of the state Senate's Banking and Finance Committee, modified state banking laws to allow non-profit community organizations like Mission Asset Fund, which manage small zero-interest loans, to avoid having to get lending licenses.

Furthermore, financial education classes have become vehicles for participation in zero-interest starter loans and in *tandas*. In Chicago's Pilsen and Little Village neighborhoods, The Resurrection Project, an award-winning non-profit community organization, is partnering with both Mission Asset Fund and Second Federal to integrate these "traditional" practices into their financial wellness education program. (Conveniently, part of The Resurrection Project's Financial Wellness Team is based at the main branch of Second Federal.) Students who pass milestones in The Resurrection Project's courses in financial literacy, including reducing debt, managing budgets and making financial plans, are invited to build their credit by taking out zero-interest loans at Second Federal. These students are also eligible to participate in lending circles, which are processed by Mission Asset Fund. Needless to say, The Resurrection Project, as the initiator of these new *tandas*, has won the *confianza* of the primarily Latino community it serves.

Additional evidence of the application of new technologies to old savings practices was the effort of two former male students of Carlos Vélez-Ibañez, the author of the pioneering study on *la tanda*, to start an "e-tanda" on the Internet. Their project was just one of similar web-based businesses offering "social lending" or "peer-to-peer lending," that bypassed formal financial institutions. Significantly, the participants in social lending tend to be young, lower-income, lacking employment security and distrustful of the formal financial system. They are also just as likely to be male as female. They share the

very characteristics that are responsible for estranging the majority of Mexican immigrants from the existing retirement savings system. These contemporary social lending initiatives demonstrate the continued relevance of the principles that motivate *la tanda* for other populations and settings, and suggest directions for translating the best of Mexican financial competence into programs that enhance Americans' savings and retirement security.

In an effort to develop a theory for understanding cultural reproduction and cultural change in Mexican immigrant communities, anthropologist Leo Chávez concluded:

Cultural reproduction is not cloning. One generation does not transmit a culture in perfect formation to the next generation because the individuals in the next generation are subject to flows of information from many directions at once: from parents, peers, teachers (formal and informal), and the many other interests and institutions in the society and beyond. Therefore, reproduction is never complete; cultural systems are not static. Cultures are dynamic and subject to historical processes, even though culture change is constrained by preexisting cultural understandings and social structures, but these too are subject to change (Chávez 2006:294–295).

Similarly, Mexican immigrants' gender roles have never been fixed; they are continually changing. Two of the symbolic means by which Mexicans learn and transmit feminine gender roles—making tortillas and budgeting money—are also dynamic. Latinas in the workforce today no longer make tortillas everyday with their own hands; they buy the little female symbols of “life” with the money they themselves earn. A primary occupation of Mexican immigrant men, meanwhile, is in restaurants as dishwashers, servers, line cooks and, in Chicago in particular, top chefs (Avila and Olivo 2006; Koval 2004; Quinones 2007). The persistence of the tortilla as a staple in the diet of Mexican-Americans, along with these transformations, is indicative of the dynamics of culture and gender studied in this research.

Longer established Mexican-Americans in succeeding generations may be less likely to engage in a cash-based *tanda*, but they continue to build and practice *confianza*

to borrow and loan money and they may engage with new forms of social lending among men and women that incorporate the socially distributed willpower inherent in savings circles. These trends indicate key dynamics of contemporary gender and money in Mexican-heritage households, including the continuity of women's roles as the central administrator of family resources, edible and financial alike, and of men's traditional involvement in collectivist networks. Both defy stereotypes of the “submissive Madonna,” innocent of finances, and the authoritarian, individualistic “macho man.”

The subject of this research is the Mexican immigrant and Mexican-American community undergoing rapid demographic and cultural changes. The majority of the first-generation Mexican immigrants we interviewed grew up in the midst of very large families; agricultural families that valued many helping hands commonly had twelve or more offspring. Sons were expected to stay on the *ranchito*. Daughters were raised to leave their family home to marry into another patrilineal and patriarchal extended family; those daughters who did not marry often remained at home to care for aging and infirm parents and other relatives, often with the help of their sisters-in-law. Whereas in the recent past young women and girls were kept at home, today young Mexican women are expected to find employment outside the domestic space. In 1990, female labor force participation in Mexico was about 20 percent, with urban residents working at twice the rate of rural dwellers. Women's employment rates in both urban and rural sectors more than doubled over the next twenty years, with urban participation rates reaching 44 percent in 2011 (McCaa *et al* 2003; Angoa-Perez and Fuentes-Flores 2006).

Our research participants have taken part in the still-occurring social transformation from agricultural to urban and industrial economies in both Mexico and the United States. Virtually all children—girls and boys—attend school today, even those living in remote areas. In tandem with greater opportunities for education and employment, women are postponing marriage and delaying childbirth. Latinas are choosing to have much smaller families, and to invest their focus and their resources in the socialization and education of their fewer, often singular children. The

new model is radically different from the one Latinas knew growing up, one which demanded hard labor and sacrifice from children for the sake of the patriarchal family's interests. In that context, children were rarely permitted to state their desires or feelings to their parents.

This modern mode of intensive parenting, however, posed a serious dilemma for many of our study participants. They commonly recounted that they have been making enormous "sacrifices" to provide their children with opportunities and privileges denied to them when they were young. Their sacrifice has produced a vexing consequence: a generation of self-absorbed, technologically dominated individuals. The study participants did not expect their children to take care of them in their senior years as they have done for their own parents. They were unwittingly contributing to the dissolution of the intergenerational pact.

Maria Elena, a study participant, complained about her 1.5 generation daughter who married a White American:

My daughter believes that if it is American, it is better. She says that here, in this country, parents support their children. Children do not support their parents. The parents take care of themselves. This generation is not like my generation. The next generation is not like our generation. We who were raised on a *rancho* (together) help our parents and one another. The next generation? Whether here or in Mexico, they are different. They aren't going to help their parents, not Chuy's, Lupe's, or Angel's—even less! And I don't think that any of my children are going to take care of me. Imagine. I have a friend who is like me, a single mother. She has three children, two sons and one daughter. She raised them by herself, alone. When she was fifty-nine years old, her children told her that she wasn't going to work any longer. Between the three of them they gave her the equivalent of her salary, whatever it was, maybe \$2,000. Now she is seventy-three. She is well. As the saying goes, the more you give them, the lower their (moral) values.

As Maria Elena indicated, changing norms and expectations of filial obligations are unfolding across a transnational field. Mexican-heritage women's increasing

educational achievement and wage employment in both Mexico and the United States have changed their attitudes toward the allocation of household authority and budgetary control. Mexican-heritage men's new belief in the benefits of gender equality is an important factor in changing gender norms, in particular, a shift from viewing the male as the dominate decision maker to couples' joint decision-making and even deference to women in financial matters. No longer do men or women uniformly endorse a patriarchal ideology that assumes that the man is the head of the family in virtue of being the primary, if not the sole, breadwinner while the woman's proper place is inside the home, devoting herself to the wants and needs of other members of her and her husband's family (Pessar 1996:48). *En el norte, la mujer manda.*

As birthrates in Mexico and among Mexican immigrants have dropped precipitously, so also has the trend in divorce and single parenting risen. About half of the women in the study were currently married. Some women remained faithful to the old patriarchal model. Echoing sociological findings about Mexican women's labor force participation, we found in our sample a strong correlation between wage employment, being single and higher education. Conversely, marriage, lack of education and having more children are strongly associated with homemaking, or as several of our interviewees put it,



Siblings on their way to a celebration of their sister's kindergarten graduation in Guanajuato illustrates the increasing sociocultural emphasis on girls' aspirations and achievements.

“dedicarse al hogar” (dedicating themselves to the home/hearth). A common practice of these homemakers was to have a modest commerce selling their own hand-made decorations and accessories, and reselling mass-produced beauty and cleaning products from catalogs. (Avon is popular with this group.) At the same time, these women were visibly venturing outside the family arena to volunteer at their (now more precious) children’s schools, to take adult education classes, and to join support groups. Raising children had a new meaning for this generation. Rather than representing the wealth and continuity of the patrilineal unit, children were the focus of these modern parents’ identities and aspirations. Nonetheless, the mothers and fathers were worried about what they, and the greater society, have created.

Dr. Marta Alvarado’s perspective on changing gender identities and relations in Mexican-American families combines her professional expertise as the director of community outreach for a Chicago-area hospital with her personal experience growing up in Chicago as the daughter of a Mexican-born father and a Texan mother. Our interview with Alvarado typified those we conducted with ten other local community leaders and agency staff; her answers to our queries inevitably oscillated between professional analyses and anecdotes from their own lives. Alvarado came of age in a patriarchal family that required girls to stay home until they married, but this standard did not undermine her aspirations for higher education. Alvarado attended college less than a mile from her home and earned a doctorate degree at the University of Chicago while living in the home in which she grew up. Her narrative portrays how a professional woman could emerge from a traditional patriarchal family and yet stay loyal to the family’s gender values:

My parents’ ideas about our nuclear family were from the 1800s. I am the oldest daughter and I never left home. My father was a laborer, but my mom went to college after her youngest started school. I went to Rosary College, which was about a half-mile from my home. I commuted (a distance of twenty miles) to the University of Chicago to get my Ph.D. The system was, you don’t leave home until you marry and you don’t talk back to your parents. I

didn’t marry so I didn’t leave home...I still live with my parents.

Even sons were expected to remain close by the family, if not in the home. Alvarado’s younger brother’s decision to move to a distant city with his nuclear family still shocked and hurt his parents. “My brother moved with his family (from Chicago) to Nashville two years ago. It has crushed my parents! My mother is still asking herself what she did wrong.”

Alvarado’s brother’s move is a symbol of a broader, gradual shift in Mexican-American society, which causes conflicts between the generations. According to Alvarado, the parties lacked the language and the tools to confront and resolve their conflicting expectations of their relationships:

There are conflicting expectations for the generations. It does depend on how long they have been here in the U.S. Even if the parents were born in Mexico or if their kids were reared here, the expectations are really different. That is one of the biggest problems and the parents can’t understand why. They feel lost, forgotten, disrespected, and all that comes with it, which then creates tension in the family that is difficult to overcome. Family ties even begin to disintegrate. Some (adult) children say to themselves, “I don’t want to feel guilty so I might as well just move away and not call.”

Dr. Marta Alvarado is describing the evolution from extended to nuclear families composed of individualistic units whose individual goals of personal fulfillment and happiness take precedence over those of the group. Divorce and foregoing marriage altogether are predictable results of mismatch between long term relationships like marriage and the pursuit of these individualistic goals (Klinenberg 2013). The use of digital communication and social networking fosters the feeling of close interaction from long distances and, at the same time, excuses the agent from the responsibility of day-to-day physical contact. Alvarado regards this shift with ambivalence. “However, my brother’s children are being raised differently...for some of my relatives a close family means that you call once a year. When you come to visit you tell one another, ‘We’re really close.’”

Mexican immigrant women were proud of the gains they have made in this country, but they were worried about the individualistic, digitally preoccupied daughters and sons they raised and they were concerned about their retirement. This vexing moral, social and economic complex was profoundly debated in our focus groups. We highlight one of many thoughtful interchanges we moderated. The following translated excerpt is from a Spanish-language focus group session convened at the Instituto del Progreso Latino, a national leader in adult education serving the Near South Side of Chicago. The participants were mainly first-generation women who were students in free English classes.

Female (F)1: I'm the third of the older sisters (of the fourteen children). We lived on a *rancho*, I didn't have the opportunity to have an education. The difference between over there and here is very big. When someone suffers something like what she said when one is raised on a *rancho*, one has other principles. Even though one is humble, one has other principles. Sometimes the parents put...they demand respect, but actually it is fear. [Laughter from group.] Because you do it or if not...But that helped me to be a person with principles and one who has honored my obligations to my parents. My dad is now eighty-five years old. More than a year ago he was paralyzed. And, well, basically between my sister and me, we are like a support for him. Yes, there is a difference in that I have my four children, the oldest graduated with a degree in business administration. She went to college. The other one, the second one, also only got a, how do you say, the basics only. He finished high school, but he didn't get a higher degree. But they're good children in my view. And, well, but there is a big difference (between Mexicans and Americans) here, because the children don't have the same love for their parents like we did for our parents...Even though they are educated, they say, "You're someone who is already old [laughter]. You're going to a retirement home or whatever." But for them to say, "I'm going to take care of you," as you expect, no, it's not what...

F2: Like she said, it's because we suffered a lot from not having things. And here the (children) are given

everything. They don't know what one even went through, what we had to do and the hard work. The children have been given everything. They never suffered for anything. That's why they don't know how to appreciate what others have done for them and what they have. Hmmm.

F1: We tried to instill values in them, but they say, "Oh, I don't want to..."

F2: All of us who are here respect our parents. And now the kids don't.

F3: Well, not all, not all. The majority, yes, but it also depends on your own values that you teach them. I have a niece and a nephew who, thanks to God, are good. I'm the second of the family and I practically raised my brothers and sisters, because my mom was busy giving birth to children and I would raise them. And so my (younger) siblings respected me more and they obeyed me more (than my mother). And this sister (the mother of the good niece and nephew) is the youngest, and, like they say, I taught her to educate her children. My niece just had a baby. She's on a good path; she's obedient. So it depends on how you teach them, even though they are born in this country, a lot of kids know how to obey their parents.

F1: And a lot don't. It depends.

Moderator (M): [F4], what do you want to say?

F4: Here in this society there are so many influences. Often, even though you instill values in your children, being in a society here like where we are, like the lady says, we don't believe that our children will support us in their homes like you (to the moderator) support your mom.

F2: Like we did with our parents, no. Like we're doing now, no. Because here kids change a lot with having everything here in the United States.

M: Is that why you have worries about retirement?

Several: Yes!

M: That your children won't take care of you in retirement?

F1: I think so, because, like I was saying, I can't complain about my children and even though they've

never yelled at me or even treated me badly, still my son tells me, “Ma, save for your old age, because when you’re old, they aren’t going to give Social Security anymore.”

F4: It’s that, what they’re saying is right, but for me, at least, I would like to not be a burden on my family.

F3: Yes. They need to have their own life. Their own family.

F4: They should help their own family get ahead and we shouldn’t be a burden for our kids.

M: What does burden mean?

F3: That our kids don’t have to take care of us in our old age. We should be responsible for ourselves. We should have Social Security and have a pension until the day of our death.

F4: And if we crave an ice cream, so that one can buy it and not have to say, “Son, won’t you give me money to buy an ice cream? I want one.”

M: If almost everyone here doesn’t have Social Security, doesn’t have a pension, how will it be possible to support yourselves in retirement?

F2: We should try to save for our own old age. We hope that our kids take responsibility to manage their savings so that when we’re old it’s the norm that we’ll sustain ourselves with our own savings. The goal is not to pass the burden on to our kids.

M: F5 hasn’t said anything.

F5: Yes, I was born second. There were 15 brothers and sisters. My mom died 31 years ago, my dad was 65 when he got remarried again with a 16 year old.

F6: Oh my God! Forty years difference.

F5: My stepmother right now...my dad is 85 and my stepmom is 35. He had four more kids. We’re 18 siblings in total. And like I said...

F6: What is your name?

F5: F5.

F6: Like I said, F5, I wasn’t raised by my parents. When I was six years old, I went to live with my grandma. I have five children. And I feel that even though I didn’t

go to school much either, I feel that I learned to be responsible. I learned to be grateful. And I feel that got me a long way. I am embarrassed that I’ve been here for 37 years and can’t speak English. [Laughter] I don’t speak English, because I made the decision that my children would speak Spanish. At home we only speak Spanish. My children speak Spanish—they write it, they read it. But, yes, one day one of my sons said to me, “Aren’t you embarrassed that you’ve been here in the United States for 37 years and you don’t speak English?” I told him, “Yes, but you know what, you speak Spanish right?” He told me, “Yes.” I asked, “Who taught you?” “Well, you did.” I said, “So, then, if I don’t speak English, it’s because you have not taught me.” Right now I’m here (at IDPL) learning English, but I feel like there’s a difference between one born in Mexico and the children born here. Yes, there is a big difference. What is it? I don’t know, but for my part, in Mexico, I really liked to study. I couldn’t study because my parents, that is, my grandparents, didn’t believe that a woman should study. Women were supposed to learn to wash and to cook, because in the end the husband was going to take care of her. Not me. I’ve always tried to instill in my children that they must study, that education makes you a better person, that’s what I think. It opens other doors for you, but I feel like I was confused because as a mother, even though I tried to teach them to be grateful, I think that as long as you don’t lose your values and know how to be grateful, you will have it in your head.

F7: Values are very important, but here they are lost a lot.

F8: Values are instilled in family, right? But the families here in the United States where we are now, there are a lot of people who can’t dedicate themselves fully to their children. And sometimes a lot of people work in an office and they’re not the owner (who can have flexible hours) and they don’t have time. So the kids, instead of being in their house, are in the streets, and how can the parents control that when they have to work? I’ve noticed that a lot of mothers—there are a lot of good mothers, good people—but they really can’t do it all. Or sometimes they are single, without

any support, not even from her own family, not even from her husband, not from anybody, right? So I think from that point, one has to see how they can manage it all, but sometimes that just can't be done. Even if one wants to do the things that one needs to do, it can't be done. It's like powerlessness; you're powerless; it is futile. But I ask myself, I've told my kids, I started working at 8 or 9 years old, like she said, 8 or 9 is when one would start to work. For example, in my village they call them 'nanas,' when you take care of a young child. I ask myself, how can you take care of a kid at 9 years old, right? And they say, because they also say, children turn out bad because they are alone, I was raised alone. At 12 years old, I took care of a newborn cousin; I was 12 years old. The person who raised me, her husband was a doctor and she was a nurse. Every week, they drank, they smoked, but they didn't use drugs. I don't know anything about (I don't use) drugs; to this day, I don't know anything about them. But they drank and smoked. I don't drink; I don't smoke, and I ask myself, "What's the difference?" How do you teach that?

F7: We're in a different society; it is a different time. I think it is, because we, all of us who are here, we have different customs. We came to this country and whether we want to or not, we adopt the customs of this country. Why? Because we live here.

F8: But we don't forget our own ways.

F7: But we do take on customs that are not our own. We do take them on. And from the society in which

our children are developing, they also take them on. As much as one instills in their child, the children, the technology and everything that is new, everything is different. And they're living in a different time, different from ours. We never thought that we would have a second chance. And now the sickness of this era is our overdependence on technology. You can't live without your phone. You have nightmares if you don't have your phone. When did we think, those of us here, that we would live in Mexico with a phone? Now our kids don't only have a phone, they have Internet on the phone, they have music, they have everything.

F3: It's also because back there it wasn't just our parents who educated us, it was the whole village. If you were in the street, another adult would order you to go back home.

For all of the participants in the above-cited focus group discussion, immigration to the United States represented a powerful means of gender empowerment. Participants grew up in a patriarchal society that bound females to the domestic sphere and limited daughters' aspirations to a lateral movement to another household to become a wife and mother. When they arrived in this country, gender and class barriers had weakened, and these women discovered new opportunities to expand horizons that had previously been rigidly circumscribed. Several women and men described the United States as "a land of opportunity," a place for a "second chance," where education was an open to all and, at the same time, was essential for success.

It is significant that these words came from people who attended little or no school themselves, but some of whose children had college and professional degrees, and whose grandchildren spoke English as their first language. A few female immigrants even stated that their primary reason for taking English classes was to be able to converse with their American citizen grandchildren. Their children's educational achievement was paramount for them, yet the intense investment in ambitious children posed moral dilemmas and concerns about abandonment in old age (Freidenberg 2006).



Elena and her family after her naturalization ceremony when she became a United States citizen.

VI. Gender Equality is the Norm

Many of the female study participants proudly defined themselves as self-supporting or former workers. Some of them reported that they went to work as a last resort in response to a failed marriage and/or a husband's inability to provide. Maria Elena, for example, positively and confidently described the "drastic change" her life course took when she separated from her ex-husband, whom she called a worthless drunk whose children had to pick him up off the streets of Pilsen, Chicago. For the first time in her life, Maria Elena waded into the world of wage labor and found an opportunity at the Marriott Hotel, where she had worked for two decades and had access to a retirement savings plan. Many of the women worked in factories, producing cardboard boxes, frozen foods and baked goods, and in hotel housekeeping. This demanding manual labor nonetheless exacted a heavy physical toll; a significant number of these industrial and service veterans were injured on the job and received disability insurance.

Though we noted a substantial rate of divorce and single mothers, one cannot conclude that these immigrant women have disavowed conjugal unions. In response to a question about how they foresee their retirement, many of the single women confessed that they imagine finding a mate one day with whom they can live in retirement. (At least two couples formed after meeting one another at the focus groups, having exploited the guided conversation as a formal date-vetting process!) Notably, co-resident children and grandchildren were not in their mind's eye when they gazed on future retirement.

First-generation fathers and mothers have similarly high hopes for their American-born daughters as for their sons. The import of the emerging norm of gender equality was made manifest to the researchers during an informal conversation that took place at the end of a focus group session. The event took place during a school vacation, and many of the participants brought their children along. Most of the children were playing loudly, eating the snacks we provided and hovering over smart phones and other digital devices, while occasionally being admonished to "quiet down." Ironically, their parallel activity was an immediate example of what many focus



At Our Lady of Mount Carmel Senior Center, men often serve women at meals.

groups participants complained about: the domination of their children's lives by digital devices that isolate them from social relationships, compete with taking on responsibilities and undermine the mastery of essential, non-digital manual skills. One eleven-year-old girl, her small face dwarfed by large eyeglass frames, sat alone in a corner, quietly engaged in an old-fashioned activity; she was reading a book. After the session ended, she followed her father, Carlos, as he approached us to chat. Elsewhere in this report, we describe him as someone who distrusted the formal, employer-based retirement savings system. Carlos left Mexico City at age twenty-four, having earned a high school diploma. At age thirty-nine, Carlos worked in a downtown Chicago restaurant, where he was eligible to participate in a 401(k) plan; rethinking his decision not to participate was the subject of our extended post-focus group conversation. Our attention turned toward the studious-looking girl by his side holding what seemed to be a sophisticated text for an eleven-year-old. Soon we were talking about her plans for college. The principal investigator suggested that she might wish to apply to the University of Notre Dame du Lac, the institutional anchor of this research project, which ranked in the top twenty universities in the nation. Her father said, "No, that is not high enough. My daughter is going to Harvard."

In focus group discussions and written responses to questionnaires, we found strong evidence that Mexican-

Americans did not think that gender limited achievement. Nor did they agree that gender alone limited one's ability to save for retirement. Everyone claimed that women were equal to men in their ability to save and invest money. They asserted that the values and habits parents and teachers instilled in children were the best determinant of their later savings and spending behavior. Correspondingly, participants reiterated their desire to transmit good savings habits and financial literacy to their own children. Older interviewees expressed concern about their adult children's chronic financial insecurity and inability to save. The majority of members of our focus group discussions asserted that women were better savers than men, but written responses were more equitable and less emphatic about women's greater acumen for saving. In conversations, most defended the notion that environment played a stronger role in shaping a person's future savings habits than did gender. While they concurred that having children made it harder to save for retirement, they did not believe that working mothers were any more hindered in this domain than were fathers. They strongly believed that having family around was not an impediment for a working woman or man to get ahead in their career.

It would be misleading to assume that all of a sudden Mexican-heritage women have taken leading roles in their households. Our study participants presented significant evidence of prior women's autonomy. A group of senior women, who immigrated to Chicago as adults, drew on their own childhood experiences to endorse the notion that *la última palabra es de la mujer* (women have the last word). Many of the first-generation immigrants told moving stories about their heroic, hard-working single mothers who were their role models as thrifty, competent heads of household. They might not have intended to run their families, but took on the administrative roles when they were abandoned by their husbands, who emigrated to the North, or willingly left abusive mates. The number of older immigrant men and women who described being raised without fathers was striking.

Whether "dedicated" to wage employment or to the hearth, Mexican immigrant women played a prominent

role as manager of the family budget. Like the majority of American women, they were "the chief financial officers" of their families. Findings from two 2013 surveys substantiate these similarities.

In a 2013 survey of eight hundred working women conducted by Chase and Slate (Business Wire 2013) and a survey of more than two thousand households by Allianz Life Insurance Company (2013), more than half of the respondents said they were in charge of household finances and about one-third claimed to share the task with their partner. Moreover, 76 percent of the female respondents expressed confidence in their household budget management (Finnigan 2013). Similarly, the Mexican-heritage participants in our study felt empowered by this administrative function. One fifty-five-year-old single woman who was a former hotel housekeeper dramatically represented her authority as household head to the amusement of all present at her session; she stood up from her chair, placed her hands squarely on her hips and bellowed, "I wear the pants in my house!" The gesture by this confident immigrant from Durango was made all the more amusing by her appearance in long braids, denim pants, cowboy boots and copious silver jewelry: a self-consciously, colorful version of the Duranguense cowboy stereotype.

One immigrant study participant who is a professional averred that a disagreement over who wears the financial pants in the household was a cause for marital dissolution. His remarks suggested that he was wavering between a modern view of gender equality and an older patriarchal norm. The participant suggested that his non-working wife's refusal to submit to his administration of the budget was a major reason for their marriage break-up. As the primary breadwinner, the participant thought he was entitled to dictate the household budget. Since his wife was at home raising their son, she did not have the right to spend money that she did not earn. The participant shared his desire to remarry and have more children. He indicated that he hoped to form a union with a woman who had her own career and source of income, which would entitle her to make household money decisions.

VII. Women's Empowerment in the Community and Their Desire to Learn

During our focus groups, many of the “women of the hearth” proudly stated that they “worked” as volunteers with the same dedication and discipline as their employed counterparts. At their neighborhood schools, these women supervised playgrounds, assisted in classrooms and helped with the lunch programs. Some of them were remunerated so modestly for their contributions of time that the women did not count their service as a job. Thus the neighborhood school was reaching out to immigrant parents and inviting them to see the school as a center for the community; children's schooling has become a means for the parents' increasing community engagement and of individual empowerment as well.

Volunteering in a neighborhood educational institution is evidence of a shift in Mexican women's lives from an exclusive focus on family to one with community involvement while the wider society seems to be moving away from community and “bowling along” (Putnam 2000). Alvarado, the community involvement director for a local hospital, sees mothers' community engagement as an inescapable step in the evisceration of traditional gender roles and the dissolution of patriarchal marriages. Though Alvarado lauded the self-determination of women, herself included, she admitted her ambivalence about the loss of earlier norms of interdependence:

We see these confident Mexican men coming over and, as times progressed, we saw the gradual emasculation of the Mexican man. Again, you realize that it is almost inevitable. As their kids grow up here, they don't see a dad who was very capable and strong in Mexico. Here, the father is nothing more than the busboy or gardener and you're ashamed of him and he is looked down upon by his kids because of his inability to realize their dreams of becoming rich in the United States. Then the wife starts to get the same kinds of attitude and she goes to classes and says, “I don't have to put up with him,” or “I don't need him anymore,” and they may divorce or even stay together while each go their own way.

These immigrant women had a voracious appetite for self-improvement and new knowledge for themselves and their children, a proclivity extending to their attitude toward retirement planning. Several of the married, non-employed women were interested to learn that they might be eligible to establish spousal Individual Retirement Accounts even if they themselves were not earning income. These immigrant women eagerly accepted and read the bilingual brochure we prepared, entitled “The Ten Things You Need to Know to Retire.” They admitted that they did not know enough about retirement planning and wanted to learn more. This observation suggests that despite access to financial literacy and planning information in the media and in the community, immigrant women do not feel that they have adequate information.



Ambrosia and her granddaughter, Alejandra, who volunteers at the Senior Center to fulfill her community service requirement at her high school.

When asked about recommendations for improving retirement savings, no one in any of the focus groups, whether professional or unskilled, employed, unemployed or retired, mentioned that the government or corporations should do more to help them. Rather, they uniformly emphasized that they wanted to master the knowledge necessary to prepare individually for their own retirement. Their attitude highlighted a strong sense of agency as well as an inability or unwillingness to identify structures that contributed to their insecurity and advocated for structural changes that would promote greater security

for their retirement. Several of the agency staff and leaders we spoke to reiterated the low-income women's proactive pursuit of knowledge and skills through inexpensive or free classes, services and support groups.

We met several groups of the women at the sites where they took adult education and financial literacy classes, learned English, became citizens and developed new occupations. Various moments at these sessions stood out to exemplify the women's sense of empowerment to learn. Among them were:

1. Luisa, a woman in her fifties, who proudly introduced herself to a Spanish language focus group in halting English. Luisa did not attend school as a child and was enrolled in adult education classes. She explained that she felt she must speak English, even in the Spanish language session, to demonstrate her progress in the language;
2. Maria, a woman in her forties, who told a different Spanish language focus group about her volunteer work at a local community college. Realizing the strong interest by the group, she began listing the roster of free classes offered at the college. The session spontaneously served double-duty as a place of sharing information about free educational opportunities in the community; and

3. Alejandra and Maria, who recently lost their long-term jobs at Hostess Brands, and, feeling lost, joined a senior center, even though, at age sixty, they were younger than the general demographic. At the senior center, they availed themselves of a smorgasbord of free recreational and informational programs. When Alejandra and Maria found out about free computer classes at a local bank, they rushed to sign up for the first-come, first-served program.

The thirst for information extended to retirement. Mexican immigrant women were eager to learn more about how to prepare for *la tercera edad* (the third age) so they could make educated choices. They were interested in consumer finance classes that would help them make, and then stick, to a budget. They responded to incentives. They would like to take advantage of guaranteed individual savings programs independent of employment that offered matches or other rewards for discipline. The women were very interested, for instance, to learn about individual development accounts, which offered an incentive match. We posited some hypothetical ideas for savings accounts. Many of the participants endorsed the idea of contributing to a simple retirement savings account as a regular habit, perhaps at the same time as they paid a monthly mortgage or rent.

VIII. Retirement Savings Insecurity: A Continuing Challenge

The present study unfortunately recapitulates our earlier findings of the low participation rates of Mexican-Americans, and Latinos in general, in retirement savings programs. Only 28 percent of the 99 Mexican immigrants and Mexican-Americans in our study had retirement savings plans through their employer. Eleven percent had Individual Retirement Accounts. In our control group of African-Americans, 28 percent had employer-based pension plans and 14 percent had individual retirement plans.

While those with employer-based defined contribution plans tended to be professionals, it was significant that some of the unskilled workers with defined contribution accounts (401(k)) were women who worked in hotels as housekeepers and they proudly mentioned their participation in these savings plans in focus group

discussions. (These ratios also reflect the higher portion of women who self-selected to participate in the study.)

Since some of the married Mexican immigrant women did not earn income and were not contributing to retirement savings, and so few of their husbands had retirement accounts, their security in retirement will primarily depend largely upon their husbands' payment of Social Security taxes. We assume that some of their husbands do not contribute fully to Social Security. Mexicans who are legal residents and citizens often work for firms that do not offer a retirement plan or they are ineligible to participate in employer-provided retirement plans. The undocumented workers are excluded altogether. In fact, undocumented Mexican workers often pay into Social Security in order to secure a job, but when they

retire these undocumented Mexican workers are barred from access to Social Security benefits and Medicaid. Whereas marriage among Whites is correlated with greater retirement security, Mexican immigrant wives who do not work will be more vulnerable to poverty as they age than their White counterparts. Among married women 25–64 years of age, the odds of coverage when compared to White women are 74 percent less for Mexican-origin women and 22 percent less among African-American women (Angel, Prickett and Angel 2014).

The high level of distrust in the financial system, which we observed in our previous study, is a barrier to retirement participation. Most of our survey participants had a modicum of trust in banks; most held passbook savings and checking accounts. They had less familiarity with, and less confidence in, large, remote financial services corporations. Carlos, a focus group participant described previously, inadvertently illustrated how his proactive pursuit of plans to send his daughter to the highest ranked university could co-exist with a passive approach to his own and his family’s financial security. Carlos worked in a restaurant in Chicago where he was eligible to participate in a 401(k) plan. Though he was automatically enrolled in the plan, Carlos did not understand or trust it and decided to opt out.

Dr. Alvarado stated, “Confusion, lack of understanding and not knowing how all of these other retirement plans work” are prominent reasons for estrangement from the retirement savings system. The immigrant workers do not understand and therefore do not trust the esoteric terminology, classifications and regulations that define these instruments. Their lack of confidence is understandable. Speaking from the combined perspective of her many clients as well as her Mexican-American relatives, Alvarado explained:

It is not like a bank and you can’t go to it and see where your money is. They just seem like ephemeral corporations that have fancy names and where is that money, really? And they tell you, “It is in stocks and the money market,” and, it is like, “What? And you mean I can’t take it out when I want to?” It is a foreign concept. They don’t trust it or understand it.

Ricardo Aguirre is a bilingual financial planner whose clients reflected his own background as an American born in Mexico who grew up in the United States. Whether advising clients as “their financial doctor” or broadcasting financial literacy on his “Su Dinero, Su Futuro” (“Your Money, Your Future”) radio program, Aguirre draws upon both his own personal experience and his decades of professional expertise. According to Aguirre, first-generation immigrants “don’t have the slightest clue” about saving for retirement—and second-generation Mexican-Americans still have a lot to learn:

It is very difficult. The second generation is more knowledgeable, but is barely beginning to acquire financial knowledge. They don’t think about it because it seems so far ahead. Those who came from Mexico expect their children to support them. When they see a nursing home, they say, “You better not send me there,” although they don’t do anything to prepare otherwise. Of those who reach retirement age, only about ten percent have retirement savings accounts. It is alarming!

Aguirre observed that only approximately ten percent of his clients own retirement accounts. Nonetheless, few of those clients understood how the plans worked and, he suggests, it was dangerous to give workers access to retirement savings when they lacked the tools to manage the accounts. Workers mistakenly saw the retirement savings as liquid capital. Our research questionnaires confirm this finding: most respondents said that if they had a retirement account, they would both participate to the maximum *and* be likely to withdraw funds to help a family member in need. Since they would have to pay a penalty and interest for withdrawing funds, respondents would actually lose money in their accounts.

Financial illiteracy not only reduces an individual’s ability to accumulate retirement savings, but it also diminishes one’s ability to manage real estate assets. Many of Aguirre’s clients took out mortgages they could not afford and they would be better off abandoning homes whose value fell below the amount of the home loan. Instead, some were depleting their retirement funds to hold onto a house that was “under water” and they were

vulnerable to tactics by lenders to shame them into staying the course:

They don't see the real reason why these retirement savings plans were established. They don't understand the history. They don't understand that it is a long-term investment. They view it as something you can tap into in an emergency. And that is why you have families pulling out their 401(k) plans to pay mortgages that are under water (from which they would be better off walking away).

Aguirre's point of departure was that lack of basic financial literacy involving long-term investments and cumulative interest hinders financial health:

Mexican immigrants see retirement as something very far away. They say to themselves, "It isn't necessary to start saving today." They don't understand the concept that time is their best ally. The majority doesn't understand cumulative interest. Even the second generation continues to put their money in savings and checking. Why? Inflation eats away the money.

Acting as much as their "financial professor" as their "financial doctor," Aguirre had his office designed like a class seminar room:

I use a blackboard. I draw it out. I use a lot of visuals. I show them, if you deposit \$10,000, you make \$250, and you have to pay taxes out of that and then what does the bank do with your money? The bank takes your money and loans it at 8 percent or 10 or 15 percent. I ask them, "How do you feel about it?"

Women were a growing number of his erstwhile pupils. Aguirre observed that even though women had long acted as the "administrators" of the family finances, their increasing financial empowerment had affected marriages. Echoing findings of social scientists and financial experts, Aguirre observed that his female clients' increasing income had earned them rights to financial and savings decision-making:

Women now realize they don't need [a] man to support them. They say to themselves, "Heck, why do I need a man?" You find women are less loyal to their husbands than before. Women have more financial consciousness as a result of women's

emancipation. They are taking initiative and have started learning about savings vehicles.

According to Aguirre, too many Mexican immigrants wrongly assumed that they will be able to manage primarily on Social Security income, which they used as a reason to justify not saving in other ways for retirement:

Most think that they can live on Social Security, but Social Security does not actually give you security. It was supposed to be one leg of the three-legged stool that includes your savings and your pension. Now savings practically don't exist and pensions are disappearing. Most of those retiring only have Social Security. They receive about \$700–\$1,000 a month. How do they get by? By living in extended families and sharing three flats with different generations living on each floor.

Mexican immigrants focus their interests and energy on early phases of the life cycle rather than the later stages of life. Matthew Brophy, a former priest of a large Mexican congregation and former director of the Casa Esperanza Scalabrini Community Center in Melrose Park, Illinois, averred, "Mexicans focus on the coming in, not the going out." Many of the foreign-born do not consider paying for death benefits or life insurance, a rational financial practice. "Why," Maria Elena, a participant questioned rhetorically, "would I spend my hard-earned money on paying for something that I will never get anything out of? If it is supposed to be to leave an inheritance for my children, well, I raised them to be able to take care of themselves." Mexican immigrants rarely do long-term estate planning. Rosie Tyree, who heads a bilingual hospice service in Chicago, confirmed that her Mexican immigrant clients tended not to write wills and most did not have life insurance policies. Her Mexican immigrant clients left their surviving spouses, children and extended family with funeral and burial costs, which averaged \$7,000, according to one local funeral home director. Moreover, Tyree's Mexican immigrants left behind an estate whose distribution often caused serious rifts between heirs. "Out of ten of my clients, at most two or three have life insurance. For Latinos, there is less emphasis on the funeral and burial and more on early life celebrations, for example, baptisms, communions and quinceañeras. They

don't think about death...Afterwards their children fight. I see it all the time."

The financial industry has recognized the need for greater, candid communication about finances between generations in the population in general. This problem is not unique to those of Mexican descent. Mothers tend to share this information more often than fathers. Fidelity's 2014 Intra-Family Generational Finance Study found that

"mothers tend to have more detailed conversations with their adult children about sensitive financial topics such as estate planning or wills (79 percent of mothers versus 69 percent of fathers), the ability to cover living expenses in retirement (70 percent versus 55 percent of fathers), and health and eldercare (66 percent versus 56 percent of fathers)."

IX. Looking at Retirement: Views of Island Beaches and Nursing Homes

The prospect of retirement is a daunting, anxiety-provoking subject for most of the Mexican-Americans interviewed for this study. Their approach to the topic has been to avoid thinking about retirement or talking about it with their children. On the other hand, the group of older, foreign-born immigrants in more traditional gender roles were positive about retirement; they are expecting to live close to their daughters as well as their sons. They may already be contributing to childcare, food preparation and other tasks, and anticipate continuing to

do so. Mexican immigrant women's expressions of their desire to live with their married daughters may be seen as evidence of an additional, subtle shift in family and gender roles. Second-generation immigrant daughters are reinterpreting cultural norms of filial obligation to justify deviating from the patriarchal and patrilineal norm, which previously required daughters-in-law to care for their husband's parents. A similar pattern has been observed among Asian immigrants (Yoo and Kim 2010). Adult daughters are shifting their allegiance to support their own elderly parents. At the same time, however, the individualistic norms of American society create pressure on the second generation to want to withdraw from these obligations.

These attitudes can be compared to findings about inter-generational planning in American families as reported in a recent Fidelity study. Although the vast majority do not expect to be cared for by their children, "more mothers (13 percent versus 3 percent of fathers) are planning on an adult child caring for them if they become ill." The fathers' lower expectations of support from adult children is no doubt related to their belief that their wives will care for them. "More fathers (47 percent versus 32 percent of mothers) are counting on their spouses to care for them" (Fidelity Viewpoints 2013).

In contrast to more candidly interdependent or collectivist study participants, those who confidently present themselves as independent agents are also less certain about retirement. When questioned, they portray a hazy, long-distance picture of themselves in a far-off, unidentified place. The range of expectations for retirement among female and male Mexican heritage



José-Luis, a resident of Guanajuato and his grandson, a United States citizen, at their cousins' double wedding in Guanajuato.



While conducting research in Guanajuato, the Principal Investigator happened upon a shoe store with her namesake.

professionals is typified by four participants in a small focus group organized in collaboration with the Chicago branch of the Association of Latino Financial Professionals. All of the participants had retirement savings accounts, but no one expressed confidence that they were saving enough to live comfortably. In their forties and fifties, their ideas about the domestic shape of retirement was fairly clear, but for most, the location was yet unknown. Rocio, a divorced mother of three and an immigrant from Michoacán, worked in human resources. Her dream of retirement was to move to a warm climate and to live in a house big enough for her family to visit, but not live with her.

Robert was a benefits consultant born in California, whose uneducated immigrant father rose to affluence through savvy real estate investments. Robert held a master's degree and was married to a German immigrant with whom he had one daughter; his daughter was about to graduate from an Ivy League university. The parents supported the costs of the daughter's higher education and

expected to sponsor her wedding one day in the future. Robert expected to live out his days alone with his wife. He did not know where; Germany, his wife's original home, was a possibility.

Irene, an executive assistant, was single and had two daughters in their twenties. Irene felt that she sacrificed enormously to raise her daughters by herself and did not wish to help them anymore. Neither did she expect her daughters to help her. Irene lived alone and expected to be alone in retirement, even though she was open to the prospect of finding a new partner.

Luis, a systems analyst at a large corporation and part owner of a family bakery enterprise, was the only one in the group who claimed to know where he would retire. Luis intended to return to Michoacán, to the farm where his grandparents still resided. He admitted he "never really felt like the United States was home." Luis planned to return to Michoacán alone or possibly with an as yet unidentified new partner, since he was separated from his spouse and did not expect his American-born children to follow him to Mexico. (Luis speculated that disagreement over household finances and spending was a major cause of his marital discord.) Luis' plans echoed those of about ten percent of our sample who owned homes in Mexico and who, in written responses to our questionnaires, suggested that they would like to retire there. Nonetheless, evidence from our previous study, the analyses of community experts consulted for the current project and published research suggests that their dreams of going back permanently to Mexico are unlikely to materialize.

Men are more likely than women to desire to return to Mexico, and, according to financial advisor Ricardo Aguirre, this incongruity is a source of discord between couples. A man who grew up in poverty and immigrated to the United States to earn a far greater income than he ever dreamed possible may yearn to return to his natal community to demonstrate his economic success. Possibly feeling hemmed in and emasculated by the host society, the man may yearn to return to where he would feel freer to express his masculinity in a public space he still imagines to be controlled by males, regardless of whether

Mexican society is changing and the gendered walls dividing the masculine street from the feminine interior of houses are breaking down.

Whereas Mexican men tend to have lost social rank in the United States, women have gained status, which they are loath to forfeit by going back to Mexico even if new opportunities for women are opening up in Mexican society. Another powerful lever anchoring Mexican women in the United States is their native-born children and grandchildren, whom they are reluctant to leave behind. Furthermore, Mexican women may have already sponsored the immigration of their own parents or relatives. Several of the seniors in our study indeed came to Chicago recently to be with their children and grandchildren. Without a quorum of close family in the place they left, Mexico no longer fulfilled the definition of home for these women.

Dr. Marta Alvarado concluded that men's practice of harboring an unrealistic dream of returning to Mexico undermines Mexican immigrants' preparation for retirement:

They think they are going back to Mexico. Some think, "My retirement is going back to Mexico." They live very meager lives here, but are sending money home to build the little house or buy the plot of land, wherever it is, thinking, once all of this is done we are going to move back. It is just unrealistic, mainly because their children and grandchildren are here. Even if they (their children and grandchildren) weren't (here), honestly, most of them would not leave because that life is gone. Here in the United States they used to say after the Second World War, "How can you want me back on the farm after I've seen Paris?" They won't get used to it.

In his 2007 book, *Antonio's Gun and Delfino's Dream*, Sam Quinones explored how Mexican immigrant men created and gradually abandoned the fantasy of return. Quinones highlighted the story of Chon Salinas, who came from a small town in Zacatecas to Chicago in 1973, where he became a pioneer in the Mexican fast-food restaurant business (Quinones 2007). All the while he was building his enterprise in Chicago, Salinas yearned to return to his hometown of Atolinga. In 1990, Salinas built

an ostentatious, three-story dwelling in his hometown. When he returned to visit, however, Salinas realized that "the things I used to feel returning to Atolinga I don't feel here anymore" (Quinones 2007:215). Salinas put the house up for sale in 2006. As Alvarado averred, the old life Mexican immigrants romanticize was gone, if it ever actually existed.

There is one more imagined location that was identified as a possible place to live out *la tercera edad*, a retirement or nursing home. In our previous study, we documented Mexican immigrants' fear of the dissolution of the pact between the generations and the spatial and social segregation of age groups in the United States. To many immigrants, the idea of a nursing home is synonymous with the moral breakdown of society. A spirited discussion of the institution ensued at a February 2013 Spanish-language focus group involving 12 Mexican immigrant women ranging in age from thirty to sixty-five. Virginia, a woman in her forties with a social work background, opined that unlike Whites, who were cold and calculating about their careers, Latinos sacrificed monetary success in order to care for their children and parents:

I think that we, Latinos, really help our elderly, our fathers and mothers. And I see that the Whites are colder and more polite. They put them away in a nursing home. I don't know if they are right or we are right, but I believe that Whites are more calculating, because to them it is just advance and advance above everyone else...The Latinos, at least the majority, are very loving and very caring. We get up early, we are very caring with our parents and children, and sometimes we don't pursue other jobs so that we can take care of our parents. Even though we are more limited and we might not have nice cars or a beautiful house, it doesn't matter if we have to eat a few more beans (instead of meat), we care for our children.

While the first person to respond to Virginia's observation endorsed her observation and added that being happy with your life was more important than any law or medical degree, Senndi, who was the next one to speak, challenged Virginia's views. Senndi, a single



While her husband is in El Norte, Josefina remains in Guanajuato, managing their farm, raising their children, driving a tractor, tending livestock and embroidering linens. She gives her lovely needlecraft to women celebrating life-cycle rituals like weddings and baptisms.

mother of two boys, was born in Mexico. She rejected the notion that nursing homes be dismissed out of hand and seemed to endorse what the older social worker had characterized as the “White” approach to personal success:

In my opinion, every person has to think about his or her retirement. I am thirty years old now and the mother of two sons. I am thinking about my retirement. I’m not thinking about taking care of my mother, I’m thinking about how to save for my retirement. It doesn’t matter if I end up in a nursing home. I have heard that some of them are nice places. You can be with other elders like you, share meals and do other things together. There are positive things about them.

We polled all twelve members of the focus group to discern how many identified with Senndi’s vision of spending their old age in a retirement or nursing home. Two other women raised their hands.

If the use of nursing homes is gradually gaining acceptance among Mexican immigrants and Mexican-Americans, it is nevertheless difficult for a professional in the health care system like Dr. Marta Alvarado to accept. Even with her experience in her role as senior coordinator for a large hospital, Alvarado was surprised when she discovered how many of her Latino/a colleagues, who also took part in a working group on the Latino elderly in Chicago, “actually have their parents in nursing homes, because it is too difficult to care for them when they have full time jobs.” While she sympathized with the challenges of managing work and elder care (and perhaps child care as well), Alvarado opined that the detriments to the senior kin housed in nursing homes obviated any other possible benefit worthy of consideration:

I can see where some of them would want to put the elderly in nursing homes, but I have seen them in nursing homes. I visit them all of the time. That is part of my job, because I am senior coordinator for the hospital. I don’t care how good they are. You walk in and there is a certain feeling of—I’m not sure if it is abandonment or a giving up on life. Despite all of those classes, in the cafeterias, the people are sitting at their individual tables and they are not talking to one another, not looking at one another in the eye. If you’re a Spanish speaking person, then it is even worse because now you’re really isolated.

X. The Resurrection Project

A. An Integrated Approach to Financial Literacy, Residential Security and Neighborhood Stabilization

An integrated approach to financial literacy, residential security (home ownership) and neighborhood stabilization is having a profound and tangible impact in the Mexican immigrant community of Chicago. The Resurrection Project (TRP), which is based in the heavily Mexican neighborhood of Pilsen, has been recognized as a national leader in financial incorporation, affordable housing and community reinvestment. Many have come to the agency's home rescue fairs and other workshops while facing great financial distress related to mortgage foreclosure, subprime loans and indebtedness. Quite a few members of the financial counseling staff themselves once came to TRP, facing out-of-control personal finances. The fact that the majority of this staff is female is one more indication of both the involvement of Mexican-American women in financial decision-making and their openness to seeking consumer information and education.

TRP offers strategic incentives to encourage clients to learn about money management and to modify their financial behavior. For example, financial literacy classes are required of those receiving assistance to modify home loans. Prospective homebuyers have to graduate from a probationary period to demonstrate their ability to stick to a budget and their mortgage readiness. Central to TRP's holistic approach to community wellness is financial health. The organization promotes financial capability through a continuum of interconnected programs administered in linguistically and culturally competent ways. The agency works with families over months and years to help create budgets and savings plans, to learn and adopt healthy banking practices, to build credit, to decrease debt and to achieve financial stability. Many of the classes are taught at TRP's new office at Second Federal.

Kristen Komara, TRP Vice President of Financial Wellness since 2004, directs the twelve-person bicultural and bilingual staff. She describes the TRP Financial Capability Model as one that:

utilizes a culturally-designed, progressive tier approach to maximize its capacity to reach and engage participants at their experience levels, offering a range of services and counseling options and to provide multiple access points for education and support. The program curriculum includes basics of financial literacy (managing income and developing savings), more advanced and in-depth financial topics (asset development and home purchase) and components designed for TRP's specific demographic reach, immigrants and more specifically families, single mother heads-of household, students and seniors. With this approach, TRP helps to create and to empower healthy practices of financial living from young adulthood to retirement, ensuring the stability of low-income communities over the long-term.

The Financial Wellness Program not only builds the financial literacy and capacity of its adult students, but also nurtures the transformation of these individuals into lay community leaders. The program bolsters individuals' self-esteem and sense of control and, in turn, encourages newly confident adults to see themselves as leaders involved with the welfare of their community as a whole. Much like *promotoras* (the primarily female lay healthcare agents trained to provide basic health education), these financial *promotoras*, who also tend to be Latinas, take initiative to encourage their neighbors and peers to increase their financial health.

The community development organization began in 1990 with a modest \$30,000 in funding from a coalition of six Catholic churches. Raul Raymundo, who co-founded the non-profit organization and remains its chief executive officer, recalled that at the time, "we wanted a name that means new life and new life means creating a healthy community with good housing, solid family relationships, strong economic growth, job and educational opportunities and positive attitudes." The Resurrection

Project faced down the blight, violence and disinvestment that have destroyed many urban neighborhoods and, at the same time, reduced the potential gentrification that has rendered other Chicago neighborhoods untenable for long-term residents. Evidence of the community's growing financial wellness was manifest in the many new and renovated single-family homes, apartments and condominium buildings. A once deserted block in south Pilsen is now the site for Casa Morelos and Casa Maravilla, two high-rise apartment buildings for low-income families and seniors where some of the people interviewed for this study resided. Most recently, TRP completed a high-rise dormitory for low-income college students across from their headquarters in Pilsen which offers the students a variety of integrated support services.

Three of our project focus groups were held at TRP. Twenty participants in two focus groups were recruited through TRP's classes and networks. It is notable that seventeen of the research participants were women, which can be seen as an indicator of Mexican immigrant women's desire to equip themselves with more financial knowledge about savings and retirement. Men and women of TRP's staff comprised the third focus group for this project.

B. The Resurrection Project and the Rebirth of Second Federal, a Division of Self-Help Federal Credit Union

The Great Recession of 2007–09 devastated Latinos' jobs, household income and home ownership. Chicago area's Latino workers, who had been heavily employed in the home construction and renovation industry, were out of work. Furthermore, Latinos held one-fourth of the subprime mortgages and, by 2012, more than one-fifth of the foreclosures were in Latino neighborhoods. Because two-thirds of their wealth was in home equity, Latinos' median household wealth fell 66 percent compared to 53 percent for Blacks and 16 percent for Whites (Kochhar, Fry and Taylor 2011). TRP joined with partner agencies to organize a series of free "home rescue fairs" as well as foreclosure prevention classes and counseling sessions, which assisted thousands of Latino homeowners facing foreclosure.

When the unemployment and mortgage crisis compromised the Latino community's bank, Second Federal Savings and Loan, TRP acted to save it. In our 2012 report—in the wake of the recession—we described the precarious state of this community bank which was like an island in a sea with little to no mainstream financial services and a plethora of payday lenders and currency exchanges. Second Federal Savings and Loan was recognized nationally as a model for cultural outreach and "banking the unbanked"; we recommended that regulators bolster small financial community institutions like Second Federal which serve minority and low-wealth residents, not just more large-scale, profit-oriented firms.

Instead, when the Federal Deposit Insurance Corporation took over Second Federal Savings and Loan later that year, the regulators proceeded to auction off its loans, three branches and deposits to lucrative outsiders. The challenges to the regulators' policy, raised by TRP and their political allies, led to lengthy negotiations and ultimately a "surprising end to the saga," as a Crain's Chicago Business reporter put it (Daniels 2013). TRP partnered with Self-Help Federal Credit Union, a North Carolina-based institution that is a leader in serving minorities, women and low-wealth communities, to purchase Second Federal Savings and Loan. The exhilarating, public celebration of the resurrection of Second Federal is described below.

On a bright, sunny Saturday in September 2013, one year after the rescue of Second Federal, the credit union's parking lot at the corner of Pulaski Avenue and 26th Street turned into a fiesta scene. A mariachi band played, youthful seniors in colorful costumes performed regional Mexican dances, a Mexican caterer served a savory lunch, children participated in craft activities and games, vendors sold treats and local community agencies engaged attendants at their information booths. A hundred blue and orange balloons swung in the breeze above the drive-through stations, awaiting their celebratory release.

The "Grand Re-Opening of Second Federal" was not merely an exhilarating Mexican immigrant neighborhood coming-out party, it was also a heady state-level event widely covered by the media (The Resurrection Project 2013; YouTube 2013). Seated on the parking lot dais with the drive-through stations as the backdrop were



the Illinois governor, the state's attorney general and the county commissioner, along with the district alderman, the leaders who brokered the rescue and others, including a representative from the national credit union association board and a priest who helped create TRP in 1990.

Raul Raymundo, TRP's director and the master of the bilingual ceremony, announced, "Today we're celebrating the resurrection of an institution that has a proud legacy of serving immigrant communities for more than 100 years. We rescued this bank together so that we can keep existing mortgage holders in their homes and so that it can continue to offer vital financial services to our communities." Illinois governor Pat Quinn extolled the "importance of public and private partnerships working together to achieve new victories for the community" and several of the subsequent speakers praised the dogged determination of Raul Raymundo and the other partners to bring about the unlikely reclamation of Second Federal as a community bank.

Moving testimonies by community members who received loans from Second Federal followed. One college student took out a loan to cover the costs of applying for the federal government's Deferred Action for Childhood Arrivals (DACA) program, allowing her to come out of the shadows and become a full participant in her university and in U.S. society. Next, a couple who had been at risk of foreclosure on their home told of how they were helped by both Second Federal and TRP to restore their mortgage and to learn how to take control of their finances. Third was a prominent local Latino business owner and former Chamber of Commerce president who told how loans

Governor Pat Quinn and State Attorney General Lisa Madigan at the Grand Re-Opening of Second Federal, Little Village, Chicago, IL. Photos courtesy of The Resurrection Project.



from Second Federal many years ago helped finance his now-thriving business.

Father Charles "Chuck" Dahm, a founder of The Resurrection Project, closed the celebratory event with a thoughtful bilingual reflection on the realization of the organization's original dream of a true community bank:

Twenty-three years ago when Raul and I and others founded The Resurrection Project we had a dream, and part of that dream was to create a financial institution that would serve the Hispanic immigrant community, because we saw that the institutions were not serving the community. They barely had any materials in Spanish to hand to people. There was no education about checking accounts or the value of a savings account. We wanted to make a difference but it has taken us a long time to realize that dream, to make it a reality, and today we celebrate that that dream has come true. It is here; it is Second Federal Credit Union.

Father Dahm was critical of the superficial nods toward diversity at banks that hire Latino tellers, but which maintain policies that do not help low-wealth immigrants and minorities and may even exploit their situations:

Along these years we have seen changes. We have seen banks that have now employed mostly Hispanic tellers, we see how they have not changed, how they have continued to take advantage of the communities and they have not lived up to their responsibility under the Community Reinvestment Act. They have not invested in the communities. We are still on our way to making a significant



change in showing that this can be done. At The Resurrection Project, we have built homes and we have created affordable housing, both rental and for owners to buy.

The priest continued by asserting that investing in Latino borrowers is a solid investment, not a risky endeavor:

The Resurrection Project's adult learners, renters and homebuyers carry through. Investing in the financial capacity of Latino immigrants yields tangible and profound reward. And we have never had any financial problems with the community because our immigrant community understands responsibility, financial commitment and follows through; they pay their bills. On that basis we have total confidence that this credit union, Second Federal, will have a brilliant future and shine like a star across the United States, as was said here before (at the press briefing), it will show that the immigrant community can make a difference in

the financial world. So today we celebrate with much joy and happiness and thanks to God for the blessings we have received.

Then Father Dahm asked all present to stand, turn toward the Second Federal building, raise our hands and bless its renewal. Politicians, community organizers, bank employees, community members and this researcher took to our feet to join in the benediction, right arms extended in caring blessing toward the living community bank. Following each line of the bilingual prayer, we proclaimed in unison "que viva," meaning *long live*, or *hail*, or *cheers*.

Father Dahm (FD): ¡Que viva la Unión de Credito Second Federal!

Public: ¡Que viva!

FD: ¡Que viva la comunidad de La Villita, que viva!

Public: ¡Que viva!

FD: ¡Que viva el pueblo inmigrante!

Public: ¡Que viva!

FD: ¡Que viva The Resurrection Project!

Public: ¡Que viva!

FD: ¡Que viva Self Help Credit Union!

Public: ¡Que viva!

FD: ¡Que viva Second Federal Credit Union!

Public: ¡Que viva!

FD: ¡Que viva Second Federal!

Public: ¡Que viva!

The mariachi band began playing and the orange and blue balloons were severed from the podium and floated upwards, fanned out and disappeared into the clear blue sky.



XI. The Great Ones, United in Golden Age

Approximately sixty Latinos in their golden years, about forty women and twenty men, belonged to Casa Esperanza Scalabrini Community Center (Casa Esperanza), a community and senior center in Melrose Park, Illinois. Most were immigrants. A few came to Melrose Park as children and grew up in the neighborhood, but the majority of the women and men came as young adults, seeking employment in the industries of suburban Cook County; others came more recently to join their immigrant adult children and to help take care of their U.S. citizen grandchildren. The Latinos' ages ranged from sixty—the minimum age to join—to the mid-eighties. About half of the participants were married or in a consensual union, and the others were single, widowed or divorced. Even those who were married tend to visit the center without their spouses.

While one man was an executive and financial officer for a local corporation, most of the participants worked in lower skilled jobs at local factories. Deindustrialization forced some of the younger cohort into premature retirement. The bankruptcy of Hostess Foods in 2012, for instance, put Alejandra and Maria out of work and their pensions in limbo. At sixty years of age and unemployed for the first time in their adult lives, Alejandra and Maria turned to Casa Esperanza for support; they later referred to the center as their “salvation.” A few of the women who immigrated three or more decades ago had not been steadily employed. As a young woman in Mexico, Catalina was an athlete and folkloric dancer, but in Melrose Park she dedicated herself to raising her four children, all of whom graduated from college and went on to professional careers. Catalina's husband borrowed from his 401(k) plan to pay the tuition for their children, which he later repaid.

The Casa Esperanza senior program was based in the former school of Our Lady of Mount Carmel Church, a small parish established in 1895 by Italian immigrants who came to work in the factories in and around Melrose Park. One hundred fifteen years later, few Italians (or Whites) were counted in the 2010 census of approximately 25,500 residents; seventy percent of the residents were Latinos, and they were evenly divided between immigrants, mainly



Our Lady of Mount Carmel Church, Melrose Park, Illinois. Behind this church is a building housing a food pantry and a senior center (below). At the bottom, Elizabeth Sanchez and the volunteer accountants at the Senior Center. This section also shows active participants at the center.



from Mexico, and their U.S.-born children. The members of the senior center represented different points in the ethnic transition, which has played out in other suburban Cook County towns where we conducted research, including Berwyn and Cicero.



Paulina was born in Italy; she married a Puerto Rican man, raised children with him and, when she retired as a secretary for a local company, received a plaque for having been the longest-employed worker at the firm. Telma's family came from Texas and was the first Latino household on her block; she witnessed the exodus of the Italian families and the new settlement of Mexican immigrants. The Sunday mass schedule at the church reflected this evolution: there were three masses in Spanish, two in English and one in Italian. (Every July, the Italians' legacy comes back to life in the annual pilgrimage and feast to Our Lady of Mount Carmel, when Italian Catholics are joined by local Catholics and tourists to take part in the famous, three-day event.)

In 2013 and 2014, the principal investigator (PI) of this project conducted ethnographic research at Casa Esperanza. On a Friday morning in March 2013, pulling into the parking lot at Our Lady of Mount Carmel Church for a second site visit, the PI came upon a frighteningly incongruous scene: muscular men in camouflage uniforms and combat boots, wearing vests with "SWAT" in bright orange letters on the backs. They seemed ready to conduct a violent raid. Yet the men were standing in relaxed poses and they did not carry any weapons. Their mission required arms of brooms and sponges, not guns. The men were volunteers from the sheriff's office who came

to Casa Esperanza to clean the buildings. The officers' elbow grease, donated freely every two weeks, was just one way that charitable contributions maintained, just barely, the frugal functioning of the senior center and other community programs at Casa Esperanza, which included a food pantry, domestic violence assistance and immigrant welcoming services.

The senior program was located down a long flight of stairs in a spacious basement, the former gym of the old Our Lady of Mount Carmel School. In mid-2015, the stair lift that used to carry one senior citizen, Mario, to the program was out of order, making it impossible for him or anyone else who was disabled to participate. The SWAT team's complementary cleaning raids and the state of the chairlift epitomized the precarious financial state of Casa Esperanza and the inevitable limitations it imposed on the scope of its programs.

Funding for the senior program came from AgeOptions, a non-profit organization providing information and services to older adults and their caregivers, which purposively reaches out to Latinos and other ethnic groups in its service area of suburban Cook County. AgeOptions subsidized Casa Esperanza's "culturally appropriate, fresh, balanced hot meals, nutrition education, resources, referral information and socialization," enabling Casa Esperanza's doors to be open each weekday for four hours and compensating the director's work salary for five hours a day. To supplement AgeOption's funding, Casa Esperanza's participants were asked to donate one dollar for the daily lunch and activities. In addition, the Archdiocese contributed support by providing the space, administrative oversight and extra help. Occasionally, a Mexican-American grandchild of one of the senior citizens helped out and thereby completed his/her community service requirement for high school graduation.

Out of these varied forms of support, the senior community at Casa Esperanza had created a vibrant, active, vocal, Spanish language community. They transformed the dull old gym into a colorful, Mexican social space. Paper cutout banners and fans formed a moving dropped ceiling of bright colors and soft shapes, complemented below by colorful tissue paper centerpieces on the eight round dining tables while recorded Mexican popular music

emanated throughout the space. The morning activities included yoga, salsa dance lessons, aerobic exercise, beanbag toss, *la loteria* (Mexican Bingo) and needlecrafts. Experts from community agencies gave weekly lectures in Spanish, for example, a presentation on the etiology and progression of Alzheimer's disease. Around noon every day, everyone gathered to sing Catholic hymns, to pray and to bless the meal. A senior female member was as likely to lead the prayer as a man, just one of the ways that the Mexican immigrant seniors have used the center as a safe space to toss out seemingly entrenched gender roles. Each month the group took part in an outing to a place of their choosing and on the last Friday of each month they arrived in dressy attire for the birthday luncheon.

Three women were typically in charge of arranging the delivered meals and putting the food on the serving tables. In a flagrant reversal of gender behavior, the men served at the tables, filling water glasses and clearing the plates and utensils, and they swept the floor after the meal. These acts were strongly symbolic of femininity in Mexico. Elizabeth Sanchez, the former director of the program, observed, "The men are more helpful here than the women and some of the women make fun of men who help, call them *mandilonos* (apron-wearers), but they are more helpful than women. And the men were sewing aprons!" (One of the center activities is sewing.) One of the men, who retired after several decades working in a local factory, explained as he cleared plates, "I need to help here and to be active, even if it means doing work that women do in Mexico." Manuel, who as a young man in Mexico was a professional baseball player, and another man collected the members' contributions and counted the money at the end of each session. Asking for small sums of money and counting it are practices that can also signify women's practices, a connection made to *la tanda*, the lending circle.

According to former director Elizabeth Sanchez, Casa Esperanza participants' outgoing, upbeat attitudes were the effect of their involvement in the program. Many arrived in depressed emotional states. "It is proven that (participation at the center) completely changes their life. The social interaction counters their depression. They arrive withdrawn and a week later they are coming in



with a smile." When questioned why they were depressed, Sanchez explained:

It is a cultural thing. We have shied away from the respect we would have had for them in Mexico. They are just there (in the house). The younger generation (born in the United States) doesn't respect their own parents anymore, much less their grandparents. The parents are so busy working and barely affording their lives; they don't have time for their parents. One son had never seen his mother the way she is in this atmosphere. He was surprised. He said to me, "Now I understand why she insists on coming here." They are very unaware, very into their own lives and not worried about their parents. Children have no respect.

Matt Brophy, a former priest of a large Mexican Catholic church and an experienced counselor, oversaw Casa Esperanza at the time of our research. He confirmed Sanchez's view of the participants' mental well-being. Gazing out at the sixty or so seniors assembled for lunch one day in 2013, Brophy averred, "I only see one person there who is depressed: the gentleman in the blue T-shirt, but he says he isn't depressed." Next, to illustrate the positive feelings nurtured by the center community, Brophy pointed to an attractively attired woman carrying grocery bags, headed purposefully toward a table where a



Tickets for Elizabeth Sanchez' farewell gala.

man was seated. “Mario is a very picky eater,” Brophy said, smiling at the irony of the scene. “She brings him a lunch every day when she comes to eat.”

The lively ambiance of the senior center was infectious. It was not always so. Casa Esperanza floundered under its first director until Elizabeth Sanchez took over. Sanchez, an immigrant from Michoacán, brought a fertile blend of competencies to the job: a very kind disposition, creativity, a good sense of humor, patience and, above all, a deep respect for elders. As she rushed around, Sanchez managed to pause to address each member individually with multiple Spanish terms of endearment and gentle pats on the shoulder, arm or back. Sanchez empowered the seniors to run the unique program with her; committees decided on every aspect from the daily menu to the outings. Unlike other senior centers visited for this research, whose programs were dictated by the professional staff, Casa Esperanza seniors selected and managed their own unique programs. The process of making a democracy, however, required effort and perseverance. At the close of one long subcommittee meeting, a usually upbeat member came out with her hands on her head, complaining of “a headache from all of the opinions.”

In the third year of her directorship of this unusual program, Sanchez made plans to return to college and began training her successor. Anticipating the difficulty of the transition, Sanchez organized a counseling session for the seniors with a professional therapist. Telma, a senior participant, Sanchez and the PI reflected on the impact of the change in the directorship. Sanchez commented, “Some people said, ‘My own grandchildren didn’t hug

me the way you do.’ I didn’t realize the impact I had on them until they said that.” Telma summarized her attitude toward the transition. “It is **our** program, Elizabeth is just the director. Sad as we may be about your going, you planted the seeds, the flowers, now we have to take care of it. We have to support the new director; we all have to do it.”

Naming themselves *Los Gigantes Unidos de la Tercera Edad* (The Great Ones, United in the Golden Age), Telma and the other members organized a spectacular retirement party for Sanchez, which they funded by the sale of elegant tickets emblazoned with their humorous name. They held the celebration at Casa Italia, a seventeen-acre green oasis on the edge of Melrose Park in a grey industrial area dedicated to the preservation of Italian culture in a zone now inhabited by Mexican immigrants. Under the dimmed light of chandeliers, with the framed faces of famous Italian-Americans like Enrico Fermi and Lee Iacocca staring out at them, *Los Gigantes* gave speeches and dined on a catered Italian meal enhanced by their own potluck desserts. A disc jockey played popular Mexican music as well as more esoteric regional, folkloric tunes, which allowed Catalina, her husband and a few other seniors to demonstrate their mastery of the dance styles. The song that got every able-bodied participant onto the dance floor was “*La Jaula de Oro*” (“The Gilded Cage”), a 1984 hit song by Los Tigres del Norte, which compares Mexican’s experience of immigrating to the United States to being stuck in a place that appears to offer a life of luxury, but where in actuality there is no freedom. Wives danced with their husbands and some women danced with female partners. One guest’s stunned reaction to the scene was, simply, “I can’t believe these people are senior citizens!”



XII. Analysis of Focus Group Survey Data

One hundred thirteen women and men participated in fifteen Chicago-area focus groups. In addition to taking part in the discussions, participants completed comprehensive questionnaires, which solicited objective demographic and financial information as well as subjective rankings of values statements. In this section, we analyze the data collected on the questionnaire through the Statistical Package for the Social Sciences. Below, we present a descriptive analysis of the regressions and correlations of responses along with graphs and tables, beginning with the Mexican-Americans.

A. Demographic Description of Mexican-Heritage Focus Group Data

1. **Gender Distribution:** There were 99 Mexican-heritage respondents, with 21 men and 78 women.
2. **Age:** We interviewed people in age brackets from college students to retirees over the age of 66. The age distribution is shown in Figure One.
3. **Citizenship and Residency:** With regard to residency status, 58 percent of participants were United States citizens, 28 percent were permanent residents and the remainder claimed “other” status, suggesting they were undocumented.
4. **School:** Educational achievement ranged from college and/or advanced degree (16 percent) to less than a high school diploma (33 percent).
5. **Employment:** Employment status of respondents, either at present or in the past, was divided into professional and non-professional categories with 38 percent professional workers and 62 percent non-professional workers.
6. **Marital Status:** The marital status of Mexican-heritage respondents demonstrated a strong rate of marriage, reflecting Mexicans’ tendency to have a higher rate of marriage than other groups. Most of the adults over age 21 were married (55 percent), in common-law union (5 percent) or widowed (4 percent) while 14 percent were divorced and 21 percent were single.

Figure One. Age of Respondents

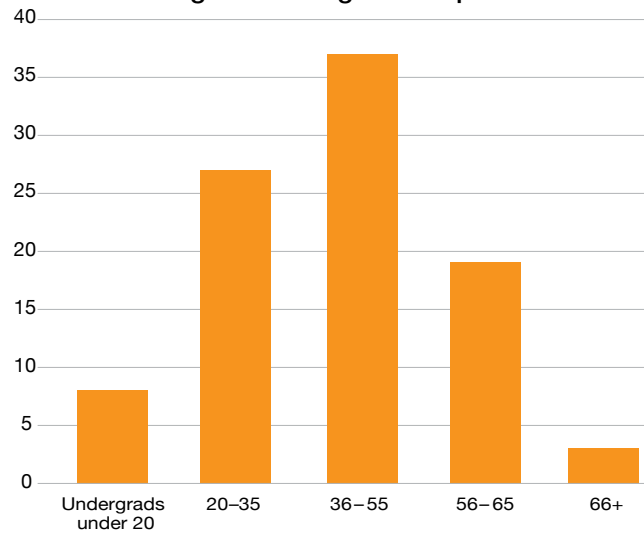


Figure Two. Respondents' Education

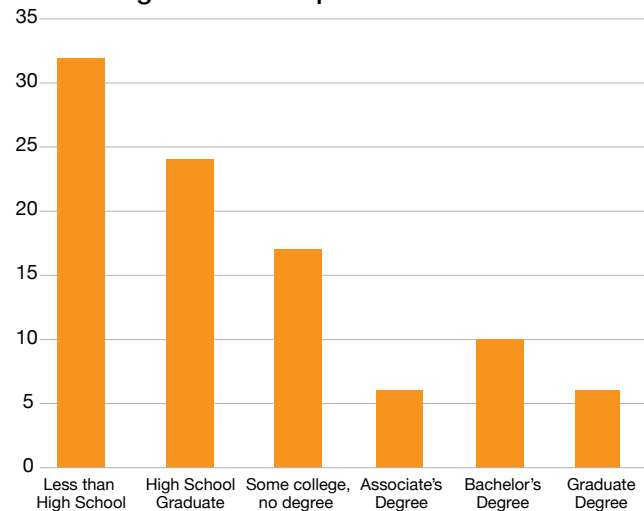
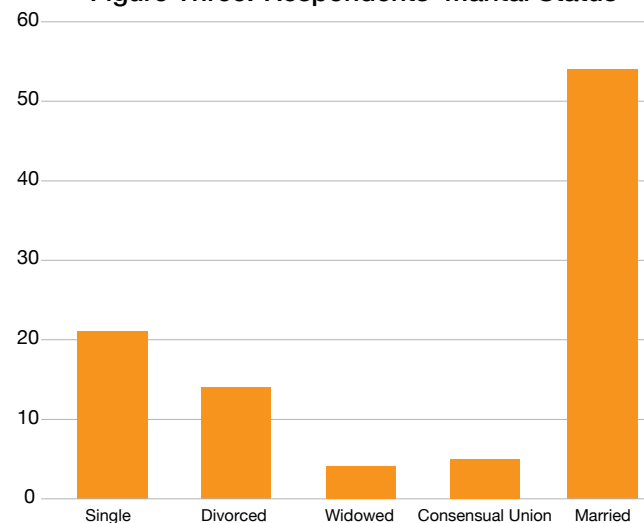
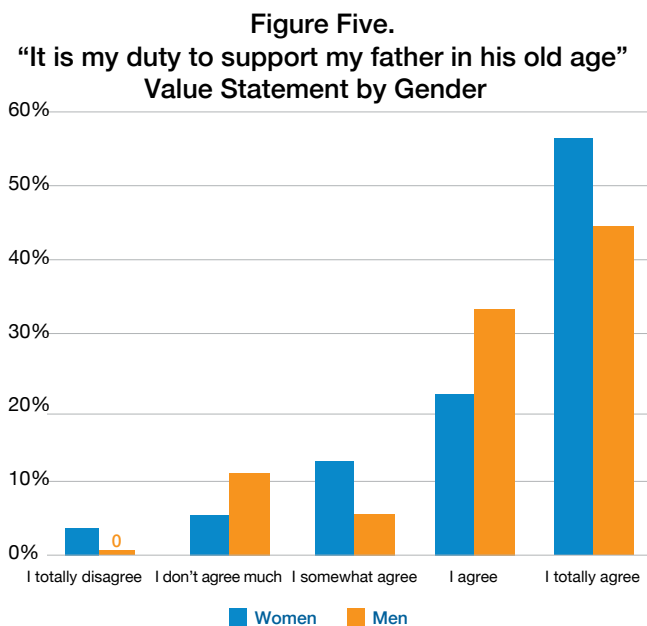
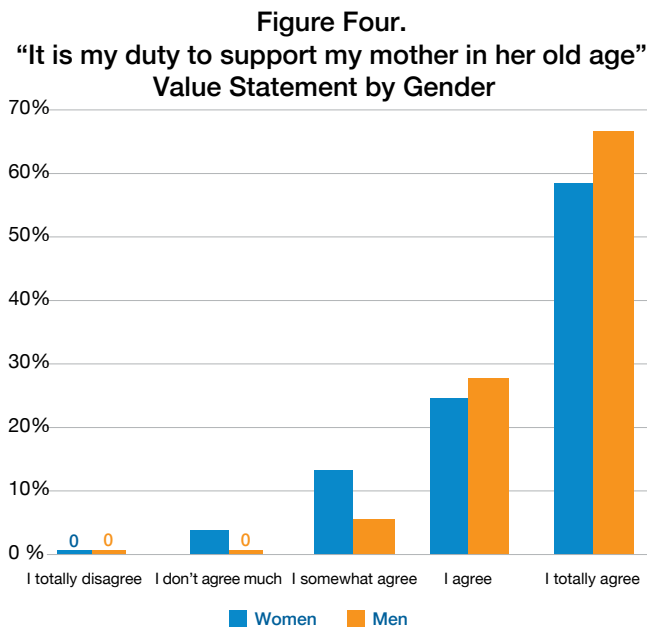


Figure Three. Respondents' Marital Status



B. Analysis of Financial Values and Behavior

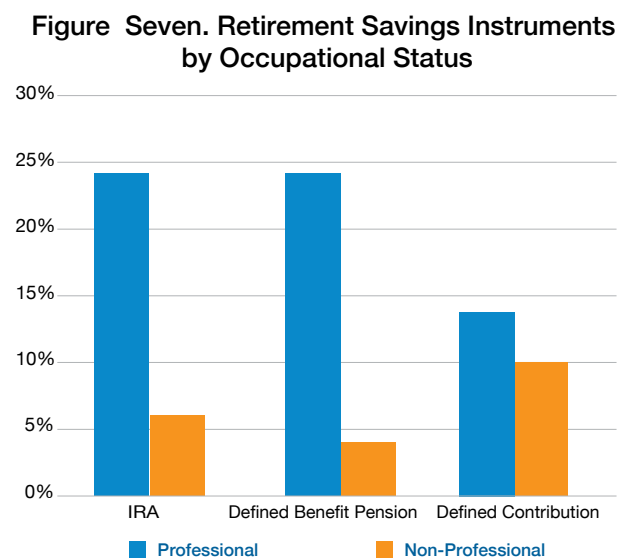
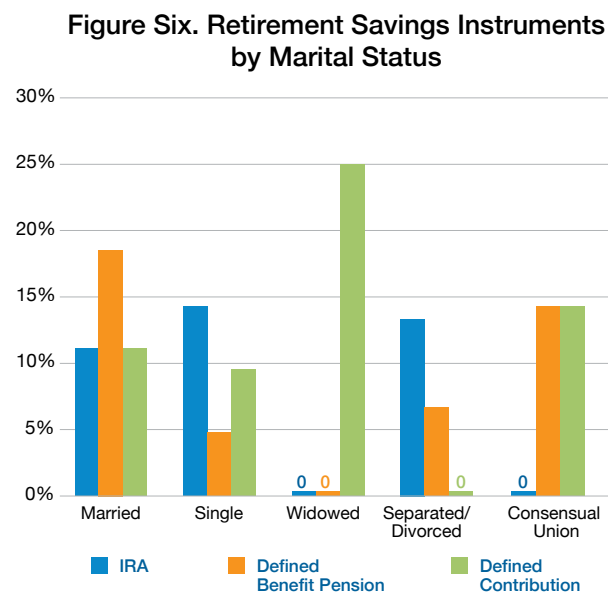
1. **Supporting Aging Parents:** An important indicator of gender neutrality is the set of responses to different questions about obligations to supporting one’s mother and one’s father in old age. Children feel equal obligations to support each of their parents in their old age.



2. **The Effect of Children on Savings:** Female and male respondents indicated similar views about the effect of children on their ability to save for retirement. Having children is perceived to make it harder for both fathers and mothers to save for retirement.

3. **The Effect of Children on Getting Ahead:** Female and male respondents had similar opinions: having children did not make it any harder for a mother than for a father to get ahead in one’s career. Women’s expectations of support for childcare from extended family influenced their views.

4. **Retirement Savings by Marital Status:** There was a correlation, albeit weak, between marital status and having a pension. The correlation between marriage and having a retirement pension was reflected in the wider society.

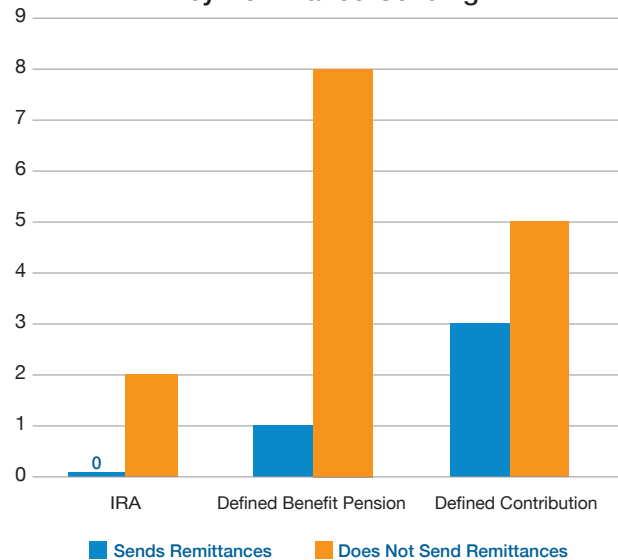


5. **Retirement Savings by Occupational Status:** As would be expected, professionals in our sample were more likely to participate in employer-provided retirement savings plans than non-professionals. Their overall participation rates, however, were still woefully low.

6. **Retirement Savings and Remittances:** The more one sent remittances to one’s country of origin, the less likely one was to have a retirement savings plan. As in our previous study, we found that there was an inverse relationship between pension usage and remittances, which are a means of building social and economic wealth.

Remittances are an expression of collectivism across national borders. Transnational migrants are making a decision to either provide for their relatives in their country of origin or to save for their own future in this country. Combining occupation, remittances and pension indicates that remittances and occupational status work in opposite ways to influence pension usage. A regression shows the effect of remittances and occupation on having a pension. An increase from 0 to 1 on occupation (from non-professional to professional) increases the probability of having a pension (.214). An increase from 0 to 1 on remittances (from not sending to sending), decreases the likelihood of having a pension (-.131). The negative effect of remittances on pension participation disappears when the occupational dummy variable is put into the equation.

Figure Eight. Retirement Savings Instruments by Remittance-Sending



7. **Educational Achievement and Attitudes Toward Saving for Retirement:** Regardless of their level of education, respondents agreed that a retirement savings plan was a good idea, even if they did not participate in one.

8. **Banking Habit as a Predictor of Retirement Savings:** Although experts frequently assert that workers participating in the formal banking system were more likely to maintain formal retirement savings, our data did not show any statistically significant correlations between any of the markers of formal banking participation and actual participation in a retirement savings program as seen in the table on the next page.

Table One. Effects of Occupational Status and Remittances on Having a Pension

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.116	0.077		1.515	0.135
	Remittances	-0.131	0.085	-0.196	-1.544	0.128
	Occupation	0.214	0.087	0.312	2.459	0.017

a. Dependent Variable: Employer-Provided Defined Benefit Pension

Table Two. Formal Banking Participation and Retirement Savings

		Correlations						
		Employer-Provided Defined Benefit Pension	401(k)	IRA	Banks	Informal Banking	Savings Circles	Other
Employer-Provided Defined Benefit Pension	Pearson Correlation	1	0.000	0.178	-0.060	-0.038	0.080	0.131
	Sig. (2-tailed)		1.000	0.078	0.557	0.708	0.434	0.196
	N	99	99	99	99	99	99	99
401(k)	Pearson Correlation	0.000	1	-0.045	0.060	0.082	0.112	0.164
	Sig. (2-tailed)	1.000		0.655	0.554	0.42	0.271	0.105
	N	99	99	99	99	99	99	99
IRA	Pearson Correlation	0.178	-0.045	1	0.194	-0.099	-0.051	-0.043
	Sig. (2-tailed)	0.078	0.655		0.054	0.328	0.618	0.676
	N	99	99	99	99	99	99	99
Banks	Pearson Correlation	-0.060	0.060	0.194	1	-0.014	0.007	-0.142
	Sig. (2-tailed)	0.557	0.554	0.054		0.889	0.942	0.162
	N	99	99	99	99	99	99	99
Informal Banking	Pearson Correlation	-0.038	0.082	-0.099	-0.014	1	0.031	-0.126
	Sig. (2-tailed)	0.708	0.420	0.328	0.889		0.764	0.215
	N	99	99	99	99	99	99	99
Savings Circles	Pearson Correlation	0.080	0.112	-0.051	0.007	0.031	1	-0.105
	Sig. (2-tailed)	0.434	0.271	0.618	0.942	0.764		0.302
	N	99	99	99	99	99	99	99
Other	Pearson Correlation	0.131	0.164	-0.043	-0.142	-0.126	-0.105	1
	Sig. (2-tailed)	0.196	0.105	0.676	0.162	0.215	0.302	
	N	99	99	99	99	99	99	99

Table Three. Banking Participation and Willingness to Participate in Retirement Savings Plans

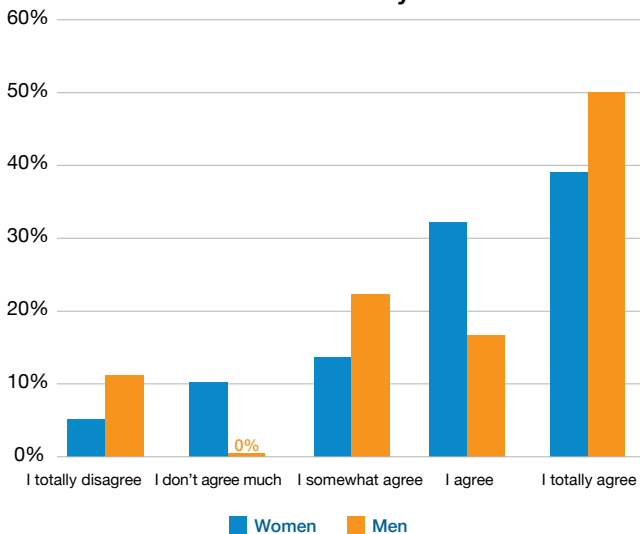
		Correlations				
		Retirement Participation	Banks	Informal Banking	Savings Circles	Other
Retirement Participation	Pearson Correlation	1	0.231 *	-0.073	0.090	-0.013
	Sig. (2-tailed)		0.045	0.533	0.441	0.911
	N	76	76	76	76	76
Banks	Pearson Correlation	0.231 *	1	-0.014	0.007	-0.142
	Sig. (2-tailed)	0.045		0.889	0.942	0.162
	N	76	99	99	99	99
Informal Banking	Pearson Correlation	-0.073	-0.014	1	0.031	-0.126
	Sig. (2-tailed)	0.533	0.889		0.764	0.215
	N	76	99	99	99	99
Savings Circles	Pearson Correlation	0.090	0.007	0.031	1	-0.105
	Sig. (2-tailed)	0.441	0.942	0.764		0.302
	N	76	99	99	99	99
Other	Pearson Correlation	-0.013	-0.142	-0.126	-0.105	1
	Sig. (2-tailed)	0.911	0.162	0.215	0.302	
	N	76	99	99	99	99

* Correlation is significant at the 0.05 level (2-tailed).

The data did show, however, a statistically significant correlation between participation in the banking system as manifested in formal loans and the willingness to participate in retirement savings plans to the maximum. Additionally there were statistically significant positive correlations in (Retirement Participation x Checking Account Money Market), (Retirement Participation x Stocks Mutual Funds), and (Retirement Participation x Bank Saving Account).

9. **Gender and Attitudes Toward Retirement Savings Participation:** Gender did not affect respondents’ willingness to participate to the fullest in a hypothetical retirement savings plan. Women and men indicated equal willingness in their responses to the following values statement: “If I were eligible for a retirement savings plan at work, I would definitely participate to the maximum.”

Figure Nine. “If I were eligible for a retirement savings plan at work, I would definitely participate to the maximum” Value Statement by Gender



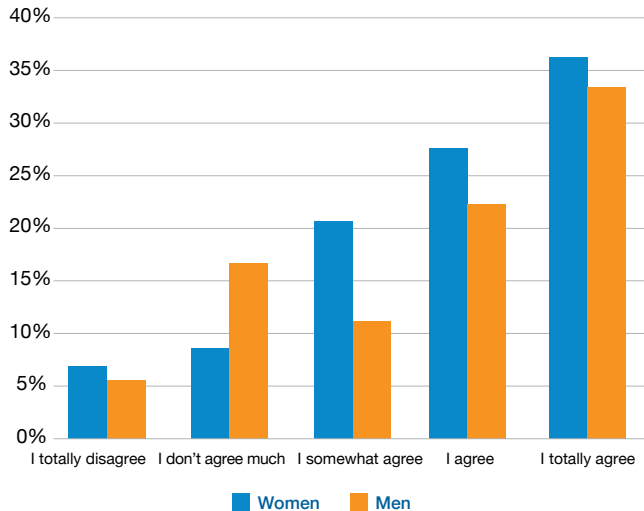
10. **Perception of Liquidity of Retirement Savings:**

There was a mismatch between the illiquid structure of defined contribution savings and the perception of liquidity by savers, both actual and potential. Mexican-heritage men and women tended equally to view retirement savings accounts as a form of liquid capital; there was no statistically significant correlation between gender and the willingness to withdraw from retirement accounts for family members in need. The inevitable leakage from retirement savings can adversely affect retirement security.

Most focus group members expressed a positive view of participation in an employment-based retirement savings plan, including endorsement of saving the maximum, if possible, and saving at least the minimum to qualify for the employer match. Respondents revealed a nearly homogeneous view of employer-based defined contribution plans as a savings account—which can and should be withdrawn or cashed out to meet needed expenditures—and not a long-term retirement plan. The comment of one (1.5 generation) interviewee epitomized this view, “Everyone withdraws money from his or her 401(k).” The other members of the focus group did not challenge her statement. Notably, the speaker worked at a bank and several of those nodding their heads in agreement were her colleagues. This momentary exchange captured the contradictions of the retirement savings policy that allows workers to undermine their own retirement security.

Figure Ten (next page) demonstrates men’s and women’s answers to the statement: “If I have/had a retirement savings plan at work and a family member were in need, I would consider withdrawing money from it to help them out.” The graph predicts leakage by showing the prevalence of the idea that one can—and even should—see the retirement savings account as liquid. The propensity to undermine one’s retirement savings through withdrawals was even more concerning given the broad endorsement, reported in Figure Nine, of the values statement: “If I were eligible for a retirement plan at work, I would definitely participate to the maximum.”

Figure Ten. “If I have/had a retirement savings plan at work and my family member were in need, I would consider withdrawing money from it to help them out” Value Statement by Gender



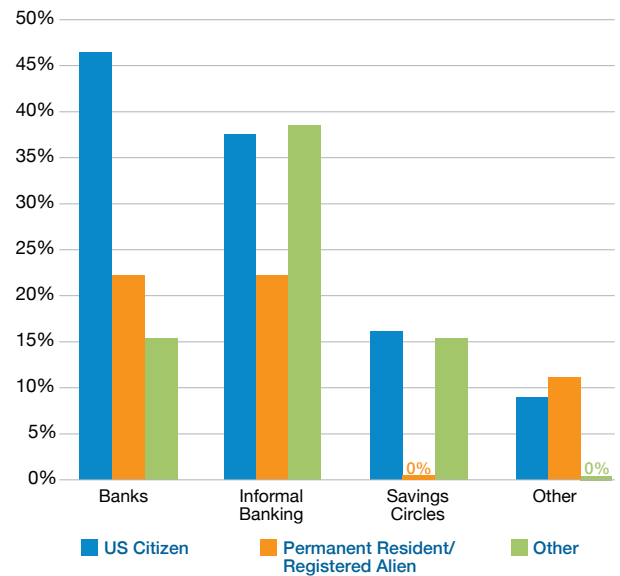
11. Effect of Gender on Retirement Savings and Social Capital:

Interactions among gender, retirement savings and proxies for social capital did not reveal any statistically significant correlations. Mexican-heritage women are no more collectivist than men. Both men and women engaged in activities that build social capital. Moreover there was a lack of a correlation between the proxies for social capital and the utilization of retirement savings instruments.

12. Use of Formal and Informal Banking Systems to Borrow Money:

Use of the formal lending system should, according to conventional financial theory, correlate with lower usage of the informal lending system. The data, however, did not show such. Borrowing from “people” was done by the same percentage of U.S. citizens—those with the highest rate of being “banked”—as other residency statuses, indicating that borrowing among peers was a common practice in this population. Among the three categories

Figure Eleven. “From where/whom do you get money?” by Citizenship Status



of citizenship in the survey (citizens, immigrants and undocumented), U.S. citizens were the most likely to get assistance with loans from banks. Their 46 percent usage rate was more than twice the 22 percent rate of permanent residents and three times the 15 percent of “others” (undocumented immigrants). Thus the propensity for circulation of financial support through informal means coexisted with participation in formal banking practices.

13. Lending to Others and Citizenship Status:

In all three categories of citizenship (citizens, immigrants and undocumented), the directions of lending went beyond the nuclear family to friends, neighbors and co-workers. Furthermore, lending to kin was positively correlated with lending to neighbors and friends. Whereas citizens were lending to all four categories, undocumented migrants, who may have a shorter time in this country, had lower rates of lending to co-workers.

Figure Twelve. “To whom do you lend money?” by Citizenship Status

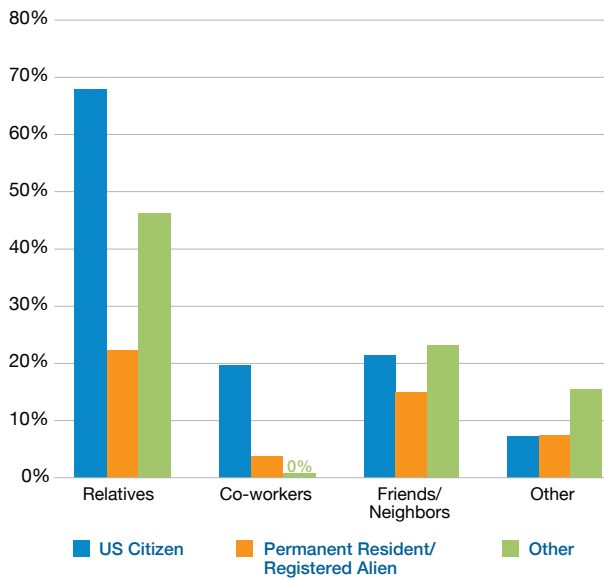
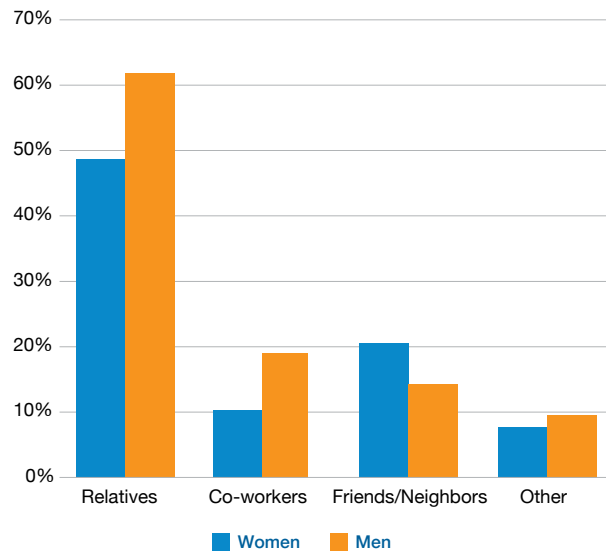
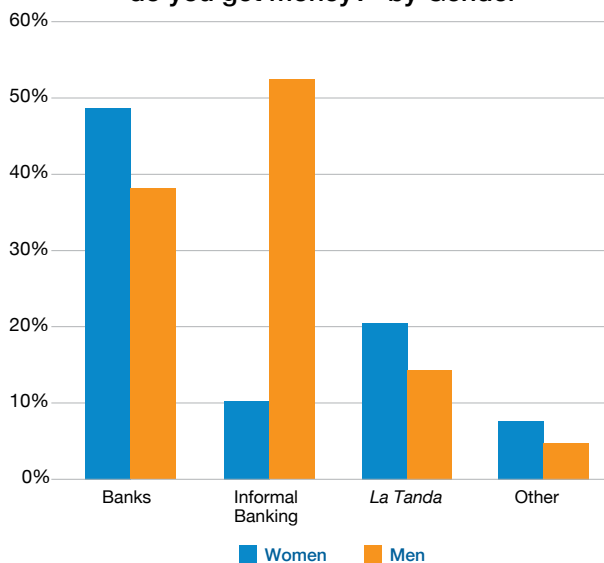


Figure Fourteen. “To whom do you lend money?” by Gender



14. **Borrowing and Gender:** Some differences in borrowing behaviors between men and women were seen in the questionnaire data collected. By percentages, women were more likely to borrow from banks whereas Latino men were more likely to borrow from people, especially their peers. Thus, we see that Latino women were actually accessing the formal banking system at rates higher than men. They also use *la tanda* at higher rates than men.

Figure Thirteen. “From where/whom do you get money?” by Gender

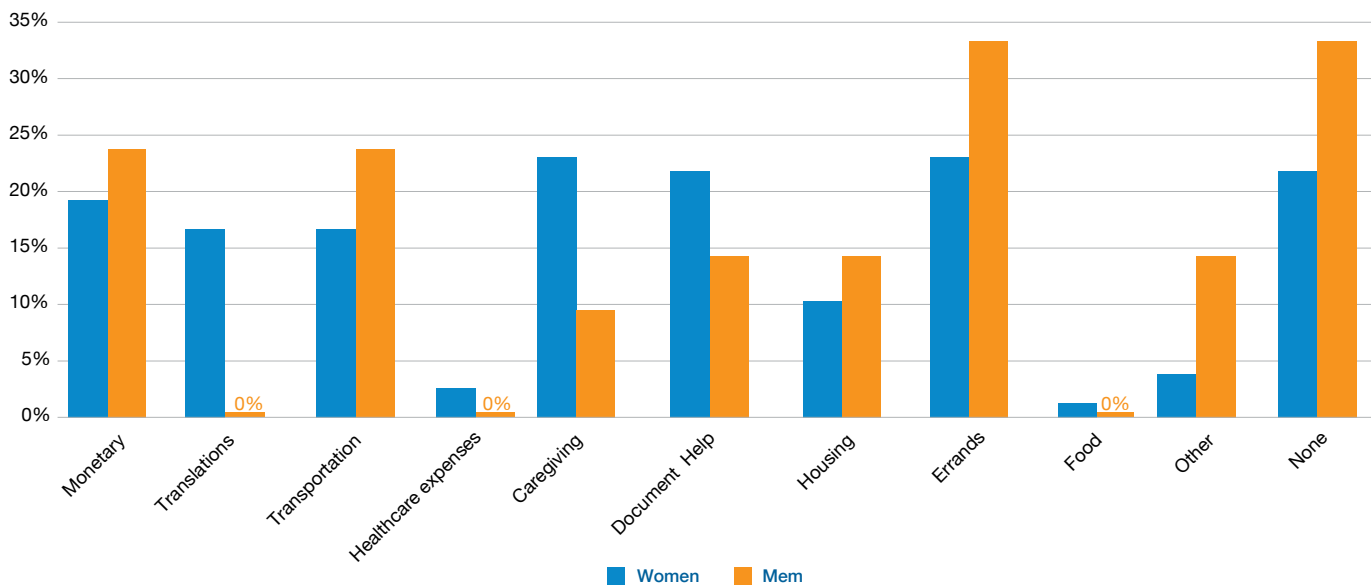


15. **Lending and Gender:** Lending patterns differed only slightly somewhat between men and women (no more than ten percentage points).

16. **Borrowing, Banking and Occupational Status.** A greater percentage of professional respondents stated that they borrow from banks (65 percent) when compared with non-professional respondents (25 percent). Professionals were also more able to help their relatives because of their relatively larger amount of resources. There was a statistically significant correlation ($p = 0.005$) between occupational status and lending to relatives. The positive Pearson Correlation Coefficient of 0.321 indicates that professionals were more likely to lend to relatives.

17. **Forms of Support Received and Gender:** Men and women equally relied upon others for basic necessities with less than a five-percentage-point discrepancy between genders in support coming in the forms of money, healthcare expenses, housing and food/cooking. With regard to other forms of support, men utilized more transportation to appointments and errands assistance, while women received greater support for translations, caregiving and paperwork (Figure Fifteen, next page.).

Figure Fifteen. Support Received from Others by Gender



18. **Forms of Support Provided and Gender:** Claims of monetary and housing support flowing from respondents to others portrayed more gender variation.

Fifty-seven percent of men provided money to others, whereas only 30 percent of women did. Also, men provided more housing support than women.

C. Analysis of African-American Focus Group Responses

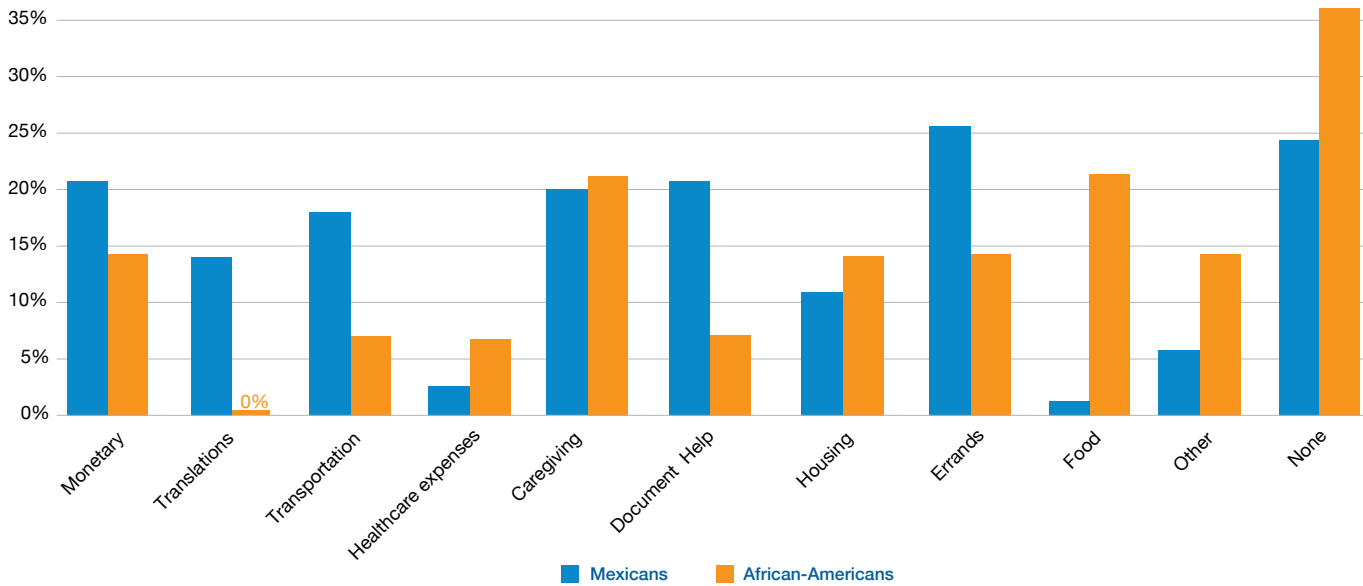
To provide a control group of another minority population whose retirement security is also at risk, we conducted two focus groups with African-Americans living in the Chicago area. Thirteen women and one man participated in the sessions and completed questionnaires. Participants' ages ranged from college age to the sixties. The majority of the participants in our control group were in the labor force. They were not married, a common pattern that was also linked to lower-income (and poverty) and lower retirement savings participation rates. (Eight were single, four were married and two were divorced.) The African-American participants' educational rates were high: ten of the fourteen had earned a bachelor's degree or higher, and three-fourths were professionals. Nonetheless, only about 28 percent participated in an employer-sponsored retirement savings plan: three had defined contribution plans, one had a defined benefit plan, and two others had IRAs. These rates reflect worrisome national trends. According to Craig Copeland of EBRI (2013), African-Americans' rate of participation in employment-based

plans is only 37 percent, much lower than the rate for Whites, but higher than Latinos' participation rates.

Like Mexican immigrants, African-Americans' collectivist ethic and experience of marginalization make their savings more vulnerable to the needs of family. The obligation of successful members to provide monetary, material and emotional support to vulnerable family members and social networks also prevails in African-American communities. As we saw with Mexican-Americans, this pattern prevails among professionals who grew up poor. For example, one participant in our study was an attorney who heads a small law firm in suburban Chicago. She described herself as the one solid anchor for a large kin network. Providing material and emotional support to her family supplanted her desire to have her own children and nuclear family. She justified her decision not to start her own nuclear family by commenting, "I am (already) a mother to a lot of people."

African-Americans and Mexican-Americans provided similar descriptions of the kinds of support they gave to

Figure Sixteen. “What types of support do your family members provide you?” by Race



others and received from others. The charts that follow compare the two groups’ behavior.

According to the Ariel/Aon Hewitt study, *401(k) Plans in Living Color*, African-Americans have the highest rates of retirement account leakage of any group. As Borland testified before Congress, African-Americans are 276 percent more likely and Hispanics are 47 percent more likely to take hardship withdrawals than Whites. The recession worsened the rate of leakage, as Ariel/Aon Hewitt found in updates to their influential study. In

2010, 8.8 percent of African-Americans took hardship withdrawals, compared to 6.3 percent three years earlier.

Explanations for this behavior were apparent in responses to the questionnaires. Participants report heavy involvement in giving and receiving monetary, material, in-kind and service help. Like our Latino respondents, the African-Americans in our study ideally would save to the maximum for retirement through their employers’ plans, but they, too, see the accounts as liquid and subject to the needs of their close kin.

Figure Seventeen. “If I were eligible for a retirement savings plan at work, I would definitely participate to the maximum” Value Statement

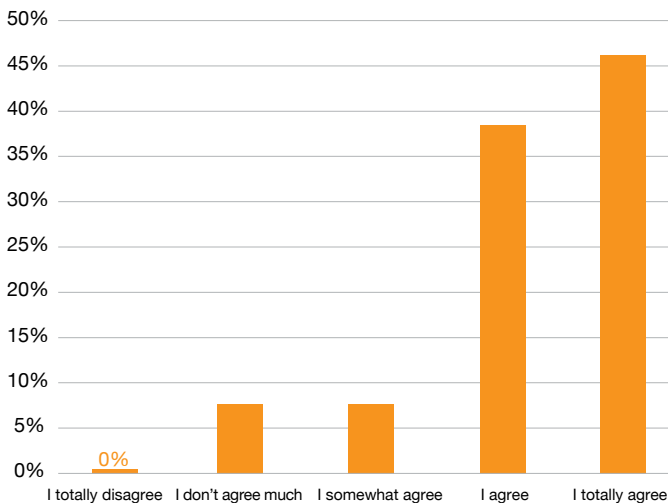
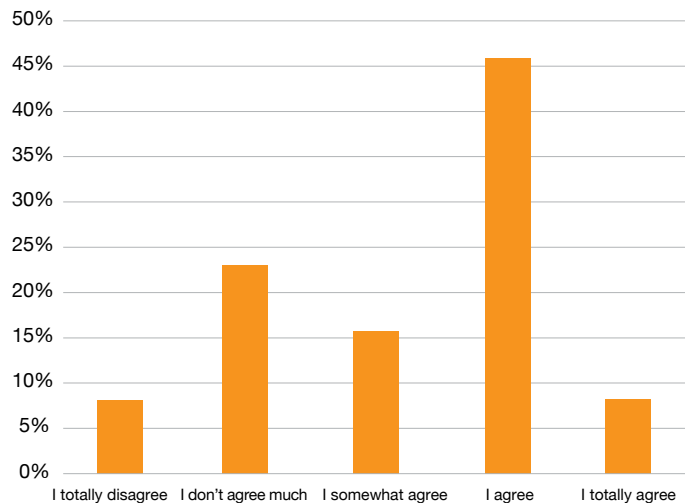


Figure Eighteen. “If I have/had a retirement savings plan at work and my family member were in need, I would consider withdrawing money from it to help them out” Value Statement



D. Summary of Focus Group Questionnaire Data

The quantitative analysis of focus group questionnaire data demonstrates that Mexican-heritage women and men are far more alike than different in attitudes toward earning, exchanging and saving money within social networks built on trust. They also have much in common with the African-American women in our control group. Statistical regressions of focus group participants’ responses indicate that gender equality is the norm in Mexican-Americans’ lives and decision-making. Our qualitative research suggests that in the domain of family finances, women have long been the “administrators.” There is no statistically significant correlation between gender and any of the twelve value statements related to financial behavior.

As for retirement savings, only 29 percent of our Latino female focus group participants between ages 20 and 65, including non-workers, had some type of pension plan compared to 58 percent of their male counterparts. Half of the participants in our smaller African-American women’s focus groups, which had a higher percentage of working women, had some pension coverage.

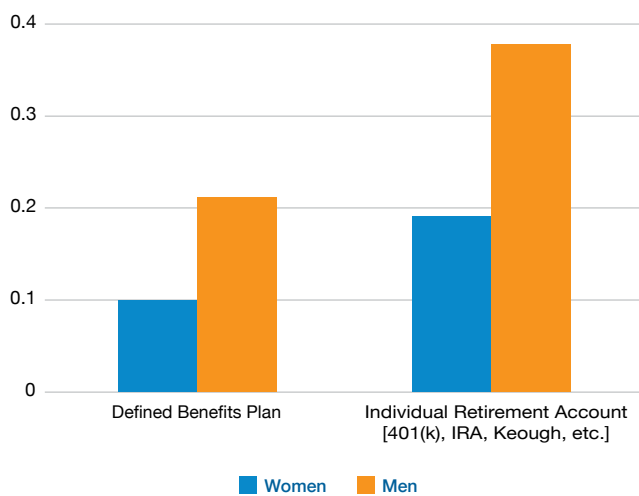


Focus group research at Catholic Charities in Chicago.

If the low rates of participation by these two minorities are cause for concern, a reason for optimism is the fact that most of those we interviewed who are not yet participating in an employment-based savings plan desire to do so. Their attitude could be interpreted as positive were it not for strong evidence of behavior that would undermine those savings. Our analysis shows that both those who have retirement savings and those who would like to start a retirement savings account view retirement savings as liquid capital, there to meet their own and others’ needs. This ill-advised behavior would put their retirement savings at risk and points to the need for a better retirement savings alternative.

There is a fundamental gap between the rules of defined contribution retirement savings programs and the needs of lower- and middle-income workers, who face limited funds, job insecurity and discrimination by race, language and/or citizenship (Ghilarducci 2008). Latinos, like African-Americans, adapt to insecurity through their collectivist culture and family and social networks (Stack 1974). This analysis demonstrates that as long as their manifold insecurity and their cooperative adaptations to it continue, increasing their participation in the existing, punitive structure of tax-deferred defined contribution plans is unlikely to increase their retirement security and may, to the contrary, undermine their savings for retirement.

Figure Nineteen.
Latino Focus Group Pension Plans by Gender



XIII. Quantitative Analysis of National Census Data

This part of our study moves to the national scope to analyze data from the Survey of Income and Program Participation (SIPP). The choice of SIPP data to study Latinos, gender and retirement is based on a consideration of the strengths and weaknesses of the existing data sets. The Health and Retirement Study (HRS) is a sample of older people (51 years of age and older), in which most individuals are retirees. Therefore the HRS is not the best data source for studying current workers. Although the HRS oversamples Hispanics, it does not have many foreign-born immigrants, who tend to be a younger demographic. Nonetheless we use one set of data from the 2012 HRS to shed more light on a question that was ambiguous in the SIPP. The Current Population Survey (CPS) collects similar information to the SIPP on income source, labor force and program participation, but the SIPP has more information than the CPS on financial assets and liabilities. As for sample size, although the CPS sample is larger than the SIPP, the SIPP over-samples low-income households, which may include more Latinos. Finally, the pension participation information available through the SIPP is more up-to-date than the CPS. The latest SIPP is 2012 while the most recent CPS is 2005. Thus the SIPP provides the most current and the most comprehensive data on pension savings and program participation among current workers.

The Survey of Income and Program Participation is a longitudinal four-year survey designed as a continuous series of national panels. Unlike the CPS, the SIPP follows people across waves, giving us the possibility to combine different waves to get more information about individual people. Each SIPP panel features a nationally representative sample interviewed over a multi-year period lasting approximately four years. Multiple waves of data collection among this same population sample allow researchers to see progression and change over time. The SIPP is a source of data for a variety of topics and it provides for the integration of information for separate topics to form a single, unified database. In this study, we use the 2008 SIPP panel data, which contains 14 waves of data from September 2008 through December 2012, covering topics ranging from employment, tax, education, migration, government welfare program enrollment, retirement savings, assets and liabilities, and adult and child well-being. Wave 11

of the 2008 SIPP panel data is the latest survey on retirement and pension plan coverage; it includes questions on types of pension plan, participation, contributions, payments and withdrawals. To correlate pension information with demographic characteristics, our study merges wave 11's pension information with 2008 SIPP wave 2 data, which contains immigration history and household relationships, and with wave 8 data, which contains retirement account information.

Despite the SIPP's provision of broad data collection on workers' pension participation and savings, there are nonetheless important gaps in the data set, which impose limitations on analysis of the data in the survey on the retirement savings of Latinos. First, the 2008 SIPP does not provide country of origin information, which was included in 1996 and 2001 panel data. As a result, we are not able to differentiate in detail the retirement savings behaviors of people of Mexican, Dominican, Cuban, Puerto Rican, Central American and South American heritage. Second, the questionnaire in the wave 11 topical module on pension coverage does not ask respondents detailed-enough questions about what they did with their defined contribution savings when they left their jobs. It is important to know whether upon leaving a job they left the accumulated balance in the plan, rolled it over to another plan, saved it or spent it. Third, the survey questions do not delve deeply enough into why people who are eligible to participate in defined contribution retirement savings plans choose not to do so. Many respondents—more than 10 percent—selected “some other reason,” which means that the list of reasons could not accurately reflect why people choose to opt out of pension plans. The reasons people do not participate in pensions could include: 1) they don't trust the program; 2) they plan to retire elsewhere—in their home countries if they are immigrants; 3) they expect to rely on their children or other family members to support them; 4) they are not well enough informed about the options, etc. Fourth, the SIPP does not collect any information from respondents about the provision of monetary help to members of one's family network. In light of qualitative findings of Latinos' collectivist uses of finances and investments, this omission further limits the analysis.

A. Pension Participation, Latinos and Gender

Studies of Latino retirement readiness share the concern that Latino workers’ fragile connection to the American employer pension system makes Latino retirees vulnerable to poverty. Race and gender combined to be powerful contributors to this vulnerability. Latinas are more vulnerable compared to Latino men and to White women. In 2012, the poverty rate for Latinas overall was 27.9 percent, compared with the rate for non-Latino White women at 10.8 percent. The number of working-poor Latinas is more than double that of White women, at 13.58 percent compared with 6.69 percent. Correspondingly, Latinas have lower retirement account balances than their White counterparts. Analysis of data from the 2008 Survey of Income and Program Participation (Figure Twenty) shows that the average retirement account balances, including 401(k) and IRAs, for Latinas age 25 to 64 are only \$5,892, far less than Latino men and all other demographics.

The causes of Latinas’ lower retirement savings are many, including lower earnings, shorter working tenure, lower pension participation and account depletion. First, earnings strongly determine one’s ability to save for retirement and women workers in the United States earn far less than their male counterparts—only 78 cents for every dollar earned by men. The figures are far worse for Latinas, who earn only 54 cents for every dollar White men earn (AAUW 2015). Nativity is correlated with income. The SIPP shows that median earnings for foreign-born Latinas are \$17,148 versus \$25,044 for native-born Latinas. Annual earnings for foreign-born Latino immigrants are \$24,000 as compared to \$33,564 for native-born Latinos.

The second cause of Latinos’ lower retirement savings has to do with employer-based retirement savings plans. Workers may not be covered in an employer pension plan for three main reasons: 1) their employer does not offer a pension; 2) they are not eligible to participate in the plan offered at work and/or 3) they voluntarily choose not to participate in their employer’s plan, a worrisome problem since most employers have turned to voluntary, tax-deferred 401(k)- or 403(b)-type savings plans as their main pension offering. These reasons are particularly important in explaining Latinos’ weak connection to the U.S. employer-sponsored pension system, because Latinos are more exposed to all three reasons for non-coverage.

Foreign-born Latinos are less likely than other groups to be covered by private pensions as they are less likely to work in large, unionized firms that offer pension plans. In addition, vesting policies regulating participation in plans often bar people from full participation because they do not work long enough, work on a part-time basis, have more career interruptions and take earlier retirement (Meyer 1990; Pienta 2003). Analysis of the 2008–2012 SIPP reveals that working for an employer who sponsors a pension plan is the strongest reason for pension participation. Latinos as a group tend to work less for such employers and thus have less access to pension savings programs at work. Nativity, whether you were born in

Figure Twenty. Differences in IRA and 401(k) Account Balances by Race and Gender

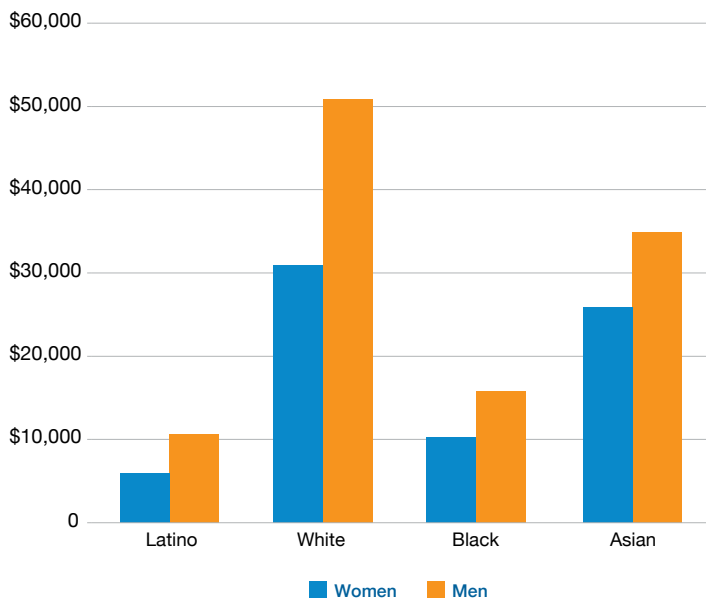


Figure Twenty One. Pension Sponsorship and Coverage Comparison, All Workers Age 25–64 (2008 SIPP)

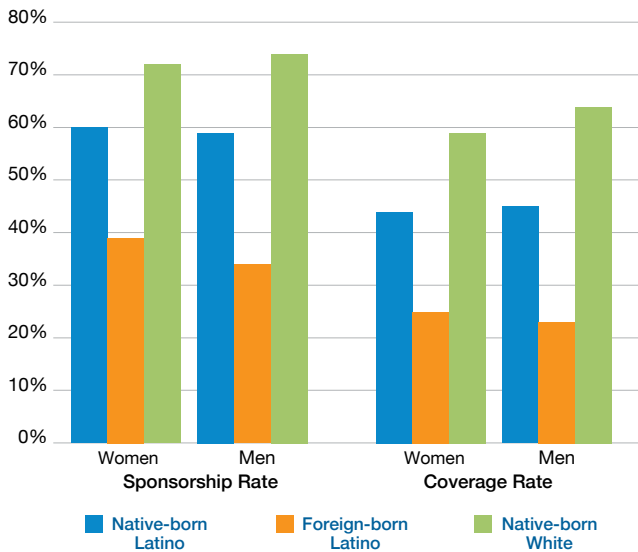
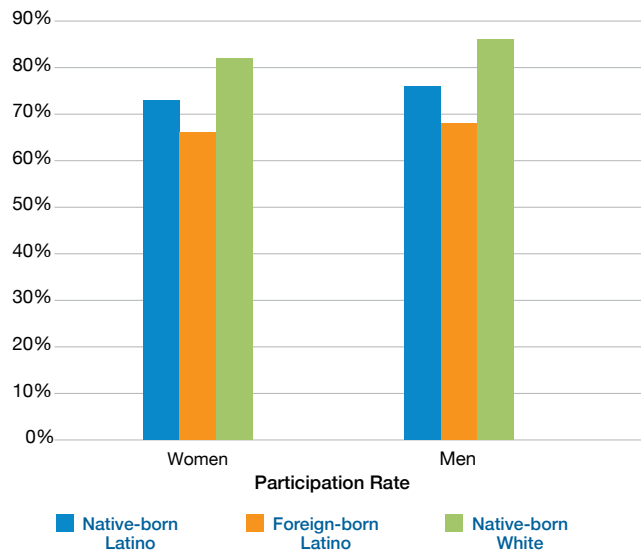


Figure Twenty Two. Percent of Employees Participating in Employer-Sponsored Plans

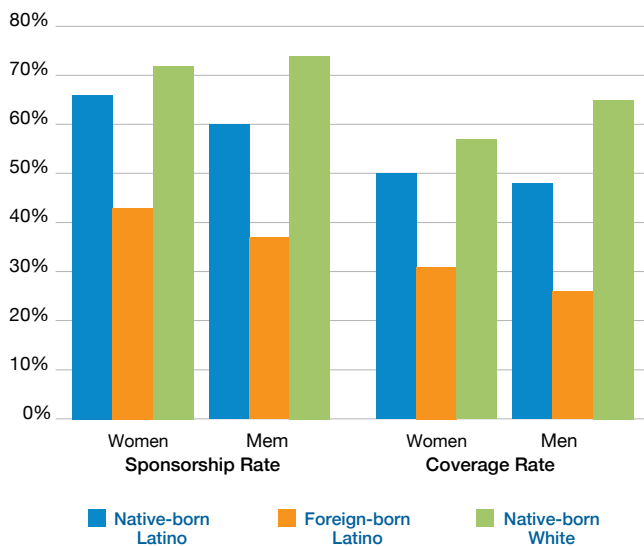


the United States or immigrated here, further determines the likelihood of pension eligibility and coverage. Our analysis of the 2008 SIPP sample indicates that 34 percent of foreign-born Latinos and 39 percent of foreign-born Latinas work for employers who sponsor pension plans, compared to 59 percent of native-born Latino men and 60 percent of native-born Latinas and to 72 percent of native-born White women and 74 percent of native-born White men (Figure Twenty One). Hence, Whites are far more likely to work for employers who offer organized ways to save for retirement.

Eligibility does not necessarily result in coverage; there is a difference between eligibility and participation. When it comes to pension coverage of the demographics in our study, 25 percent of all foreign-born Latina workers are covered by pensions, yet only 66 percent of those who work for an employer who provides a retirement savings plan participate. With regard to foreign-born Latino men in the labor force, 23 percent are covered and only 68 percent of those eligible actually participate. Native-born Latino men and women, however, have better pension coverage because their participation rates are at

76 percent and 73 percent, respectively (Figure Twenty Two). Pension sponsorship and participation rates are higher for both native-born White women and men than for their Latino counterparts. Native-born White women have an 82 percent participation rate and native-born White men have a participation rate of 86 percent. If we use the last two SIPP surveys as a measure of progress in Latinos’ pension sponsorship and pension coverage rates, we find alarming results. Comparing data from the 2008–2012 SIPP with the 2001–2004 SIPP, we see a decline in the pension coverage of Latinos and Latinas, regardless of nativity, by an average of several percentage points, whereas the pension sponsorship and coverage for native-born Whites remained essentially the same (Figures Twenty One and Twenty Three). The Great Recession of 2007–09 transpired in the intervening years and Latinos’ household worth fell by 66 percent, according to Pew Hispanic (Kochhar, Fry and Taylor 2011). The decline in Latinos’ pension participation during this period is further cause for concern.

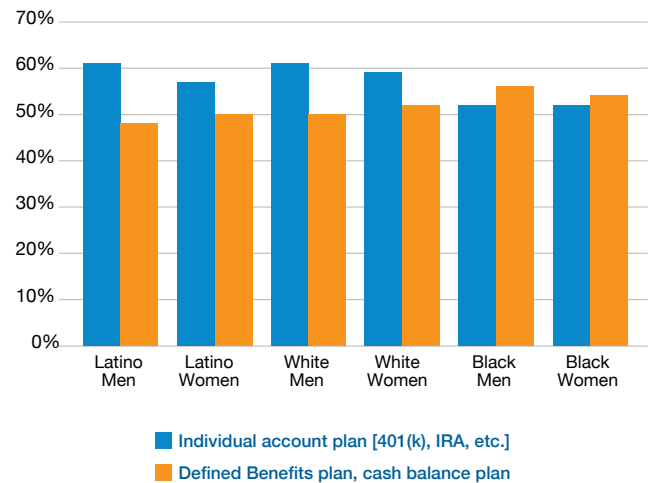
Figure Twenty Three. Pension Sponsorship and Coverage Comparison, All Workers Ages 25–64 (2001 SIPP)



The SIPP has survey information on the type of plan. As Figure Twenty Four shows, Latino men and women are less likely to work in the public sector where sponsor defined benefit plans exist compared to White and Black men and women who are more likely to work for the government. Latino women, in particular, are mostly concentrated in the service sector where employers either do not offer defined benefit plans or only offer defined contribution plans. Defined benefit plans will have guaranteed benefits and mandatory participation. Defined contribution plans such as a 401(k) are voluntary and require workers’ contributions, which low-income workers are more likely to turn down.

Yet even when their employers offer coverage in defined contribution plans, some workers decline to participate. Latino workers are more likely than other groups to choose not to take advantage of the retirement savings program at work. Table Four lists the reasons, both involuntary and voluntary. Involuntary reasons concern eligibility. Ineligible workers are those who work part-time, work less than one year, are younger than 21 years of age or are in certain jobs. The primary (voluntary) reasons for declining to participate concern affordability and liquidity. Thirty-one percent of Latino women think

Figure Twenty Four. Pension Plan Type by Race and Gender



it is too expensive to participate compared to 37 percent of Latino men, 37 percent of Black women, 23 percent of White women and 19 percent of Asian women. Lack of liquidity is the second most common excuse; 13 percent of Latino women responded that they “don’t want to tie up money” in the plan compared to 20 percent of Latino men, 6 percent of Black women, 10 percent of White women and 8 percent of Asian women.

A high percentage (18 percent) of Latino men answered “some other reason” as to why they did not participate in pensions. Compared to the previous 2001–2004 SIPP survey, the number of people who chose “too expensive, cannot afford it” and “do not want to tie up the money” increased, while the response, “some other reason,” hardly changed. Given that the SIPP oversamples low-income workers, this pattern suggests that the affordability of retirement savings is an increasingly serious concern for this group. In light of our qualitative research, we speculate that the category “some other reason” could include collectivist logic (expecting to rely on their network for future support and/or retiring elsewhere) and issues of trust and confidence (lack of trust, understanding and/or saturation of technical information). As we explain above, it would be helpful if the SIPP could include such responses in its future survey.

Table Four. Reasons People Are Not Covered by Employer-Sponsored Pension Plans

	Latino Men	Latino Women	White Men	White Women	Black Men	Black Women
Involuntary reasons						
No one in my type of job is allowed	6%	11%	8%	11%	19%	7%
Don't work enough hours, weeks or months per year	8%	21%	14%	28%	18%	23%
Haven't worked long enough for this employer	12%	18%	20%	16%	21%	18%
Started job too close to retirement	0%	1%	1%	0%	0%	1%
Too young	1%	1%	1%	0%	0%	1%
Voluntary reasons						
Too expensive, cannot afford	37%	31%	27%	23%	36%	37%
Don't want to tie up money	20%	13%	14%	10%	9%	6%
Employer doesn't contribute, or contribute enough	3%	1%	4%	2%	2%	2%
Don't plan to be in job long enough	2%	0%	2%	2%	4%	3%
Don't need it	0%	2%	3%	1%	1%	2%
Have an IRA or other plan	2%	2%	3%	2%	0%	3%
Spouse has pension plan	2%	3%	1%	4%	0%	3%
Haven't thought about it	9%	6%	6%	5%	6%	10%
Some other reason	18%	6%	14%	10%	12%	8%

B. Multivariate Analysis Methodology

1. Sample and Dependent Variables

Changes in the structure of pension savings have created the need to be explicit about how we define and measure pension access and pension participation. In the past, when defined benefit plans dominated, participation was automatic after eligibility requirements were met. As defined contribution plans are increasingly adopted by employers, however, the more choices individual employees face. In this new pension environment, pension access and pension participation are no longer necessarily the same thing. The distinction between employer sponsorship and the rate of employee participation is critical to interpreting data on pension participation, including the effect of gender and racial demographics. In this investigation, pension participation is defined as the percentage of employees covered by pensions among the total population of workers. As customary in labor market studies, our sample selects women and men between the ages of 25 to 64 who have positive earnings, are not currently enrolled in school, and are not on active military duty. We do not include the self-employed because the choices of pension for the self-employed are different from those in employer-sponsored pension. Therefore, the dependent variable is an individual who has a defined benefit (DB) and/or defined contribution (DC) pension plan(s). This is a dichotomous variable, in which the variable =1 if workers are offered pension plans and participate and =0 if workers are either not offered pension plans or do not participate. For comparison, we create another dependent variable, which is the worker's ownership of retirement savings accounts such as 401(k) (with a private sector employer), or 403(b) (with a non-profit organization), Individual Retirement Account (IRA) or Keogh (self-employed) account.³

³ Although our analysis excludes self-employed persons, we include workers who used to be self-employed and still own individual retirement accounts.

2. The Main Independent Variables: Race and Collectivism

The independent variables in our sample include the categories: gender, race, nativity, collectivism, language, age, education, marital status, household composition, work experience, job information, income and homeownership. We were able to differentiate within the broad demographic categories of Latinos, Whites, Blacks and Asians to explore native-born Latinos, foreign-born Latinos, native-born non-Hispanic Whites, native-born non-Hispanic Blacks, native-born Asians and foreign-born Asians. It should be noted that foreign-born Whites and Blacks are excluded from the sample so that the Latino nativity effect can be better tracked relative to U.S.-born Whites. In addition, the behavior of foreign-born Latino workers and native-born Latino workers is compared to that of native-born White workers.

Collectivism influences savings norms and behavior. People in collectivist networks build social wealth and rely upon each other instead of on individual financial investment (Richman, Ghilarducci, Knight, Jelm and Saad-Lesser 2012). Informed by our ethnographic research, we hypothesize that people who have extended family are less likely to participate in pension plans since they expect to rely on family members for retirement support. To find the degree to which collectivism predicts the person's pension participation behavior, we investigate a number of questions to identify which question can measure attitudes and behaviors that constitute a collectivist cultural framework.

Since the SIPP does not measure collectivism directly, we look for proxies that can substitute for this behavior, pointing to evidence of collectivism such as household composition and size and informal lending and borrowing. As one proxy for collectivism, we find that "having extended family" (more than two generations) in the household is most significantly related to pension participation likelihood. In reference to household composition, the more adults living in the household, the less likely the individuals are to have savings or retirement accounts. We interpret this variable as being an indicator of collectivism,

which supports the collectivism hypothesis. Thus we use “having extended family” as the proxy for the degree of collectivism.

We create binary or “dummy” variables (valued zero for no and one for yes) to define the extended family indicator as equal to 1 if at least one of the eight family members of the respondent is neither spouse, partner, parent, nor child: adult siblings, grandparents, grandchildren, uncles/aunts, nephews/nieces, parents-in-law, or other people. If the family is only a nuclear unit, meaning parents and child or children, the extended family indicator equals zero. The SIPP, as noted above, lacks information about providing monetary help to family members, which can be another strong indicator of collectivism. We also examine non-monetary, informal care and help; unfortunately the high rate of non-response errors limits its use as an explanatory variable in the model. It is impossible to know if the lack of response indicates the absence of such help, confusion with the question, or refusal to answer.

3. Other Independent Variables

a. Income

The income variable is the natural logarithm of earnings. We use a log transformation because the distribution of income is highly positively skewed. We limit our analyses to those individuals who report positive incomes. Our previous research on Latino pension participation found that income is significantly and positively related to pension participation (Richman, Barboza, Ghilarducci, Sun 2008).

b. Educational Attainment

We divide the highest level of educational attainment into five categories: less than high school; high school degree; some college education; bachelor’s degree; and post college degree such as master’s, doctoral or professional degrees. Educational attainment variables are included to proxy financial knowledge and labor market success.

c. Language/English Proficiency

The absence of a control for English proficiency is a critical limitation in prior research on immigrants’ pension behavior, even though this factor is not likely to be a critical issue for native-born Latinos. The 2008

SIPP provided two questions on English proficiency. One is whether or not respondents speak English only at home and the other is how well they speak English. We create three binary or “dummy” variables with native speakers as the reference group. We hypothesize that persons who are native speakers or speak English well are less transnational, less financially connected to people in another country, and more likely to save for retirement than those immigrants who do not speak English well. We add language information in the model combined with race, nativity and collectivism to capture the acculturation effect. Others have concluded that foreign-born individuals save less than native-born individuals for retirement. Fontes (2011), for example, has found that individuals speaking English “not well” or “not at all” were less likely to own retirement assets.

d. Homeownership

For immigrants especially, owning a home helps a person become rooted in the U.S. economy and, therefore, more enfranchised in the financial system. This incorporation, in turn, makes these individuals more prone to acquire a retirement account from an American financial institution. Homeownership is not only an indicator of financial stability, but also positively correlated with an increase in overall household savings. Contrary to the widespread myth, housing equity is not fungible and does not substitute for retirement savings. According to the behavioral life cycle hypothesis (BLC), people will not simply increase their consumption when their housing value increases. In a study of recent retirees’ spending, Thaler (1990) found that the retirees did not spend their housing equity after they retired.

e. Labor Market Variables

The labor supply factor is represented by a “dummy” variable for employment status (full-time versus part-time) and a continuous variable (one that can take on any numerical value) for job tenure. It should be noted, however, that these controls do not account for missing information about work experience after marriage and parenthood. We also control for the effect of firm size using a “dummy” variable (100 employees or higher versus less than 100 employees).

f. Occupation

Occupation is strongly correlated with access to employer-offered pension savings plans. Management and professional jobs are more likely than service jobs to have employer-sponsored retirement plans. Nevertheless, for exploratory purposes, some of our models include six dichotomous variables indicated by the occupational codes in the 2008 SIPP survey. Occupation is an endogenous variable, however, whose value is also determined by the states of other variables in the model, for example, gender, education and immigration background. Therefore, we include occupation in the model, but will not focus on it extensively.

g. Industry

Like occupation, industry is associated with access to a retirement savings plan at work. The manufacturing industry has higher average participation rates. Health, education and government industries also have higher pension participation, but Latinos are underrepresented in the labor forces of these three sectors. Five “dummy” variables for specific industries are added for exploratory purposes. Like the occupation variable, industry is an endogenous variable, whose value is also determined by the states of other variables in the model, for example, gender, education and immigration background. Therefore, we include industry in the model, but will not focus on it extensively.

4. Model Specification

Following the tradition of past research on racial disparity, we measure the net effect of being a minority as a residual after controlling for a large number of cultural, English proficiency, demographic, economic and labor market characteristics. This study therefore indicates the racial difference in pension participation rates among those who have similar culture-related, English proficiency, demographic, economic and labor market characteristics. We test multiple models for the dependent variable. First, we apply logistic regression models to estimate the net effect of being a Latino woman in terms of the likelihood of pension participation. We then add independent variables

that have not been previously investigated for Latino women, such as collectivism and English proficiency. We then assess the effects of being a Latina using typical models controlling for demographic, economic and labor market characteristics. In the Latino-only sample, we add immigration years in controlled variables. We also construct a female-only sample for all races in order to compare pension participation of Latino women and other minority women to White women. In the models that have retirement savings accounts as a dependent variable, instead of having labor market variables, we include whether the employer sponsors a pension. Other independent variables are the same.

5. Descriptive Findings

A benefit of the 2008 SIPP is that its sample sizes for the Latino groups are large enough to be adequate for a multivariate analysis. In previous surveys on retirement, native-born Latinos have not been adequately sampled. With a sample size of 561 native-born Latinos and 595 native-born Latinas, compared to 727 foreign-born Latinos and 518 foreign-born Latinas, this survey provides enough data for a meaningful logistical regression analysis. Table Five is a demographic and socio-economic summary of our sample from the 2008 SIPP panel data. Latinos' average earnings (\$17,148 for foreign-born women and \$25,044 for native-born women; \$24,000 for foreign-born men and \$33,564 for native-born men) are much lower than that of Whites (\$33,600 for women; \$48,000 for men). Latino homeownership rates are much lower than Whites. Labor market variables such as full-time employment and job tenure indicate that Latinos are disadvantaged in the labor market.

Regardless of their nativity, Latino men and Latino women have lower educational attainment, are more likely to work in service and construction industries, and are less likely to be in management and professional occupations. All of these characteristics negatively affect Latinos' pension participation. Regarding educational attainment, which may be the most important determinant of success in the labor market, Table Five indicates substantial variation across groups. Both native-born and foreign-born Latinos report a lower proportion of college and

professional degrees than Whites. Among White women, 16 percent have a graduate degree, compared to only 6 percent for native-born Latino women. The proportion of postgraduate degrees is lowest for foreign-born Latinas. In the same vein, Latinos have lower education attainment than Whites. In particular, foreign-born Latinos are the highest percentage in the “less than high school” category (2 percent versus 37 percent for women and 4 percent versus 48 percent for men).

Living arrangements also show up as a marked difference among the demographics on Table Five. All of the Latino groups—male and female native-born and foreign-born Latinos—are more likely to live with extended family than Whites. The proportions of respondents living with children are also higher for both native-born and foreign-born Latinos than for native-born Whites. Comparisons with native-born Blacks and native-born and foreign-born Asians are listed in the Appendix tables.

Table Five. Descriptive Statistics for Latinos and Whites by Nativity and Gender

	Native-born Latino women	Foreign-born Latino women	Native-born White women	Native-born Latino men	Foreign-born Latino men	Native-born White men
Median annual earnings	\$25,044	\$17,148	\$33,600	\$33,564	\$24,000	\$48,000
Demographic Characteristics						
Median age	39	43	46	38	41	45
Married (%)	54%	66%	65%	59%	73%	68%
Having children under 18	59%	63%	39%	54%	67%	41%
Having extended family	31%	39%	21%	38%	45%	24%
Homeownership	58%	56%	79%	60%	49%	78%
Education Variables						
Below high school	10%	37%	2%	14%	48%	4%
High school	29%	26%	19%	31%	30%	23%
Some college education	39%	24%	36%	39%	14%	34%
College graduate	17%	10%	27%	10%	7%	26%
Post college education	6%	3%	16%	6%	2%	14%
Job Related Variables						
Working for the employer for more than 5 years	64%	64%	69%	66%	66%	71%
Job status (full time)	79%	71%	78%	87%	88%	91%
Employed in firm with 100 and more employees	50%	46%	54%	56%	31%	55%
Management, professional occupations	31%	14%	50%	20%	8%	41%
Sales occupations	38%	25%	31%	19%	7%	18%
Services occupations	23%	40%	14%	17%	24%	10%
Construction occupations	0%	0%	0%	19%	29%	15%
Production occupations	8%	17%	4%	23%	28%	16%
Manufacturing industry	8%	14%	6%	14%	18%	17%
Trade industry	14%	13%	11%	15%	10%	14%
Services industry	17%	18%	15%	17%	17%	18%
Health and education	38%	24%	43%	12%	4%	13%
N	595	518	6929	561	727	6764

C. Results of Multivariate Analysis

1. Women's Pension Participation: Latinas Compared to White Women

In this section, we explore the net effects of being a Latino woman compared to being a native-born White woman. After controlling for demographic factors and labor market covariates, we disaggregate Latinas according to their nativity and immigration status. Compared to native-born White women, Latinas are disadvantaged in the labor market. If Latino women truly reach full labor market parity with White women, then the coefficients of the pension participation variable in the regression models should be significantly positive or insignificant.

To examine this hypothesis, we estimate a series of regression models. Table Six shows the results of the logistic regression analyses on the likelihood of pension participation among women. Six different model specifications are estimated. Each succeeding model is nested in the previous model. The logistic regression analysis is used to assess whether differences in Latino and White women's participation rates in pension plans can be explained by differences in an array of covariates.

The first model of Table Six shows the estimates of the net minority effect in basic regression models of pension participation. Model Two is a cultural model controlling for race and collectivism. Model Three is an acculturation model controlling for English usage and fluency. Model Four adds family and demographic covariates to Model Three. Model Five adds labor-supply variables to Model Four. Model Six adds endogenous variables (occupation and industry) to Model Five. Previous studies tended to estimate the net effect of being Latino using model specifications similar to Model Six.

Comparisons of model statistics show that the addition of collectivism in Model Two enhanced the predictive power of nested Model One. Model Three also improves the predictive power of Model Two. Likewise, the addition of employment related variables (in Model Five) significantly enhances the predictive power of Model Four. Adding occupational and industry variables in Model Six does not alter the findings. We ran Model Six to check whether endogenous variables produce the same outcomes as shown in Model Five. Adding the controls for occupation and industry in Model Six does not create any meaningful changes in the results.

Model One shows that all of the observed Latino and non-Latino White gap is statistically significant. The significantly negative coefficients in Model One indicate a lower likelihood of pension participation for both native-born and foreign-born Latino women than for White women.

When collectivism is added to the base model (Model Two), the differences between Latino women's and White women's participation rates are not reduced, therefore they are still statistically significant. Collectivism has a negative effect on women's pension participation likelihood regardless of racial background. When the English fluency variable is added (Model Three), differences between Latino women's and White women's participation rates are significantly reduced, yet they still remain significant.

It should be noted that racial effects are wiped out in Model Four where economic, education and, in particular, parenthood are added to the equation. Prior research shows that the labor supply is more likely to be affected by family structure for White women than for other racial minorities. College-educated, married White women in male-dominated occupations are more likely than other racial groups to drop out of the labor force when they have young children (Antecol 2011). Latinas are less likely than their White female counterparts to respond to parenthood by reducing working hours and thereby jeopardize their employment-based retirement savings plan. Greater reliance on collectivist social networks to assist with child rearing may contribute to Latina mothers' and other minority women's abilities to manage work and mothering. Focus group participants' responses to a question about the effect of getting ahead while having children revealed that neither female nor male respondents believe having children make it harder to get ahead in one's career.

Hence collectivism has a significant and negative effect on pension participation, but this effect disappears when income and labor market characteristics are included. Having children who are under the age of 18 does not affect Latinas' pension participation as much as White women, indicating that Latino women do not withdraw from the labor market as often as White women do when they have younger children. This implies that collectivism

(having extended family) may help Latino women stay in job market. Pension participation for native-born Latinas is the same as White women when income and labor market characteristics are included. Foreign-born Latina women, however, are still significantly less likely to participate in pensions.⁴

Earnings have a significant effect on pension participation. Income is a major concern in the decision to participate in pensions, regardless of race, nativity, gender, etc. The positive and significant effect of homeownership on pension participation further indicates that financial stability helps people save for retirement.

When labor market variables are added to Model Four, the large number of control covariates in Model Five (i.e., family background, demographic variables and labor supply variables) account for a significant fraction of the disadvantage for Latinas' pension participation. Several specific findings in Model Five merit further discussion. The most important finding in Model Five relates to

the effect of nativity on women's pension participation likelihood. The net racial effect on native-born Latino women is wiped out by other covariates. In other words, when employment-related covariates are added to the equation, native-born Latinas in Model Five are as likely as native-born White women to participate in pension plans.

Understandably, native-born workers are more likely than immigrant workers to be assimilated into the American financial system and more likely to be acculturated to the American concept of retirement as a distinct phase of one's life career. Thus, native-born workers are more likely to possess the skills needed to navigate the American financial system. In contrast, immigrants do not tend to arrive with a concept of retirement. Moreover, immigrants typically maintain transnational social and financial linkages to their countries of origin and/or live in ethnic enclaves where an ethnic culture is reproduced. This general pattern is the case in the present sample, showing that unlike native-born Latina workers, foreign-born Latina workers are less likely to choose to participate in pension plans than native-born White women, holding all else equal.

⁴ Greenman and Xie (2008) reported that in a sample of labor market participants, minority mothers (of all minorities) were less likely to suffer a "gender penalty" than White women in terms of earnings, which they cautiously attributed to greater gender role specialization among Whites than other racial/ethnic groups.

Table Six. Estimated Effects on Pension Participation: Latino Women versus White Women

Control Variables	Model 1		Model 2		Model 3		Model 4		Model 5		Model 6	
Collectivism			-0.21	***	0.18	***	0.02		0.01		0.05	
Language					Y		Y		Y		Y	
Age							Y		Y		Y	
Education							Y		Y		Y	
Log earnings							Y		Y		Y	
Homeownership							Y		Y		Y	
Marital Status							Y		Y		Y	
Having children under 18							Y		Y		Y	
Labor market variables (tenure, work status, employer size)									Y		Y	
Occupation/Industry											Y	
Native-born Latino	-0.59	***	-0.57	***	-0.32	***	-0.03		-0.07		-0.10	
Foreign-born Latino	-1.42	***	-1.38	***	-0.63	***	-0.23		-0.33	*	-0.34	*
Constant	0.35	***	0.39	***	0.41	***	-9.61	***	-8.38	***	-7.23	***
Log likelihood	13734.39		13714.44		13580.12		11184.85		10441.84		10241.11	

N = 10,168. 25- to 64-year-old employed workers excluding self-employed and no earnings

* p <.05; ** p <.01; *** p <.001

2. The Effects of Gender, Nativity and Culture on Latinos' Pension Participation

Gender is not a barrier to Latinos saving for retirement. Our findings contradict the popular perception that Latinas, and Mexican women in particular, tend to be passive people and to defer to males in financial decision-making. Model Five in Table Seven indicates that Latino women are significantly more likely to participate in pension plans than Latino men, when controlling for collectivism, nativity and years of immigration, demographic, family needs and labor supply variables. The odds ratio shows that participation in pension plans for Latino women is 1.36 times higher than for Latino men.

Latino workers with a collectivist orientation are less likely to have a retirement account. Collectivism influences

the behavior of Latino men as much as Latino women. This finding contradicts mainstream notions that women are naturally more collectivist than men. Our analysis shows that there is no gender difference in the effects of collectivism. Yet the negative effect of collectivism on participation in pension plans is plausible only when other covariates are not taken into consideration. In other words, the significance of collectivism is wiped out after controlling for immigration, language, educational attainment, age, income and job characteristics. College education, earnings, homeownership and labor supply variables have a significantly positive effect on pension participation. It should be noted, however, that having

Table Seven. Pension Participation: Logit Estimates for Latino Sample

		Model 2		Model 5		Odds Ratio
Gender	Women	0.116		0.306	**	1.357
Collectivism	Having extended family	-0.433	***	-0.129		
Immigration	Came to US before 1981			0.010		
	Came to US 1981–1990			-0.260		
	Came to US 1991–2000			-0.544	***	0.58
	Came to US 2001–2009			-0.600	***	0.549
Language	Non-native speaker but speak English well			-0.223	*	
	Non-native speaker but speak English not well			-0.821	***	0.44
Age	Age			0.019		
	Age*age			-0.000		
Education	Less than high school			-0.162		
	Some college education			0.317	*	
	College graduate			0.450	*	
	Post college education			0.519		
Economic	Log earnings			0.777	***	2.176
	Homeownership			0.270	*	
Marital Status	Married, spouse absent			-1.273	**	
	Widowed			-0.199		
	Divorced			-0.187		
	Never married			-0.126		
Children	Having children under 18			0.076		
Job Status	Job tenure			0.609	***	1.838
	Firm size			0.945	***	2.573
	Full time			0.717	***	2.049
Constant		-0.568	***	-8.732	***	
Log likelihood		3039.601		2294.405		

N

2401

2401

* p <.05;

** p <.01;

*** p <.001

children under the age of 18 has a positive effect on Latinos' pension participation, but it is not statistically significant. This finding implies that Latinos (men and women) do not respond to parenthood by declining to participate in pension plans.

Yet among the foreign-born, we find that length of residence in the United States strongly influences the likelihood of involvement in a pension savings program at work. Foreign-born Latinos who came to the United States twenty-five years ago or more are as likely as native-born Latinos to participate in pension plans. Latinos who came after 1991 are more than 50 percent less likely to participate in pension plans. On the other hand, newcomers are significantly less likely to participate in pension plans than native-born Latinos.

We use the same methodology to examine the relationship of gender to pension participation among Latinos by adding immigration years into the model specification. Table Seven compares the results between Model Two and Model Five. (The results of detailed regression models are shown in the Appendix.) Table Eight compares logit estimates between Latino male and female samples with the same model specification (Model Five), showing that the probability of pension participation rises with income, job tenure, work status and firm size. This means that economic and labor market characteristics affect pension participation for both Latino men and women. Hence recent immigration and limited English fluency negatively affect pension participation for both Latino men and women, but are more significant for Latino men.

Table Eight. Pension Participation: Comparison of Logit Estimates for Latino Men and Women Samples

		Model 5 Latino Women		Model 5 Latino Men	
Collectivism	Having extended family	-0.213		-0.120	
Immigration	Came to US before 1981	0.231		-0.180	
	Came to US 1981–1990	-0.561		-0.079	
	Came to US 1991–2000	-0.132		-0.905	***
	Came to US 2001–2009	-0.797	**	-0.505	*
Language	Non-native speaker but speak English well	-0.228		-0.240	
	Non-native speaker but speak English not well	-1.089	***	-0.677	**
Age	Age	0.027		0.016	
	Age*age	0.000		0.000	
Education	Less than high school	0.226		-0.355	
	Some college education	0.256		0.366	*
	College graduate	0.467		0.504	
	Post college education	0.320		0.608	
Economic	Log earnings	0.711	***	0.880	***
	Homeownership	0.305		0.258	
Marital Status	Married, spouse absent	-1.079		-1.663	*
	Widowed	0.030		-14.193	
	Divorced	-0.030		-0.451	
	Never married	-0.388		0.171	
Children	Having children under 18	-0.106		0.253	
Job Status	Job tenure	0.916	***	0.377	**
	Firm size	0.990	***	0.909	***
	Full time	0.840	***	0.578	*
Constant		-8.133	***	-9.415	***
Log Likelihood		1,072.8		1,184.7	

N 1,113 1,288
 * p <.05; ** p <.01; *** p <.001

Table Nine. Probability of Having Retirement Accounts: Logit Estimates for Latino Sample

		Coefficient	Pr>ChiSq	Odds Ratio
Gender	Women	0.328	**	1.387
Collectivism	Having extended family	-0.209		
Immigration	Came to US before 1981	-0.046		
	Came to US 1981–1990	-0.009		
	Came to US 1991–2000	-0.138		
	Came to US 2001–2009	-0.686	**	
Language	Non-native speaker but speak English well	-0.363	**	
	Non-native speaker but speak English not well	-0.672	**	
Age	Age	0.005		
	Age*age	0.000		
Education	Less than high school	-0.170		
	Some college education	0.485	**	
	College graduate	0.413	*	
	Post college education	0.393		
Economic	Log earnings	0.917	***	2.586
	Homeownership	0.031		
Marital Status	Married, spouse absent	-0.138		
	Widowed	0.060		
	Divorced	-0.231		
	Never married	-0.315		
Children	Having children under 18	-0.113		
Employer provided pensions		1.538	***	1.538
Constant		-9.426	***	
Log likelihood		1902.523		

N

2401

* p <.05;

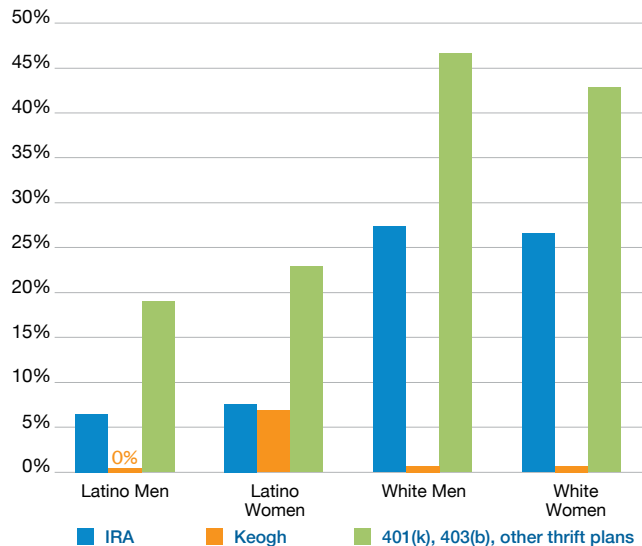
** p <.01;

*** p <.001

3. The Effect of Gender Difference on Latinos' Retirement Savings Accounts

For comparison, we establish a dependent variable for retirement savings account ownership. Figure Twenty Five shows that Latino men and women have a much lower rate of ownership of retirement accounts than White men and women. Latino women, however, have higher rates of ownership than Latino men. We find that 7 percent of Latino men and 15 percent of Latino women have IRA and Keogh accounts compared to 28 percent of White men and 28 percent White women; 19 percent of Latino men and 23 percent of Latino women have 401(k), 403(b) or other thrift plans compared to 47 percent of White men and 43 percent of White women. Applying the same model specification as pension participation, Table Nine shows that Latino women are 39 percent more likely to have retirement savings accounts than Latino men, which is consistent with the pension participation model. Other factors, which are highly correlated with having retirement savings accounts, are income, college education and whether or not the employer offers a pension savings plans. New immigrants and people who are not fluent in English, however, are

Figure Twenty Five. Retirement Savings Accounts Distribution by Race and Gender



less likely to have retirement savings accounts, indicating the influence of acculturation. Age, marital status and the presence of children are not significant in determining the ownership of retirement accounts.

4. Pension Savings Loans, Withdrawals and Lump-Sum Distributions

Today, preparing for a secure retirement depends upon investing defined contribution funds in a locked box, in which time and illiquidity can combine both to grow and to preserve capital. Voluntary defined contribution plans, however, allow and even encourage participants to borrow from their savings to pay for education, healthcare and other large expenses. Many participants consider their defined contribution plans as a liquid, emergency fund and they borrow and withdraw from it. Many never replenish the funds as Ariel/Aon Hewitt (2012) has demonstrated in an ongoing study of “leakage”: how employees deplete their hard-earned savings before retirement. In this section, we explore how this framework is deleterious to lower-income savers, especially minorities, and in effect leads them to misuse their pension savings while they are working and actively saving as well as when they change jobs or retire.

We compare Latino workers' use of their retirement savings plans to native-born Whites. Due to the sample size, we compare by race and gender instead of nativity. Although the descriptive data (Figure Twenty Six) shows

that 15 percent of Latino men and 11 percent of Latino women borrow against pensions compared to 12 percent of White men and 9 percent of White women, the differences between Latinos and Whites are not significant. Black men and women, however, are significantly more likely

Figure Twenty Six. Percent with Pension Loans by Race and Gender

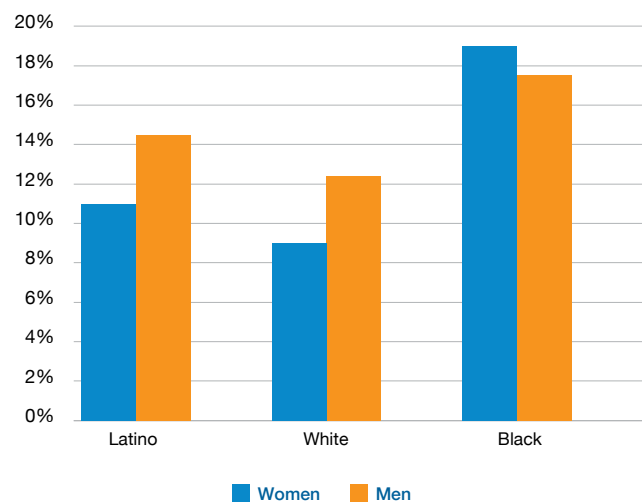


Table Ten. Logit Estimates on Pension Loan Withdrawal (Reference group: White)			
		Coefficient	Pr>ChiSq
Race and nativity	Latino	0.081	
	Black	0.534	***
	Asian	-0.026	
Collectivism	Having extended family	0.039	
Language	Only speaking English at home (reference)		
	Non-native speaker but speak English well	0.023	
	Non-native speaker but speak English not well	-0.977	*
Gender	Women	-0.178	*
Age	Age	0.120	***
	Age*age	-0.001	***
Education	Less than high school	0.015	
	Some college education	-0.119	
	College graduate	-0.717	***
	Post college education	-1.011	***
Marital Status	Married, spouse absent	0.147	
	Widowed	0.241	
	Divorced	0.276	**
	Never married	0.145	
Children	Having children under 18	0.192	*
Economic	Log earnings	0.190	***
	Homeownership	-0.235	**
Constant		-6.089	***
Log likelihood		6271.934	

N = 9371

* p <.05; ** p <.01; *** p <.001

than Whites to borrow from pension plans; the rates are 18 percent for Black men and 19 percent for Black women, respectively, which is consistent with Ariel/Aon Hewitt’s report (2012). We do not find that Latinas and White women are more likely than men to take a loan from their retirement savings. Instead, our logistic regression analysis shows that females are significantly less likely than males to borrow from pensions. Whites, Latinos and Asian participants with higher education, regardless of gender, are also less likely to borrow from their pension savings (Table Ten).

Our sample has a high proportion of lower-income workers, whose median annual earnings are \$25,000 for native-born Latinas, \$17,148 for foreign-born Latinas, \$33,600 for native-born White women, \$33,564 for native-born Latino men, \$24,000 for foreign-born Latino men, and \$48,000 for White men. Analysis of the SIPP data suggests that for lower-income plan participants, as their earnings gradually increase, so does their tendency to take loans and early withdrawals from their retirement savings. We expect, however, that as income rises above a certain level, for example, \$60,000, the propensity to borrow from

Table Eleven. What Employees Do with Pensions When They Retire or Leave Jobs (SIPP)

	Latino Men	Latino Women	White Men	White Women	Black Men	Black Women
Roll over (including leaving money in plan or direct rollover)	19%	28%	54%	49%	26%	27%
Invest in retirement plan	0%	4%	0%	1%	0%	2%
Saving and investment	11%	0%	4%	3%	6%	2%
Spending	70%	68%	42%	47%	68%	70%

pension savings will decrease. At the point when income and other savings are sufficient, participants regard their plans as less liquid.

This trend is evident in Ariel/Aon Hewitt’s (2013) analysis of the retirement contribution and loan rates of Latino, White and Black workers. Their analysis covers defined contribution pension savings of 19,000 workers earning from below \$30,000 to over \$120,000, and provides a helpful view of the pension behavior of higher-income workers, who tend to be underrepresented in the SIPP. Latino and White workers within the \$30,000–\$89,999 income category have the highest rate of outstanding loans, but the rate declines by about 40 percent in the \$90,000–\$119,999 bracket. Those who earn more than \$120,000 have the lowest outstanding loans. (The lowest income workers [below \$30,000] do not take many loans or withdrawals, probably because their savings are too low to make it worthwhile.)

Similarly, Fontes (2011) found that current year earnings are positively correlated with lump-sum pension spending for lower earners while higher earners are more likely to save. Table Eleven shows that when they leave a job or retire, lower-income Latino men and women are less likely than White men and women to preserve their retirement savings by leaving it where it is or rolling it into their savings or other retirement savings plans. The SIPP questionnaire does not allow the respondent to indicate whether they kept it in the

old plan, transferred to a new plan, or rolled it over to a new IRA. Latinos are as likely as Black men and women to take a lump-sum payment and to spend it. Latino men and women use the funds for paying bills, paying debts or everyday expenses. The other comparable study of this issue is that by Moore and Muller (2002) which analyzed recipients’ lump-sum pension distributions using an earlier SIPP. Their study considers either race or gender, but they do not combine race and gender. They found that when women take a lump-sum distribution, they are 5 percent more likely to roll over their distributions than men. They also found that Latinos were 10 percent less likely than Whites to save their lump-sum distributions.

The 2012 Health and Retirement Survey (HRS) provides more detailed data than the SIPP on what retirees do with their pension savings when they retire or leave jobs. The SIPP does not have the option for participants to indicate whether they left the money with the previous employer (Table Eleven). (Recall that HRS emphasizes retirees and only interviews people 50 years of age and older.) Table Twelve (next page) shows that compared to Whites and Blacks, Latino men and women do not take full advantage of the options available to them when they leave employment. As many as 75 percent of Latinas cashed out, a much higher rate than their White and Black counterparts. More than half (58 percent) of Latino men left their funds in the plan, but a third (34 percent) did not explain what they did with their savings.

Table Twelve. What Employees Do with Pensions When They Retire or Leave Jobs (HRS)

	Latino Men	Latino Women	White Men	White Women	Black Men	Black Women
Take out the money	8%	75%	4%	38%	0%	23%
Roll over into IRA	0%	0%	30%	29%	5%	33%
Leave in the plan	58%	25%	7%	19%	50%	5%
Convert to/purchase annuity	0%	0%	0%	6%	0%	0%
Transfer to new employer's plan	0%	0%	17%	4%	0%	15%
Lose benefits	0%	0%	1%	0%	3%	0%
Receive installments	0%	0%	0%	0%	0%	13%
Receive benefits now	0%	0%	28%	0%	42%	10%
Continue collecting	0%	0%	0%	0%	0%	0%
Expect future benefits	0%	0%	0%	5%	0%	0%
Other	34%	0%	7%	0%	0%	0%
Don't know	0%	0%	6%	0%	0%	0%
Refused to answer	0%	0%	0%	0%	0%	0%

5. Summary of Multivariate Analysis Results

The results of our multivariate analysis show that Latino women are more likely than Latino men to participate in pensions after all education, income and labor market characteristics are controlled. Better pay, working for employers who provide pension plans, better understanding of retirement plans, and automatic and easy enrollment procedures are important for increasing Latino women's pension participation. In addition, acculturation and trust are important factors; as Copeland's (2013) research for the Employee Benefits Research Institute also indicated, native-born Latinas are making greater strides in building retirement security than the foreign-born. Foreign-born Latino women are significantly less likely than White women to participate in pensions even after controlling for

education, labor market characteristics, income, etc.—the same for foreign-born Latino immigrant men.

The collectivism effect is negative and significant in the reduced models (Models Two and Three, see Tables Six and Seven). This negative effect is nonetheless offset after introducing labor market characteristics and other demographic and economic variables. Collectivism has a negative effect on women's participation regardless of racial background. When comparing Latino men and Latino women, we find they are equally collectivist. Though not as significantly as Blacks, Latinos are also more likely than Whites and Asians to borrow from their pension plans, indicating that they consider retirement savings to be less important than other expenses or other investments.

XIV. Findings, Policy Implications and Recommendations

Based on the findings of this study, our conclusions and recommendations are presented in this section.

A. Income

Income has significantly positive effects on both Latino men and women in all model specifications. Unfortunately, the stubborn persistence of race and gender gaps in earnings limit Latinos' abilities to save for retirement. For every dollar earned by White men, Latino men earn 67 cents, White women earn 78 cents, Blacks earn 64 cents, and Latinas earn only 54 cents (AAUW 2014). Access to better-paid jobs will definitely help Latino men and women save for retirement. According to WISER (2008), 62 percent of Latino women have little to no money left to save for retirement once they pay their bills compared to 54 percent for all women. Lower earnings not only make people voluntarily choose not to participate in pension plans, but also cause them to have inadequate savings. Even though Latinos' pension participation rates are not much lower than other racial groups, they have much lower retirement account balances.

To address this problem, we should encourage individuals to seek the education and training that prepare them for higher paid jobs. Even when education levels are equivalent, however, a gap persists. Minority women still earn less, suggesting that bias remains a determinant factor in take-home pay. Not only can we expect salary increases to correlate with increased contributions to retirement savings plans, but also we can anticipate that workers will be more likely to work for employers who offer better retirement savings options and more generous contribution matches.

B. Collectivism

Collectivism is negatively related to pension participation for both Latino men and women. Although better data collection and measurement of collectivism are needed, the negative effect seen in our research indicates a new direction to increase Latinos' pension participation. The voluntary nature of the defined contribution plan is less advantageous for people who have a collectivist orientation (Richman, Ghilarducci, Knight, Jelm and Saad-Lessler 2012).

Expanding automatic enrollment to non-participants should increase participation rates. Automatic enrollment, according to behavioral economist Richard Thaler (2015), "may be more effective than simply increasing income through tax cuts or tax subsidies." Moreover, Ariel/Aon Hewitt (2012) finds that 83 percent of Latinos who are subject to auto-enrollment participate in pensions compared to 59 percent of Latinos who are not subject to auto-enrollment. The evidence further suggests that automatic enrollment is more effective in boosting participation among Latinas. Similarly, Orszag and Rodriguez (2005) find that the participation rate for Latina workers increased from 17.8 percent without automatic enrollment to 75.2 percent with automatic enrollment, slightly more than Latino male workers. Latino male workers' participation rates increased from 22.2 percent without automatic enrollment to 75 percent with automatic enrollment.

Automatic enrollment is not a panacea, however, as the contribution rate is often set too low to have a significant benefit for lower-income workers and only about half of employers schedule an automatic annual escalation of the original rate. Furthermore, there is a tendency, especially among smaller employers, to offset the costs of higher participation rates by reducing matching contributions. Employers with fewer than 500 workers offer auto-enroll matching contribution rates of 2.8 percent, compared with 4.1 percent in plans with 1,000 to 2,500 enrollees (Butrica and Karamcheva 2012). The match rate at companies offering auto-enrollment plans with Fidelity is 16.5 percent lower than those that do not automatically sign up workers into the defined contribution plans; companies that offer auto-enrollment contribute 3.2 percent of salary, compared with 3.5 percent for voluntary enrollment plans (Miller 2013). To offset these automatic enrollment rates, Alison Borland, Senior Vice President of Retirement Strategy and Solutions at Aon Hewitt, thus recommends regular increases of the employer's contribution rate over the worker's employment period. Borland gave expert testimony on retirement savings depletion to the United States Senate in March 2013.

C. Job Tenure

Job tenure plays a significant role in pension participation. Latino workers' shorter job tenure contributes to their inability to take full advantage of defined contribution plans. This pattern is especially pertinent for foreign-born Latino workers, who change jobs more frequently than the native-born. At the end of the employees' term, vesting policies determine workers' access to funds accumulated through the employers' match. While some companies offer immediate vesting, many others' matching funds vest over a maximum of six years (the limit set by the federal government). When workers leave jobs before the companies' vesting term, workers lose access to portions of the matching fund savings. Policies that improve the portability of retirement savings plans, as recommended by Borland (2013), may be one way to address the disadvantage Latino workers, especially the foreign-born, face as they change jobs more frequently than other workers.

D. Borrowing

Borrowing against retirement savings plans puts the savings at risk. Those who take loans from their retirement savings have a tendency not to repay them, and when they default, workers not only deplete their savings, but they are also subject to penalties and taxes (Ariel/Aon Hewitt 2012). Blacks have the highest rates of loans and early withdrawals from their plans. Latinos are slightly more likely to borrow from pension plans than Whites and Asians, and among Latinos, men are more likely to borrow from their retirement savings than women. Borland summarized the conclusions from Aon's comprehensive survey of defined contribution retirement plan participation across ethnic groups:

Lower salaried participants are more likely to take hardship withdrawals than other participants. Those earning between \$20,000 and \$39,000 per year took hardship withdrawals at a rate of approximately 4 percent, compared to only 0.5 percent for workers earning over \$100,000. Even when contributing factors such as salary and age are held constant, African-Americans are 276 percent more likely and Hispanics are 47 percent more likely to take hardship withdrawals than Whites (Borland 2013:3).

E. Employment Termination

The greatest threat to Latinos' retirement savings plans does not come from loans against the plans, however, but from what Latinos do with their savings at the end of their employment. When Latinos leave jobs or retire they are less likely than Whites, Blacks and Asians to preserve their capital by leaving it in the plan or rolling it over into other retirement plans. It is important to help workers changing jobs and retiring to understand the risk of lump-sum payments and cashing out of their retirement plans. Disruptions in employment are common in this demographic. Several of our focus group participants who had participated in defined contribution plans reported cashing out when their jobs terminated rather than either keeping the money in the savings program or rolling it over to another plan, which would ideally provide secure lifetime income.

A paradox of the recruitment and termination of employment is that employers typically provide a full explanation of benefits to new hires, but departing workers do not tend to get the same degree of information, thorough knowledge of which is essential to protecting the savings they built while employed. When employees leave their jobs they do not know enough about the consequences for their retirement savings. Departing employees often do not understand the available investment options and the relative costs of their old and potential new plans. One of the reasons is that the policies vary by company and the details are not well known. Many employees are unaware that they are eligible to leave their retirement investment with their former employer. Some departing employees withdraw their retirement savings, essentially depleting their nest egg in one stroke. Many workers, including those who could have left their savings in the former employers' plan, seek the advice of investment advisors to reinvest their savings in IRAs. Unfortunately, such investment advisors are not held to the same fiduciary standards as those associated with the employer-based plan.

This lower standard contributes to the pattern of offering conflicted investment advice to workers to roll their 401(k) type savings into an IRA. Lacking full knowledge about their options and a complete understanding of the detailed regulatory differences between their employer's

plan and an IRA, workers unknowingly subject their accumulated savings to depletion, mainly by the higher investment fees charged by IRA plans. According to a 2015 White House report, in the shift from an employer-based 401(k) type plan to an IRA, retirement savers lose an average of 1 percent of their gains and 12 percent of their total savings. The lack of portability of retirement savings plans creates an opportunity for the financial industry to aggressively market the transfer of defined contribution plans to IRAs at a cost to employees. And, this is especially costly to Latinos as they tend to switch jobs more frequently.

F. Communication

Decisions about fund choice, loans and withdrawals, rollovers and lump sum distributions are complex and ideally made by experienced financial professionals. For ordinary workers, and for Latinos and Latinas in particular, we recommend four improvements in the timing, mode, language and style of communication with employees about retirement savings decisions.

1. The **timing** of communication is important. To effectively communicate with plan participants about decisions that require action, there is a need for multiple contact points and various methods for disseminating the information. At hiring, termination and/or retirement and at regular points in between, employees need reliable, trustworthy information to be able to make an informed decision about their retirement savings.
2. The **mode** of communication is important. Workshops, videos, webinars, radio and audio productions, call centers/hotlines, paper notices and peer communication are all recommended. Storytelling and examples, or “rules of thumb” are proven to be effective ways of imparting knowledge to adult learners with limited education. Latinos and other immigrant groups enthusiastically embrace mobile technologies. Smartphones that support texting and apps such as Facebook have empowered low-literacy immigrants to transcend previous barriers to long-distance communications. These technologies are used to extend their personal networks across national and regional borders and to gain knowledge.

Therefore, educational information transmitted through social networking can be effective. In addition, Latinos often use the radio and television for continuing education. Latino women especially listen to and follow the advice of radio personalities such as Julie Stav, the financial advisor, and Doctora Isabel, the mental and physical health consultant.

3. The **language** of communication is important. In consideration of increasingly shifting demographics in the United States, especially among Latinos, we recommend that the forms and notices be translated into Spanish and/or other languages of large numbers of participants. Latinos are a heterogeneous population and their vernaculars can be quite varied. All translated text should be checked to ensure that it is easily comprehensible to the main Latino demographics: Mexicans, Puerto Ricans, Cubans and other groups such as Guatemalans, Salvadorans and Colombians.
4. The **style** of communication is important. Prose should be jargon free and culturally and linguistically competent—that is, conveyed in clear, respectful language that values and valorizes the life experiences of the target audience. The Resurrection Project has a model bilingual Financial Wellness Program that has been especially effective in financially empowering Latinas in Chicago.

G. New Public Retirement Savings Programs

Latinos, and especially Latinas, in our 2013 and 2014 focus groups reiterated their desire to save for retirement. They described their ideal retirement savings program: a simple, risk-free long-term savings plan. They had no apparent knowledge that a plan like the one they envisioned was in development in the federal government, California and 24 other states. In 2015, the United States Department of Treasury unveiled the *myRA* (my Retirement Account) program. *MyRA* provides Americans with a simple, safe and affordable way to save for their future. Latinos, in particular, will benefit from participating in *myRA* for the following reasons:

1. It is automatic, depositing passively every payday;

2. It is portable—it is not tied to a single employer so you don't need to withdraw or roll over into other plans every time you change jobs;
3. It is open to part-time and full-time workers;
4. It is affordable—there is no cost to open an account and it does not require large minimal contributions; and
5. It is guaranteed by the U.S. Treasury. Unlike the defined contribution plans, the *myRA* is not tax-deferred, but low-income workers do not tend to benefit much from tax-deferred plans. Finally, there is no penalty for withdrawal. We are concerned that this feature may make it too easy for participants to deplete their funds, but it does remove the costly penalties shouldered by current retirement contribution plan participants, especially Latinos and Blacks.

Meanwhile, as many as half of the states in this country are moving toward a policy of automatic enrollment in retirement savings plans for all workers in the private sector. Many of the states are setting a mandatory contribution rate of three percent. Unlike the *myRA*, the programs are more similar to tax-deferred defined contribution plans. California led the way in 2012 with the California Secure Choice Retirement Savings Trust Act (State Bill 1234), which was sponsored by Representative Kevin De León. This Act invites private sector workers to participate in the plan offered to public employees. California guarantees the pension savings of all workers enrolled in the plans, as do some states. Others, like Illinois, are rolling out programs that operate like IRAs by transferring the risk to individual participants. The Illinois Secure Choice Savings Program Act (Public Act 098–1150) was signed into law in January 2015 (Pension Rights Center 2015).

Our quantitative analysis suggests that the *myRA* and new state retirement programs will help Latinos. Based on our current findings, we predict that Latinas, who are participating at higher rates than their male counterparts, will even more robustly adopt the *myRA* and state retirement savings programs. Latinas are more likely than Latino men to answer the question about why they did not participate in the employer's defined contribution plan in the following ways: "haven't worked long enough

for this employer," "no one in my type of job is allowed," or "don't work long enough hours, weeks, or months per year." Latino men more often respond with answers that are not related to eligibility. They decline to participate for voluntary reasons such as the plan is "too expensive," "I don't want to tie up the money," and "I don't need it."

The new savings programs tend to resolve the ineligibility barrier so crucial for women because they do not pose barriers to participation such as full-time employment or a vesting period. Moreover, employers are not burdened by complicated and costly accounting responsibilities; as long as their employers offer direct deposit and are able to direct a portion of the paycheck to the retirement savings account, employees can contribute. Neither does the size of the employer matter as any U.S. company or non-profit organization can sign up. The amount of the contribution is flexible so that participants will not feel it is too expensive to participate. In the second projected phase of the *myRA* program, individuals will be eligible to enroll independently of their employer. This step especially will help enfranchise self-employed workers and workers whose employers do not offer automatic payroll deposit in the retirement savings system.

The new savings programs stand to offer a very positive resolution to the barriers to retirement savings security faced by Latinos and other vulnerable workers. The *myRA* is not a perfect solution to the challenge of steady lifetime income, however, because there is a maximum savings of \$15,000, which is far too little to constitute the "third leg" of the retirement stool. At the point of accumulating \$15,000, the saver will be vulnerable to the same threats confronted by current workers leaving their jobs or retiring. And, some of the state programs like Illinois operate like insecure IRAs.

As currently structured, the only continuous investment option for *myRA* participants is to roll over the retirement savings into an IRA, whose risks and fees can deplete savings. A solid understanding of the options can equip the saver with the information necessary for preserving their capital. With adequate financial education, the owner of the retirement savings plan account may be able to make the best investment choice to secure a decent living in retirement.

XV. Conclusion: The Retirement Savings Gap: Low Wealth Collectivist Lives versus Formal Savings Plans

In our previous research supported by NEFE, *La Tercera Edad: Latinos' Pensions, Retirement and Impact on Families* (2008) and *Confianza, Savings and Retirement: A Study of Mexican Immigrants* (2012), we showed how collectivism, the affective and material interdependence between the members of families and social networks, could hold powerful sway over Mexican immigrants' ideas about savings. The symbolic meaning and purpose of money is inextricably tied to the key concept of *confianza*, bonds of mutual trust (Vélez-Ibañez 1983). We found that Mexican immigrants and Mexican-Americans who grew up poor tend not to question the reality of *confianza*. The influence of collectivist sharing wanes, however, as both time in the United States and class position or wealth rise. Norms of independence, self-reliance and individualism render *confianza* obsolete. Second- and higher-generation Mexican-Americans, especially those who grew up in

more affluent households, tend to dismiss bonds of mutual trust as irrational conventions of the past.

Our earlier study of *confianza* and savings did not focus on gender. An important finding of our present study is that *confianza* is as important to Mexican-heritage men as to women; assumptions about women's stronger need (than men's) to create and maintain interpersonal and inter-household bonds are overdrawn. Mexican-heritage men as well as women are strongly influenced by the collectivist ethic. Furthermore, the *confianza* ethic binds many professionals as well as non-professionals. Higher-income earners are expected to share their assets, and struggling relatives can ethically pressure them for assistance. Mexican-American professionals who rose from poorer backgrounds, including the first generation to graduate with advanced degrees, remain embedded in families that tend to be far more heterogeneous by income and social status than those of their White peers. These newcomers to the "middle class" are bound by the collectivist ethic to give back to those who raised them and are in their *confianza* networks (Vallejo, 2012). Our study participants, especially those from more humble

backgrounds, overwhelmingly agree with the idea that one can and even should withdraw funds to help a family member in need. If allocating money to a retirement account prohibits them from saving elsewhere, they may have to deplete the retirement funds when the inevitable crisis arises. The ensuing leakage from their retirement savings can adversely affect their retirement security.

Professionals who work with Latinas and Latinos would also do well to appreciate that women clearly see themselves and conduct themselves in public as empowered agents. Their Mexican heritage male counterparts unequivocally endorse their equal status. Hence despite popular stereo-



types of macho husbands and Madonna wives, which invoked laughter from our discussion groups, we find that in their representations of financial decision-making, gender equality is firmly established.

Our ethnographic research at Casa Esperanza Scalabrini Community Center during 2013 and 2014 especially confirms these facts. The program is run entirely by the Mexican-heritage participants, who have created a space where men and women can embrace gender equity with humor and aplomb. The men take equal parts in performing stereotypically feminine tasks like preparing and serving foods and beverages to the diners, cleaning tables and sweeping.

At the same time as financial firms and policy makers attend to the agency of ordinary Latinas, it is important to avoid the opposite mistakes of exaggerating women's authority and ignoring men's power, especially in the United States, where gender inequities in employment and income remain stubbornly entrenched. A corollary error would be to reduce Latinas and Latinos to simplistic types, which would ignore variations related to class, education and personality. Latinos' and Latinas' heterogeneity is key to understanding this varied population; there are important differences between the largest groups from Mexico, Puerto Rico and Cuba, and other immigrants from Central and South America and within each of these populations as well.

In our focus group discussions about defined contribution and IRA savings plans, our study participants expressed a combination of ignorance, confusion and skepticism of the current retirement savings options. Especially in the wake of the financial crisis, economic recession and home foreclosure catastrophe, they seemed to be alienated by the plans' obscure rules, impersonal structure and overabundance of information, categories and names. One man's distrust of the defined contribution plan offered by his employer was so strong that he acted to opt out of his employer's automatic enrollment program. As for individual retirement plans, many of the participants did not know what an IRA was, and when we explained it, they expressed the same hesitation as they did with defined contribution plans. The potential

advantage of a tax deduction, an important element in the invention of the defined contribution retirement savings plan to benefit affluent individuals, did not attract them. Tax deductions do not substantially help lower-income individuals.

It would be misleading, however, for observers to infer that Latinos do not want to save for retirement. Analysis of quantitative data presented in this study indicates that native-born Latinas, even more so, are embracing opportunities to contribute to retirement plans at work. Latinas are 39 percent more likely to have employment-based retirement savings accounts than Latinos. The more rooted they are in the United States, the less Latinos expect their children to support them in their old age. They believe that they have to establish their own secure retirements.

Nor do Mexican-heritage participants lack a clear understanding of what they need to empower themselves to save for retirement. When queried for their ideas about a solution to the retirement savings conundrum, participants do not invoke the government. They do not expect large institutions to help them, least of all the government. Rather, participants describe their vision of a simple, potential solution: a regular way to save for retirement that would be guaranteed to be there for them when they can no longer work. They do not want to have to make complex decisions about where or how to invest the money. They want to find out more; indeed, many had enrolled in continuing education classes in citizenship, financial literacy and home buyer readiness programs at agencies like The Resurrection Project and El Instituto del Progreso Latino. Participants have a hunger for more financial education and have enthusiastically accepted our financial education materials, suggesting that armed with good savings options and understanding of how to use them, they could and would save for retirement.

National comparative data on gender and saving for retirement correlate with our findings about Mexican immigrants and Mexican-Americans in general and Mexican-American women, in particular. Fidelity's 2014 Intra-Family Generational Finance Study found that among 20,000 employees enrolled in defined contribution

retirement plans, women are more committed to long term planning than men and that women deferred more income than men: 8.5 percent versus 7.9 percent. Allianz' study of 2,213 women found that more than 90 percent are "hungry" for knowledge about retirement planning, a hunger that is not being met by a financial industry which they feel primarily serves men and the wealthy. The import of these findings cannot be ignored since women are predicted to control two-thirds of the nation's wealth by 2020. Yet most American women are underserved by a financial industry they feel is geared toward White men and the wealthy, a sentiment shared by Mexican-Americans as well.

The existing system of retirement savings helps high-income earners the most, because they can take greater advantage of tax deductions and employer matches and they can better weather the risks inherent in individually managed retirement savings portfolios. In comparison, lower- and middle-income workers may not only miss the benefits of tax deferral, they may actually lose their savings to inappropriate fund choices and/or penalties for early withdrawals. Our interviews with experts assisting Mexican immigrants emphasized their clients' precarious lack of understanding of the rules and risks of these programs. This gap is evident in our questionnaire respondents' virtually universal view of 401(k)s as short-

term or liquid capital and the propensity of Latinos to incur penalties and taxes to cash out when leaving employment or at retirement.

Several of the female Mexican immigrant participants drew verbal pictures of the kinds of retirement savings identified programs that would empower them to prepare save for a secure retirement. They compared the proposed retirement instrument to a typical savings account, which grows at a modest rate and is protected by the government. They did not portray the funds as instruments for dramatic growth or gains in wealth that can finance a luxurious retirement. Their recommendations included:

1. A regular savings schedule—for example, a monthly contribution, to help them get in the habit of saving;
2. An incentive to continue participating through a match; and
3. A guarantee that their nest egg is not at risk.

Thus the Latina participants had a simple recommendation to help them secure their own retirement, one worthy of financial industry and policy makers' attention and consideration. There are strong signs that Latinas are already equipped to maintain a savings plan: their acumen honed by "wearing the financial pants" of their households, their management of *la tanda* and their proactive approach to gaining more financial knowledge.

Notes

XVI. References

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Website Resources

Mission Asset Fund, <http://missionassetfund.org>

National Endowment for Financial Education, www.nefe.org.

Second Federal, <https://www.self-helpfcu.org/second-federal>

The Resurrection Project, <http://resurrectionproject.org>

Women's Institute For A Secure Retirement, www.wiserwomen.org

XVII. Appendix

Appendix Table One. Descriptive Statistics by Race and Nativity, Men						
	Native-born Latinos	Foreign-born Latinos	Native-born Whites	Native-born Blacks	Native-born Asians	Foreign-born Asians
Pension provided by employers (%)	59%	34%	74%	66%	75%	63%
Pension covered rate (%)	45%	23%	64%	51%	71%	54%
Demographic Characteristics						
Median age	38	41	45	44	38	43
Married (%)	59%	73%	68%	49%	60%	74%
Having children under 18	54%	67%	41%	39%	43%	51%
Having extended family	38%	45%	24%	28%	29%	33%
Class Variables						
Below high school	14%	48%	4%	6%	2%	6%
High school	31%	30%	23%	31%	12%	12%
Some college education	39%	14%	34%	41%	18%	22%
College graduate	10%	7%	26%	16%	35%	31%
Post college education	6%	2%	14%	6%	32%	29%
Median annual earnings (dollars)	33,564	24,000	48,000	32,880	61,200	52,440
Homeownership	60%	49%	78%	57%	66%	61%
Job Related Variables						
Working for the employer for more than 5 years	66%	66%	71%	67%	61%	72%
Job status (full time)	87%	88%	91%	87%	56%	95%
Employed in firm with 100 and more employees	56%	31%	55%	59%	56%	56%
Management, professional occupations	20%	8%	41%	26%	57%	52%
Sales occupations	19%	7%	18%	17%	19%	14%
Services occupations	17%	24%	10%	19%	10%	13%
Construction occupations	19%	29%	15%	12%	8%	5%
Production occupations	23%	28%	16%	26%	6%	16%
Manufacturing industry	14%	18%	17%	13%	8%	16%
Trade industry	15%	10%	14%	13%	16%	13%
Services industry	17%	17%	18%	19%	27%	26%
Health and education	12%	4%	13%	15%	18%	15%
Government	9%	1%	8%	8%	11%	4%
N	561	727	6764	749	112	393

Notes

Appendix Table Two. Descriptive Statistics by Race and Nativity, Women

	Native-born Latinos	Foreign-born Latinos	Native-born Whites	Native-born Blacks	Native-born Asians	Foreign-born Asians
Pension provided by employers (%)	60%	38%	72%	70%	71%	63%
Pension covered rate	44%	25%	59%	51%	57%	53%
Demographic Characteristics						
Median age	39	43	46	43	39	44
Married (%)	54%	66%	65%	37%	62%	74%
Having children under 18	59%	63%	39%	49%	40%	43%
Having extended family	31%	39%	21%	28%	30%	28%
Class Variables						
Below high school	10%	37%	2%	5%	3%	6%
High school	29%	26%	19%	23%	8%	15%
Some college education	39%	24%	36%	45%	18%	21%
College graduate	17%	10%	27%	17%	44%	35%
Post college education	6%	3%	16%	10%	26%	23%
Median annual earnings (dollars)	25,044	17,148	33,600	25,920	45,600	33,636
Homeownership	58%	56%	79%	53%	55%	70%
Job Related Variables						
Working for the employer for more than 5 years	64%	64%	69%	65%	76%	67%
Job status (full time)	79%	71%	78%	81%	88%	80%
Employed in firm with 100 and more employees	50%	46%	54%	59%	73%	54%
Management, professional occupations	31%	14%	50%	37%	58%	47%
Sales occupations	38%	25%	31%	28%	25%	24%
Services occupations	23%	40%	14%	28%	10%	22%
Construction occupations	0%	0%	0%	0%	0%	0%
Production occupations	8%	17%	4%	7%	6%	7%
Manufacturing industry	8%	14%	6%	6%	11%	9%
Trade industry	14%	13%	11%	9%	11%	10%
Services industry	17%	18%	15%	13%	14%	22%
Health and education	38%	24%	43%	45%	38%	34%
Government	6%	5%	6%	9%	6%	3%
N	595	518	6929	1111	88	384

Appendix Table Three.
Pension Participation Probabilities: Logit Estimates for Latino, Black, and Asian Women Relative to White Women (25- to 64-year-old Employed Workers, Excluding Self-employed and No Earnings)

		Model 1 (Race and nativity effect)		Model 2 (collectivism effect)		Model 3 (Acculturation effect)	
		Coefficient	Pr>ChiSq	Coefficient	Pr>ChiSq	Coefficient	Pr>ChiSq
Race and nativity	Native-born Latino	-0.594	<0.0001	-0.570	<0.0001	-0.324	0.001
	Foreign-born Latino	-1.421	<0.0001	-1.384	<0.0001	-0.629	<0.0001
	Native-born Black	-0.335	<0.0001	-0.318	<0.0001	-0.314	<0.0001
	Native-born Asian	0.067	0.759	0.091	0.679	0.254	0.258
	Foreign-born Asian	-0.275	0.009	-0.261	0.013	0.152	0.206
Collectivism	Having extended family			-0.210	<0.0001	0.178	0.000
Language	Non-native speaker but speak English well					-0.374	<0.0001
	Non-native speaker but speak English not well					-1.686	<0.0001
Age	Age						
	Age*age						
Education	Less than high school						
	Some college education						
	College graduate						
	Post college education						
Economic	Log earnings						
	Homeownership						
Marital Status	Married, spouse absent						
	Widowed						
	Divorced						
	Never married						
Children	Having children under 18						
Job Status	Job tenure						
	Firm size						
	Full time						
Industry	Trade						
	Services						
	Health, education						
	Government						
	Others						
Occupation	Sales						
	Services						
	Farming						
	Construction						
	Production						
Constant		0.348	<0.0001	0.394	<0.0001	0.414	<0.0001
Log likelihood		13734.394		13714.437		13580.118	
N		10168		10,168		10,168	

Model 4 (Socio-economic, demographic background)		Model 5 (Job status effect)		Model 6 (Industry and occupation effect)	
Coefficient	Pr>ChiSq	Coefficient	Pr>ChiSq	Coefficient	Pr>ChiSq
-0.034	0.755	-0.072	0.521	-0.099	0.380
-0.226	0.109	-0.328	0.025	-0.338	0.024
-0.057	0.427	-0.168	0.026	-0.174	0.024
-0.179	0.479	-0.237	0.368	-0.250	0.346
-0.102	0.453	-0.109	0.440	-0.012	0.934
0.023	0.680	0.013	0.831	0.045	0.450
-0.371	<0.0001	-0.406	<0.0001	-0.377	<0.0001
-1.075	<0.0001	-1.074	<0.0001	-0.977	<0.0001
0.042	0.033	0.021	0.313	0.017	0.412
-0.000	0.129	-0.000	0.512	-0.000	0.606
-0.045	0.719	-0.018	0.890	0.055	0.674
0.088	0.153	0.145	0.024	0.066	0.317
0.285	<0.0001	0.423	<0.0001	0.246	0.002
0.432	<0.0001	0.596	<0.0001	0.327	0.001
1.084	<0.0001	0.790	<0.0001	0.717	<0.0001
0.411	<0.0001	0.412	<0.0001	0.367	<0.0001
-0.300	0.186	-0.366	0.121	-0.368	0.127
-0.174	0.209	-0.140	0.333	-0.127	0.385
0.026	0.686	-0.005	0.945	0.018	0.792
-0.131	0.062	-0.182	0.013	-0.158	0.034
-0.170	0.002	-0.141	0.016	-0.149	0.012
		0.792	<0.0001	0.778	<0.0001
		0.913	<0.0001	0.894	<0.0001
		0.694	<0.0001	0.665	<0.0001
				-0.438	0.000
				-0.521	<0.0001
				-0.018	0.862
				0.808	<0.0001
				-0.173	0.147
				-0.208	0.002
				-0.616	<0.0001
				-0.176	0.740
				-0.365	0.311
				-0.404	0.001
-9.609	<0.0001	-8.382	<0.0001	-7.235	<0.0001
11184.851		10441.844		10241.112	
10168		10168		10,168	

Appendix Table Four.
Pension Participation Probabilities: Logit Estimates for All Races
(25- to 64-year-old Employed Workers, Excluding Self-employed and No Earnings)

		Model 1 (Race and nativity effect)		Model 2 (Collectivism effect)		Model 3 (Acculturation effect)	
		Coefficient	Pr>ChiSq	Coefficient	Pr>ChiSq	Coefficient	Pr>ChiSq
Race and nativity	Native-born Latino	-0.685	<0.0001	-0.654	<0.0001	-0.433	<0.0001
	Foreign-born Latino	-1.692	<0.0001	-1.645	<0.0001	-0.995	<0.0001
	Native-born Black	-0.401	<0.0001	-0.386	<0.0001	-0.384	<0.0001
	Native-born Asian	0.196	0.118	-0.218	0.134	0.378	0.012
	Foreign-born Asian	-0.385	<0.0001	-0.246	<0.0001	-0.038	0.673
Collectivism	Having extended family			-0.246	<0.0001	-0.234	<0.0001
Language	Non-native speaker but speak English well					-0.270	<0.0001
	Non-native speaker but speak English not well					-1.498	<0.0001
Gender	Men/Women						
Age	Age						
	Age*age						
Education	Less than high school						
	Some college education						
	College graduate						
	Post college education						
Economic	Log earnings						
	Homeownership						
Marital Status	Married, spouse absent						
	Widowed						
	Divorced						
	Never married						
Children	Having children under 18						
Job Status	Job tenure						
	Firm size						
	Full time						
Industry	Trade						
	Services						
	Health, education						
	Government						
	Others						
Occupation	Sales						
	Services						
	Farming						
	Construction						
	Production						
Constant		0.469	<0.0001	0.528	<0.0001	0.531	<0.0001
Log likelihood		25259.640		25207.619		25050.888	
N		19057		19057		19057	

Model 4 (Socio-economic, demographic background)		Model 5 (Job status effect)		Model 6 (Industry and occupation effect)	
Coefficient	Pr>ChiSq	Coefficient	Pr>ChiSq	Coefficient	Pr>ChiSq
-0.154	0.053	-0.220	0.008	-0.231	0.006
-0.585	<0.0001	-0.617	>0.0001	-0.577	<0.0001
-0.016	0.779	-0.133	0.026	-0.153	0.012
0.157	0.348	0.144	0.405	0.189	0.283
-0.310	0.002	-0.352	0.001	-0.264	0.014
-0.011	0.793	-0.005	0.898	0.005	0.900
-0.197	0.010	-0.208	0.009	-0.207	0.010
-0.785	<0.0001	-0.805	<0.0001	-0.788	<0.0001
-0.181	<0.0001	-0.186	<0.0001	-0.119	0.004
0.061	<0.0001	0.040	0.008	0.039	0.010
-0.001	0.000	-0.000	0.026	-0.000	0.030
-0.446	<0.0001	-0.381	<0.0001	-0.333	0.000
0.132	0.003	0.162	0.000	0.107	0.023
0.300	<0.0001	0.382	<0.0001	0.247	<0.0001
0.342	<0.0001	0.470	<0.0001	0.244	0.001
1.008	>0.0001	0.753	<0.0001	0.704	<0.0001
0.424	<0.0001	0.421	<0.0001	0.389	<0.0001
-0.273	0.118	-0.358	0.047	-0.340	0.064
-0.202	0.112	-0.159	0.232	-0.163	0.224
-0.059	0.242	-0.072	0.175	-0.061	0.254
-0.163	0.002	-0.184	0.001	-0.154	0.005
-0.101	0.015	-0.075	0.082	-0.079	0.070
		0.705	<0.0001	0.691	<0.0001
		0.980	<0.0001	0.960	<0.0001
		0.682	<0.0001	0.659	<0.0001
				-0.372	<0.0001
				-0.459	<0.0001
				0.031	0.634
				0.853	<0.0001
				-0.183	0.007
				-0.184	0.001
				-0.510	<0.0001
				-0.973	0.001
				-0.307	0.000
				-0.203	0.003
-9.344	<0.0001	-8.402	<0.0001	-7.645	<0.0001
20910.279		19566.514		19,234.637	
19057		19057		19057	

Appendix Table Five.
Pension Participation Probabilities: Logit Estimates for Latino Women Relative to Latino Men
(25- to 64-year-old Employed Workers, Excluding Self-employed and No Earnings)

		Model 1 (Gender effect)		Model 2 (Collectivism effect)		Model 2b (Interaction term of gender and collectivism)	
		Coefficient	Pr>ChiSq	Coefficient	Pr>ChiSq	Coefficient	Pr>ChiSq
Gender	Women	0.142	0.102	0.116	0.182	0.089	0.416
Collectivism	Having extended family			-0.433	<0.0001	-0.467	0.000
Immigration	Came to US before 1981						
	Came to US 1981–1990						
	Came to US 1991–2000						
	Came to US 2001–2009						
Language	Non-native speaker but speak English well						
	Non-native speaker but speak English not well						
Age	Age						
	Age*age						
Education	Less than high school						
	Some college education						
	College graduate						
	Post college education						
Economic	Log earnings						
	Homeownership						
Marital Status	Married, spouse absent						
	Widowed						
	Divorced						
	Never married						
Children	Having children under 18						
Job Status	Job tenure						
	Firm size						
	Full time						
Industry	Trade						
	Services						
	Health, education						
	Government						
	Others						
Occupation	Sales						
	Services						
	Farming						
	Construction						
	Production						
Constant		-0.747	<0.0001	-0.568	<0.0001	-0.554	<0.0001
Log likelihood		3063.018		3039.601		3039.430	
N		2401		2401		2401	

Model 3 (Acculturation effect)		Model 4 (Socio-economic, demographic background)		Model 5 (Job status effect)		Model 6 (Industry and occupation effect)	
Coefficient	Pr>ChiSq	Coefficient	Pr>ChiSq	Coefficient	Pr>ChiSq	Coefficient	Pr>ChiSq
0.035	0.704	0.339	0.002	0.306	0.005	0.205	0.095
-0.329	0.001	-0.112	0.299	-0.129	0.249	-0.120	0.289
0.043	0.805	-0.028	0.884	0.010	0.961	0.026	0.900
-0.317	0.053	-0.249	0.169	-0.260	0.167	-0.199	0.298
-0.897	<0.0001	-0.634	0.000	-0.544	0.001	-0.511	0.003
-0.759	<0.0001	-0.566	0.001	-0.600	0.001	-0.524	0.003
-0.287	0.006	-0.216	0.063	-0.223	0.064	-0.259	0.034
-1.390	<0.0001	-0.778	<0.0001	-0.821	<0.0001	-0.844	<0.0001
		0.041	0.350	0.019	0.683	0.021	0.648
		-0.000	0.586	-0.000	0.914	-0.000	0.875
		-0.252	0.097	-0.162	0.307	-0.119	0.456
		0.278	0.029	0.317	0.016	0.278	0.039
		0.364	0.039	0.450	0.013	0.350	0.069
		0.441	0.093	0.519	0.058	0.323	0.278
		1.034	<0.0001	0.777	<0.0001	0.732	<0.0001
		0.265	0.018	0.270	0.016	0.248	0.029
		-1.034	0.024	-1.273	0.008	-1.244	0.010
		-0.145	0.721	-0.199	0.632	-0.200	0.636
		-0.140	0.388	-0.187	0.266	-0.217	0.206
		-0.101	0.491	-0.126	0.408	-0.085	0.582
		0.050	0.677	0.076	0.539	0.102	0.418
				0.609	<0.0001	0.619	<0.0001
				0.945	<0.0001	0.907	<0.0001
				0.717	<0.0001	0.663	0.000
						-0.358	0.064
						-0.344	0.074
						0.143	0.461
						0.835	0.004
						-0.340	0.083
						-0.013	0.942
						-0.436	0.021
						-0.552	0.303
						-0.291	0.223
						0.001	0.997
0.121	0.236	-9.711	<0.0001	-8.732	<0.0001	-8.119	<0.0001
2796.499		2429.112		2294.405		2259.929	
2401		2401		2401		2401	

Notes

