
Different folks, different retirement strokes

By Editorial Staff Thu, Apr 4, 2019

MassMutual sponsored interviews with Americans of several different ethnicities and found striking differences in their attitudes toward and expectations of retirement.

After surveying groups of African Americans, Hispanics, Caucasians, Chinese, Koreans, and Asian Indians in its retirement plans, MassMutual found ethnic differences in the expected age and length of retirement, sources of income and other related issues.

The results appear in the MassMutual State of the American Family (SOAF) report, whose results were published this week.

“While we see many similarities among multicultural families when it comes to retirement planning, there remain important differences in how people view their retirement,” said Wonhong Lee, Head of MassMutual’s Multicultural Markets, in a release. “Most communities have undertaken retirement planning at about the same rate, although we see differences in expectations for timing, sources of income and confidence.”

About half of the participants surveyed had calculated how much savings they needed to retire, and about a third created a formal plan, according to the SOAF survey. Asian Indians were most likely to calculate how much savings they needed to retire (61%), but only 35% of Indian families have a plan. Only 39% of Korean respondents calculated how much they needed to retire and only 20% had a clear plan.

With the exception of Koreans, 45% of respondents plan to retire by age 65 or sooner, according to the survey, with 22% intending to retire at age 60 or before. The most common response for an intended retirement age was, “I don’t know” (26%).

A quarter of African Americans and 26% of Chinese respondents plan to retire at age 60 or younger - more than any other groups - and only 10% of Koreans said the same, the least of any group. Koreans were more than twice as likely as any other group to plan to retire later than age 70 or not to expect to fully retire at all.

One in five survey respondents overall indicated was “extremely confident” in their projected retirement age, with African Americans (30%) and Hispanics (24%) expressing the most confidence. Asian Indians (12%), Chinese (13%) and Koreans (14%) were the least confident.

African American and Hispanic and Asian Indian households are more likely to have a pension to help support their retirement. Anecdotally, many Asian American households own businesses. Overall, 54% of survey respondents expect to receive income in retirement from a pension, including 63% of African Americans, 63% of Asian Indians, and 59% of Hispanics, and 10% of Chinese.

Tax-favored retirement savings vehicles were the most commonly cited source of retirement income (33%), the survey found. Hispanics (28%) were least likely to depend upon such sources of income. Social Security (22%) was the next largest source of anticipated retirement income. Asian Indian (18%) respondents had the lowest expectations for Social Security as an income source.

Three out of four African Americans and 68% of Chinese respondents expect to live 20 years or more once retired; 36% of African Americans expect to live 30 years or more in retirement, the longest of any group by far.

Isobar conducted the State of the American Family survey for MassMutual between Jan. 19 and Feb. 7, 2018 via a 20-minute online questionnaire. The survey comprised 3,235 total interviews with Americans, most between ages 25-64, with household incomes equal to or greater than \$50,000 and with dependents under age 26 for whom they are financially responsible.

For more information about the MassMutual State of the American Family Survey, please go to <https://www.massmutual.com/cm/family-study>.

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