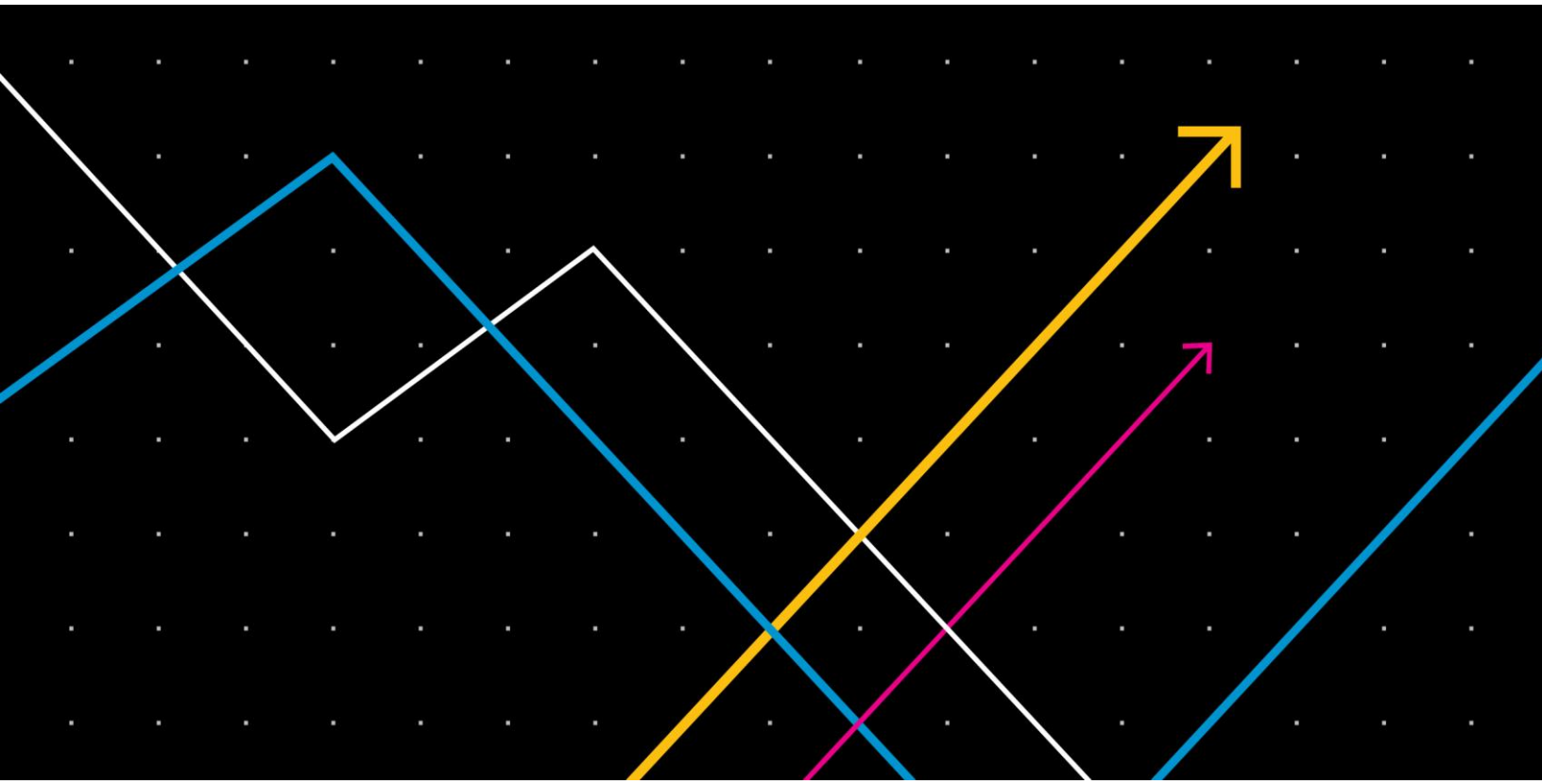

RESEARCH REPORT

Hispanics' Retirement Security

Past Trends and Future Prospects

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Abstract

The number of older Hispanics in the United States is growing rapidly, and many face significant financial challenges because of employment histories marked by low-earning jobs that do not generally offer retirement benefits. Older Hispanics receive much less income, hold much less wealth, and are much more likely to be impoverished than older non-Hispanic whites. Financial outcomes are significantly worse for older foreign-born Hispanics than for those born in the United States. Among working-age adults, US-born Hispanic men are somewhat less likely to participate in the labor force than non-Hispanic white men, while foreign-born Hispanics are more likely to participate. Hispanic women, especially those born outside the United States, are less likely to work. Hispanics employed full-time earn significantly less than their non-Hispanic white counterparts and are less likely to be covered by an employer-sponsored retirement plan.

Executive Summary

Hispanics are among the fastest-growing population groups in the nation, nearly quadrupling between 1980 and 2014. The Hispanic share of the US population rose from 6.5 percent in 1980 to 17.3 percent in 2014 and is projected to account for nearly a quarter of the US population by 2040. Although the Hispanic population is relatively young, the number of Hispanics ages 65 and older will also surge in coming decades. Census Bureau projections indicate that the number of older Hispanics will more than triple over the next 25 years and will account for 15 percent of the older US population by 2040. Many older Hispanics face steep financial challenges because of employment histories marked by low-earning jobs that do not generally offer retirement benefits.

This report examines Hispanics' retirement security, using nationally representative household survey data from multiple sources, including the American Community Survey, decennial censuses, Survey of Income and Program Participation, and Health and Retirement Study. The analysis also used the Urban Institute's Dynamic Simulation of Income Model (DYNASIM4) to project the financial security of future generations of older Hispanics. The report highlights differences before and after the 2007–09 Great Recession and differences between US-born Hispanics and those born outside the country.

Our results show that older Hispanics receive much less income, hold much less wealth, and are much more likely to be impoverished than older adults overall. In 2013, median family income, adjusted for family size, was one-third lower for Hispanics ages 65 and older than their non-Hispanic white counterparts, and the older Hispanic poverty rate was 12 percentage points higher. In 2012, median household wealth was more than five times as high for older non-Hispanic whites as older Hispanics. Financial outcomes are significantly worse for older foreign-born Hispanics than for those born in the United States, because workers who spend part of their careers outside the United States have less time to accumulate Social Security and employer-sponsored retirement benefits. In general, older US-born Hispanics fare better than older non-Hispanic blacks, whereas older foreign-born Hispanics fare worse than older non-Hispanic blacks.

Shortfalls in earnings and workplace retirement plans earlier in life likely account for much of the financial hardship that many older Hispanics face in retirement, especially those born outside the United States. In 2013, median earnings for men ages 25 to 64 employed full-time were 26 percent lower for US-born Hispanics than non-Hispanic whites, and 47 percent lower for foreign-born Hispanics. The earnings shortfall for US-born Hispanic women ages 25 to 64 working full-time, relative

to non-Hispanic whites, was much smaller—15 percent—but still substantial. Moreover, working Hispanics are much less likely than non-Hispanic whites and non-Hispanic blacks to be offered retirement plan coverage by an employer or to be enrolled in a plan. In 2014, only 32 percent of Hispanic men ages 25 to 64 employed full-time participated in an employer-sponsored retirement plan, compared with 54 percent of non-Hispanic white men and 47 percent of non-Hispanic black men. The comparable rates for women employed full-time were 38 percent for Hispanics, 57 percent for non-Hispanic whites, and 50 percent for non-Hispanic blacks. However, the fact that Hispanics tend to work longer than other groups promotes their retirement security.

Educational differences partly account for these racial and ethnic disparities in retirement incomes, retirement wealth, earnings, and retirement plan coverage. In 2014, 45 percent of Hispanics ages 65 and older lacked a high school diploma, including 55 percent of foreign-born Hispanics, compared with 27 percent of non-Hispanic blacks and 11 percent of non-Hispanic whites. However, Hispanics' generally limited education does not fully explain their financial shortfalls in retirement. Even after we controlled for education, age, marital status, and English-speaking ability, we found that older US-born Hispanics received 20 percent less income than non-Hispanic whites, and foreign-born Hispanics received 28 percent less income. We also found that, among men employed full-time, US-born Hispanics earned 7 percent less than non-Hispanic whites and foreign-born Hispanics earned 14 percent less even after we controlled for other factors. More research is needed to better understand why Hispanics tend to earn less than non-Hispanic whites, and why they are less likely to participate in employer-sponsored retirement plans.

Health problems create additional challenges for many older Hispanics. Among adults age 75 and older, 33 percent of foreign-born Hispanics and 31 percent of US-born Hispanics reported serious disabilities or severe cognitive impairment, compared with only 13 percent of non-Hispanic whites. Although most people with disabilities or cognitive impairment rely on help with everyday activities from unpaid family caregivers, some must turn to paid helpers at home or in other residential settings, such as assisted living facilities or nursing homes, when they need round-the-clock care. Paid care is expensive and much of the cost is paid out of pocket because Medicare provides only limited coverage and only in special circumstances, few people have private long-term care insurance coverage, and Medicaid pays only for people with virtually no assets (or people who have already spent nearly all of their assets on care). As a result, the need for long-term services and supports often leads to financial hardship.

Despite these challenges, older US-born Hispanics' median income has grown substantially over the past three decades. Between 1979 and 2013, real median family income, adjusted for family size,

increased 51 percent for US-born Hispanics, more than for any of the other racial and ethnic groups we examined. Our DYNASIM4 projections suggest that retirement incomes will grow over the next three decades for both US-born and foreign-born Hispanics. Compared with median age-70 income for people born in the 1940s, who are reaching age 70 in the 2010s, we project that median age-70 income for people born in the 1970s will be 42 percent higher for US-born Hispanics and 38 percent higher for foreign-born Hispanics. The past gains for US-born Hispanics and the projected gains for both US-born and foreign-born Hispanics stem largely from improvements in educational attainment.

Various policy options might improve retirement security for Hispanics. Workforce development initiatives and efforts to promote education could enhance skills and raise earnings, boosting future Social Security benefits and allowing more Hispanics to save for retirement. Policy initiatives that promote retirement savings, such as state mandates requiring employers to offer automatic payroll deductions that would fund retirement accounts, could help narrow racial and ethnic disparities in retirement savings. Social Security reforms that increase benefit progressivity or create a meaningful minimum benefit would raise retirement incomes for people with low lifetime earnings. Finally, supports for family caregivers and better financing options for paid long-term services and supports could help the many older Hispanics with disabilities and cognitive impairment receive the care they need and ease the financial burdens on their families.

Hispanics' Retirement Security: Past Trends and Future Prospects

Older Americans are generally more financially secure than younger people. They have exhibited lower poverty rates than the overall population for the past few decades (DeNavas-Walt and Proctor 2015), and they are less likely than younger people to be impoverished even when the comparisons account for older adults' relatively high out-of-pocket health care spending and the noncash benefits received by many younger low-income families (Short 2015). Most older adults weathered the 2008 financial crisis and subsequent recession better than working-age adults (Johnson and Smith 2016). Although recent wage stagnation and eroding employer-sponsored defined benefit (DB) pension coverage are raising concerns about retirement security for future generations (Helman, Copeland, and VanDerhei 2015; Munnell, Hou, and Webb 2014), older Americans are now twice as likely to receive high incomes—at least 400 percent of the federal poverty level (FPL)—than 40 years ago (Federal Interagency Forum on Aging-Related Statistics 2016). However, averages mask significant variation in later-life outcomes, and certain subgroups of the older population continue to face widespread economic hardship; poverty rates remain high for older African Americans and older unmarried women (Social Security Administration 2016).

Older Hispanics, one of the fastest-growing population groups in the nation, face unique financial challenges (Angel and Mudrazija 2015). Many (but certainly not all) received little schooling and worked at low-paying jobs that offered few fringe benefits, limiting their ability to save for retirement. Many were born outside the United States, creating additional obstacles for retirement security (Menjivar and Enchautegui 2015). Because immigrants usually start their US careers relatively late, they have less time to accumulate Social Security credits and amass wealth in employer-sponsored retirement plans than US-born workers. Many Hispanic immigrants also struggle in the US labor market because many came from countries with relatively low levels of educational attainment and their skills are not always transferable (Borjas 1999, 2006; Capps, Fortuny, and Fix 2005; Duleep and Dowhan 2008; Favreault and Nichols 2011). Language barriers and employment discrimination create additional hurdles. Employment prospects are particularly limited for immigrants residing in the United States without legal authorization (Passel and Cohn 2009).

This report examines Hispanics' retirement security using nationally representative household survey data from multiple sources.[1] It compares income, wealth, and poverty rates at ages 65 and older across racial and ethnic groups and examines how these outcomes have evolved over time. Because

financial security at older ages depends on how much people earned when they were younger, the analysis also compares trends in labor force outcomes at working ages, including employment, earnings, occupation, and employer-sponsored retirement coverage. Recent trends in earnings and retirement plan coverage for working-age Hispanics offer insights into the likely financial security of future generations of Hispanic retirees. The study examines how retirement behavior differs for Hispanics and non-Hispanics, which shapes retirement security. Working longer can increase lifetime earnings and thus improve the capacity to save for retirement, shorten the period over which those savings are spread, and reduce or eliminate penalties associated with collecting Social Security benefits early. The report highlights differences before and after the Great Recession and differences between US-born Hispanics and those born outside the country. Finally, we used the Urban Institute's dynamic microsimulation model to project the financial security of future generations of older Hispanics.

Our results show that older Hispanics receive much less income, hold much less wealth, and are much more likely to be impoverished than older non-Hispanic whites. Financial outcomes are significantly worse for older foreign-born Hispanics than for those born in the United States. Among working-age adults, US-born Hispanic men are somewhat less likely to participate in the labor force than non-Hispanic white men, while foreign-born Hispanics are more likely to participate. Hispanic women, especially those born outside the United States, are less likely to work. Hispanics employed full-time earn significantly less than their non-Hispanic white counterparts and are less likely to be covered by an employer-sponsored retirement plan.

Methods and Data

The analysis relied mostly on data from various nationally representative household surveys conducted by the US Census Bureau or sponsored by the federal government, including the American Community Survey (ACS), decennial censuses, Current Population Survey (CPS), Survey of Income and Program Participation (SIPP), and Health and Retirement Study (HRS). We used data from multiple sources because no single survey collected information on the full range of outcomes that we examined. Our analysis compared financial, employment, health, and retirement satisfaction outcomes for US-born Hispanics, foreign-born Hispanics, non-Hispanic whites, and non-Hispanic blacks. We examined outcomes in the latest available data and trends in outcomes back to 1979. All financial amounts were reported in 2014 constant dollars, adjusted by the change in the consumer price index. This section describes our data and how we used them.

Much of our analysis used data from the 2014 ACS, supplemented by the 2010 ACS and the 5 percent sample of the 1980, 1990, and 2000 decennial censuses to examine trends in outcomes. These data are available through the Integrated Public Use Microdata Series (Ruggles et al. 2015). The ACS and decennial censuses are nationwide household and institutional surveys that collect information on demographic, housing, social, and economic characteristics. The millions of interviews conducted by these surveys generated large enough sample sizes for us to make meaningful comparisons between US-born and foreign-born Hispanics. The ACS, initiated in 2005, interviews about 2 million households every year. The 2014 ACS collected data on about 251,900 Hispanics, including 118,900 born in the United States and 133,000 born outside the United States. The 1980 census interviewed about 335,600 Hispanics, including 193,400 born in the United States and 139,300 born outside the United States.

We used ACS and decennial census data to estimate the relative size of the Hispanic population and describe basic demographics, including nativity, citizenship, English-speaking ability, educational attainment, marital status, multigenerational living arrangements, and ancestry. Our measure of English-speaking ability was based on responses to a question in the ACS and decennial censuses that asked respondents who did not speak English at home how well they spoke English—very well, well, not well, or not at all. Our estimates of income and poverty rates for adults ages 65 and older were also based on the ACS and decennial censuses. In addition, we used those data sources to compare labor force status—employed, unemployed, and not participating in the labor force—throughout the life course and to examine earnings and occupation for full-time workers ages 25 to 64. The decennial censuses collected income data from the previous year, and the ACS asked respondents to report the income they received over the previous 12 months, which we interpreted as the previous calendar year. Thus, our analysis computed income measures for 1979, 1989, 1999, 2009, and 2013.

We adjusted income amounts for household size by dividing family income by the square root of the number of family members. This is a common approach in the literature (e.g., Bremer 2014; Litwin and Sapir 2009), which enabled us to more accurately approximate the resources available to families given racial and ethnic differences in household size and the economies of scale in household production that favor larger households.

Information on employer-sponsored retirement plan coverage came from the Annual Social and Economic Supplement to the CPS, a nationally representative monthly household survey conducted by the US Census Bureau for the Bureau of Labor Statistics. We restricted our analysis of retirement plan coverage to full-time workers ages 25 to 64, because coverage is much less common for part-time

workers and for workers who are quite young or old. In 2014, our sample consisted of 62,664 workers, including 4,993 US-born Hispanics and 6,708 foreign-born Hispanics.

Because the CPS does not distinguish between DB and defined contribution (DC) plans, we turned to the SIPP for information on the type of retirement plan for covered workers. SIPP is a nationally representative longitudinal household survey conducted by the US Census Bureau that collects data on employment, job characteristics, income, assets, program participation, health status, demographics, and other topics. Households are surveyed every four months for between two and one-half years and four years. The SIPP is useful for our purposes because it asks workers whether their employers offer them a retirement plan and whether they choose to participate. It also collects information about both whether they were offered and participated in DB and DC plans. We used data on full-time workers ages 25 to 64 from the 2008 panel, which collected pension data in 2012, and the 2001 panel, which collected pension data in 2002. Our 2002 sample consisted of 19,093 workers, including 1,006 US-born Hispanics and 1,128 foreign-born Hispanics. Our 2012 sample consisted of 13,956 workers, including 1,129 US-born Hispanics and 1,162 foreign-born Hispanics.

The study also used data from the HRS, a national, longitudinal survey of older Americans, to examine wealth, retirement satisfaction, and health status, which are not available in the larger ACS and decennial censuses. Conducted by the University of Michigan with primary funding from the National Institute on Aging, it began in 1992 by interviewing about 12,600 adults ages 51 to 61 and their spouses. These respondents have been reinterviewed every other year. Additional cohorts were added to the study in 1998, 2004, and 2010, so that the HRS now collects data every two years from more than 22,000 adults older than age 50. It oversamples African Americans, Hispanics, and Florida residents.

We compared how outcomes at ages 65 and older varied in the HRS by race and ethnicity in 1998, 2004, and 2012, the latest year with finalized data.[2] Our measure of net household wealth included the value of a home, other real estate, businesses, financial assets, and other assets (primarily vehicles), minus housing and other debt.[3] The HRS asked retired respondents whether their retirement has turned out to be very satisfying, moderately satisfying, or not at all satisfying. The survey also asked respondents to rate their overall health status as excellent, very good, good, fair, or poor.

The HRS collects detailed information about disability status, which we used to compare disabilities and severe cognitive impairment by race and ethnicity. Each wave, the HRS asks respondents if they have any difficulty because of a physical, mental, emotional, or memory problem with activities of daily living (ADLs) or instrumental activities of daily living (IADLs). ADLs include getting in and out of bed,

dressing, walking across a room, bathing or showering, eating, and using the toilet. IADLs include using a map, preparing a hot meal, shopping for groceries, making a phone call, and taking medication. The HRS asks respondents to consider only limitations expected to last at least three months. We classified respondents who reported that they did not engage in a particular IADL as having a limitation only if they said that they did not perform that activity because of a health problem. Exit interviews ask the next of kin if recently deceased respondents received any help with ADLs or IADLs over the last three months of their lives; it does not ask if they had any difficulty with these activities.

The survey assesses cognitive impairment by administering a cognitive test to self-respondents. The test measures episodic memory and mental status. Interviewers read a list of 10 nouns and ask respondents to recall as many words as possible. After about five minutes of questions on other topics, interviewers again ask respondents to recall as many words as possible from the original list of 10 nouns. The test measures mental status by asking respondents to subtract 7 from 100 five successive times; count backwards 10 times; report the month, day, year, and day of the week when interviewed; name an object they "usually used to cut paper" and the "kind of prickly plant that grows in the desert;" and name the president and vice president of the United States. HRS uses these responses to create a cognitive score, assigning one point for each correct word recalled (for a maximum score of 20 points), one point for each successful subtraction of seven (for a maximum score of 5), two points for successfully counting backwards (one point if successful on the second try but not the first), and one point for correctly naming each object, the president, the vice president, and each element of the date (for a maximum score of 8). The total possible score, then, is 35 points. The HRS imputed missing cognition data for self-respondents, based on demographic, health, and economic variables, as well as cognitive variables from the current and prior waves (Fisher et al. 2015).

Respondents who provide survey information through proxies are more likely than self-respondents to have cognitive impairments, yet the HRS cannot administer a cognitive test to them. Instead, the survey asks proxies about several behaviors that are often symptomatic of severe cognitive impairment—whether a respondent ever gets lost in a familiar environment, ever wanders off and does not return by himself or herself, or ever sees or hears things that are not really there. The HRS also asks proxies to rate respondents' memory, from excellent to poor. Exit interviews administered to the next of kin of deceased respondents include this battery of questions about memory and behaviors associated with cognitive impairment.

We classified respondents as having severe cognitive impairment if they scored 7 points or less on the cognitive test or if their proxy respondents (or next of kin) reported that they had poor memory or ever exhibited symptoms of severe cognitive impairment. The 7-point threshold is the average of the 8-

point threshold used by Herzog and Wallace (1997) to define cognitive impairment and the 6-point threshold used by Langa, Kabeto, and Weir (2009).

Our HRS sample was smaller than the samples we created from the other surveys. In 2012, the HRS collected complete information from 10,061 respondents ages 65 and older, including 405 US-born Hispanics and 536 foreign-born Hispanics. Most of our analysis used the cleaned HRS data release from RAND (version O) (Chien et al. 2015).

Outcomes may differ between Hispanics and non-Hispanics for various reasons. Hispanic workers may earn less than other workers because Hispanics tend to have less education or because they tend to be younger and earnings generally increase with age. To determine how much these factors, especially education, explain observed differences between Hispanics and non-Hispanics, we estimated regressions of our key outcomes, including income and wealth for adults ages 65 and older, labor force participation for adults ages 25 to 69, and earnings and employer-sponsored retirement plan coverage for full-time workers ages 25 to 64. We used ordinary least squares regression for income, wealth, and earnings, transforming the dependent variables to reduce skewness. We used a natural log transformation for income and earnings and an inverse hyperbolic sine transformation for wealth, which is more appropriate when some values are zero or negative (Burbidge, Magee, and Robb 1988). We used probit regression for labor force participation and retirement plan coverage, which is appropriate when modeling binary outcomes. The dependent variables in the probit equation equaled one if respondents participated in the labor force or had coverage and equaled zero if they did not.

The key predictors in the regressions were indicator variables for US-born Hispanics, foreign-born Hispanics, non-Hispanic blacks, and other races. The coefficients on these indicators show how the outcome for each racial and ethnic group differed from that for non-Hispanic whites, the comparison group, when other factors were held constant. All of the regressions also controlled for education, sex, age (including the square of age to capture any nonlinear effects), and marital status. In addition, the income and labor force participation regressions included a control for English-speaking ability, the earnings regression included controls for English-speaking ability and occupation, and the plan coverage regression included controls for occupation and earnings.

Another set of analyses used HRS data to compare retirement transitions and expectations about working into old age for Hispanics and non-Hispanics. People uncertain about their retirement security can improve their future financial situation by working longer and delaying retirement, but the ability to work longer depends on health status and employment opportunities. We describe the statistical

techniques we used to model retirement transitions and expectations about retirement timing later in the report, in the section that presents those results.

Finally, we used the Urban Institute's Dynamic Simulation of Income Model (DYNASIM4) to project the financial security of future generations of older Hispanics. Income levels for upcoming waves of Hispanic retirees will differ from current levels as the characteristics of the nonretired Hispanic population evolve due to higher levels of education, changes in the share of the population born outside the United States and in the mix of immigrants' origin countries, and shifts in employment and earnings. Recent economic and demographic trends and developments in employer-sponsored retirement plans that affect all racial and ethnic groups will also shape Hispanics' future retirement security.

DYNASIM4 starts with a representative sample of individuals and families from the 2004 and 2008 SIPP panels and ages them year by year, simulating key demographic, economic, and health events. For example, DYNASIM4 projects that, each year, some people in the sample get married, have a child, or find a job. The model projects that other people become divorced or widowed, stop working, begin collecting Social Security, become disabled, or die. These transitions are based on probabilities generated by carefully calibrated equations estimated from nationally representative household survey data. The equations take into account important differences in how likely various experiences are depending on gender, education, earnings, and other characteristics. Other equations in DYNASIM4 project annual earnings, savings, and home values. The model uses program rules—combined with projections of lifetime earnings, disability status, and household income and wealth—to project Social Security retirement and disability benefits and Medicaid coverage. For consistency with Social Security's projections about system finances, we generally used the same assumptions as the Social Security and Medicare trustees.[4]

Using DYNASIM4, we projected family income and wealth at age 70 through 2049. The analysis computed median family cash income, median total family income, and median family net worth. Family cash income includes Social Security benefits, Supplemental Security Income (SSI), DB pension income, other government and nongovernment benefits (e.g., unemployment insurance benefits and payments from private disability insurance policies), withdrawals from retirement accounts, earnings, interest, dividends, and rental income. Total family income adds to cash income the annual payment a family could receive from annuitizing 80 percent of their financial wealth, using actuarially fair rates. Family net worth includes housing wealth, financial assets (including the value of individual retirement accounts and DC retirement accounts), and the value of businesses, vehicles, and nonhousing real estate, net of outstanding debt (including mortgages). We also computed the share of people holding a DC retirement account balance or receiving income from a DB pension, the median value of account

balances for those with accounts, and the expected present discounted value at age 70 of future DB pension payments for those receiving payments. We compared age-70 outcomes by race and ethnicity and nativity for four 10-year birth cohorts: 1940–49; (who turned age 70 between 2010 and 2019); 1950–59; 1960–69; and 1970–79 (who turned age 70 between 2040 and 2049). All amounts were expressed in inflation-adjusted 2014 dollars.

Population Size and Demographics

Hispanics are among the fastest-growing population groups in the nation. Between 1980 and 2014, the number of Hispanics in the United States nearly quadrupled, to 55.3 million (table 1). A strong influx of immigrants in the 1980s and 1990s and relatively high fertility rates pushed the Hispanic population growth rate substantially above the growth rate for non-Hispanic whites and non-Hispanic blacks (Stepler and Brown 2015). As a result, the Hispanic share of the US population rose from 6.5 percent in 1980 to 17.3 percent in 2014. The US Census Bureau (2016) projects that the Hispanic population will continue to grow faster than the overall population over the next quarter century and will account for nearly a quarter of the US population by 2040.

The older Hispanic population has been growing especially rapidly. Between 1980 and 2014, the number of Hispanics ages 65 and older quintupled, to 3.5 million. The Census Bureau projects that the older Hispanic population will more than triple over the next 25 years. Although Hispanics now make up only about 8 percent of the US population ages 65 and older, they will account for 15 percent of the older population by 2040.

In 2014, most Hispanics younger than age 25 were born in the United States, including more than 9 in 10 children (table 2). However, a majority of Hispanics ages 25 and older were born outside the United States, including 56 percent of those ages 65 and older. Older foreign born Hispanics have generally spent more time in the country than their younger counterparts and as a result are more likely to be naturalized US citizens. About two-thirds of foreign-born Hispanics ages 65 and older had obtained their citizenship by 2014, compared with only 31 percent of foreign-born Hispanics ages 25 to 54. Immigrants who lack citizenship may face more labor market challenges than citizens, especially if they entered the country without proper documentation, limiting their earnings and ability to save for retirement.

Strong English language skills help connect immigrants to the larger society, expand job opportunities, and boost earnings (Bleakley and Chin 2004; Chiswick and Miller 2002). Overall, the vast

majority of Hispanics have strong English language skills; only 18 percent did not speak well in 2014 (table 3). However, 41 percent of foreign-born Hispanics did not speak English well in 2014, including 47 percent of those ages 55 to 65 and 57 percent of those ages 65 and older. Hispanics' English language skills have improved over the past three decades, particularly among older US-born Hispanics. Between 1980 and 2014, the share of US-born Hispanics who did not speak English well fell from 28 to 10 percent. Nonetheless, in 2014 about one-third of all Hispanics ages 65 and older and one-quarter of all Hispanics ages 25 to 54 had difficulty with English, potentially limiting labor market opportunities during their working lives and access to services and benefits in later life.

Despite substantial gains in educational attainment over the past several decades, Hispanics are still less likely to hold a high school diploma than non-Hispanics. In 2014, 26 percent of Hispanics ages 25 to 44 had not completed high school, compared with 11 percent of their non-Hispanic black peers and 5 percent of their non-Hispanic white peers (table 4). The educational gap is much smaller among US-born Hispanics ages 25 to 44, only 12 percent of whom did not complete high school. By contrast, 39 percent of foreign-born Hispanics ages 25 to 44 lacked a high school diploma in 2014.

The Hispanic shortfall in high school completion rates is more dramatic among older adults. In 2014, 45 percent of Hispanics ages 65 and older lacked a high school diploma, including 55 percent of foreign-born Hispanics. By contrast, 27 percent of older non-Hispanic blacks and 11 percent of older non-Hispanic whites had not completed high school. This Hispanic disadvantage at older ages will diminish in coming decades as better-educated younger Hispanics age into later life.

Hispanics are also less likely than non-Hispanics to hold a bachelor's degree. In 2014, among adults ages 65 and older, only 11 percent of Hispanics completed four or more years of college, compared with 15 percent of non-Hispanic blacks and 26 percent of non-Hispanic whites. Working-age Hispanics also lag far behind non-Hispanic whites in college completion rates. Despite gains in college education over the past several decades, in 2014 only 22 percent of US-born Hispanics ages 25 to 44 and 12 percent of foreign-born Hispanics in that age group had a four-year college degree. By comparison, 41 percent of non-Hispanic whites ages 25 to 44 had completed college in 2014. The gap between Hispanics and non-Hispanic whites in college education is larger now than it was in 2000 and 1980. However, the narrow gap in college graduation rates that existed in 1980 between US-born Hispanics ages 25 to 44 and non-Hispanic blacks has now disappeared.

Marital status helps shape well-being at older ages. Married people gain financially because they can economize on living expenses through shared living arrangements and they can obtain access to spousal Social Security benefits. During working years, marriage buffers the impact of unemployment

and other adverse labor market outcomes, as one spouse can work more to offset the losses experienced by the other (Kawano and LaLumia 2014). Moreover, married men tend to earn more than single men, perhaps because marriage allows them to specialize in employment activities (rather than housekeeping activities) or signals to employers that they are productive (Ginther and Zavodny 2001; Pollmann-Shult 2010).[5] Spouses also provide emotional support to each other and typically serve as the primary caregiver in the event of disability (Johnson and Wiener 2006; Wolff et al. 2016).

Older Hispanics are somewhat less likely to be married than older non-Hispanic whites and more likely to be married than older non-Hispanic blacks. In 2014, 69 percent of Hispanic men ages 65 and older were married, compared with 73 percent of non-Hispanic white men and 56 percent of non-Hispanic black men (table 5). Older foreign-born Hispanic men are more likely to be married than older US-born Hispanic men. The marriage gap between Hispanic men and non-Hispanic white men arises almost entirely from Hispanic men's higher divorce rate. In contrast, older non-Hispanic black men are less likely to be married than Hispanics because they are more likely to be divorced, widowed, and never-married.

Older women are much less likely to be married than older men, primarily because they tend to live longer and thus are more likely to be widowed. In 2014, 41 percent of Hispanic women ages 65 and older were married, compared with 48 percent of older non-Hispanic white women and only 27 percent of older non-Hispanic black women (table 6). Compared with older non-Hispanic white women, older Hispanic women are more likely to be widowed or never-married. Marital status for older Hispanic women does not vary much by nativity.

The most important change over the past few decades in later-life marital status has been the decline in widowhood among women, which has touched both Hispanics and non-Hispanics and both whites and blacks. Among Hispanic women ages 65 and older, for example, the widowed share fell from 50 percent in 1980 to 33 percent in 2014. As a result, the married share of older Hispanic women rose between 1980 and 2014, despite an increase in the share of older divorced women over the period. The married share of older non-Hispanic white women has also increased over time. However the married share of older non-Hispanic black women remained nearly unchanged between 1980 and 2014, because the decline in widowhood over the period was nearly completely offset by the rise in the divorced and never-married shares.

The married share of older Hispanics will likely decline over time, as marriage rates have fallen for people born in the 1950s and early 1960s while divorce rates have increased (Aughinbaugh, Robles, and

Sun 2013; Stevenson and Wolfers 2007). Marriage rates have fallen most for non-Hispanic black women, and divorce rates have risen most for people with limited education.

Older Hispanics, especially those born outside the country, are much more likely to live in multigenerational households than older non-Hispanics. In 2014, 44 percent of all Hispanics ages 65 and older and 52 percent of older foreign-born Hispanics lived in a multigenerational household. We define a multigenerational household as having three or more generations, two nonadjacent generations (such as a grandparent and grandchild without the presence of the grandparent's child) or two adjacent generations in which some members of the younger generation are married or older than 17 (table 7). By contrast, only 33 percent of older non-Hispanic blacks and 16 percent of older non-Hispanic whites lived in multigenerational households. The share of older adults living in multigenerational households did not change much between 2000 and 2014 for any of the racial and ethnic groups we examined. However, multigenerational living increased between 1980 and 2000 for older non-Hispanic blacks and especially for older foreign-born Hispanics.

Mutigenerational households economize on living expenses and facilitate the sharing of resources between parents and adult children (Swartz 2009). Shared living arrangements can help the younger or older generation (or both). One study found that among adults older than age 70 living with an adult child, slightly more than one-fourth had always lived with their child; among those who took up coresidence, about three-quarters did so to benefit the child or each other, and one-quarter did so to receive help from the child (Choi 2003). Older adults are more likely to live with an adult child after they become widowed or disabled or after their child loses a job or becomes divorced (Aquilino 1990; Keene and Batson 2010; Logan and Spitze 1996).

Although Hispanics in the United States can trace their ancestry to various countries in the Western Hemisphere and the Iberian Peninsula, the majority are of Mexican heritage. In 2014, people of Mexican heritage accounted for 64 percent of all Hispanics and 55 percent of all Hispanics ages 65 and older in the United States (table 8). Mexican heritage is more common among US-born Hispanics than foreign-born Hispanics. Among Hispanics ages 65 and older, Puerto Ricans are the second-largest group for those born in the United States, accounting for 22 percent of them, and Cubans are the second largest group for those born outside the United States, accounting for 17 percent of them. In 1990, Cubans accounted for 31 percent of older foreign-born Hispanics. Socioeconomic differences by country of origin may affect retirement security. For example, Hispanics with origins in Mexico and Central America are less likely to have a bachelor's degree than those of Cuban or South American origin (Motel and Patten 2012), affecting their earnings and ultimately their retirement incomes.

Income at Ages 65 and Older

Hispanics ages 65 and older receive significantly less income than older non-Hispanic whites. In 2013, median family income, adjusted for family size, was one-third lower for older Hispanics than older non-Hispanic whites ($24,400 versus $36,300) (figure 1). Median income was nearly one-fifth higher for older US-born Hispanics than older foreign-born Hispanics ($26,800 versus $22,600). The median older non-Hispanic black received about as much income in 2013 as the median older US-born Hispanic and about one-sixth more than the median older foreign-born Hispanic.

Median income for US-born Hispanics ages 65 and older has grown rapidly over the past three and a half decades. Between 1979 and 2013, real median family income, adjusted for family size, increased 51 percent for older US-born Hispanics, compared with 38 percent for older non-Hispanic whites and only 11 percent for older foreign-born Hispanics. Median income increased most rapidly over the period—77 percent—for older non-Hispanic blacks. Older foreign-born Hispanics are the only group whose real median income fell between 1999 and 2013.

Limited education explains part of the shortfall in older Hispanics' income. Controlling for age, marital status, education, sex, and the ability to speak English reduces but does not eliminate the observed income gap between older Hispanics and non-Hispanics. We found that 2013 family-size adjusted income was 20 percent lower for US-born Hispanics ages 65 and older than their non-Hispanic white counterparts when we controlled for these factors, and income was 28 percent lower for foreign-born Hispanics (table 9). Without controls, the estimated 2013 income shortfall relative to non-Hispanic whites was 34 percent for older US-born Hispanics and 58 percent for older foreign-born Hispanics. By comparison, income among older non-Hispanic blacks lagged behind income for older non-Hispanic whites by 23 percent without controls and by 15 percent with controls.

The observed income shortfall that remains after controlling for age, marital status, education, sex, and the ability to speak English well was lower in 2013 than 1979 for both US-born and foreign-born older Hispanics. For US-born older Hispanics, the unexplained gap relative to older non-Hispanic whites fell sharply between 1979 and 1999 and then increased slightly in 2013. For foreign-born older Hispanics, the gap fell steadily between 1979 and 2013. The older non-Hispanic black unexplained income gap, relative to older non-Hispanic whites, also fell steadily from 1979 to 2013.

Poverty Rates

Poverty rates are substantially higher for older Hispanics than older non-Hispanic whites. In 2013, 19 percent of Hispanics ages 65 and older had incomes below the FPL, compared with only 7 percent of non-Hispanic whites (figure 2). Foreign-born Hispanics, with a 2013 poverty rate of 22 percent, fared worse than US-born Hispanics, 16 percent of whom lived in poverty. By comparison, the 2013 poverty rate was 18 percent for non-Hispanic blacks.

Old-age poverty rates fell noticeably for all groups from 1979 to 1999. Non-Hispanic blacks, whose poverty rate fell 11 percentage points, and US-born Hispanics, whose poverty rate fell 8 points, experienced the largest improvements over the period. The poverty rate continued to fall through 2009 for these two groups, but not for foreign-born Hispanics or non-Hispanic whites. None of the groups experienced any reduction in poverty between 2009 and 2013.

Across all racial and ethnic groups, poverty rates are especially high for unmarried older women. Among Hispanics ages 75 and older, 25 percent of widowed women, 33 percent of divorced or separated women, and 40 percent of never-married women had incomes below the FPL in 2013 (table 10). By contrast, the 2013 poverty rate was only 15 percent for married Hispanic women ages 75 and older, 7 percent for married non-Hispanic white women ages 75 and older, and 3 percent for married non-Hispanic white women ages 65 to 74.

Divorced and widowed women are at greater risk of poverty in old age, regardless of race and ethnicity, because they generally had lower incomes before their marriage ended than those whose marriages remained intact, and because women generally forfeit at least some of their husband's income when their marriage ends (Sevak, Weir, and Willis 2003/2004). Although Social Security survivor benefits aim to financially protect spouses when they become widowed, the surviving spouse receives only between one-half and two-thirds of the monthly benefit that the couple received together when both were alive.[6] Most retirees receiving DB pensions from their past employers choose payout options that continue to make payments to the surviving spouse after the retiree's death, but the surviving spouse usually receives only half as much as the couple received when both spouses were alive (Johnson, Uccello, and Goldwyn 2005). These income declines push many widows (and some widowers) into poverty, because the official poverty line implies that consumption needs fall by only about one-fifth (21 percent) when one spouse in a couple living alone dies. The US Census Bureau's computations assume that living costs decline sharply when people share living arrangements, so that a couple living together needs only a little more income than one person living alone.[7]

Older Hispanics' financial security also varies by ancestry. In 2013, poverty rates at ages 65 and older were especially high among foreign-born Hispanics who came from Mexico and among US-born Hispanics of Puerto Rican and Central American ancestry (table 11).

Composition of Income

Nearly 9 in 10 non-Hispanic white adults ages 65 and older received Social Security benefits in 2013, but significantly smaller shares of people of color collected benefits (table 12). Only 75 percent of all older Hispanics and 69 percent of older foreign-born Hispanics received benefits in 2013. Eighty-one percent of older non-Hispanic blacks collected Social Security. The relatively low receipt rate for foreign-born Hispanics reflects the relatively short US careers completed by many people who arrived in the United States at older ages. Workers must accumulate 40 quarters—or 10 years—of covered employment to qualify for Social Security benefits. Nonetheless, the share of older foreign-born Hispanics collecting Social Security increased 10 percentage points over the past quarter century. This growth likely reflects the expansion of Social Security coverage in the 1950s, when workers in agricultural and household service jobs, which include many foreign-born Hispanics, were added to the retirement program. This expansion would not have affected many people who were in their eighties in 1989 but would have affected everyone ages 65 and older in 2013 who had worked in those industries.

Older Hispanics are much less likely than older non-Hispanic whites to receive income from employer-sponsored pensions or interest or dividend income, but they are more likely to receive need-based government transfers, primarily SSI. Only 22 percent of Hispanics ages 65 and older and only 14 percent of those born outside the United States received employer-sponsored pension income in 2013, compared with 39 percent of older non-Hispanic whites. Moreover, 12 percent of older Hispanics received need-based government transfers in 2013, compared with only 4 percent of non-Hispanic whites.

Among older adults collecting different types of income, the median amounts received in 2013 were higher for non-Hispanic whites than for US-born Hispanics and non-Hispanic blacks, who generally received comparable amounts, which in turn are typically higher than for foreign-born Hispanics (table 13). Median 2013 Social Security income, among recipients, was $14,200 for non-Hispanic whites ages 65 and older, $12,200 for non-Hispanic blacks, $11,600 for US-born Hispanics, and $9,100 for foreign-born Hispanics. Although relatively few older adults received any earnings, median earnings for workers were substantial, reaching $20,000 for Hispanics in 2013, about twice the

median Social Security and employer-sponsored pension income. Income from need-based transfers and interest and dividends was much lower.

Median income among recipients generally increased between 1989 and 2013, in inflation-adjusted terms, for each racial and ethnic group. Median earnings rose most sharply, increasing about 50 percent, for non-Hispanics and 30 percent for Hispanics. However, income from interest and dividends fell sharply (except for foreign-born Hispanics), as interest rates fell. Also, median Social Security income stagnated for foreign-born Hispanics, but grew 26 percent for US-born Hispanics and by similar rates for non-Hispanics.

Social Security is the most important source of income for lower- and middle-income retirees, regardless of race and ethnicity (Social Security Administration 2016). Social Security becomes less important as income rises, because high-income older adults generally receive substantial income from employer-sponsored pensions, earnings, and interest and dividends. However, Social Security accounts for much of the income received by Hispanics, even among those relatively high in the Hispanic income distribution, because Hispanic retirees generally receive less income from other sources than non-Hispanic whites.[8] In 2013, among adults ages 65 and older in the middle fifth of the income distribution for their racial and ethnic group, Social Security accounted for 79 percent of income for Hispanics, compared with 74 percent for non-Hispanic blacks and 65 percent for non-Hispanic whites (table 14). Middle-income older non-Hispanic whites were three times as likely to receive employer-sponsored pension income as their Hispanic counterparts.

Among older Hispanics, Social Security is somewhat more important for those in the middle fifth of the income distribution than those in the bottom fifth, some of whom have not worked long enough in Social Security-covered employment to qualify for benefits. Need-based government transfers, mainly SSI, account for 13 percent of the income received by Hispanics in the bottom of the income distribution. SSI accounts for 15 percent of the income received by non-Hispanic blacks in the bottom of the income distribution, but only 6 percent of the income received by non-Hispanic whites. For those in the top fifth of the income distribution, however, Social Security accounts for only 21 percent of income for Hispanics, 19 percent for non-Hispanic blacks, and 14 percent for non-Hispanic whites. Earnings and employer-sponsored pension income are important sources of income for Hispanics in the top of the income distribution, whereas interest and dividends are less important for older high-income Hispanics than for their non-Hispanic white counterparts.

A quarter century ago, need-based government transfers were a more important income source for older Hispanics than they are today. In 1989, SSI accounted for 18 percent of the income received by

Hispanics in the bottom fifth of the income distribution—5 percentage points more than in 2013—and 19 percent of the income received by Hispanics in the middle fifth of the income distribution—11 percentage points more than in 2013 (table 15). Social Security was a less important income source for older Hispanics than it is today.

Wealth at Ages 65 and Older

In 2012, median net household wealth for Hispanics ages 65 and older was $51,600 (figure 3). Median net wealth was about 60 percent higher for older US-born Hispanics, 40 percent lower for older foreign-born Hispanics, and the same level for older non-Hispanic blacks. However, these wealth levels were dwarfed by the median net household wealth for older non-Hispanic whites, which reached $280,200, more than three times as much as the median for US-born Hispanics and nine times as much as the median for foreign-born Hispanics.

Median net wealth increased for all racial and ethnic groups in the run-up to the 2008 financial crisis and Great Recession and declined in the following years. Between 1998 and 2006, relative gains were largest for older Hispanic adults, especially those born outside the United States. Older foreign-born Hispanics' median household wealth more than doubled over this period, although in 2006 it amounted to less than half of the median household wealth of older US-born Hispanics. Between 2006 and 2012, however, foreign-born Hispanics' household wealth decreased by more than one-fifth, declining more sharply than the wealth for other racial and ethnic groups and partially offsetting the earlier gains.

Older Hispanics hold substantially less wealth than older non-Hispanic whites throughout the wealth distribution. At the 75th percentile of the distribution, net household wealth in 2012 was $702,000 for older non-Hispanic whites, $262,900 for older US-born Hispanics, and $108,800 for older foreign-born Hispanics (table 16). At the 25th percentile of the distribution, net household wealth was only $10,200 for older US-born Hispanics and $0 for older foreign-born Hispanics, compared with $90,700 for older non-Hispanic whites. In 2012, 23 percent of older Hispanics had zero or negative net worth, including 14 percent of those born in the United States and 31 percent of those born outside the United States. By comparison, 19 percent of older non-Hispanic blacks and 4 percent of older non-Hispanic whites lacked positive net worth. Throughout the wealth distribution, older US-born Hispanics have more net worth than older non-Hispanic blacks, and older foreign-born Hispanics have less.

Education and demographic differences explain a relatively small portion of the wealth shortfall for older Hispanics, relative to non-Hispanic whites. Regression estimates show that 2012 net household wealth was 79 percent lower for US-born Hispanics ages 65 and older and 98 percent lower for foreign-born Hispanics than non-Hispanic whites, when education, sex, age, and marital status were held constant (table 17). The results also show that older non-Hispanic blacks held 93 percent less wealth than older non-Hispanic whites. The wealth deficit for older US-born Hispanics was worse in 2012 than 1998, when they held 64 percent less wealth than older non-Hispanic whites.

Composition of Wealth

Although the majority of older adults own a home, homeownership rates vary substantially by race and ethnicity. In 2012, the homeownership rate among adults ages 65 and older was 85 percent for non-Hispanic whites, 75 percent for US-born Hispanics, 67 percent for non-Hispanic blacks, and 58 percent for foreign-born Hispanics (table 18). Between 1998 and 2012, the homeownership rate increased 9 percentage points for foreign-born Hispanics but did not change much for other groups. Relative to homeownership, housing debt in 2012 was most common among non-Hispanic blacks, with 39 percent of homeowners holding housing debt (26 percent divided by 67 percent), and least common among foreign-born Hispanics (31 percent). Between 1998 and 2012, the share of older homeowners with housing debt grew steadily for non-Hispanic whites and declined for foreign-born Hispanics.

Older adults of color are much less likely to hold financial assets than older non-Hispanic whites. In 2012, only 9 percent of foreign-born Hispanics and 19 percent of US-born Hispanics held an IRA or Keogh, compared with 46 percent of non-Hispanic whites. Similarly, only 33 percent of foreign-born Hispanics and 62 percent of US-born Hispanics held other financial assets, compared with 92 percent of non-Hispanic whites. The share of older adults with an IRA or Keogh grew between 1998 and 2012 for all groups except foreign-born Hispanics. Non-Hispanic blacks were more likely than other groups to hold non-housing debt in 2012, but the share with non-housing debt grew for all groups between 1998 and 2012.

Among asset holders, the median value of a home exceeds the median value of any other asset across all racial and ethnic groups (table 19). However, median home values fell between 2006 and 2012, in the wake of the financial crisis and the deflating of the housing bubble. Foreign-born Hispanics were particularly hard-hit, as their median home value fell nearly in half. Over the same period, median home debt for foreign-born Hispanics with such debt rose by about one-third. Between 1998 and 2012, growth in median housing debt far outpaced growth in median home values across all racial and ethnic

groups. Aside from the home, the most significant asset is IRA and Keogh accounts. Between 2006 and 2012, those account balances increased, unlike housing, for US-born Hispanics, non-Hispanic whites, and non-Hispanic blacks, likely reflecting the faster recovery of equity prices than housing prices.

The composition of household wealth at older ages varies with overall wealth levels. In the bottom half of the wealth distribution, housing wealth dominates for most groups, accounting for 77 percent of wealth for US-born Hispanics, 60 percent for non-Hispanic whites, and 53 percent for non-Hispanic blacks in 2012 (table 20).[9] However, housing wealth accounted for only 36 percent of foreign-born Hispanics' wealth, because relatively few were homeowners. Other wealth (nonfinancial, nonhousing wealth) accounted for a large share of the wealth held by older foreign-born Hispanics and non-Hispanic blacks in the bottom half of the wealth distribution; this other wealth mostly represents the value of personal vehicles.

In the top half of the wealth distribution, housing wealth still dominates for older US-born Hispanics, foreign-born Hispanics, and non-Hispanic blacks. However, it accounted for only 37 percent of the wealth held by non-Hispanic whites in 2012. Financial wealth (IRA/Keogh balances and other financial assets) together accounted for one-half of net household wealth for older non-Hispanic whites in the top of the wealth distribution. Financial holdings are less significant for older people of color, even those who are relatively wealthy.

Leverage Ratios

Debt levels for older foreign-born Hispanics and non-Hispanic blacks appear to be more financially burdensome than for US-born Hispanics and non-Hispanic whites, as measured by leverage ratios—the ratio of outstanding household debt to total household assets. In 2012, the median ratio of total debt to total assets for adults ages 65 and older who held debt was 28 percent for foreign-born Hispanics and 26 percent for non-Hispanic blacks, compared with 16 percent for non-Hispanic whites and 17 percent for US-born Hispanics (table 21). The high leverage ratios for older foreign-born Hispanics and non-Hispanic blacks suggest that some of them encounter difficulty servicing their debt. The median debt-to-asset ratio increased 7 percentage points among older non-Hispanic blacks since 2006, just before the financial crisis and Great Recession. The median ratio has grown steadily since 1998 for non-Hispanic whites. However, the median ratio was lower in 2012 than in 1998 for foreign-born Hispanics, and it was the same in 2012 and 1998 for US-born Hispanics.

Because median housing debt dwarfs median nonhousing debt, the median ratio of housing debt to home values is much higher than the ratio of total debt to total assets at older ages across all racial and ethnic groups. Nonetheless, the racial and ethnic disparities that exist in total debt are evident in housing debt. The median ratio of housing debt to home values is substantially higher for older foreign-born Hispanics and non-Hispanic blacks than for older US-born Hispanics and non-Hispanic whites. For all racial and ethnic groups, the median ratio of housing debt to home values was higher in 2012 than in 1998.

Health at Ages 65 and Older

The adequacy of older adults' current income and accumulated wealth depends on how much they need to live comfortably. Needs depend partly on health status, because out-of-pocket spending on medical care and especially long-term services and supports are often substantial, despite the availability of Medicare (Favreault, Gleckman, and Johnson 2015; Fronstin, Salisbury, and VanDerhei 2015; Yamamoto 2013). Overall self-rated health, a subjective measure of general health but one that predicts future mortality (Benyamini and Idler 1999), suggests that people of color ages 65 and older, especially foreign-born Hispanics, have significantly worse health than older non-Hispanic whites. In 2012, 59 percent of foreign-born Hispanics ages 65 and older, 41 percent of US-born Hispanics, and 38 percent of non-Hispanic blacks reported fair or poor health, compared with only 25 percent of non-Hispanic whites (table 22). Non-Hispanic whites are the only racial and ethnic group that are more likely to report having excellent or very good health than good heath or fair or poor health. Between 1998 and 2012, older non-Hispanic whites' health substantially improved, as the share in fair or poor health fell 8 percentage points and the share in excellent or very good health increased 8 percentage points. Although non-Hispanic blacks also experienced a substantial decline in the share reporting fair or poor health (by 11 percentage points), the share reporting excellent or very good health increased only modestly. Among Hispanics, US-born adults followed a trend similar to that for non-Hispanic blacks, whereas foreign-born adults' health declined slightly over the period, a significant divergence from other racial and ethnic groups.

Racial and ethnic differences in the prevalence of ADL and IADL limitations and severe cognitive impairment are consistent with the patterns for self-reported health status. Older non-Hispanic white adults are least likely to report disabilities and cognitive impairments, and older foreign-born Hispanics are most likely. In 2012, among adults ages 65 and older, 22 percent of foreign-born Hispanics, 17 percent of US-born Hispanics and non-Hispanic blacks, and 9 percent of non-Hispanic whites reported

two or more ADL limitations or severe cognitive impairment (table 23). Between 1998 and 2012, the prevalence of disabilities and cognitive impairment fell for non-Hispanic whites, while generally rising for foreign-born Hispanics, similar to the trends observed for overall health status.

The need for long-term services and supports among older people of color is especially pronounced at ages 75 and older. Among adults in that age group, 33 percent of foreign-born Hispanics, 31 percent of US-born Hispanics, and 26 percent of non-Hispanic blacks reported two or more ADL limitations or severe cognitive impairment in 2012, compared with only 13 percent of non-Hispanic whites (table 24). Between 1998 and 2012, the share of Hispanics with disabilities or severe cognitive impairment grew—rising 7 percentage points for US-born Hispanics—and fell for non-Hispanics. The high prevalence of disabilities and cognitive impairment among older Hispanics can create financial hardship. Although most of the help received by older people with disabilities is still provided by unpaid family caregivers (Johnson and Wiener 2006; Wolff et al. 2016), some frail older adults receive assistance from paid helpers at home or in other residential settings, such as assisted living facilities or nursing homes. Paid care is expensive—and much of the cost is paid out of pocket—because Medicare provides only limited coverage and only in special circumstances, few people have private long-term care insurance coverage (Johnson 2016), and Medicaid pays only for people with virtually no assets (or people who have already spent nearly all of their assets on care). As a result, household wealth often declines sharply when older people develop disabilities (Johnson, forthcoming; Johnson, Mermin and Uccello 2006; Poterba, Venti, and Wise 2010; Venti and Wise 2004).

Retirement Satisfaction

In addition to income and wealth measures and indicators of needs, subjective evaluations of well-being can offer insight into the adequacy of resources for older Hispanics. Self-reports of retirement satisfaction suggest that the overwhelming majority of retirees ages 65 and older are either very or moderately satisfied with their retirement experience, regardless of race and ethnicity (table 25). Nonetheless, Hispanic retirees—especially those born outside the United States—are significantly less likely to report being very satisfied with retirement than non-Hispanic whites, and they are about twice as likely to report being unsatisfied with retirement. In 2012, only 6 percent of non-Hispanic whites said they were not satisfied with retirement, compared with 11 percent of US-born Hispanics and 14 percent of both foreign-born Hispanics and non-Hispanic blacks. These subjective perceptions of retirement satisfaction may partly reflect racial and ethnic disparities in financial resources and may also correlate with the greater health challenges confronting older people of color.

Very satisfying retirements have become less common over the past two decades for all racial and ethnic groups. Between 1998 and 2012, the share of Hispanic retirees ages 65 and older reporting being very satisfied fell 12 percentage points, from 50 to 38 percent, while the share of non-Hispanic whites reporting being very satisfied fell 10 percentage points. The decline in very satisfying retirements has been accompanied by growth in moderately satisfying retirements; the share of retired Hispanics reporting being unsatisfied increased only 1 percentage point. The share reporting very satisfying retirements declined consistently over the period; the fall was not concentrated in the wake of the financial crisis and Great Recession. Banerjee (2016), who has also observed this trend, reports that high net worth is associated with higher levels of satisfaction, and poorer health is associated with lower levels of satisfaction.

Labor Market Outcomes

Retirement income and wealth depends largely on how much people worked and earned earlier in their lives and whether they participated in employer-sponsored retirement plans. As people work and earn more over their lifetimes, they accumulate more Social Security credits and are better able to save for retirement. Participation in employer-sponsored retirement plans also boosts retirement preparations. Thus, the racial and ethnic disparities evident in retirement income and wealth today reflect past disparities in employment, earnings, and retirement plan participation. Moreover, racial and ethnic differences in labor market outcomes today will generate future disparities in retirement income and wealth.

Employment

Throughout the life course, employment-to-population ratios are significantly lower for US-born Hispanic men than non-Hispanic white men and significantly higher for foreign-born Hispanic men. In 2014, among men ages 25 to 64, US-born Hispanics were about 10 percentage points less likely to be employed than non-Hispanic whites (table 26). Foreign-born Hispanics in the same age group were between 2 and 5 percentage points more likely to be employed than non-Hispanic whites, depending on the exact age comparison. Differences in employment-to-population ratios were smaller but still significant for older men. Non-Hispanic black men were less likely to be employed than all other racial and ethnic groups at ages 25 to 64.

Among men ages 25 to 64, US-born Hispanics experienced more unemployment in 2014 than non-Hispanic whites; the difference in unemployment-to-population ratios—computed as the number of people out of work but looking for employment divided by the number of people in the population—was 1 to 3 percentage points. Unemployment was less common for foreign-born Hispanic men than non-Hispanic white men at ages 25 to 44, but more common at ages 55 to 64. Non-Hispanic black men were more likely to be unemployed than all other racial and ethnic groups at ages 25 to 64.[10] Unemployment was uncommon at ages 65 and older across all racial and ethnic groups.

Substantial shares of US-born Hispanic men and non-Hispanic black men younger than 65 do not participate in the labor force. Thirty-three percent of non-Hispanic black men and 20 percent of US-born Hispanic men ages 25 to 34 were not in the labor force in 2014, compared with only slightly more than 10 percent of foreign-born Hispanic men and non-Hispanic white men.

Labor force participation rates for men younger than 65 have fallen over the past three and a half decades, especially for men younger than 55 (table 27). The decline was most pronounced for non-Hispanic blacks, but it was also substantial for US-born Hispanics and non-Hispanic whites. At ages 35 to 44, participation rates fell 16 percentage points between 1980 and 2014 for non-Hispanic blacks, 9 percentage points for US-born Hispanics, and 6 percentage points for non-Hispanic whites. However, participation rates fell only 3 percentage points for foreign-born Hispanics. In 1980, non-Hispanic white men ages 35 to 44 were more likely to participate in the labor force than their foreign-born Hispanic counterparts; in 2014, by contrast, foreign-born Hispanics were more likely than non-Hispanic whites to participate. The increase in participation rates for foreign-born Hispanics relative to non-Hispanic whites could reduce the gap in future retirement incomes between the two groups. However, participation rate trends suggest that US-born Hispanics and non-Hispanic blacks may fall further behind non-Hispanic whites in retirement income in future decades. Moreover, the across-the-board decline in labor force participation rates at traditional working ages may erode future retirement security for men of all racial and ethnic groups.

A more encouraging sign for future retirement security is the growth in labor force participation rates for older men, which can significantly boost retirement incomes by enabling people to save more and shortening the period over which their retirement savings must last (Butrica, Smith, and Steuerle 2006). After falling for much of the last century, older men's participation rates have increased substantially over the past two decades (Banerjee and Blau 2016). However, non-Hispanic white men have experienced somewhat stronger gains in labor force participation after age 65 than men of color. Between 1980 and 2014, participation rates among men ages 65 to 74 rose 5 percentage points for non-Hispanic whites, 4 points for foreign-born Hispanics, and 2 points for non-Hispanic blacks, while

remaining essentially flat for US-born Hispanics. Although increased labor supply at older ages can improve overall retirement security, recent growth patterns suggest that this trend will not reduce racial and ethnic disparities in retirement incomes.

Hispanic men's relatively low labor force participation rates arise almost entirely from their educational deficits. Regression analysis shows that when we control for education (as well as age, marital status, and English-speaking ability), US-born Hispanic men ages 25 to 54 were only 1 percentage point less likely to participate in the labor force in 2014 than non-Hispanic white men in the same age group, and foreign-born Hispanic men were 7 percentage points more likely to participate than non-Hispanic whites (table 28). Non-Hispanic black men ages 25 to 54 were less likely to participate in the labor force than Hispanics and non-Hispanic whites. Regression results for 1980 and 2014 show that Hispanic men ages 25 to 54 have made gains in labor force participation relative to non-Hispanic white men, when other factors are held constant. In 1980, US-born Hispanic men ages 25 to 54 were 2 percentage points less likely to participate in the labor force than non-Hispanic whites, and foreign-born Hispanic men were only 1 percentage point more likely to participate than non-Hispanic whites.

Older foreign-born Hispanic men participate in the labor force at much higher rates than their personal characteristics predict. Our regression analysis that holds education, age, marital status, and English-speaking ability constant indicates that, among men ages 55 to 69, the participation rate was 15 percentage points higher for foreign-born Hispanics than non-Hispanic whites. Whereas older foreign-born Hispanics have gained on non-Hispanic whites since 1980, US-born Hispanics have fallen a bit farther behind. Non-Hispanic black men ages 55 to 69 lagged other racial and ethnic groups in 2014, and have fallen further behind since 1980.

Among women, US-born Hispanics are much more likely to be employed than their foreign-born counterparts, especially for those younger than age 55 (table 29). For example, the 2014 employment-to-population ratio at ages 35 to 44 was 71 percent for US-born Hispanics and 58 percent for foreign-born Hispanics. Non-Hispanic white women are consistently more likely to be employed than all other racial and ethnic groups. Employment-to-population ratios are similar for non-Hispanic black women and US-born Hispanic women. Unemployment-to-population ratios are generally higher for non-Hispanic black women than Hispanic women and lowest for non-Hispanic white women. Foreign-born Hispanic women younger than 55 are less likely to participate in the labor force than their US-born Hispanic and non-Hispanic counterparts. At ages 25 to 34, for example, nearly 4 in 10 foreign-born Hispanic women were not in the labor force, compared with only 2 in 10 non-Hispanic black women.

Labor force participation rates for women have increased substantially at both younger and older ages over the past three and a half decades (table 30). Participation has grown most sharply among US-born Hispanic women and non-Hispanic white women, while growth among foreign-born Hispanics and non-Hispanic blacks has lagged. Between 1980 and 2014, labor force participation rates for women ages 45 to 54 increased 22 percentage points for US-born Hispanics, 17 points for non-Hispanic whites, 13 points for non-Hispanic blacks, and 12 points for foreign-born Hispanics. Women's increased employment will raise their Social Security benefits and help them save through employer-sponsored retirement plans and other vehicles (Iams 2016; Wu et al. 2013). These trends will improve retirement security for married couples and unmarried women. While recent participation trends are particularly auspicious for US-born Hispanics and non-Hispanic whites, they could reinforce existing retirement income shortfalls for foreign-born Hispanics and non-Hispanic blacks.

Although non-Hispanic white women ages 25 to 54 were more likely to participate in the labor force in 2014 than US-born Hispanics and especially foreign-born Hispanics, their advantage disappeared when we controlled for education, age, marital status, and English-speaking ability. Our regression estimates show that both US-born Hispanic women and foreign-born Hispanic women ages 25 to 54 were 1 percentage point more likely to participate in the labor force than non-Hispanic white women (table 31). In 1980, participation rates that control for education and other factors were 4 percentage points higher for foreign-born Hispanic women than non-Hispanic white women and 3 percentage points lower for US-born Hispanic women. In both years, non-Hispanic black women ages 25 to 54 were more likely to participate than other racial and ethnic groups. Participation-rate regression results for women ages 55 to 69 reveal a much larger advantage for foreign-born Hispanics in 2014—8 percentage points higher than non-Hispanic whites—and a 3 percentage point deficit for US-born Hispanics.

Occupation

Occupations tend to be stratified by race and ethnicity, with Hispanic men—especially those born outside the United States—clustered in relatively low-paying, physically demanding jobs that require relatively little education and offer few benefits. In 2014, 20 percent of foreign-born Hispanic men ages 25 to 64 working full-time were employed in construction jobs, compared with 9 percent of US-born Hispanic men, 8 percent of non-Hispanic white men, and 6 percent of non-Hispanic black men (table 32). Another 18 percent of foreign-born Hispanic workers were employed in food preparation, building and grounds cleaning and maintenance, and personal care, while 18 percent were employed in

production, maintenance, and extraction jobs. Agricultural jobs employed 5 percent of full-time Hispanic male workers born outside the United States. By comparison, only 1 percent of US-born Hispanic men and less than 1 percent of non-Hispanic men worked in agricultural jobs. Non-Hispanic white men were disproportionately employed in management, business operations, and finance occupations and scientific, architectural, engineering, and law occupations, which employed relatively few US-born Hispanic men and even fewer foreign-born Hispanic men.

The occupational distribution of Hispanic men has shifted since 1980. Although the share of men working in production, maintenance, and extraction jobs has fallen sharply across all racial and ethnic groups, the decline has been most dramatic for foreign-born Hispanic men. Furthermore, between 1980 and 2014 the share of men working in construction declined somewhat for US-born Hispanics, non-Hispanic whites, and non-Hispanic blacks but doubled for foreign-born Hispanics. Employment in management, business operations, and finance occupations and scientific, architectural, engineering, and law occupations has grown among US-born Hispanic men; nonetheless, US-born Hispanic men remain less represented in those jobs than non-Hispanic white men.

Hispanic women employed full-time work disproportionately in office and administrative support jobs, food preparation, building and grounds cleaning and maintenance, and personal care jobs (table 33). Among US-born Hispanic women ages 25 to 64 working full-time, 27 percent were employed in office and administrative support jobs in 2014, more than any other racial and ethnic group. Over the past three and a half decades there has been a shift out of production, maintenance, and extraction jobs by US-born Hispanic women; between 1980 and 2014, the share employed in these jobs fell from 20 to 4 percent. Hispanic women born in the United States are now nearly as likely as non-Hispanic white women to be employed in management, business operations, and finance occupations; scientific, architectural, engineering, and law occupations; social and entertainment services; and education.

Foreign-born Hispanic women still predominantly work in low-skilled, low-paying jobs. About one-quarter (26 percent) of those ages 25 to 64 employed full-time worked in food preparation, building and grounds cleaning and maintenance, and personal care jobs in 2014, up from 15 percent in 1980. Production, maintenance, and extraction jobs employed another 13 percent. In 1980, by contrast, these jobs employed 37 percent of foreign-born Hispanic women working full-time.

Earnings

Hispanics working full-time generally earn substantially less than full-time non-Hispanic white workers. In 2013, median earnings for men ages 25 to 64 employed full-time were $40,600 for US-born Hispanic

men—26 percent lower than median earnings for non-Hispanic white men—and $29,000 for foreign-born Hispanic men—47 percent lower than median earnings for non-Hispanic white men (table 34). Median earnings for non-Hispanic black men were $38,600, slightly lower than for US-born Hispanic men but substantially higher than for foreign-born Hispanic men.

Median earnings for men employed full-time, adjusted for inflation, were lower in 2013 than 1979 for all racial and ethnic groups. Real median earnings declined 19 percent among foreign-born Hispanic men, more sharply than for any other group, and 11 percent among US-born Hispanic men. Thus, the earnings shortfall for Hispanic men relative to non-Hispanic white men, who experienced a 7 percent decline in real median earnings since 1979, has grown over the period.

The earnings shortfall for US-born Hispanics, relative to non-Hispanic whites, is smaller for women than men. Median 2013 earnings for US-born Hispanic women ages 25 to 64 employed full-time was $35,600, 15 percent lower than the $41,700 median earnings collected by non-Hispanic white women. However, median earnings for foreign-born Hispanic women employed full-time were only $23,400, lower than the median for non-Hispanic white women by 44 percent. As with men, non-Hispanic black women's median earnings were slightly lower than the median for US-born Hispanic women and substantially higher than the median for foreign-born Hispanic women.

Between 1979 and 2013, inflation-adjusted median earnings for women working full-time increased substantially for all racial and ethnic groups except foreign-born Hispanics. Real median earnings among women working full-time increased 29 percent for US-born Hispanics, 28 percent for non-Hispanic whites, and 18 percent for non-Hispanic blacks but remained essentially unchanged for foreign-born Hispanics (falling by less than 1 percent). In terms of earnings, then, US-born Hispanic women kept pace with non-Hispanic white women over the past three and one-half decades, whereas non-Hispanic black women and foreign-born Hispanic women fell further behind.

Results from our earnings regressions show that when education, occupation, English-speaking ability, age, and marital status are held constant, earnings for Hispanic workers still lag those for non-Hispanic whites, but the shortfall is smaller than when other factors are not held constant. Controlling for education and other factors, we find that US-born Hispanic men employed full-time earned 7.1 percent less than non-Hispanic white men in 2013, foreign-born Hispanic men earned 14.2 percent less, and non-Hispanic black men earned 19.5 percent less (table 35). The earnings deficit for US-born Hispanic men that remains after other factors are controlled for has declined since 1979, when US-born Hispanic men earned 11.3 percent less than non-Hispanic white men. The deficit for foreign-born Hispanic men has not declined over time, however.

For women, we find that US-born Hispanics working full-time earned only 2.3 percent less than non-Hispanic whites in 2013, after controlling for education, occupation, English-speaking ability, age, and marital status (table 36). Foreign-born Hispanic women earned 8.8 percent less, and non-Hispanic black women earned 8.3 percent less. The earnings deficit that remains after other factors are controlled has declined since 1979 for US-born Hispanic women and foreign-born Hispanic women, but it has grown for non-Hispanic black women.

Retirement Plan Coverage

Participation in employer-sponsored retirement plans during one's working years can promote future retirement security, providing workers with the opportunity to earn a pension or build retirement savings to supplement Social Security. However, working Hispanics are much less likely than non-Hispanic whites or non-Hispanic blacks to be offered retirement plan coverage by an employer or to be enrolled in a plan.

In 2014, only 38 percent of Hispanic men ages 25 to 64 employed full-time worked for an employer that offered retirement plan coverage to employees, compared with 61 percent of non-Hispanic whites and 57 percent of non-Hispanic blacks (table 37). Offer rates were even lower for foreign-born Hispanic men employed full-time; only 29 percent of them worked for an employer that offered a retirement plan. Offer rates were higher for US-born Hispanic men (53 percent), but several percentage points lower than those for non-Hispanics.

Not all workers with employers that offer retirement plans have coverage. Some are not eligible for coverage, because, for example, they have not been employed long enough or do not work enough hours. Other workers do not enroll in DC plans because they object to required payroll deductions or they never complete the necessary paperwork. In 2014, only 32 percent of Hispanic men ages 25 to 64 employed full-time participated in an employer-sponsored retirement plan, including 45 percent of those born in the United States and 23 percent of those born outside the country. By contrast, 54 percent of non-Hispanic white men and 47 percent non-Hispanic black men working full-time were covered by an employer-sponsored retirement plan.

Employer-sponsored retirement plan coverage has eroded over the past two and a half decades across all racial and ethnic groups, but the decline has been sharper for Hispanics than non-Hispanic whites. In 1980, 49 percent of Hispanic men ages 25 to 64 working full-time were covered by an employer-sponsored retirement, higher than the 2014 coverage rate by 17 percentage points. By

contrast, retirement plan coverage for non-Hispanic white men employed full-time fell only 6 percentage points between 1980 and 2014. For non-Hispanic black men employed full-time, the coverage rate fell 9 percentage points over the period.

Racial and ethnic disparities in employer-sponsored retirement plan coverage are similar for women. Among women ages 25 to 64 employed full-time, 38 percent of Hispanics participated in an employer-sponsored retirement plan in 2014, including 46 percent of US-born Hispanics and 30 percent of foreign-born Hispanics. By contrast, 57 percent of non-Hispanic white women and 50 percent of non-Hispanic black women employed full-time participated in a retirement plan. These racial and ethnic disparities have grown over the past three and a half decades, as retirement plan coverage fell between 1980 and 2014 for Hispanic women and non-Hispanic black women but increased for non-Hispanic white women. In 1980, the retirement plan coverage rate among women employed full-time was 1 percentage point higher for non-Hispanic blacks than non-Hispanic whites and only 8 percentage points lower for Hispanics than non-Hispanic whites.

Probit estimates of retirement plan offers and coverage reveal disadvantages for US-born Hispanics and especially foreign-born Hispanics, even after we control for earnings, occupation, education, age, sex, and marital status. In 2014, among full-time workers age 25 to 64, US-born Hispanics were 6 percentage points less likely to work for an employer that offered a retirement plan to its employees than non-Hispanic whites, and they were 5 percentage points less likely to participate in a plan (table 38). Full-time Hispanic workers born outside the United States fared much worse; relative to non-Hispanic whites, they were 18 percentage points less likely both to work for an employer that offered a retirement plan and to participate in a plan. By comparison, non-Hispanic black workers were only 3 percentage points less likely than non-Hispanic white workers both to work for an employer that offered a retirement plan and to participate in a plan, when the analysis controlled for other factors, including earnings and occupation. Conditional on working full-time for an employer that provides a retirement plan, US-born Hispanics and non-Hispanic blacks were not significantly less likely to participate in a retirement plan than non-Hispanic whites. However, foreign-born Hispanics were 3 percentage points less likely than non-Hispanic whites to participate in a retirement plan when offered one.

Between 2000 and 2014, disparities between Hispanics and non-Hispanic whites in employer-sponsored retirement plan coverage increased for US-born Hispanics and fell for foreign-born Hispanics, when the comparisons controlled for income, occupation, and other factors. In 2000, relative to non-Hispanic white full-time employees, US-born Hispanics were only 3 percentage points less likely to participate in a retirement plan, whereas foreign-born Hispanics were 21 percentage points less

likely. Differences over time stem from changes in the likelihood of working for an employer that offers a retirement plan, not the likelihood of participating in a plan if offered.

US-born Hispanics are less likely than non-Hispanics to participate in an employer-sponsored retirement plan primarily because of deficits in DB plan coverage, not DC plan coverage. Among adults ages 25 to 64 working full-time in 2012, only 21 percent of US-born Hispanics were covered by a DB plan from their employer, compared with 28 percent of non-Hispanic whites and 27 percent of non-Hispanic blacks (table 39).[11] Participation in a DC plan was more similar across groups; these plans covered 27 percent of US-born Hispanics in 2012, compared with 31 of non-Hispanic whites and 23 percent of non-Hispanic blacks. However, foreign-born Hispanics lagged far behind other groups in coverage by each plan. Moreover, foreign-born Hispanics are significantly less likely to participate in a DC plan when it is offered than other groups, probably because their relatively low salaries often make payroll deductions for retirement savings financially challenging. Between 2002 and 2012, DB plan coverage fell for full-time workers across all racial and ethnic groups, although non-Hispanic blacks and US-born Hispanics experienced the largest losses.

For workers offered a 401(k)-type retirement plan at work, the impact of plan participation on future retirement income depends on how much they contribute to their retirement plan. Contribution rates vary by race and ethnicity (Butrica and Johnson 2010). Based on an analysis of retirement plan records from 60 of the largest US employers across a variety of industries and sectors, Ariel Investments and Aon Hewitt (2012) found that the average 2010 contribution for workers contributing to a 401(k) or 403(b) plan was 5.9 percent of salary for Hispanics and 5.6 percent of salary for non-Hispanic blacks, compared with 7.2 percent of salary for non-Hispanic whites. Contribution rates increase with salary, and the lower rate for Hispanics relative to non-Hispanic whites is partly due to their lower salaries. Among workers earning less than $30,000 or more than $90,000 per year, the average contribution as a share of salary were roughly equal for Hispanics and non-Hispanic whites, as a share of salary. Among workers earning between $30,000 and $90,000 a year, however, the average contribution as a share of salary was about 1 percentage point lower for Hispanics than non-Hispanic whites.

Retirement-plan leakage also varies by race and ethnicity. Leakage occurs when DC plan participants withdraw funds from their accounts—before they retire—through cash-outs when they separate from their employer, loans, and hardship distributions. Although liquid retirement assets give people valuable access to funds when emergencies occur before retirement, tapping retirement savings early can reduce the amount of wealth available in later life. In 2010, 57 percent of Hispanic workers and 63 percent of non-Hispanic black workers who had participated in a 401(k) or 403(b) plan and had

separated from their employer cashed out their accounts, compared with only 39 percent of non-Hispanic whites (Ariel Investments and Aon Hewitt 2012). Hispanics were also more likely than non-Hispanic whites to have an outstanding loan from their retirement account in 2010 (40 versus 26 percent) and take a hardship withdrawal (3.2 versus 1.7 percent). Although retirement plan leakages can jeopardize retirement security, a recent study on 401(k) retirement wealth found that leakage explained no more than 1 percent of the total racial and ethnic variation in account balances; differences in compensation, job tenure, and plan contributions explained more than 70 percent of the variation (Pagliaro and Utkus 2014).

Retirement Behavior

To examine older Hispanics' transition into retirement and how their experience may differ from that of other racial and ethnic groups, we exploited the longitudinal data available in the HRS. We used information from the 1998 to 2012 waves of the survey and conducted an event-history analysis of time to retirement for nonretired adults over the age of 50. In our default model, we considered the critical event to be the year in which a worker becomes fully or partly retired, because partial retirement often triggers the transition to full retirement, and an overwhelming majority of partially retired workers in our sample eventually move into full retirement. However, we tested the sensitivity of our model results to this definition by also fitting models of time to full retirement.

We used event-history analysis based on hazard rate models given that our outcome—retirement—is time-dependent; when workers retire depends on their age and is conditional on not having retired earlier. This modeling approach allowed us to estimate the hazard rate for the population at risk of retiring—nonretired adults over the age of 50. We specified a continuous-time (cause-specific) hazard rate, called a subdistribution hazard rate ($h_r(t)$), that represents the instantaneous probability of an event (K) such as retirement (r) in an interval of time [t; Δt], given that the event has not previously occurred:

$$h_r(t) = \lim_{\Delta t \to 0} \frac{1}{\Delta t} \Pr[t \leq T < t + \Delta t, K = r \mid T \geq t]$$

We fit a Cox regression model with time to retirement as the dependent variable. The Cox regression model requires no assumptions about the distribution of survival times, which makes it an appropriate choice for this analysis. Because the likelihood of retiring increases with age, we used age as our analytic unit of time. In our modelling, we followed a stepwise approach in which the first

specification of each model included only the main predictor of interest—race and ethnicity—followed by a second specification that included control variables for demographic, socioeconomic, health, health care, and other characteristics of older workers. A third specification tested for interactions between race and ethnicity and all other variables to identify possible unique features shaping older Hispanics' and non-Hispanics' transition to retirement.[12]

In our models, race and ethnicity is a categorical variable with the following groups: non-Hispanic white (reference group), non-Hispanic black, US-born Hispanic, foreign-born Hispanic, and other. Most of the control variables are also categorical, including sex; marital status (divorced/separated, widowed, and never-married, with a reference category consisting of married and partnered people); presence of any additional household member (excluding spouse); level of education (not high school graduate [reference group], high school graduate or GED recipient, attended some college, and obtained a college degree); receipt of any financial transfer of $500 or more from family or friends; self-rated health (excellent [reference group], very good, good, fair, and poor); number of diagnosed health conditions (0–1 [reference group], 2–3, and 4–8); self-employment; and homeownership. Continuous control variables include per capita household income, per capita household private retirement account balance, and per capita net total financial wealth.[13] Finally, models include a variable indicating the year of the survey interview, which should capture any macro-level changes.

Results of the first model specification suggest that foreign-born Hispanics have a 22 percent lower risk of fully or partly retiring than non-Hispanic whites, whereas there is no significant difference in retirement risk between US-born Hispanics and non-Hispanic whites (table 40). Non-Hispanic blacks have a more than 24 percent higher risk of retiring than non-Hispanic whites. However, these results do not account for any individual-level differences in demographic and health profiles or socioeconomic resources that may not vary randomly across racial and ethnic groups. Once we controlled for these variables in specification 2, we found that foreign-born Hispanics had an even lower risk of retiring than non-Hispanic whites (by about 39 percent), and that they tended to retire about one year later than non-Hispanic whites (figure 4).[14]

The fully interacted model (specification 3) suggests an even larger difference in the risk of retirement between foreign-born Hispanics and non-Hispanic whites once we account for the higher risk of retirement for divorced, separated, and widowed foreign-born Hispanics and those with some college education, additional household members other than a spouse, multiple diagnosed health conditions, and higher income. The difference between non-Hispanic blacks and whites, however, became statistically insignificant in the fully interacted model, and the difference between US-born Hispanics and non-Hispanic whites remained statistically insignificant regardless of the model

specification. These results suggest other characteristics unique to foreign-born people, and Hispanics in particular, may account for their lower retirement risk, such as employment for shorter duration of time than necessary to qualify for Social Security retirement benefits, unauthorized immigration status, or employment in sectors with employers that are less likely to offer a retirement plan.

Another interesting finding of the models is that the risk of full- or partial-retirement decreased by about 11 to 16 percent in the two survey waves following the Great Recession. Furthermore, the risk declined by almost 14 percent in the 2002 wave that followed the prior recession, while the risk in other survey waves was statistically indistinguishable from the 2012 wave risk. These results suggest that nonretired people older than 50 may have postponed their retirement in response to worsening economic conditions, but it remains unclear how much of the difference can be attributed to the direct impact of the recession on an individual worker (e.g., private retirement account losses) or to elevated uncertainty and related behavioral response. Interactions suggest that period effects may be somewhat more pronounced for people of color than for non-Hispanic whites.[15]

We repeated our analysis focusing only on full retirement. The results, reported in table 41 are broadly consistent with the results presented in table 40, but there are several differences. Most notably, in the absence of any control variables, US-born Hispanics had a significantly higher risk (about 13 percent) of fully retiring than non-Hispanic whites, but adding control variables reduced their risk to 13 percent below non-Hispanic whites, although the difference was only marginally significant and became insignificant in the fully interacted model specification. The situation was reversed for foreign-born Hispanics, who have only an 8 percent lower risk of fully retiring than non-Hispanic whites without controls. However, their retirement risk plunges in the second and third model specifications, with the differences relative to non-Hispanic whites becoming as large as in the comparable model specifications for full- and partial-retirement reported in table 40. However, period effects remain unchanged regardless of how we define retirement, with the lower observed risk of retiring (by about 14 percent) occurring in the postrecession years.

An alternative approach to exploring transitions from economic activity to inactivity is to model the transition from participating in the labor force to not participating in the labor force for any reason, including retirement. Results in appendix table 4 show that racial and ethnic differences in the pattern of exit from the labor force are very similar to the differences observed for the retirement decision. Similarly, we continued to observe a somewhat lower risk of exiting the labor force following the Great Recession than in other periods, although the effect was marginally more modest, and it did not extend to the previous, much milder recession from the early 2000s.

Expectations about Continued Work

To shed further light on the retirement transition process, we examined how the expectations about continuing full-time work past ages 62 and 65 changed over time and across racial and ethnic groups, paying particular attention to Hispanics. We estimated a random-effects ordered logistic regression model of retirement expectations using HRS data from 1998 to 2012. The model assumes that person-specific effects are uncorrelated with the explanatory variable and can accommodate predictors that do not change over time. The model takes the following general form:

$$Y_{it} = \beta_0 + R_t\beta_1 + X_{it}\beta_2 + Z_i\beta_3 + H_i\beta_4 + \nu_i + \varepsilon_{it},$$

where *Y* is the self-reported likelihood that nonretired respondents younger than 62 (or alternatively, younger than 65) continue full-time work past age 62 (or 65), *R* is a race and ethnicity indicator, *X* is a vector of their time-variant characteristics (e.g., marital status, income), *Z* is a vector of their time-invariant characteristics (e.g., sex, cohort, education), and P is an indicator of the time period (i.e., year of the survey interview).[16] ν_i are unobservable person-specific effects that are assumed to be uncorrelated with the predictors included in the model, and ε_{it} is random error.[17]

Our outcome variables range from 0 to 100, indicating the self-reported chance (out of 100) of working full-time past ages 62 and 65. However, the distribution of answers is heavily concentrated at 0, 50, and 100, and disproportionately concentrated at remaining multiples of five. Consequently, we constructed a categorical variable that groups the data in five categories by likelihood of continued work: none (0 percent), small likelihood (1–33 percent), moderate likelihood (34–66 percent), high likelihood (67–99 percent), and complete certainty (100 percent).

Results of the model specification that included only the race and ethnicity variable suggest that Hispanics are only about half as likely as non-Hispanic whites to expect to continue working full-time past age 62, and the odds are even somewhat lower for non-Hispanic blacks (table 42). However, once demographic, socioeconomic, and health characteristics are accounted for in the second model specification, foreign-born Hispanics are about as confident as non-Hispanic whites of working after the age of 62, and the odds are only 17 percent lower for US-born Hispanics than non-Hispanic whites. Adding these controls also reduced the difference in work expectations between non-Hispanic blacks and non-Hispanic whites.

Period coefficients suggest a secular upward trend in the expectation to work past age 62. However, the pace of this adjustment is not even across study waves, and this is particularly true for the

period surrounding the Great Recession, as expectations spiked in 2008 (when they were almost 23 percent higher than in 2012, the base year), followed by a gradual decline in subsequent survey waves.

Racial and ethnic differences in the first model specification of expectations of continued work past age 65 are noticeably smaller than in the comparable model specification for work past age 62 (table 43). In particular, foreign-born Hispanics are only 15 percent less likely than non-Hispanic whites to expect to work full-time after they reach age 65, and US-born Hispanics are 30 percent less likely. When we controlled for various personal characteristics, the difference in work expectations between non-Hispanic blacks and whites decreased somewhat and disappeared completely for US-born Hispanics. In this model, foreign-born Hispanics are almost 26 percent more likely than non-Hispanic whites to expect to work full-time past age 65. These results are fairly consistent with the previously presented findings from the models of retirement decision making.

Period coefficients in this model also suggest a secular growth trend in the expectation of continued work past age 65. The only difference is that the growth trend persisted throughout the entire observation period, although a brief stagnation in 2010 followed the strongest increase in expectations that was observed—in 2008, the Great Recession year.

Outlook for Future Retirees

Although Hispanics receive much less income in retirement today than non-Hispanic whites, DYNASIM4 projections show that the gap will narrow over the next three decades. Median family cash income at age 70 is projected to reach $24,800 (in 2014 inflation-adjusted dollars) for Hispanics born in the 1970s, who will turn 70 in the 2040s (table 44). Their median income will be 32 percent higher than the median income for Hispanics born in the 1940s, who turned 70 in the 2010s. Median age-70 income will grow 42 percent over the period for US-born Hispanics and 38 percent for foreign-born Hispanics, according to our projections. By contrast, median age-70 income will grow only 10 percent for non-Hispanic blacks and 5 percent for non-Hispanic whites. Nonetheless, non-Hispanic whites will continue to receive much more retirement income than Hispanics in the 2040s, with their median age-70 income exceeding US-born Hispanics' median income by 42 percent and foreign-born Hispanics' median income by 155 percent. Total age-70 income, which adds to cash income the annual payment a family could receive from annuitizing 80 percent of their financial wealth, using actuarially fair rates, will grow slightly more rapidly over the next three decades than cash income. However, the ethnic and racial

patterns are similar, with both US-born Hispanics and foreign-born Hispanics experiencing much stronger growth than non-Hispanic whites and non-Hispanic blacks.

DYNASIM4 projections show much stronger growth in median net worth at age 70 for people of color than for non-Hispanic whites through the 2040s. Median age-70 net worth will reach $98,400 for US-born Hispanics born in the 1970s, nearly seven times as high as for US-born Hispanics born in the 1940s (table 45). Age-70 net worth will not grow quite as rapidly for other people of color, quadrupling for non-Hispanic blacks and nearly quadrupling for foreign-born Hispanics. Median age-70 net worth will increase by only 72 percent for non-Hispanic whites. Nonetheless, non-Hispanic whites will continue to enjoy a substantial wealth advantage over other groups, with a median age-70 net worth that is more than twice as high as the median level for US-born Hispanics and more than six times as high as the median level for foreign-born Hispanics.

Income and wealth at age-70 will increase for Hispanics, especially those born in the United States, due to growth in employer-sponsored retirement plan coverage. The share of 70-year-olds receiving income from a DB pension is projected to fall over the next three decades for all racial and ethnic groups (table 46), reflecting employers' shift from DB pension plans to DC retirement accounts that began in the 1980s. However, Hispanics will experience a smaller decline in DB pension coverage than non-Hispanic whites and non-Hispanic blacks because Hispanics—especially those born outside the United States—are much less likely than non-Hispanics to have DB coverage today. Moreover, the share of US-born Hispanics with a DC retirement account at age 70 is projected to increase by 24 percentage points over the next three decades, while growing by just 9 percentage points for non-Hispanic whites and by 8 percentage points for foreign-born Hispanics. Consequently, the share of US-born Hispanics receiving DB pension income or holding a DC retirement account at age 70 will rise from 46 percent among those born in the 1940s to 62 percent among those born in the 1970s, a 16 percentage point increase. By contrast, the rate will grow by only 2 percentage points for foreign-born Hispanics and by 1 percentage point for non-Hispanic whites.

Not only will DB pension income become less prevalent over the next three decades, but the value of lifetime DB pension benefits among retirees still receiving them will fall sharply (table 47). The projected decline is similar across racial and ethnic groups, with median lifetime pension benefits among adults turning 70 in the 2040s falling between 64 and 75 percent below the median value among adults turning 70 in the 2010s. However, DC retirement accounts will grow, with the median age-70 value among account holders increasing 74 percent for US-born Hispanics, 41 percent for foreign-born Hispanics, 37 percent for non-Hispanic whites, and 90 percent for non-Hispanic blacks. Overall, however, the combined value of DB pensions and DC accounts among people receiving DB pension

income or holding a DC account will fall over time across all racial and ethnic groups, because DB pensions are now worth much more than DC accounts, among those who have them.

Conclusions

Older Hispanics receive much less income, hold much less wealth, and are much more likely to be impoverished than older adults overall. In 2013, median family income, adjusted for family size, was one-third lower for Hispanics ages 65 and older than their non-Hispanic white counterparts, and the older Hispanic poverty rate was 12 percentage points higher. In 2012, median household wealth was more than five times as high for older non-Hispanic whites as older Hispanics. Financial outcomes are significantly worse for older foreign-born Hispanics than for those born in the United States, because workers who spend part of their careers outside the United States have less time to accumulate Social Security and employer-sponsored retirement benefits. In general, older US-born Hispanics fare better than older non-Hispanic blacks, whereas older foreign-born Hispanics fare worse than older non-Hispanic blacks.

Shortfalls in earnings and workplace retirement plans earlier in life likely account for much of the financial hardship that many older Hispanics face in retirement, especially those born outside the United States. In 2013, median earnings for men ages 25 to 64 employed full-time were 26 percent lower for US-born Hispanics than non-Hispanic whites, and 47 percent lower for foreign-born Hispanics. The earnings shortfall for US-born Hispanic women ages 25 to 64 working full-time, relative to non-Hispanic whites, was much smaller—15 percent—but still substantial. Working Hispanics are much less likely than non-Hispanic whites and non-Hispanic blacks to be offered retirement plan coverage by an employer or to be enrolled in a plan. In 2014, only 32 percent of Hispanic men ages 25 to 64 employed full-time participated in an employer-sponsored retirement plan, compared with 54 percent of non-Hispanic white men and 47 percent of non-Hispanic black men. The comparable rates for women employed full-time were 38 percent for Hispanics, 57 percent for non-Hispanic whites, and 50 percent for non-Hispanic blacks. However, the fact that Hispanics tend to work longer than other groups promotes their retirement security.

Educational differences partly account for these racial and ethnic disparities in retirement incomes, retirement wealth, earnings, and retirement plan coverage. Among adults ages 65 and older, 45 percent of Hispanics lacked a high school diploma, including 55 percent of foreign-born Hispanics, compared with 27 percent of non-Hispanic blacks and 11 percent of non-Hispanic whites in 2014. However,

Hispanics' generally limited education does not fully explain their financial shortfalls in retirement. For example, even after we controlled for education, age, marital status, and English-speaking ability, we found that older US-born Hispanics received 20 percent less income than non-Hispanic whites, and foreign-born Hispanics received 28 percent less income. We also found that, among men employed full-time, US-born Hispanics earned 7 percent less than non-Hispanic whites and foreign-born Hispanics earned 14 percent less even after we controlled for other factors. More research is needed to better understand why Hispanics tend to earn less than non-Hispanic whites and why they are less likely to participate in employer-sponsored retirement plans.

Health problems create additional challenges for many older Hispanics. Among adults age 75 and older, 33 percent of foreign-born Hispanics and 31 percent of US-born Hispanics reported serious disabilities or severe cognitive impairment, compared with only 13 percent of non-Hispanic whites. Although most people with disabilities or cognitive impairment rely on help with everyday activities from unpaid family caregivers, some must turn to paid helpers at home or in other residential settings, such as assisted living facilities or nursing homes, when they need round-the-clock care. Paid care is expensive, and much of the cost is paid out of pocket, because Medicare provides only limited coverage and only in special circumstances, few people have private long-term care insurance coverage, and Medicaid pays only for people with virtually no assets (or people who have already spent nearly all of their assets on care). As a result, the need for long-term services and supports often leads to financial hardship.

Despite these challenges, older US-born Hispanics' median income has grown substantially over the past three decades. Between 1979 and 2013, real median family income, adjusted for family size, increased 51 percent for US-born Hispanics, more than for any of the other racial and ethnic groups we examined. Our DYNASIM4 projections suggest that retirement incomes will grow over the next three decades for both US-born and foreign-born Hispanics. Compared with median age-70 income for people born in the 1940s, who are reaching age 70 in the 2010s, we project that median age-70 income for people born in the 1970s will be 42 percent higher for US-born Hispanics and 38 percent higher for foreign-born Hispanics. The past gains for US-born Hispanics and the projected gains for both US-born and foreign-born Hispanics stem largely from improvements in educational attainment.

Various policy options might improve retirement security for Hispanics. Workforce development initiatives and efforts to promote education could enhance skills and raise earnings, boosting future Social Security benefits and allowing more Hispanics to save for retirement. Policy initiatives that promote retirement savings, such as state mandates requiring employers to offer automatic payroll deductions that would fund retirement accounts, could help narrow racial and ethnic disparities in

retirement savings. Social Security reforms that increase benefit progressivity or create a meaningful minimum benefit would raise retirement incomes for people with low lifetime earnings. Finally, supports for family caregivers and better financing options for paid long-term services and supports could help the many older Hispanics with disabilities and cognitive impairment receive the care they need and ease the financial burdens on their families.

Notes

1. Many immigrants return to their origin countries (Aguila and Vega 2015). These return migrants are not included in our study once they leave the United States, because our analysis is restricted to US residents.
2. We did not use HRS data from earlier years because the survey did not interview a nationally representative sample of adults ages 65 and older before 1998.
3. Financial assets included stocks; mutual funds; investment trusts; checking, savings, and money market accounts; certificates of deposit; government savings bonds; US Treasury bills; bonds; and bond funds. However, we did not include the value of retirement account balances held with employers, leading us to underestimate wealth in some cases.
4. For more information about DYNASIM, see Urban Institute (2015) and Favreault, Smith, and Johnson (2015).
5. Alternatively, married men may earn more than single men not because marriage raises earnings but because the same qualities rewarded by the labor market are also valued by potential spouses (Dougherty 2006; Killewald and Lundberg 2015).
6. Married retirees may claim Social Security benefits based on their own lifetime earnings or their spouse's lifetime earnings. If they choose to collect based on their spouse's earnings, they receive half of the spouse's benefit. When beneficiaries become widowed, they may choose to receive survivor benefits, equal to their spouse's full Social Security benefit, instead of benefits based on their own earnings. Thus, household Social Security benefits would decline by a third when a beneficiary receiving spousal benefits becomes widowed. They would decline by more than a third and as much as a half when a beneficiary receiving benefits based only on her own earnings becomes widowed.
7. Some experts believe that the Census Bureau overstates these assumed savings (Citro and Michael 1995).
8. In 2013, the middle fifth of the older Hispanic income distribution included those with annual incomes between $9,800 and $14,800. The middle fifth of the non-Hispanic white income distribution included those with between $18,300 and $29,200.
9. This analysis excluded older adults in the bottom 10 percent and top 10 percent of the wealth distribution, to limit the impact of outliers on the results.
10. The unemployment-to-population ratio differs from the official unemployment rate, which divides the number of unemployed people by the number of people participating in the labor force, i.e., employed or looking for work. Unemployment in 2010, during the immediate aftermath of the Great Recession when unemployment peaked, followed similar racial and ethnic patterns. Among men ages 35 to 44, the unemployment-to-population ratio was 11.6 percent for non-Hispanic blacks, 9.3 percent for US-born Hispanics, 8.2 percent for foreign-born Hispanics, and 6.7 percent for non-Hispanic whites, according to our calculations from the 2010 ACS. The unemployment rate, which considers only people participating in the labor force, was higher, especially for non-Hispanic blacks and US-born Hispanics because many of them dropped out of the labor force as their job prospects deteriorated. The 2014 unemployment rate for men ages 35 to 44 was 15.6 percent for non-Hispanic blacks, 11.1 percent for US-born Hispanics, 8.9 percent for foreign-born Hispanics, and 7.4 percent for non-Hispanic whites.
11. Coverage rates by plan type were estimated from SIPP data and thus are not directly comparable to the estimates of overall plan coverage shown in tables 38 and 39, which were based on CPS data.
12. Although age at retirement is essentially a continuous measure, age in our sample is measured in discrete intervals (years). Therefore, at least some of the retirement events will be tied, that is, recorded at the same age, which raises a question about whether that analysis should use continuous- or discrete-time models. Although the Cox model is mostly associated with continuous treatment of time, it can accommodate both

discrete and continuous time measures, and it has multiple methods of dealing with tied data (e.g., Breslow (1975), Efron (1977), or exact partial likelihood), making it a very flexible approach for survival analysis. To test the sensitivity of our results to the treatment of time as discrete as opposed to continuous, we also fit a discrete-time proportional hazards model using complementary log-log regression. The results are consistent with those estimated using the Cox model, with only minor differences in magnitude.

13. These variables were transformed using inverse hyperbolic sine (IHS) transformation, an alternative to the logarithmic transformation when a substantial proportion of observations have zero or negative value. Interpretation of results is generally similar to log-transformed variables (Burbidge, Magee, and Robb 1988). The only exception is when the values are close to the origin, although there seem to be no exact definition of what constitutes "close." Documentation for the wealth imputations in the HRS suggests that the IHS transformation is noticeably different from the logarithmic transformation only for values between -$10 and $10 (Chien et al. 2015).

14. We have also estimated a model specification that includes the industries and, alternatively, the occupations of sample members. The direction and statistical significance of estimates (not shown) remain consistent with the second model specification, but the results are not directly comparable because of missing information on industries and occupations that reduces sample sizes.

15. We also tested an alternative model specification (results not shown) that replaces the control variable for relationship status with a spouse/partner retirement decision (the two variables cannot be controlled simultaneously as their categories represent a linear combination). The results, which are otherwise fully consistent with the results of model specification 2 in table 40, suggest that persons with spouses that are not in the labor force (fully or partly retired, disabled, or out of the labor force for other reasons) have more than a one-third higher risk of retiring than those whose spouses are in the labor force, and even unpartnered persons have about a 16 percent higher risk of retiring.

16. Given that Hispanics disproportionately work in cyclical industries such as construction, we conduct a supplementary analysis to examine possible differences in period effects for Hispanics and non-Hispanics following the Great Recession, but we find no such difference.

17. A possible alternative to estimating a random-effects model would be to estimate a fixed-effects model. A basic assumption of the fixed-effects model is that time-invariant characteristics of each individual could be correlated with the explanatory variables. Upon a fixed-effect estimation, which takes the difference in each variable from its mean, this fixed factor disappears. In our case, a constraint of the fixed-effects modeling approach is a categorical (i.e., binary) nature of our outcome variable, given that all individuals who do not experience variation in the outcome variable are dropped from the model. Moreover, unlike the random-effects model, the effects of time-invariant correlates such as race and ethnicity cannot be directly estimated with a fixed-effects model.

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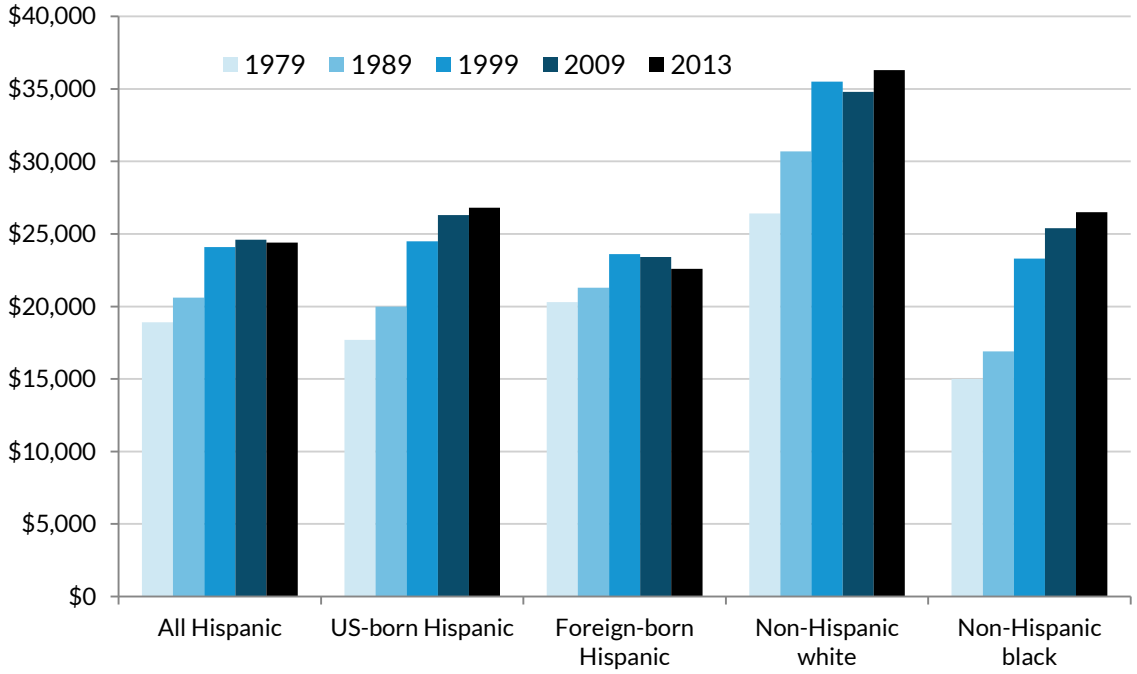
Figures

FIGURE 1

Median Inflation-Adjusted Family Income by Race and Ethnicity, Adjusted for Family Size, 1979–2013

Adults ages 65 and older

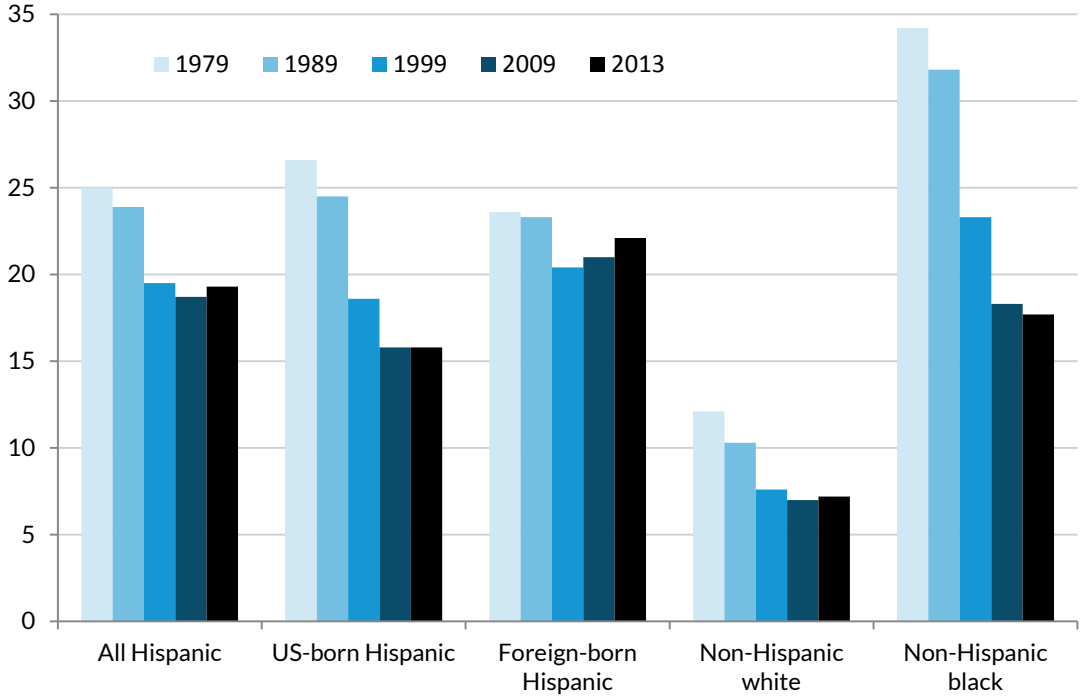


Source: US decennial censuses for 1979, 1989, and 1999 and the American Community Survey (ACS) for 2009 and 2013.
Note: Estimates are reported in constant 2014 dollars, as adjusted by the change in the consumer price index, and rounded to the nearest $100. We adjusted family income for family size by dividing income by the square root of the number of people in the family. Appendix table 1 reports the precise data points.

FIGURE 2

Poverty Rates by Race and Ethnicity, 1979–2013 (%)

Adults ages 65 and older

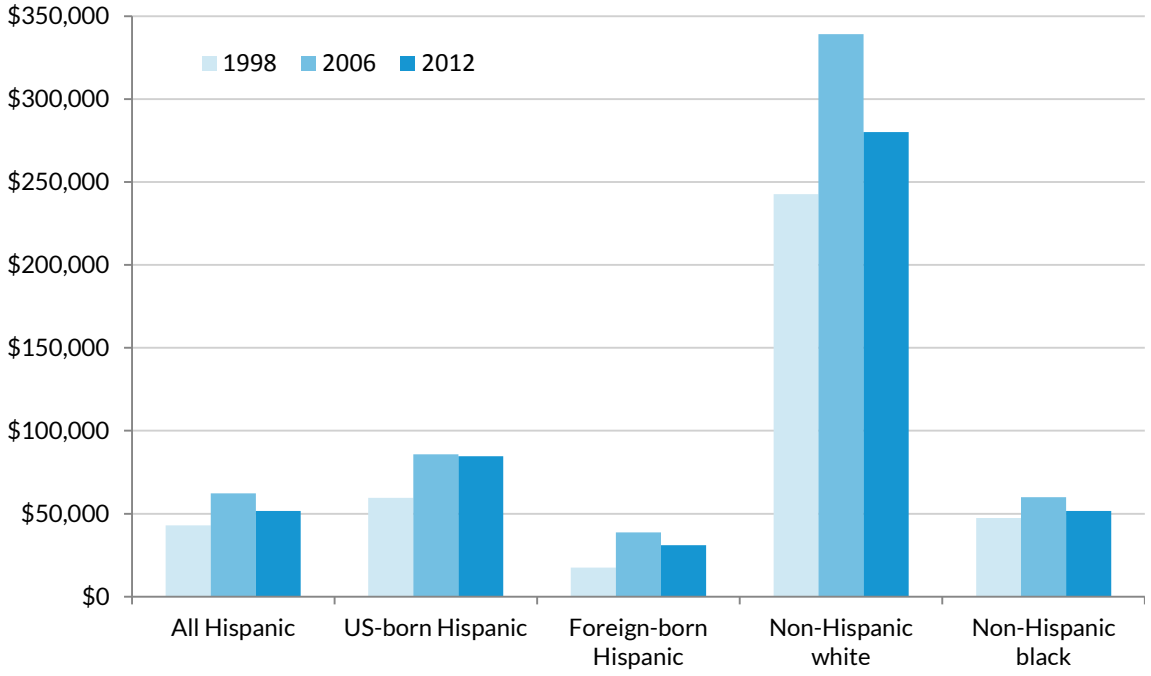


Source: US decennial censuses for 1979, 1989, and 1999 and the American Community Survey (ACS) for 2009 and 2013.
Note: Appendix table 2 reports the precise data points.

FIGURE 3

Median Inflation-Adjusted Household Wealth by Race and Ethnicity, 1998, 2006, and 2012

Adults ages 65 and older



Source: Health and Retirement Study (HRS).

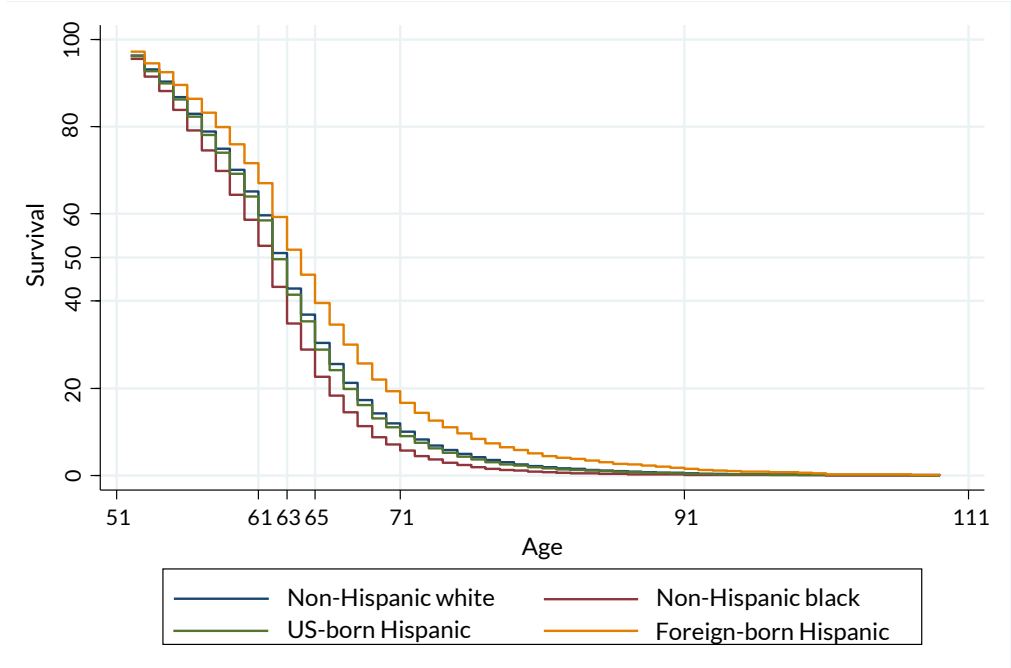
Note: Household wealth is reported in inflation-adjusted 2014 dollars. Appendix table 3 reports the precise data points.

FIGURE 4

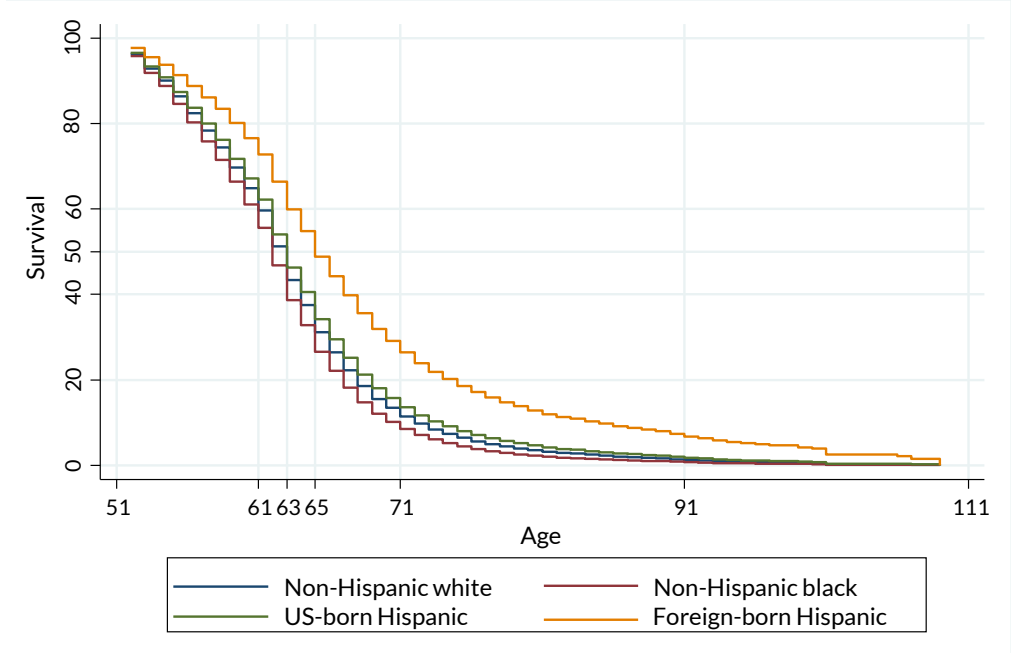
Survival Probabilities by Race and Ethnicity Based on Cox Model of Retirement Risk (%)

Nonretired adults over the age of 50

Model Specification 1



Model Specification 2



Source: Authors' calculations from the Health and Retirement Study (HRS).

Tables

TABLE 1

Size of the Hispanic Population by Age, 1980–2040

	All	Younger than 18	18–24	25–54	55–64	65+
Number (millions)						
1980	14.8	5.8	2.2	5.3	0.8	0.7
1990	21.8	7.6	3.0	9.0	1.2	1.1
2000	35.2	12.2	4.7	14.9	1.7	1.7
2010	50.7	17.2	6.2	21.3	3.2	2.8
2014	55.3	17.9	6.7	23.1	4.0	3.5
2020	63.6	19.0	7.2	26.8	5.4	5.0
2030	77.5	20.8	8.4	32.5	7.4	8.4
2040	91.6	23.3	8.8	37.8	9.2	12.5
Percentage of the US population						
1980	6.5	9.1	7.5	6.2	3.5	2.6
1990	8.8	12.0	11.5	8.4	5.5	3.4
2000	12.5	17.0	17.3	12.1	6.9	4.9
2010	16.4	23.2	20.1	16.7	8.8	6.9
2014	17.3	24.3	21.1	18.2	10.1	7.6
2020	19.0	25.7	23.7	20.6	12.6	8.9
2030	21.6	27.2	27.3	23.4	18.7	11.4
2040	24.1	29.8	27.8	25.9	22.0	15.1

Source: US decennial censuses for 1980, 1990, and 2000, the American Community Survey (ACS) for 2010 and 2014, and US Census Bureau (2016) projections for 2020, 2030, and 2040.

TABLE 2

Nativity and Citizenship of the Hispanic Population by Age, 1980–2014

	All	Younger than 18	18–24	25–54	55–64	65+
Percentage born outside the US						
1980	29	13	33	40	40	52
1990	37	16	44	50	45	49
2000	41	15	46	58	54	50
2010	38	9	32	58	57	56
2014	36	7	24	55	58	56
Percentage of foreign-born population who are naturalized citizens*						
1980	29	17	22	32	43	46
1990	25	12	16	28	40	43
2000	27	10	11	29	51	62
2010	33	12	15	30	53	66
2014	37	15	19	31	56	66

Source: US decennial censuses for 1980, 1990, and 2000 and the American Community Survey (ACS) for 2010 and 2014.

* Excludes foreign-born Hispanics who were US citizens at birth because their parents were US citizens.

TABLE 3

Percentage of Hispanics Who Do Not Speak English Well by Age and Nativity, 1980–2014

	All	Younger than 18	18–24	25–54	55–64	65+
All						
1980	21	13	16	24	33	44
1990	22	10	22	25	32	40
2000	24	10	24	29	33	38
2010	20	5	11	26	30	37
2014	18	4	6	23	28	34
US-born						
1980	10	10	5	9	19	28
1990	7	7	5	6	14	22
2000	6	7	3	5	10	17
2010	4	4	2	3	6	13
2014	3	3	1	3	5	10
Foreign-born						
1980	44	30	39	45	55	60
1990	43	26	43	43	53	59
2000	45	25	47	46	53	60
2010	43	12	34	45	51	59
2014	41	13	24	42	47	57

Source: US decennial censuses for 1980, 1990, and 2000 and the American Community Survey (ACS) for 2010 and 2014.
Note: Estimates show the percentage of Hispanics who do not speak English or do not speak it well. For 1980, the sample excludes people younger than age three. For other years, the sample excludes people younger than age five.

TABLE 4

Educational Attainment by Age and Race and Ethnicity, 1980, 2000, and 2014 (%)

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Not high school graduate					
Ages 25–44					
1980	47	39	58	15	31
2000	37	19	50	7	13
2014	26	12	39	5	11
Ages 45–64					
1980	66	67	65	34	62
2000	45	30	57	10	22
2014	31	16	43	5	12
Ages 65+					
1980	81	84	79	59	83
2000	63	61	65	27	53
2014	45	35	55	11	27
High school graduate					
Ages 25–44					
1980	44	52	33	61	59
2000	52	67	42	64	72
2014	57	66	49	55	68
Ages 45–64					
1980	27	28	26	52	31
2000	45	58	35	63	63
2014	53	65	44	62	68
Ages 65+					
1980	15	13	16	33	14
2000	31	34	27	57	39
2014	44	54	35	62	58

(continued)

TABLE 4 (CONTINUED)

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Four-year college degree					
Ages 25–44					
1980	9	9	9	24	11
2000	11	14	8	29	15
2014	17	22	12	41	22
Ages 45–64					
1980	6	5	9	14	7
2000	10	12	9	27	15
2014	16	19	13	33	19
Ages 65+					
1980	4	3	5	9	4
2000	6	5	7	16	8
2014	11	11	10	26	15

Source: US decennial censuses for 1980 and 2000 and the American Community Survey (ACS) for 2014.
Note: The high school graduate category includes people who attended college but did not earn a four-year degree.

TABLE 5

Distribution of Marital Status by Race and Ethnicity, 1980, 2000, and 2014 (%)

Men ages 65 and older

	Hispanic				
	All	**US-born**	**Foreign-born**	**Non-Hispanic white**	**Non-Hispanic black**
Married					
1980	70	69	71	77	60
2000	70	69	72	76	57
2014	69	66	73	73	56
Divorced or separated					
1980	8	9	7	4	12
2000	11	12	11	7	16
2014	14	15	12	11	20
Widowed					
1980	16	16	16	14	22
2000	13	14	11	13	20
2014	11	12	10	11	15
Never-married					
1980	6	7	6	5	6
2000	6	6	6	4	7
2014	6	7	5	5	9

Source: US decennial censuses for 1980 and 2000 and the American Community Survey (ACS) for 2014.

TABLE 6

Distribution of Marital Status by Race and Ethnicity, 1980, 2000, and 2014 (%)

Women ages 65 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Married					
1980	33	35	31	37	26
2000	38	40	36	44	26
2014	41	41	41	48	27
Divorced or separated					
1980	10	10	10	5	10
2000	14	13	14	7	14
2014	18	19	17	13	23
Widowed					
1980	50	49	51	51	58
2000	41	41	42	45	53
2014	33	33	34	35	41
Never-married					
1980	7	6	8	7	6
2000	7	6	8	4	7
2014	8	7	8	4	10

Source: US decennial censuses for 1980 and 2000 and the American Community Survey (ACS) for 2014.

TABLE 7

Percentage of Adults Ages 65 and Older Living in Multigenerational Households, 1980–2014

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
1980	38	33	43	16	30
1990	40	35	45	15	33
2000	44	36	52	15	36
2010	45	35	52	16	35
2014	44	35	52	16	33

Source: US decennial censuses for 1980, 1990, and 2000 and the American Community Survey (ACS) for 2000 and 2014.

TABLE 8

Ancestry of Hispanic Population by Age, 1990 and 2014 (%)

	1990		2014	
	All	**Ages 65+**	**All**	**Ages 65+**
All				
Mexican	63	52	64	55
Cuban	5	16	4	10
Puerto Rican	11	9	9	11
Central American	6	3	8	6
South American	4	4	6	7
Spaniard	2	4	2	3
Other	9	12	6	9
US-born				
Mexican	66	60	67	61
Cuban	2	1	3	1
Puerto Rican	17	18	14	22
Central American	2	0	5	1
South American	2	0	3	1
Spaniard	3	6	2	5
Other	9	16	7	10
Foreign- born				
Mexican	59	43	60	49
Cuban	10	31	7	17
Central American	13	7	14	10
South American	9	8	11	14
Spaniard	1	3	1	1
Other	8	8	7	8

Source: US decennial census for 1990 and the American Community Survey (ACS) for 2014.

TABLE 9

Estimated Marginal Impact of Personal Characteristics on Inflation-Adjusted Family Income

Adults ages 65 and older, 1979, 1999, and 2013

	Control Only for Race and Ethnicity			Full Set of Controls		
	1979	**1999**	**2013**	**1979**	**1999**	**2013**
Race and ethnicity						
[Reference: non-Hispanic white]	–	–	–	–	–	–
US-born Hispanic	-0.595	-0.467	-0.340	-0.382	-0.187	-0.203
Foreign-born Hispanic	-0.564	-0.711	-0.581	-0.354	-0.330	-0.280
Non-Hispanic black	-0.698	-0.549	-0.230	-0.586	-0.340	-0.147
Other race	-0.289	-0.362	-0.164	-0.167	-0.189	-0.079
Female				-0.072	0.126	-0.034
Age	–	–	–	-0.788	-0.525	-0.442
Age squared	–	–	–	0.006	0.004	0.003
Marital status						
[Reference: married]	–	–	–	–	–	–
Divorced or separated	–	–	–	0.096	-0.460	-0.200
Widowed	–	–	–	0.118	-0.566	-0.111
Never-married	–	–	–	0.777	-0.087	0.476
Education						
Not high school graduate	–	–	–	-0.328	-0.229	-0.084
[Reference: high school graduate]	–	–	–	–	–	–
Four-year college degree	–	–	–	0.432	0.578	0.457
Does not speak English well	–	–	–	-0.193	-0.294	-0.303
R^2	0.010	0.009	0.005	0.070	0.076	0.046

Source: Authors' estimates from the US decennial censuses for 1979 and 1999 and the American Community Survey (ACS) for 2013.

Note: Estimates are based on an ordinary least squares regression of the natural logarithm of annual family income, expressed in inflation-adjusted 2014 dollars and adjusted for family size. All marginal effects are significant at the 0.001 level.

TABLE 10

Poverty Rates by Sex, Age, Marital Status, and Race and Ethnicity, 2013 (%)

Adults ages 65 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Men					
Ages 65–74					
Married	12	7	16	3	8
Divorced or separated	28	22	33	14	28
Widowed	26	26	27	13	26
Never-married	34	34	34	20	38
Ages 75+					
Married	16	10	20	6	10
Divorced or separated	33	26	44	17	28
Widowed	25	23	26	15	23
Never-married	33	33	33	25	45
Women					
Ages 65–74					
Married	13	8	16	3	8
Divorced or separated	27	26	27	17	24
Widowed	25	25	25	13	23
Never-married	37	33	40	18	31
Ages 75+					
Married	15	11	18	7	13
Divorced or separated	33	34	33	22	30
Widowed	25	24	26	19	29
Never-married	40	42	39	32	41

Source: American Community Survey (ACS).

TABLE 11

Income and Poverty Rates by Ancestry and Nativity, 1989 and 2013

Hispanics ages 65 and older

	1989			2013		
	All	**US-born**	**Foreign-born**	**All**	**US-born**	**Foreign-born**
Total median family income ($)						
Mexican	30,700	29,700	32,600	39,800	42,100	37,500
Cuban	32,700	32,000	32,700	35,500	42,700	34,900
Puerto Rican	25,200	25,200	34,000	32,900	32,500	34,700
Central American	41,800	36,200	42,000	42,700	40,600	43,300
South American	44,700	46,700	44,700	45,300	40,100	45,600
Spaniard	38,700	36,400	44,900	49,700	46,600	60,500
Other	32,500	30,200	38,600	32,800	36,500	30,200
Poverty rates (%)						
Mexican	27	27	27	20	16	25
Cuban	26	29	26	23	15	24
Puerto Rican	33	33	NA	23	23	NA
Central American	19	16	19	21	23	20
South American	22	26	21	16	15	16
Spaniard	15	14	15	12	12	12
Other	25	25	25	25	19	30

Source: US decennial census for 1989 and the American Community Survey (ACS) for 2013.
Note: Estimates are reported in constant 2014 dollars, as adjusted by the change in the consumer price index, and rounded to the nearest $100.

TABLE 12

Receipt of Personal Income by Race and Ethnicity 1989–2013 (%)

Adults ages 65 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Any Social Security income					
1989	68	76	59	85	75
1999	69	77	61	87	75
2013	75	83	69	88	81
Any pension income					
1989	19	23	15	33	24
1999	22	27	16	38	32
2013	22	32	14	39	37
Any earnings					
1989	17	16	18	19	16
1999	16	15	17	17	16
2013	17	17	18	21	18
Any interest or dividends					
1989	16	17	15	45	10
1999	15	18	13	46	12
2013	10	12	8	33	9
Any need-based government transfers					
1989	22	20	25	6	20
1999	17	15	19	5	15
2013	12	10	13	4	9

Source: US decennial censuses for 1989 and 1999 and the American Community Survey (ACS) for 2013.

TABLE 13

Median Inflation-Adjusted Personal Income by Source and Race and Ethnicity, 1989–2013 ($)

Adults ages 65 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Social Security income					
1989	9,200	9,200	9,200	11,500	9,000
1999	9,700	10,100	9,100	12,800	10,200
2013	10,200	11,600	9,100	14,200	12,200
Pension income					
1989	7,900	8,800	6,700	9,500	8,700
1999	10,100	11,400	8,500	12,800	12,100
2013	10,200	12,100	8,500	13,300	12,200
Earnings					
1989	15,300	15,100	16,200	14,900	13,400
1999	17,100	16,900	17,100	16,200	17,100
2013	20,000	20,300	19,300	22,700	20,200
Interest and dividends					
1989	4,800	5,100	4,600	8,000	3,100
1999	3,800	3,600	4,300	6,000	2,600
2013	3,700	2,700	5,100	3,700	1,500
Need-based government transfers					
1989	5,700	4,900	6,600	5,700	4,400
1999	6,400	6,100	6,500	7,100	6,100
2013	5,700	6,100	5,500	7,300	6,100

Source: US decennial censuses for 1989 and 1999 and the American Community Survey (ACS) for 2013.
Note: Estimates are reported in constant 2014 dollars, as adjusted by the change in the consumer price index, rounded to the nearest $100, and restricted to adults who received income from a given source.

TABLE 14

Composition of Personal Income by Income Quintile and Race and Ethnicity, 2013 (%)

Adults ages 65 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Bottom fifth of the income distribution					
Social Security	75	79	73	85	75
Pensions	5	6	5	4	6
Earnings	4	3	7	2	3
Interest and dividends	1	0	0	2	0
Need-based government transfers	13	10	13	6	15
Other	2	1	1	1	1
Total	100	100	100	100	100
Middle fifth of the income distribution					
Social Security	79	77	76	65	74
Pensions	6	11	4	18	14
Earnings	6	5	5	8	6
Interest and dividends	1	1	0	6	1
Need-based government transfers	8	4	14	1	4
Other	1	2	1	2	2
Total	100	100	100	100	100
Top fifth of the income distribution					
Social Security	21	20	23	14	19
Pensions	23	30	14	23	35
Earnings	38	33	46	35	34
Interest and dividends	12	11	14	24	5
Need-based government transfers	1	1	1	0	0
Other	5	6	3	3	6
Total	100	100	100	100	100

Source: American Community Survey (ACS).

TABLE 15

Composition of Personal Income by Income Quintile and Race and Ethnicity, 1989 (%)

Adults ages 65 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Bottom fifth of the income distribution					
Social Security	69	75	61	85	72
Pensions	6	4	8	3	6
Earnings	4	3	8	2	4
Interest and dividends	2	2	2	4	1
Need-based government transfers	18	15	21	6	16
Other	1	1	1	1	1
Total	100	100	100	100	100
Middle fifth of the income distribution					
Social Security	68	71	61	64	74
Pensions	6	6	6	12	6
Earnings	4	4	4	7	4
Interest and dividends	2	2	2	13	1
Need-based government transfers	19	15	27	2	12
Other	1	2	1	2	2
Total	100	100	100	100	100
Top fifth of the income distribution					
Social Security	23	22	22	16	25
Pensions	17	22	10	18	27
Earnings	40	34	48	29	37
Interest and dividends	17	17	16	35	6
Need-based government transfers	1	1	2	0	2
Other	2	3	1	1	2
Total	100	100	100	100	100

Source: US decennial census.

TABLE 16

Distribution of Total Household Wealth by Race and Ethnicity, 1998, 2006, and 2012

Adults ages 65 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
25th percentile					
1998	400	11,000	0	94,400	1,200
2006	1,400	20,000	0	111,600	2,900
2012	200	10,200	0	90,700	2,100
50th percentile (median)					
1998	43,000	59,500	17,400	242,800	47,300
2006	62,300	85,700	38,700	339,300	59,900
2012	51,600	84,600	30,900	280,200	51,600
75th percentile					
1998	135,900	193,200	95,800	560,300	109,300
2006	259,500	299,500	233,700	790,200	177,400
2012	188,200	262,900	108,800	702,000	148,300
Percentage without positive wealth					
1998	22	9	33	3	19
2006	18	9	26	3	16
2012	23	14	31	4	19

Source: Health and Retirement Study (HRS).

Note: Estimates are reported in constant 2014 dollars, as adjusted by the change in the consumer price index, and rounded to the nearest $100. The family-size adjustment divides total family income by the square root of the number of people in a family.

TABLE 17

Estimated Marginal Impact of Personal Characteristics on Inflation-Adjusted Household Wealth, 1998, 2006, and 2012

Adults ages 65 and older

	Control Only for Race and Ethnicity			Full Set of Controls		
	1998	**2006**	**2012**	**1998**	**2006**	**2012**
Race and ethnicity						
[Reference: non-Hispanic white]	–	–	–	–	–	–
US-born Hispanic	-0.85**	-0.86**	-0.92**	-0.64**	-0.60**	-0.79**
Foreign-born Hispanic	-0.99**	-0.99**	-0.99**	-0.98**	-0.96**	-0.98**
Non-Hispanic black	-0.97**	-0.96**	-0.98**	-0.92**	-0.88**	-0.93**
Other race	-0.95**	-0.80**	-0.82**	-0.92**	-0.76**	-0.78**
Female	–	–	–	-0.16*	-0.13	0.07
Age	–	–	–	0.17	0.24	0.49**
Age squared	–	–	–	0.00	0.00	0.00**
Marital status						
[Reference: married]	–	–	–	–	–	–
Divorced or separated	–	–	–	-0.93**	-0.95**	-0.96**
Widowed	–	–	–	-0.76**	-0.79**	-0.69**
Never-married	–	–	–	-0.90**	-0.90**	-0.86**
Education						
Not high school graduate	–	–	–	-0.79**	-0.84**	-0.74**
[Reference: high school graduate]	–	–	–	–	–	–
Four-year college degree	–	–	–	1.56**	2.17**	2.95**
R^2	0.107	0.079	0.079	0.220	0.191	0.153

Source: Authors' estimates from the Health and Retirement Study (HRS)..

Note: Estimates are based on an ordinary least squares regression of an inverse hyperbolic sine transformation of total household wealth, expressed in inflation-adjusted 2014 dollars.

* .01 < *p* < .05, two-tailed test

** *p* < .01, two-tailed test

.

TABLE 18

Percentage of Older Adults Holding Assets or Debt, by Type and Race and Ethnicity, 1998, 2006, and 2012

Adults ages 65 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
1998					
Home	61	75	49	83	66
Housing debt	20	21	19	18	26
IRA/Keogh	12	14	10	38	7
Other financial assets	52	64	42	92	59
Non-housing debt	20	23	17	16	30
Other assets	56	68	45	85	55
2006					
Home	65	77	55	83	67
Housing debt	24	26	22	25	29
IRA/Keogh	10	14	7	44	11
Other financial assets	66	77	56	94	66
Non-housing debt	25	27	23	19	34
Other assets	62	76	51	88	64
2012					
Home	66	75	58	85	67
Housing debt	21	25	18	30	26
IRA/Keogh	14	19	9	46	12
Other financial assets	46	62	33	92	61
Non-housing debt	26	29	23	26	35
Other assets	60	71	50	88	65

Source: Health and Retirement Study (HRS).

TABLE 19

Median Asset or Debt Held by Older Adults with Holdings ($), 1998, 2006, and 2012

Adults ages 65 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
1998					
Home	101,600	101,600	101,600	145,200	78,400
Housing debt	53,000	46,500	53,000	49,400	29,000
IRA/Keogh	42,100	69,700	37,700	65,300	29,000
Other financial assets	4,400	5,800	3,600	50,800	3,600
Non-housing debt	3,200	2,900	4,400	3,600	4,400
Other assets	7,300	10,200	4,400	17,400	7,300
2006					
Home	145,600	117,400	176,100	211,400	105,700
Housing debt	75,100	75,100	75,100	70,600	47,000
IRA/Keogh	64,600	64,600	64,600	82,200	29,400
Other financial assets	2,300	3,500	1,800	56,400	2,400
Non-housing debt	3,900	3,500	4,100	3,900	3,500
Other assets	7,000	9,400	5,900	17,600	8,800
2012					
Home	103,100	115,500	92,800	180,400	103,100
Housing debt	82,500	65,500	101,100	82,500	65,000
IRA/Keogh	61,900	67,000	59,800	103,100	41,200
Other financial assets	7,200	7,200	8,200	44,300	3,100
Non-housing debt	4,100	4,100	4,600	5,200	3,600
Other assets	7,700	11,300	5,200	15,500	9,300

Source: Health and Retirement Study (HRS).

Note: Estimates are reported in constant 2014 dollars, as adjusted by the change in the consumer price index, and rounded to the nearest $100.

TABLE 20

Composition of Household Wealth by Race and Ethnicity, 1998, 2006, and 2012 (%)

Adults ages 65 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Wealth between the 10th and 50th percentiles of the distribution					
1998					
Net housing wealth	71	75	34	60	80
IRA/Keogh	1	2	0	6	1
Other net financial wealth	5	-1	12	23	4
Other wealth	22	24	54	11	15
2006					
Net housing wealth	76	80	64	61	72
IRA/Keogh	2	2	0	8	2
Other net financial wealth	2	2	8	20	3
Other wealth	20	15	28	11	23
2012					
Net housing wealth	71	77	36	60	53
IRA/Keogh	3	3	16	10	3
Other net financial wealth	7	5	17	18	1
Other wealth	19	15	31	12	43
Wealth between the 50th and 90th percentiles of the distribution					
1998					
Net housing wealth	75	64	81	36	78
IRA/Keogh	5	8	4	13	3
Other net financial wealth	11	17	8	36	6
Other wealth	10	11	6	15	13
2006					
Net housing wealth	75	69	79	42	75
IRA/Keogh	5	7	5	14	3
Other net financial wealth	11	12	9	30	9
Other wealth	10	12	7	15	13
2012					
Net housing wealth	75	66	86	37	73
IRA/Keogh	5	10	3	20	4
Other net financial wealth	9	12	5	30	9
Other wealth	11	12	7	13	13

Source: Health and Retirement Study (HRS).

Note: Wealth distributions were estimated separately for each year and race and ethnic group.

TABLE 21

Median Leverage Ratios by Race and Ethnicity, 1998, 2006, and 2012 (%)

Adults ages 65 and older with debt

	Hispanic				
	All	**US-born**	**Foreign-born**	**Non-Hispanic white**	**Non-Hispanic black**
Median ratio of total household debt to total assets					
1998	25	17	35	10	19
2006	22	19	23	12	19
2012	24	17	28	16	26
Median ratio of housing debt to home value					
1998	38	33	42	29	29
2006	37	38	35	26	33
2012	45	39	48	38	50

Source: Health and Retirement Study (HRS).

TABLE 22

Self-Rated Overall Health Status by Race and Ethnicity, 1998, 2006, and 2012 (%)

Adults ages 65 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Excellent or very good					
1998	21.5	26.1	17.2	35.3	23.0
2006	19.0	27.7	11.5	39.0	23.4
2012	21.8	28.2	16.3	42.6	24.6
Good					
1998	26.6	26.5	26.7	32.3	28.5
2006	24.8	26.1	23.6	33.0	30.2
2012	27.8	30.9	25.2	32.6	37.4
Fair or poor					
1998	51.9	47.4	56.1	32.5	48.5
2006	56.2	46.2	64.9	28.0	46.5
2012	50.4	40.9	58.5	24.8	38.0

Source: Health and Retirement Study (HRS).

TABLE 23

Prevalence of Disabilities and Severe Cognitive Impairment by Race and Ethnicity, 1998, 2006, and 2012 (%)

Adults ages 65 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Any IADL limitation					
1998	24.4	23.9	24.9	16.6	25.4
2006	22.1	21.5	22.6	16.7	25.5
2012	25.3	23.6	26.8	15.5	25.9
Any ADL limitation					
1998	27.9	26.1	29.6	18.4	26.6
2006	27.3	23.3	30.6	18.1	29.4
2012	28.5	24.3	32.0	16.4	27.6
Two or more ADL limitations					
1998	17.4	15.6	19.0	9.3	15.2
2006	15.7	14.1	17.1	8.1	16.1
2012	17.6	14.7	20.1	7.8	14.4
Severe cognitive impairment					
1998	7.2	6.4	8.0	3.1	8.5
2006	5.9	5.8	6.0	2.7	7.3
2012	6.8	6.5	7.1	2.4	6.0
Two or more ADL limitations or severe cognitive impairment					
1998	20.1	17.4	22.5	10.7	20.1
2006	18.8	16.7	20.6	9.6	19.8
2012	19.7	17.3	21.7	8.9	17.3

Source: Health and Retirement Study (HRS).

TABLE 24

Prevalence of Disabilities and Severe Cognitive Impairment by Race and Ethnicity, 1998, 2006, and 2012 (%)

Adults ages 75 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Any IADL limitation					
1998	34.4	32.3	36.3	25.4	37.6
2006	32.1	32.1	32.0	24.6	38.8
2012	37.0	40.2	34.6	23.0	35.0
Any ADL limitation					
1998	34.3	31.0	37.2	25.7	35.6
2006	35.4	31.7	38.6	24.6	39.8
2012	40.7	33.9	45.9	22.8	35.5
Two or more ADL limitations					
1998	22.6	20.5	24.4	13.5	21.7
2006	19.9	19.4	20.3	11.9	23.0
2012	28.6	25.9	30.6	11.3	20.4
Severe cognitive impairment					
1998	12.5	11.5	13.4	5.4	14.0
2006	10.8	11.0	10.6	4.7	14.8
2012	13.5	14.8	12.6	4.3	12.6
Two or more ADLs or severe cognitive impairment					
1998	26.6	23.9	29.0	15.9	29.4
2006	25.3	23.9	26.6	14.4	30.3
2012	32.2	30.8	33.3	13.4	26.3

Source: Health and Retirement Study (HRS).

TABLE 25

Self-Reported Retirement Satisfaction by Race and Ethnicity, 1998, 2006, and 2012 (%)

Retired adults ages 65 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Very satisfied					
1998	49.8	59.0	40.1	64.4	55.4
2006	34.1	38.4	29.2	57.9	40.6
2012	37.6	45.4	31.1	54.6	44.3
Moderately satisfied					
1998	38.7	29.9	48.1	30.3	36.3
2006	51.7	51.5	51.9	36.2	45.2
2012	49.8	43.7	54.9	39.3	41.2
Not satisfied					
1998	11.5	11.1	11.9	5.3	8.4
2006	14.2	10.1	18.9	5.9	14.2
2012	12.6	10.9	14.0	6.1	14.4

Source: Health and Retirement Study (HRS).

Note: The sample is restricted to respondents ages 65 and older who describe themselves as fully retired.

TABLE 26

Labor Force Status by Age and Race and Ethnicity, Men, 2014 (%)

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
25–34					
Employed full-time	68.9	63.4	75.7	73.9	46.4
Employed part-time	9.5	9.6	9.4	8.7	10.0
Unemployed	5.6	6.9	4.0	5.3	10.5
Not in the labor force	16.0	20.1	11.0	12.2	33.1
35–44					
Employed full-time	75.0	69.7	79.0	80.0	54.8
Employed part-time	7.5	6.2	8.5	5.4	7.8
Unemployed	4.6	5.8	3.7	3.9	8.0
Not in the labor force	12.9	18.4	8.7	10.8	29.5
45–54					
Employed full-time	73.4	67.4	77.5	76.7	54.2
Employed part-time	7.4	6.2	8.3	5.4	7.1
Unemployed	4.5	5.0	4.1	3.8	7.2
Not in the labor force	14.7	21.5	10.1	14.2	31.5
55–64					
Employed full-time	57.6	50.6	63.3	59.5	41.9
Employed part-time	8.2	7.4	8.9	7.7	7.1
Unemployed	4.5	4.2	4.7	3.2	4.9
Not in the labor force	29.7	37.9	23.1	29.7	46.1
65–74					
Employed full-time	18.5	14.4	22.4	18.0	13.5
Employed part-time	8.2	7.2	9.1	10.5	7.9
Unemployed	1.8	1.2	2.3	1.2	2.0
Not in the labor force	71.5	77.2	66.2	70.3	76.7
75 and older					
Employed full-time	4.0	3.4	4.5	4.0	3.7
Employed part-time	3.5	4.0	2.9	5.2	4.4
Unemployed	0.6	0.5	0.7	0.4	0.5
Not in the labor force	92.0	92.1	91.9	90.4	91.4

Source: American Community Survey (ACS).
Note: Full-time work was defined as at least 35 hours per week.

TABLE 27

Percentage of Men Participating in the Labor Force by Age and Race and Ethnicity, 1980, 2000, and 2014

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Ages 25–34					
1980	90.7	89.8	91.9	94.5	83.6
2000	77.9	79.0	77.2	90.6	71.3
2014	84.0	79.9	89.0	87.8	66.9
Ages 35–44					
1980	91.9	90.4	93.8	95.3	86.5
2000	77.1	78.1	76.4	90.4	72.2
2014	87.2	81.6	91.3	89.3	70.5
Ages 45–54					
1980	88.4	86.2	91.7	91.3	81.2
2000	75.3	75.4	75.2	87.8	70.5
2014	85.3	78.5	89.9	85.8	68.5
Ages 55–64					
1980	72.3	68.0	78.9	72.2	62.2
2000	60.0	56.4	63.0	66.9	52.4
2014	70.3	62.1	76.9	70.3	53.9
Ages 65–74					
1980	26.3	23.4	29.5	24.7	21.9
2000	24.0	20.2	28.1	25.2	21.3
2014	28.5	22.8	33.8	29.7	23.4
Ages 75+					
1980	9.9	9.9	9.8	9.1	8.9
2000	9.5	8.8	10.3	9.8	9.0
2014	8.0	7.9	8.1	9.6	8.6

Source: US decennial censuses for 1980 and the American Community Survey (ACS) for 2014.

TABLE 28

Estimated Marginal Impact of Personal Characteristics on Labor Force Participation Rates, 1980 and 2014

Men ages 25 to 69

	Ages 25 to 54		Ages 55 to 69	
	1980	**2014**	**1980**	**2014**
Race and ethnicity				
[Reference: non-Hispanic white]	–	–	–	–
US-born Hispanic	-0.02**	-0.01**	-0.01	-0.04**
Foreign-born Hispanic	0.01**	0.07**	0.11**	0.15**
Non-Hispanic black	-0.05**	-0.06**	-0.03**	-0.08**
Other race	-0.05**	-0.03**	0.01	-0.01
Age				
[Reference: 25–34]	–	–	–	–
35–44	-0.0003	-0.01**	–	–
45–54	-0.03**	-0.05**	–	–
[Reference: 55–59]	–	–	–	–
60–61	–	–	-0.12**	-0.11**
62–64	–	–	-0.30**	-0.27**
65–69	–	–	-0.51**	-0.46**
Marital status				
[Reference: married]	–	–	–	–
Divorced or separated	-0.08**	-0.10**	-0.14**	-0.13**
Widowed	-0.12**	-0.21**	-0.14**	-0.17**
Never-married	-0.15**	-0.13**	-0.20**	-0.21**
Education				
Not high school graduate	-0.06**	-0.13**	-0.10**	-0.16**
[Reference: high school graduate]	–	–	–	–
Four-year college degree	0.02**	0.08**	0.11**	0.14**
Does not speak English well	-0.02**	0.02**	-0.02**	0.002

Source: Authors' estimates from the 1980 decennial census and the 2014 American Community Survey (ACS).

Note: Estimates are based on a probit regression of the probability that men participate in the labor force. All marginal effects are significant at the 0.001 level.

** $p < .01$, two-tailed test

* $.01 < p < .01$, two-tailed test

TABLE 29

Labor Force Status by Age and Race and Ethnicity, Women, 2014 (%)

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Ages 25–34					
Employed full-time	47.3	53.2	39.1	57.1	52.0
Employed part-time	15.9	16.3	15.4	17.1	16.9
Unemployed	6.5	6.6	6.3	4.3	11.1
Not in the labor force	30.3	23.9	39.1	21.6	20.0
Ages 35–44					
Employed full-time	48.2	57.4	41.1	56.1	58.8
Employed part-time	15.2	13.6	16.5	17.4	12.8
Unemployed	5.7	5.5	5.9	3.4	8.1
Not in the labor force	30.9	23.6	36.5	23.0	20.3
Ages 45–54					
Employed full-time	50.1	55.7	46.2	56.4	57.3
Employed part-time	15.2	12.6	17.0	16.5	11.2
Unemployed	5.0	4.7	5.3	3.2	6.1
Not in the labor force	29.7	27.1	31.5	23.9	25.5
Ages 55–64					
Employed full-time	37.4	39.5	35.5	43.0	41.0
Employed part-time	13.5	11.6	15.1	15.4	10.7
Unemployed	3.6	2.8	4.3	2.3	3.8
Not in the labor force	45.6	46.1	45.1	39.4	44.5
Ages 65–74					
Employed full-time	9.5	9.9	9.1	10.2	10.8
Employed part-time	8.1	8.4	7.7	10.9	8.9
Unemployed	0.9	0.8	0.9	0.7	1.4
Not in the labor force	81.6	80.8	82.3	78.2	78.9
Ages 75 and older					
Employed full-time	1.4	1.5	1.2	1.3	1.5
Employed part-time	2.2	2.6	1.7	3.0	2.8
Unemployed	0.1	0.2	0.1	0.1	0.2
Not in the labor force	96.3	95.7	97.0	95.5	95.5

Source: American Community Survey (ACS).
Note: Full-time work was defined as at least 35 hours per week.

TABLE 30

Percentage of Women Participating in the Labor Force by Age and Race and Ethnicity, 1980, 2000, and 2014

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Ages 25–34					
1980	57.4	58.2	56.0	64.4	71.7
2000	59.0	69.9	50.3	75.9	74.9
2014	69.7	76.1	60.9	78.5	80.0
Ages 35–44					
1980	57.4	56.4	58.7	64.2	70.8
2000	62.6	69.5	57.4	76.5	73.5
2014	69.1	76.5	63.5	77.0	79.7
Ages 45–54					
1980	53.2	50.9	56.6	58.7	61.7
2000	60.5	65.2	56.5	75.9	69.2
2014	70.3	72.9	68.5	76.1	74.5
Ages 55–64					
1980	37.4	34.2	42.3	41.4	44.3
2000	40.3	41.6	39.2	51.8	46.2
2014	54.4	53.9	54.9	60.7	55.5
Ages 65–74					
1980	10.2	9.5	10.8	11.7	13.6
2000	12.1	12.2	12.0	15.6	15.1
2014	18.4	19.2	17.7	21.8	21.1
Ages 75+					
1980	4.0	4.0	4.0	3.0	4.9
2000	3.7	4.3	3.1	4.3	4.5
2014	3.7	4.3	3.1	4.5	4.5

Source: US decennial censuses for 1980 and the American Community Survey (ACS) for 2014.

TABLE 31

Estimated Marginal Impact of Personal Characteristics on Labor Force Participation Rates, 1980 and 2014

Women ages 25 to 69

	Ages 25 to 54		Ages 55 to 69	
	1980	**2014**	**1980**	**2014**
Race and ethnicity				
[Reference: non-Hispanic white]	–	–	–	–
US-born Hispanic	-0.03**	0.01**	-0.04**	-0.03**
Foreign-born Hispanic	0.04**	0.01**	0.04**	0.08**
Non-Hispanic black	0.04**	0.02**	0.02**	-0.03**
Other race	0.02**	-0.04**	0.05**	0.003
Age				
[Reference: 25–34]	–	–	–	–
35–44	0.03**	0.01**	–	–
45–54	-0.001	0.01**	–	–
[Reference: 55–59]	–	–	–	–
60–61	–	–	-0.07**	-0.10**
62–64	–	–	-0.17**	-0.22**
65–69	–	–	-0.32**	-0.39**
Marital Status				
[Reference: married]	–	–	–	–
Divorced or separated	0.21**	0.09**	0.23**	0.08**
Widowed	0.08**	-0.02**	0.13**	-0.01**
Never-married	0.20**	0.08**	0.19**	0.02**
Education				
Not high school graduate	-0.16**	-0.20**	-0.10**	-0.20**
[Reference: high school graduate]	–	–	–	–
Four-year college degree	0.11**	0.12**	0.07**	0.11**
Does not speak English well	-0.07**	-0.07**	-0.06**	-0.09**

Source: Authors' estimates from the 1980 decennial census and the 2014 American Community Survey (ACS).
Note: Estimates are based on a probit regression of the probability that men participate in the labor force.
** $p < .01$, two-tailed test
* $.01 < p < .05$, two-tailed test

TABLE 32

Occupational Distribution by Race and Ethnicity, 1980 and 2014 (%)

Full-time male workers ages 25 to 64

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
2014					
Management, business operations, finance	10	14	8	21	12
Scientist, architect, engineer, law	5	7	3	11	6
Social and entertainment services and education	4	6	2	7	6
Health care practitioner and technician	2	3	1	3	3
Health care support	0.5	0.7	0.3	0.3	1
Protective service	3	5	1	3	6
Food prep, building and grounds cleaning, personal care	14	9	18	5	11
Sales and related	7	9	5	10	6
Office and administrative support	6	9	5	6	10
Farming, fishing, and forestry	4	1	5	0.7	0.5
Construction	16	9	20	8	6
Production, maintenance, extraction	18	16	18	16	15
Transportation and material moving	12	11	13	8	17
Military	0.4	0.8	0.1	0.5	0.6
1980					
Management, business operations, finance	9	9	8	18	7
Scientist, architect, engineer, law	4	4	3	8	3
Social and entertainment services and education	3	4	2	6	4
Health care practitioner and technician	1	1	2	2	1
Health care support	0.4	0.4	0.3	0.2	1
Protective service	2	3	0.8	2	3
Food prep, building and grounds cleaning, personal care	10	8	13	4	10
Sales and related	5	5	5	10	4
Office and administrative support	7	8	5	6	9
Farming, fishing, and forestry	4	3	6	0.8	2
Construction	10	11	10	9	8
Production, maintenance, extraction	30	28	33	23	27
Transportation and material moving	13	14	11	9	19
Military	2	2	0.9	2	3

Source: US decennial census for 1980 and the American Community Survey (ACS) for 2014.

TABLE 33

Occupational Distribution by Race and Ethnicity, 1980 and 2014 (%)

Full-time female workers ages 25 to 64

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
2014					
Management, business operations, finance	13	17	9	20	15
Scientist, architect, engineer, law	3	4	2	6	4
Social and entertainment services and education	12	14	8	17	13
Health care practitioner and technician	6	8	4	11	10
Health care support	4	4	4	3	8
Protective service	1	2	0.5	0.8	3
Food prep, building and grounds cleaning, personal care	17	9	26	7	12
Sales and related	9	9	8	8	7
Office and administrative support	22	27	15	22	22
Farming, fishing, and forestry	2	0.4	3	0.2	0.1
Construction	0.5	0.3	0.7	0.3	0.2
Production, maintenance, extraction	8	4	13	4	5
Transportation and material moving	3	2	5	2	3
Military	0.1	0.1	0.1	0.1	0.1
1980					
Management, business operations, finance	7	8	5	11	6
Scientist, architect, engineer, law	1	2	1	3	2
Social and entertainment services and education	7	8	4	12	11
Health care practitioner and technician	3	4	3	6	6
Health care support	3	4	3	3	8
Protective service	0.3	0.4	0.2	0.3	0.6
Food prep, building and grounds cleaning, personal care	13	11	15	7	15
Sales and related	6	7	5	8	4
Office and administrative support	26	31	19	34	26
Farming, fishing, and forestry	1	0.9	2	0.4	0.3
Construction	0.4	0.4	0.3	0.3	0.3
Production, maintenance, extraction	27	20	37	12	17
Transportation and material moving	5	4	5	3	4
Military	0.2	0.3	0.1	0.2	0.3

Source: US decennial census for 1980 and the American Community Survey (ACS) for 2014.

TABLE 34

Median Inflation-Adjusted Earnings by Sex and Race and Ethnicity, 1979–2013 ($)

Full-time workers ages 25 to 64

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Men					
1979	40,800	45,700	35,900	58,700	40,800
1989	36,300	43,900	30,500	57,300	40,000
1999	35,500	42,600	29,800	56,800	42,600
2009	33,100	44,100	27,600	55,200	41,400
2013	32,500	40,600	29,000	54,500	38,600
Women					
1979	26,100	27,700	23,500	32,600	29,400
1989	28,600	32,500	22,900	36,300	33,100
1999	28,400	34,100	23,600	39,900	35,500
2009	29,400	35,300	24,200	43,500	35,300
2013	29,400	35,600	23,400	41,700	34,600

Source: US decennial censuses for1979, 1989 and 1999 and the American Community Survey (ACS) for 2009 and 2013.
Note: Estimates are reported in constant 2014 dollars, as adjusted by the change in the consumer price index, and rounded to the nearest $100.

TABLE 35

Estimated Marginal Impact of Personal Characteristics on Inflation-Adjusted Annual Earnings, 1979, 1999, and 2013

Full-time male workers ages 25 to 64

	Control Only for Race and Ethnicity			Full Set of Controls		
	1979	**1999**	**2013**	**1979**	**1999**	**2013**
Race and ethnicity						
[Reference: non-Hispanic white]	–	–	–	–	–	–
US-born Hispanic	-0.262	-0.258	-0.255	-0.113	-0.097	-0.071
Foreign-born Hispanic	-0.385	-0.469	-0.454	-0.145	-0.159	-0.142
Non-Hispanic black	-0.336	-0.293	-0.338	-0.210	-0.157	-0.195
Other race	-0.150	-0.124	-0.060	-0.144	-0.125	-0.101
Age	–	–	–	0.074	0.059	0.071
Age squared	–	–	–	-0.001	-0.001	-0.001
Marital status						
[Reference: married]	–	–	–	–	–	–
Divorced or separated	–	–	–	-0.141	-0.160	-0.164
Widowed	–	–	–	-0.133	-0.163	-0.143
Never-married	–	–	–	-0.255	-0.207	-0.218
Education						
Not high school graduate	–	–	–	-0.219	-0.205	-0.167
[Reference: high school graduate]	–	–	–	–	–	–
Four-year college degree	–	–	–	0.287	0.435	0.494
Does not speak English well	–	–	–	-0.225	-0.206	-0.198
Occupation controls?	No	No	No	Yes	Yes	Yes
R^2	0.035	0.049	0.052	0.190	0.255	0.297

Source: Authors' estimates from the US decennial census for 1979 and 1999 and the American Community Survey (ACS) for 2013.

Note: Estimates are based on an ordinary least squares regression of the natural logarithm of annual earnings, expressed in inflation-adjusted 2014 dollars. All marginal effects are significant at the 0.001 level.

TABLE 36

Estimated Marginal Impact of Personal Characteristics on Inflation-Adjusted Annual Earnings 1979, 1999, and 2013

Full-time female workers ages 25 to 64

	Control Only for Race and Ethnicity			Full Set of Controls		
	1979	**1999**	**2013**	**1979**	**1999**	**2013**
Race and ethnicity						
[Reference: non-Hispanic white]	–	–	–	–	–	–
US-born Hispanic	-0.160	-0.158	-0.173	-0.038	-0.033	-0.023
Foreign-born Hispanic	-0.260	-0.389	-0.408	-0.048	-0.086	-0.088
Non-Hispanic black	-0.095	-0.135	-0.196	-0.001	-0.044	-0.083
Other race	-0.012	-0.029	0.010	0.013	-0.020	0.003
Age	–	–	–	0.027	0.050	0.060
Age squared	–	–	–	0.000	0.000	-0.001
Marital status						
[Reference: married]				–	–	–
Divorced or separated	–	–	–	0.098	0.026	-0.036
Widowed	–	–	–	0.025	-0.012	-0.057
Never-married	–	–	–	0.152	0.053	-0.026
Education						
Not high school graduate	–	–	–	-0.161	-0.207	-0.150
[Reference: high school graduate]	–	–	–	–	–	–
Four-year college degree	–	–	–	0.298	0.511	0.559
Does not speak English well	–	–	–	-0.144	-0.143	-0.168
Occupation controls?	No	No	No	Yes	Yes	Yes
R^2	0.010	0.021	0.031	0.140	0.247	0.294

Source: Authors' estimates from the decennial US census for 1979 and 1999 and the American Community Survey (ACS) for 2013.

Note: Estimates are based on an ordinary least squares regression of the natural logarithm of annual earnings, expressed in inflation-adjusted 2014 dollars. All marginal effects are significant at the 0.001 level.

TABLE 37

Employer-Sponsored Retirement Plan Coverage by Sex and Race and Ethnicity, 1980–2014 (%)

Full-time workers ages 25 to 64

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Men					
Employer offered a plan					
1980	53	NA	NA	63	60
1990	41	NA	NA	60	61
2000	43	60	32	66	64
2010	38	54	29	61	57
2014	38	53	29	61	57
Employee covered by plan					
1980	49	NA	NA	60	56
1990	35	NA	NA	54	52
2000	36	51	26	59	55
2010	30	45	21	54	48
2014	32	45	23	54	47
Women					
Employer offered a plan					
1980	50	NA	NA	60	61
1990	47	NA	NA	61	64
2000	49	63	36	69	66
2010	45	57	35	65	60
2014	47	55	39	65	59
Employee covered by plan					
1980	44	NA	NA	52	53
1990	38	NA	NA	52	53
2000	39	51	28	59	52
2010	36	48	27	57	50
2014	38	46	30	57	50

Source: Annual Social and Economic Supplement to the Current Population Survey (CPS).
Note: NA = not available.

TABLE 38

Estimated Marginal Impact of Personal Characteristics on the Likelihood of Being Offered an Employer-Sponsored Retirement Plan, 2000 and 2014

Full-time workers ages 25 to 64

	Likelihood of Being Offered a Plan		Likelihood of Being Covered by a Plan		Likelihood of Coverage if Offered	
	2000	**2014**	**2000**	**2014**	**2000**	**2014**
Race and ethnicity						
[Reference: non-Hispanic white]	–	–			–	–
US-born Hispanic	-0.03**	-0.06**	-0.03**	-0.05**	-0.01	0.001
Foreign-born Hispanic	-0.23**	-0.18**	-0.21**	-0.18**	-0.03**	-0.03**
Non-Hispanic black	-0.01	-0.03**	-0.03**	-0.03**	-0.01*	-0.01
Other race	-0.10**	-0.10**	-0.10**	-0.10**	-0.01	-0.02*
Female	0.04**	0.03**	0.03**	0.03**	0.002	0.01
Age	0.01**	0.01**	0.02**	0.02**	0.01**	0.01**
Age squared	-0.0001**	-0.00004	-0.0002**	-0.0001**	-0.0001**	-0.0001**
Marital status						
[Reference: married]	–	–				
Divorced or separated	-0.04**	-0.03**	-0.07**	-0.05**	-0.05**	-0.05**
Widowed	-0.02	-0.04	-0.04	-0.05	-0.03	-0.02
Never-married	-0.04**	-0.05**	-0.06**	-0.06**	-0.03**	-0.03**
Education						
Not high school graduate	-0.14**	-0.13**	-0.15**	-0.15**	-0.04**	-0.05**
[Reference: high school graduate]	–	–				
Four-year college degree	0.07**	0.06**	0.07**	0.08**	0.01*	0.03**
Earnings (thousands of dollars)	0.003**	0.001**	0.004**	0.001**	0.002**	0.001**
Occupational controls?	Yes	Yes	Yes	Yes	Yes	Yes

Source: Authors' estimates from the Annual Social and Economic Supplement to the Current Population Survey (CPS).

Note: Estimates are based on a probit equation of the likelihood of being offered an employer-sponsored retirement plan.

** $p < .01$, two-tailed test

* $.01 < p < .05$, two-tailed test

TABLE 39

Employer-Sponsored Retirement Plan Coverage by Type and Race and Ethnicity, 2002 and 2012 (%)

Full-time workers ages 25 to 64

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
2002					
Defined benefit plan					
Offered	25	33	18	33	38
Covered	22	30	15	31	35
Covered, among those offered	89	90	87	94	93
Defined contribution plan only					
Offered	24	28	20	36	29
Covered	16	19	13	28	20
Covered, among those offered	67	70	63	78	67
2012					
Defined benefit plan					
Offered	18	23	14	29	28
Covered	16	21	12	28	27
Covered, among those offered	88	91	85	96	94
Defined contribution plan only					
Offered	30	37	23	40	37
Covered	20	27	13	31	23
Covered, among those offered	66	71	57	79	64

Source: Survey of Income and Program Participation (SIPP).

TABLE 40

Cox Model of the Risk of Full or Partial Retirement for Nonretired Adults Older Than Age 50

	Specification 1		Specification 2		Specification 3	
Race/ethnicity (ref: non-Hispanic white)						
Non-Hispanic black	1.24	***	1.12	***	0.88	
US-born Hispanic	1.04		0.91		0.74	
Foreign-born Hispanic	0.78	***	0.61	***	0.20	***
Other	1.10		1.00		0.32	*
Female (ref. male)			0.92	***	0.92	**
Marital status (ref. married/partnered)						
Divorced orseparated			0.97		0.93	+
Widowed			0.94	+	0.94	
Never-married/partnered			0.93		0.89	
Race/ethnicity X marital status						
Foreign-born Hispanic X divorced or separated					1.37	*
Foreign-born Hispanic X widowed					1.30	+
Other X never-married/partnered					1.98	**
Non-spouse/non-partner household members			0.86	***	0.83	***
Race/ethnicity X non-spouse/non-partner household members						
Non-Hispanic black					1.14	*
US-born Hispanic					1.48	***
Foreign-born Hispanic					1.20	+
Other					0.90	
Receipt of private financial transfers			1.06	+	1.02	
Race/ethnicity X receipt of private financial transfers						
Non-Hispanic black					1.27	**
Educational attainment (ref. less than high school)						
High school/GED			1.11	***	1.08	*
Some college			1.17	***	1.14	**
College or above			1.13	**	1.10	+
Race/ethnicity X educational attainment						
Non-Hispanic black X college or above					1.25	*
Foreign-born Hispanic X some college					1.68	***
Self-rated health (ref. excellent)						
Very good			1.09	*	1.10	*
Good			1.13	**	1.11	*
Fair			1.46	***	1.42	***
Poor			1.81	***	1.90	***
Diagnosed health conditions (ref: 0−1)						
2−3			1.21	***	1.19	***
4−8			1.43	***	1.39	***

TABLE 40 (CONTINUED)

	Specification 1		Specification 2		Specification 3	
Race/ethnicity X diagnosed health conditions						
Foreign-born Hispanic X 2−3					1.26	*
Self-employed			0.67	***	0.68	***
IHS (income)			0.92	***	0.89	***
Race/ethnicity X IHS (income)						
Non-Hispanic black					1.04	*
US-born Hispanic					1.05	*
Foreign-born Hispanic					1.12	***
Other					1.12	***
Homeownership			1.10	**	1.12	**
IHS (retirement accounts balance)			0.97	***	0.98	***
Race/ethnicity X IHS (retirement accounts balance)						
Non-Hispanic black					0.97	***
Other					0.96	*
IHS (net financial wealth)			1.02	***	1.02	***
Race/ethnicity X IHS (net financial wealth)						
Other					0.98	+
Survey wave (ref. 2012)						
2000			1.02		1.09	+
2002			0.86	***	0.91	+
2004			0.99		1.03	
2006			0.97		1.02	
2008			0.89	*	0.95	
2010			0.84	***	0.90	*
Race/ethnicity X survey wave						
Non-Hispanic black X 2000					0.79	*
Non-Hispanic black X 2002					0.77	*
Non-Hispanic black X 2006					0.82	+
Non-Hispanic black X 2008					0.66	***
Non-Hispanic black X 2010					0.69	***
US-born Hispanic X 2000					0.59	**
US-born Hispanic X 2002					0.65	*
US-born Hispanic X 2004					0.58	**
Foreign-born Hispanic X 2000					0.67	*
Foreign-born Hispanic X 2006					0.70	+

Source: Authors' calculations from the Health and Retirement Study (HRS), 1998−2012.
Notes: Results are reported as hazard ratios. Only statistically significant interaction terms are shown in the table.
N (person-years) = 45,286; *** p<0.001; ** p<0.01; * p<0.05; + p<0.1

TABLE 41

Cox Model of the Risk of Full Retirement for Nonretired Adults Older Than Age 50

	Specification 1		Specification 2		Specification 3	
Race/ethnicity (ref. non-Hispanic white)						
Non-Hispanic black	1.32	***	1.09	**	0.76	
US-born Hispanic	1.13	*	0.89	+	0.67	
Foreign-born Hispanic	0.92	+	0.63	***	0.17	***
Other	1.08		0.97		0.44	
Female (ref. male)			0.86	***	0.86	***
Relationship status (ref. married/partnered)						
Divorced orseparated			0.96		0.91	*
Widowed			0.87	***	0.86	***
Never-married/partnered			0.91		0.90	
Race/ethnicity X relationship status						
Foreign-born Hispanic X divorced or separated					1.43	**
Other X never-married/partnered					1.96	**
Non-spouse/non-partner household members			0.86	***	0.83	***
Race/ethnicity X non-spouse/non-partner household members						
Non-Hispanic black					1.13	+
US-born Hispanic					1.43	**
Receipt of private financial transfers			1.09	*	1.08	
Educational attainment (ref. less than high school)						
High school/GED			1.11	***	1.08	*
Some college			1.16	***	1.13	**
College or above			1.03		1.02	
Race/ethnicity X educational attainment						
Foreign-born Hispanic X some college					1.72	***
Self-rated health (ref. excellent)						
Very good			1.02		1.03	
Good			1.11	*	1.11	*
Fair			1.48	***	1.46	***
Poor			1.93	***	2.03	***
Race/ethnicity X self-rated health						
US-born Hispanic X good					0.68	+
Diagnosed health conditions (ref. 0–1)						
2–3			1.18	***	1.15	***
4–8			1.40	***	1.35	***
Race/ethnicity X diagnosed health conditions						
Non-Hispanic black X 4–8					1.27	*
Foreign-born Hispanic X 2–3					1.30	*

TABLE 41 (CONTINUED)

	Specification 1		Specification 2		Specification 3	
Self-employed			0.00	***	0.00	***
Race/ethnicity X self-employed						
Non-Hispanic black					0.00	***
US-born Hispanic					0.00	***
Foreign-born Hispanic					0.00	***
Other					0.00	***
IHS (income)			0.91	***	0.88	***
Race/ethnicity X IHS (income)						
Non-Hispanic black					1.04	*
US-born Hispanic					1.07	**
Foreign-born Hispanic					1.15	***
Other					1.10	**
Homeownership			1.06	*	1.09	*
IHS (retirement accounts balance)			0.97	***	0.98	***
Race/ethnicity X IHS (retirement accounts balance)						
Non-Hispanic black					0.97	***
Foreign-born Hispanic					0.96	*
Other					0.95	**
IHS (net financial wealth)			1.02	***	1.02	***
Race/ethnicity X IHS (net financial wealth)						
Non-Hispanic black					0.99	*
Survey wave (ref. 2012)						
2000			0.96		1.01	
2002			0.86	***	0.90	*
2004			0.95		0.99	
2006			0.94		0.99	
2008			0.86	***	0.91	+
2010			0.86	***	0.91	+
Race/ethnicity X survey wave						
Non-Hispanic black X 2002					0.74	**
Non-Hispanic black X 2004					0.82	+
Non-Hispanic black X 2008					0.68	**
Non-Hispanic black X 2010					0.72	**
US-born Hispanic X 2000					0.58	**
US-born Hispanic X 2002					0.71	+
US-born Hispanic X 2004					0.63	*
Foreign-born Hispanic X 2006					0.69	+

Source: Authors' calculations from the Health and Retirement Study (HRS), 1998-2012.
Notes: Results are reported as hazard ratios. Only statistically significant interaction terms are shown in the table.
N (person-years) = 54,159; *** p<0.001; ** p<0.01; * p<0.05; + p<0.1

TABLE 42

Random-Effects Ordered Logistic Model of the Expectation of Continuing Full-Time Work past Age 62

	Specification 1		Specification 2	
Race/ethnicity (ref. non-Hispanic white)				
Non-Hispanic black	0.41	***	0.59	***
US-born Hispanic	0.50	***	0.83	*
Foreign-born Hispanic	0.53	***	1.05	
Other	0.95		0.97	
Female (ref. male)			0.50	***
Relationship status (ref. married/partnered)				
Divorced or separated			1.76	***
Widowed			1.21	*
Never-married/partnered			1.27	**
Non-spouse/non-partner household members			1.16	***
Receipt of private financial transfers			1.08	*
Educational attainment (ref. less than high school)				
High school/GED			1.90	***
Some college			2.81	***
College or above			3.44	***
Self-rated health (ref. excellent)				
Very good			1.04	
Good			0.87	**
Fair			0.48	***
Poor			0.14	***
Diagnosed health conditions (ref. 0−1)				
2−3			0.70	***
4−8			0.23	***
Self-employed			2.63	***
IHS (income)			1.10	***
Homeownership			0.97	
IHS (retirement accounts balance)			1.02	***
IHS (net financial wealth)			0.98	***

TABLE 42 (CONTINUED)

	Specification 1		Specification 2	
Survey wave (ref. 2012)				
1998			0.53	***
2000			0.65	***
2002			0.70	***
2004			0.75	***
2006			0.85	***
2008			1.23	***
2010			1.05	+
Cut 1	-1.67	***	-1.20	***
Cut 2	-0.20	***	0.29	+
Cut 3	1.16	***	1.66	***
Cut 4	3.02	***	3.50	***
σ^2	6.59		4.85	

Source: Authors' calculations from the Health and Retirement Study, 1998-2012.
Note: Results are reported as odds ratios.
N (persons) = 17,474; *** p<0.001; ** p<0.01; * p<0.05; + p<0.1

TABLE 43

Random-Effects Ordered Logistic Model of the Expectation of Continuing Full-Time Work past Age 65

	Specification 1		Specification 2	
Race/ethnicity (ref. non-Hispanic white)				
Non-Hispanic black	0.54	***	0.64	***
US-born Hispanic	0.70	***	0.97	
Foreign-born Hispanic	0.85	*	1.26	**
Other	1.35	**	1.10	
Female (ref. male)			0.57	***
Relationship status (ref. married/partnered)				
Divorced or separated			1.60	***
Widowed			0.91	***
Never-married/partnered			1.37	***
Non-spouse/non-partner household members			1.26	***
Receipt of private financial transfers			1.16	***
Educational attainment (ref. less than high school)				
High school/GED			1.88	***
Some college			3.04	***
College or above			3.75	***
Self-rated health (ref. excellent)				
Very good			1.01	***
Good			0.83	***
Fair			0.47	***
Poor			0.15	***
Diagnosed health conditions (ref. 0−1)				
2−3			0.63	***
4−8			0.24	***
Self-employed			3.42	***
IHS (income)			1.10	***
Homeownership			0.82	***
IHS (retirement accounts balance)			1.01	***
IHS (net financial wealth)			0.98	***

TABLE 43 (CONTINUED)

	Specification 1		Specification 2	
Survey wave (ref. 2012)				
1998			0.25	***
2000			0.31	***
2002			0.32	***
2004			0.48	***
2006			0.55	***
2008			0.81	***
2010			0.80	***
Cut 1	-0.37	***	-0.40	**
Cut 2	1.41	***	1.41	***
Cut 3	2.85	***	2.84	***
Cut 4	4.53	***	4.50	***
σ^2	6.21		4.11	

Source: Authors' calculations from the Health and Retirement Study, 1998–2012.
Note: Results are reported as odds ratios.
N (persons) = 18,895; *** p<0.001; ** p<0.01; * p<0.05; + p<0.1

TABLE 44

Median Family Income at Age 70 by Birth Cohort and Race and Ethnicity

Inflation-adjusted 2014 dollars

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Cash income					
1940–49	18,800	25,600	14,700	49,200	28,600
1950–59	21,000	29,100	16,300	48,400	26,800
1960–69	22,900	32,800	19,000	48,000	28,900
1970–79	24,800	36,400	20,300	51,700	31,600
Total income					
1940–49	19,600	26,900	15,700	55,800	30,000
1950–59	22,400	32,800	18,000	54,900	28,700
1960–69	25,100	36,500	20,900	55,000	31,400
1970–79	27,100	39,500	22,200	58,800	33,900

Source: Authors' estimates from DYNASIM4, run 941.

Note: Total income adds to cash income the annual payment a family could receive from annuitizing 80 percent of their financial wealth, using actuarially fair rates. Estimates were rounded to the nearest $100.

TABLE 45

Median Total Family Net Worth at Age 70 by Birth Cohort and Race and Ethnicity

Inflation-adjusted 2014 dollars

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
1940–49	11,600	14,200	10,100	139,600	16,800
1950–59	28,000	50,400	20,000	196,000	27,800
1960–69	40,600	86,300	27,100	208,700	48,500
1970–79	51,900	98,400	37,300	239,900	71,000

Source: Authors' estimates from DYNASIM4, run 941.
Note: Estimates were rounded to the nearest $100.

TABLE 46

Percentage of Adults with DB Pension Income or DC Retirement Account Balances at Age 70 by Birth Cohort and Race and Ethnicity

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
DB pension or DC retirement account					
1940–49	36	46	29	73	56
1950–59	41	53	33	76	56
1960–69	45	61	36	74	60
1970–79	42	62	31	74	62
DB pension					
1940–49	23	33	16	43	42
1950–59	19	25	15	37	32
1960–69	18	25	14	31	28
1970–79	12	19	8	25	22
DC retirement account					
1940–49	25	32	20	60	32
1950–59	34	44	28	69	44
1960–69	38	54	30	68	53
1970–79	38	56	28	69	55

Source: Authors' estimates from DYNASIM4, run 941.

TABLE 47

Median Value of Expected Lifetime DB Pension Income and DC Retirement Accounts

Adults age 70 with positive values, in inflation-adjusted 2014 dollars

	Hispanic				
	All	USborn	Foreign-born	Non-Hispanic white	Non-Hispanic black
DB pension or DC retirement account					
1940–49	148,300	263,300	99,400	309,500	215,900
1950–59	102,700	123,700	83,500	229,800	151,700
1960–69	85,600	128,600	57,900	169,000	112,100
1970–79	66,000	84,500	51,800	160,500	91,000
DB pension					
1940–49	225,100	286,900	149,400	333,100	256,000
1950–59	122,200	157,300	96,100	241,700	191,900
1960–69	105,800	130,800	83,500	145,300	115,600
1970–79	66,000	77,800	54,100	83,000	65,600
DC retirement account					
1940–49	37,800	40,500	35,300	95,700	40,600
1950–59	53,400	56,800	48,200	116,300	65,500
1960–69	57,600	84,900	43,300	116,200	66,600
1970–79	59,600	70,600	49,600	130,700	77,300

Source: Authors' estimates from DYNASIM4, run 941.
Note: Estimates were rounded to the nearest $100.

Appendix

APPENDIX TABLE 1

Median Inflation-Adjusted Family Income by Race and Ethnicity, 1979–2013 (%)

Adults ages 65 and older

	Hispanic				
	All	US-born	Foreign-born	Non-Hispanic white	Non-Hispanic black
Total					
1979	28,500	25,800	31,900	35,600	21,100
1989	31,900	29,500	35,100	41,300	23,600
1999	38,200	36,500	40,200	47,700	33,400
2009	39,300	38,700	39,700	46,800	35,600
2013	38,800	39,400	38,400	49,100	37,000
Family-size adjusted					
1979	18,900	17,700	20,300	26,400	15,000
1989	20,600	20,000	21,300	30,700	16,900
1999	24,100	24,500	23,600	35,500	23,300
2009	24,600	26,300	23,400	34,800	25,400
2013	24,400	26,800	22,600	36,300	26,500

Source: US decennial censuses for 1979, 1989, and 1999 and the American Community Survey (ACS) for 2009 and 2013.
Note: Estimates are reported in constant 2014 dollars, as adjusted by the change in the consumer price index, and rounded to the nearest $100. The family-size adjustment divides total family income by the square root of the number of people in a family.

APPENDIX TABLE 2

Poverty and Near Poverty Rates by Race and Ethnicity, 1979–2013 (%)

Adults ages 65 and older

	Hispanic				
	All	**US-born**	**Foreign-born**	**Non-Hispanic white**	**Non-Hispanic black**
Family income below the federal poverty level					
1979	25	27	24	12	34
1989	24	25	23	10	32
1999	20	19	20	8	23
2009	19	16	21	7	18
2013	19	16	22	7	18
Family income below 125% of the federal poverty level					
1979	36	38	33	20	47
1989	33	34	32	17	43
1999	28	27	29	12	32
2009	27	23	29	12	27
2013	27	23	30	12	25

Source: US decennial censuses for 1979, 1989, and 1999 and the American Community Survey (ACS) for 2009 and 2013.

APPENDIX TABLE 3

Median Inflation-Adjusted Household Wealth by Race and Ethnicity, 1979–2013 (%)

Adults ages 65 and older

	Hispanic				
	All	**US-born**	**Foreign-born**	**Non-Hispanic white**	**Non-Hispanic black**
1998	43,000	59,500	17,400	242,800	47,300
2006	62,300	85,700	38,700	339,300	59,900
2012	51,600	84,600	30,900	280,200	51,600

Source: Health and Retirement Study (HRS).

Note: Estimates are reported in constant 2014 dollars, as adjusted by the change in the consumer price index, and rounded to the nearest $100.

APPENDIX TABLE 4

Cox Model of the Risk of Exiting the Labor Force for Persons over the Age of 50

	Specification 1		Specification 2		Specification 3	
Race/ethnicity (ref. non-Hispanic white)						
Non-Hispanic black	1.21	***	1.07	+	1.00	
US-born Hispanic	1.18	*	1.00		0.67	
Foreign-born Hispanic	1.06		0.78	***	0.27	***
Other	1.17	+	1.04		0.60	
Female (ref. male)			1.14	***	1.12	***
Race/ethnicity X female						
US-born Hispanic					1.33	*
Foreign-born Hispanic					1.36	*
Relationship status (ref. married/partnered)						
Divorced or separated			0.82	***	0.81	***
Widowed			0.89	*	0.93	
Never-married/partnered			0.86	*	0.85	+
Race/ethnicity X relationship status						
US-born Hispanic X widowed					0.65	+
Non-spouse/non-partner household members			0.85	***	0.83	***
Race/ethnicity X non-spouse/non-partner household members						
US-born Hispanic					1.26	+
Receipt of private financial transfers			1.10	*	1.08	
Educational attainment (ref. less than high school)						
High school/GED			1.01		0.96	
Some college			1.05		0.99	
College or above			1.05		0.99	
Race/ethnicity X educational attainment						
Non-Hispanic black X some college					1.23	+
Non-Hispanic black X college or above					1.32	*
Self-rated health (ref. excellent)						
Very good			1.06		1.04	
Good			1.15	**	1.08	
Fair			1.44	***	1.36	***
Poor			2.50	***	2.46	***
Race/ethnicity X self-rated health						
Foreign-born Hispanic X good					1.86	*
Foreign-born Hispanic X fair					1.58	+
Other X good					2.40	*
Other X fair					2.19	*
Diagnosed health conditions (ref. 0–1)						
2–3			1.19	***	1.21	***
4–8			1.43	***	1.47	***

APPENDIX TABLE 4 (CONTINUED)

	Specification 1		Specification 2		Specification 3	
Self-employed			0.57	***	0.59	***
IHS (income)			0.87	***	0.85	***
Race/ethnicity X IHS (income)						
Non-Hispanic black					1.03	+
US-born Hispanic					1.04	+
Foreign-born Hispanic					1.09	***
Other					1.03	
Homeownership			1.11	**	1.18	***
Race/ethnicity X homeownership						
Non-Hispanic black					0.86	+
Foreign-born Hispanic					0.78	*
IHS (retirement accounts balance)			0.97	***	0.98	***
Race/ethnicity X IHS (retirement accounts balance)						
Non-Hispanic black					0.97	***
Other					0.97	+
IHS (net financial wealth)			1.02	***	1.02	***
Race/ethnicity X IHS (net financial wealth)						
Non-Hispanic black					0.99	*
Foreign-born Hispanic					0.98	+
Survey wave (ref. 2012)						
2000			1.17	***	1.24	***
2002			1.06		1.13	*
2004			1.08		1.14	*
2006			1.03		1.08	
2008			0.91	+	1.00	
2010			0.84	***	0.92	
Race/ethnicity X survey wave						
Non-Hispanic black X 2002					0.73	*
Non-Hispanic black X 2004					0.80	+
Non-Hispanic black X 2008					0.68	**
Non-Hispanic black X 2010					0.67	**
US-born Hispanic X 2004					0.64	*
US-born Hispanic X 2008					0.68	+
Foreign-born Hispanic X 2010					0.61	*
Other X 2008					0.56	+

Notes: Results are reported as hazard ratios. Only statistically significant interaction terms are shown in the table.
N (person-years) = 33,699; *** p<0.001; ** p<0.01; * p<0.05; + p<0.1**Source:** Health and Retirement Study, 1998–2012; authors' calculations.

About the Authors

Richard W. Johnson is a senior fellow at the Urban Institute, where he directs the Program on Retirement Policy. His research focuses on income and health security at older ages. He is an expert on older Americans' employment and retirement decisions, and has authored or co-authored more than 200 journal articles, book chapters, and research reports. Recent studies have examined job loss at older ages, occupational change after age 50, the labor market experiences of older African Americans and Hispanics, and the work incentives created by state and local government pension plans. Johnson recently directed a team of researchers who graded public employee pensions in all 50 states and the District of Columbia. He received an AB from Princeton University and a PhD from the University of Pennsylvania, both in economics.

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