

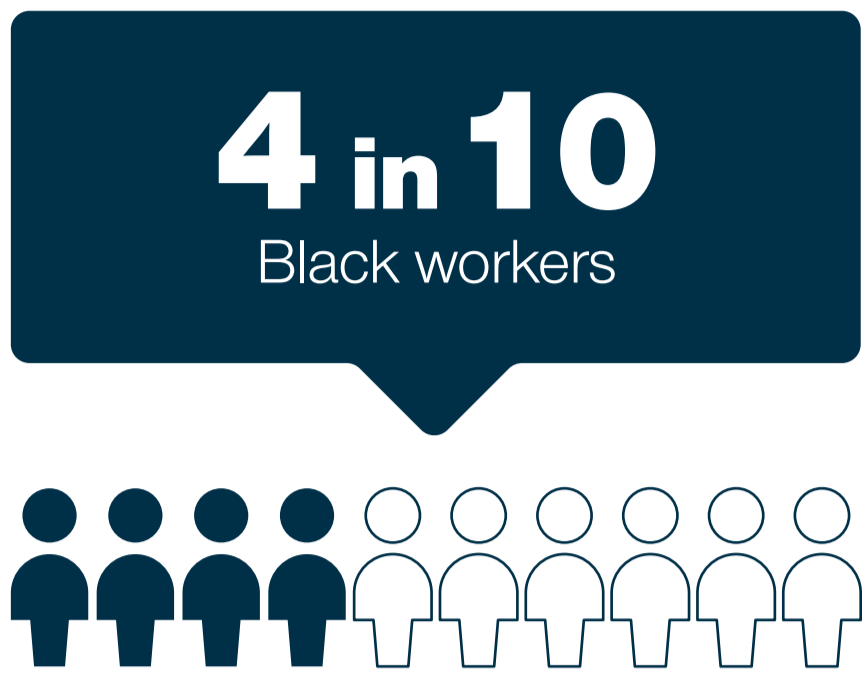


# Access Matters


Race, Ethnicity, and the Retirement Savings Gap

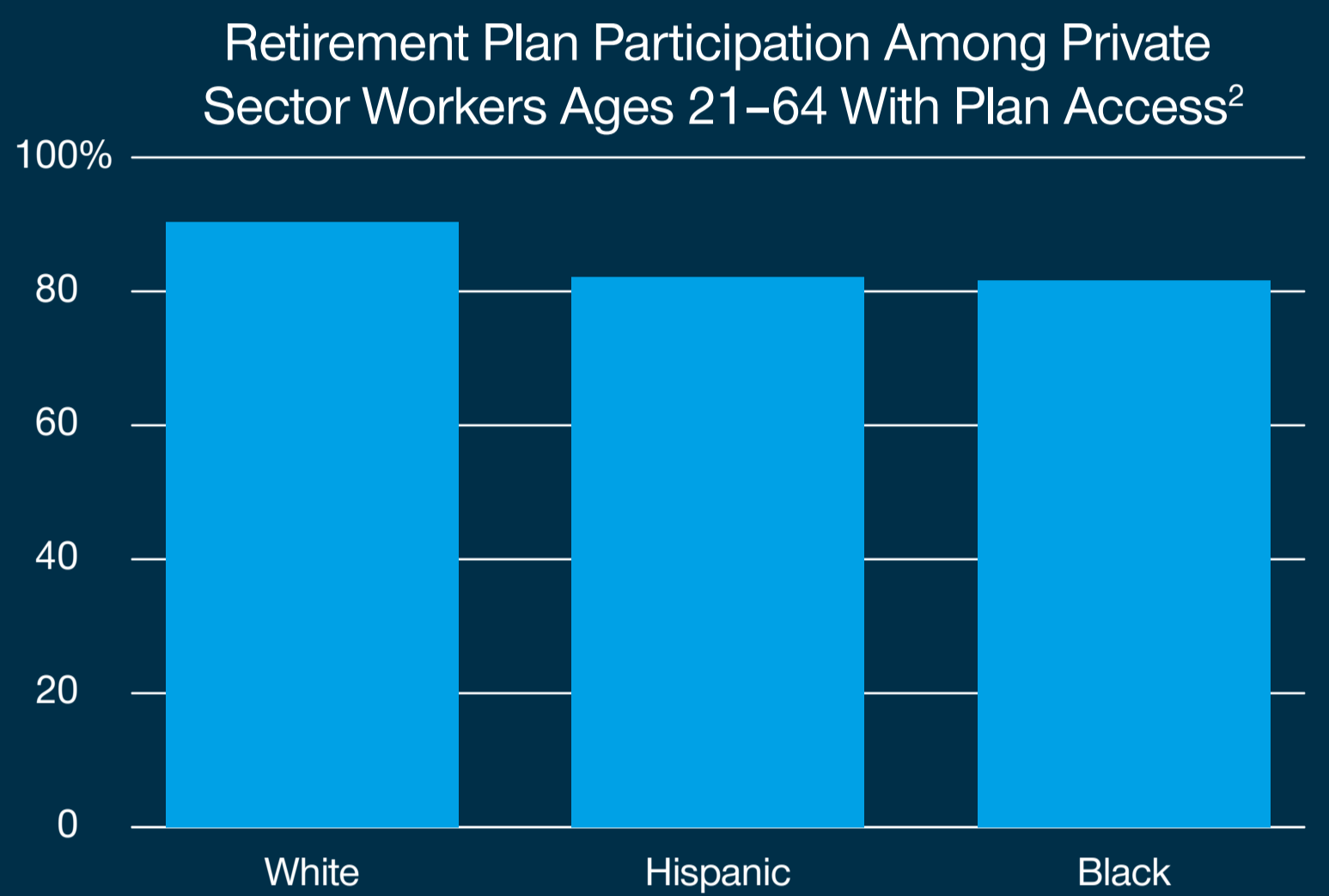
## Racial and ethnic disparities in retirement savings persist in the U.S.

Nearly 6 in 10 white workers participate in a retirement plan,<sup>1</sup> compared with...



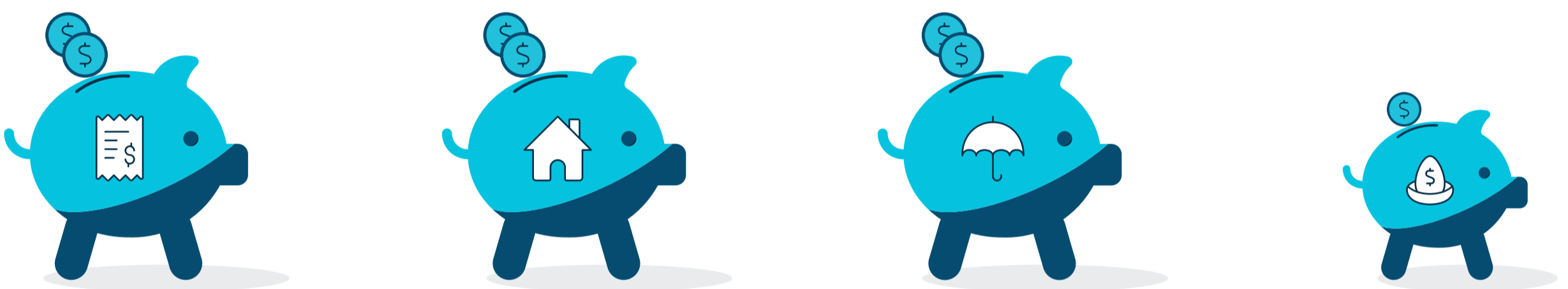
## Access to retirement plans helps to narrow the gap

 The participation gap between Black/Hispanic workers and white workers narrows for those with access to retirement plans.







## Retirement isn't the only priority

For Black and Hispanic workers, retirement savings is less of a priority than other competing financial needs, including reducing debt, saving for a home, and building an emergency fund.<sup>3</sup>



## The retirement industry can help close the gap by:

-  **Expanding Access to Retirement Savings Plans**  
Policy makers can create more incentives for plan formation and participation.
-  **Using Plan Design to “Lift All Boats”**  
Adopt auto-enrollment and auto-escalation in aiming to boost participation and savings. Adjust matching formulas, vesting schedules or timing of employer contribution when permissible and appropriate to help mitigate costs.
-  **Increasing Access to Financial Wellness Programs**  
Programs can help with emergency savings, debt management, budgeting.
-  **Targeting Communications to Encourage Participation and Saving**  
Sponsors can target workers who have chosen not to participate or who have lowered contribution rates.
-  **Purposefully Using Plan Data**  
Using demographic data will allow plans to analyze and identify solutions to gaps in retirement preparation.

For more information, read the [T. Rowe Price 2022 U.S. Retirement Market Outlook](#).

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<sup>1</sup> As of March 2021. Source: Author's calculations from the Annual Social and Economic (ASEC) supplement of the Current Population Survey (CPS), 2021. IPUMS CPS, University of Minnesota. Figures based on the share of total private sector workforce (with or without access to a retirement plan) who participate in a retirement plan and among 21 to 64 year old wage or salaried workers.

<sup>2</sup> As of March 2021. Source: Author's calculations from the Annual Social and Economic (ASEC) supplement of the Current Population Survey (CPS), 2021. IPUMS CPS, University of Minnesota.

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Figure based on the share of private sector workers between 21 and 64 year old who decide to participate in a retirement plan if they are offered one.

<sup>3</sup> As of August 2021. Source: T. Rowe Price Retirement Savings and Spending Study, 2021. The study was conducted between June 9, 2021, and August 4, 2021, and included 3,844 plan participants and 1,332 retirees.

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