

## Quick Takeaways

### ***The Significance of Gender for Savings and Retirement in Latino Communities***

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Primary Purpose: To extend previous NEFE-funded research into the complex causes and consequences of Latinos' inability to save for retirement, specifically by studying the influence of gender on savings and retirement.

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#### **Key Findings**

- 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. Those with collectivist commitments are less likely to contribute to retirement savings accounts.
- Women do not regard family formation and having children as barriers to getting ahead in careers; neither is their pension participation affected by maternity.
- 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.”
- Income, more than gender, has a significant effect on Latinos' and Latinas' likelihood to save for retirement even after controlling for other demographic variables.
- 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.
- Evidence is found that salary increases of Latina workers 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. Latinas are 39 percent more likely than Latinos to have retirement savings.
- Those of lower- or middle-income levels often see their retirement savings as a source of liquidity. But an ever-greater danger looms when 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 is

especially costly to Latino men and women as they tend to switch jobs more frequently than other demographics.