



INEQUALITY *and* INSECURITY *in* RETIREMENT

*Racial disparities in
retirement plan coverage,
assets and adequacy in the
U.S. and Massachusetts*



BOSTON
INDICATORS

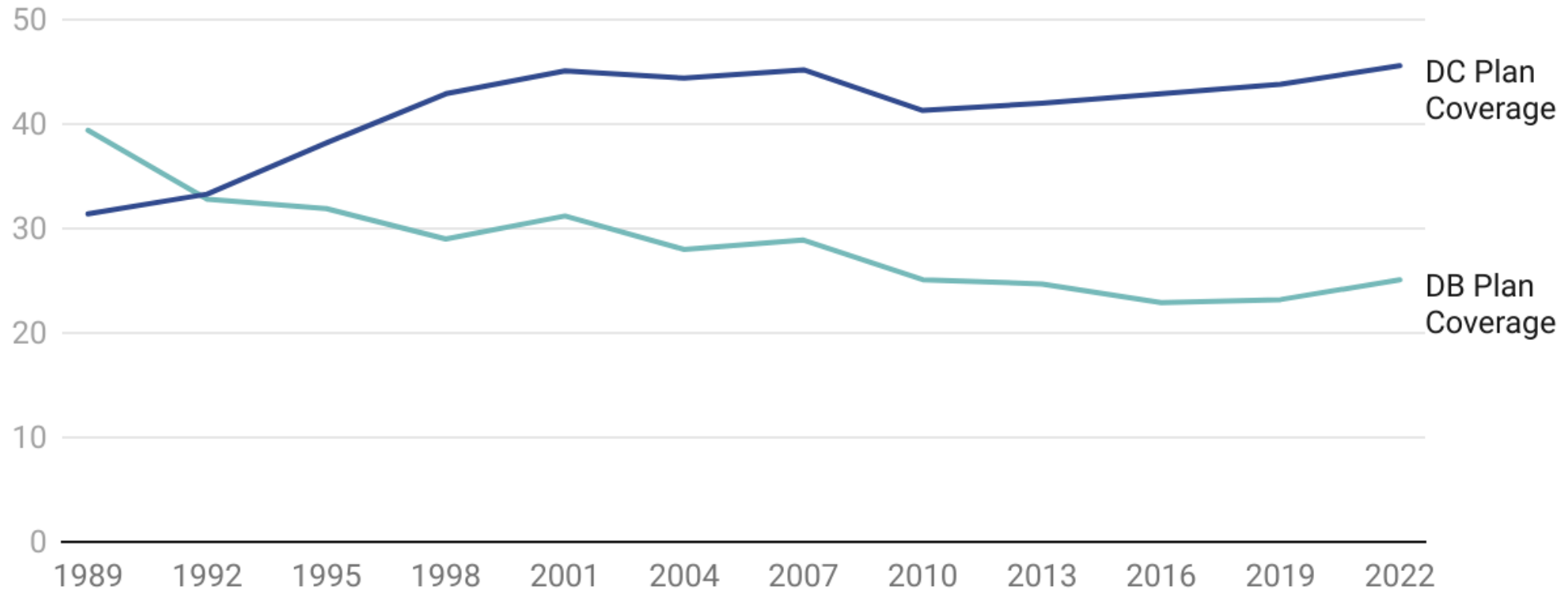
JUNE 2024

Wednesday, June 5th, 2024
10:30 – 11:30 a.m.

**The event will start momentarily. The
Q&A portion will follow the report
presentation.**

Household Wealth and Retirement Savings in the United States

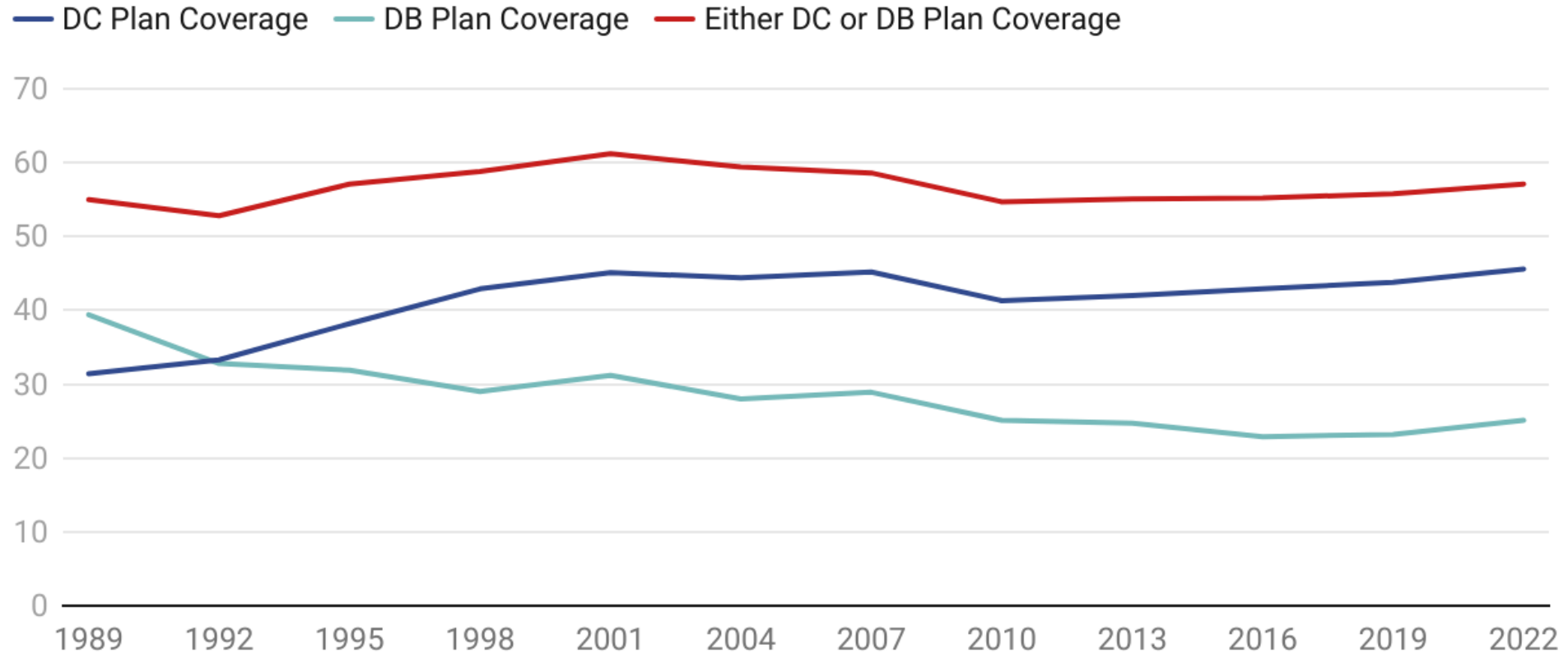
Household Retirement Plan Coverage from Current Job of Respondent or Spouse/Partner



Includes households with heads age 40-64.

Source: SCF 1989-2022 supplemented with DB plan assets • Created with Datawrapper

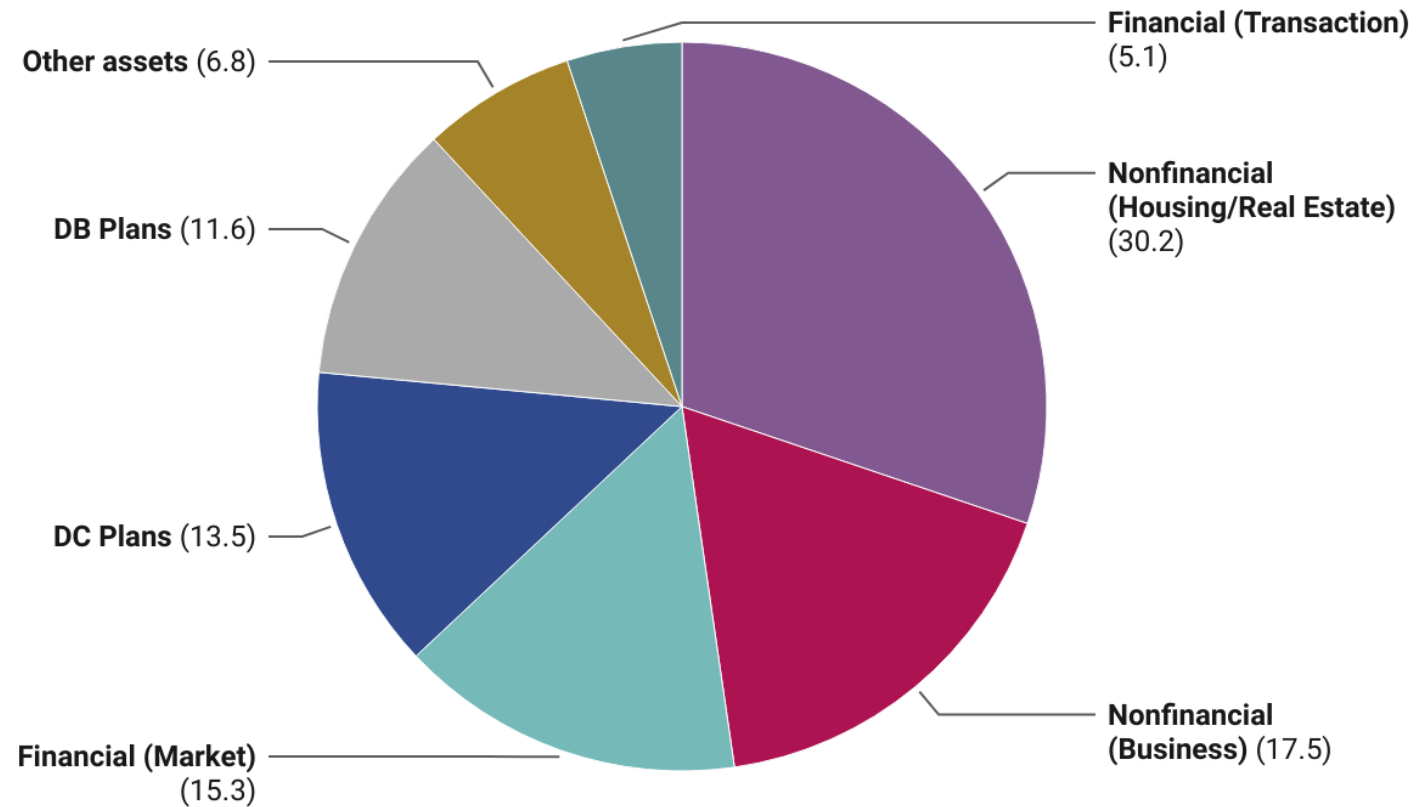
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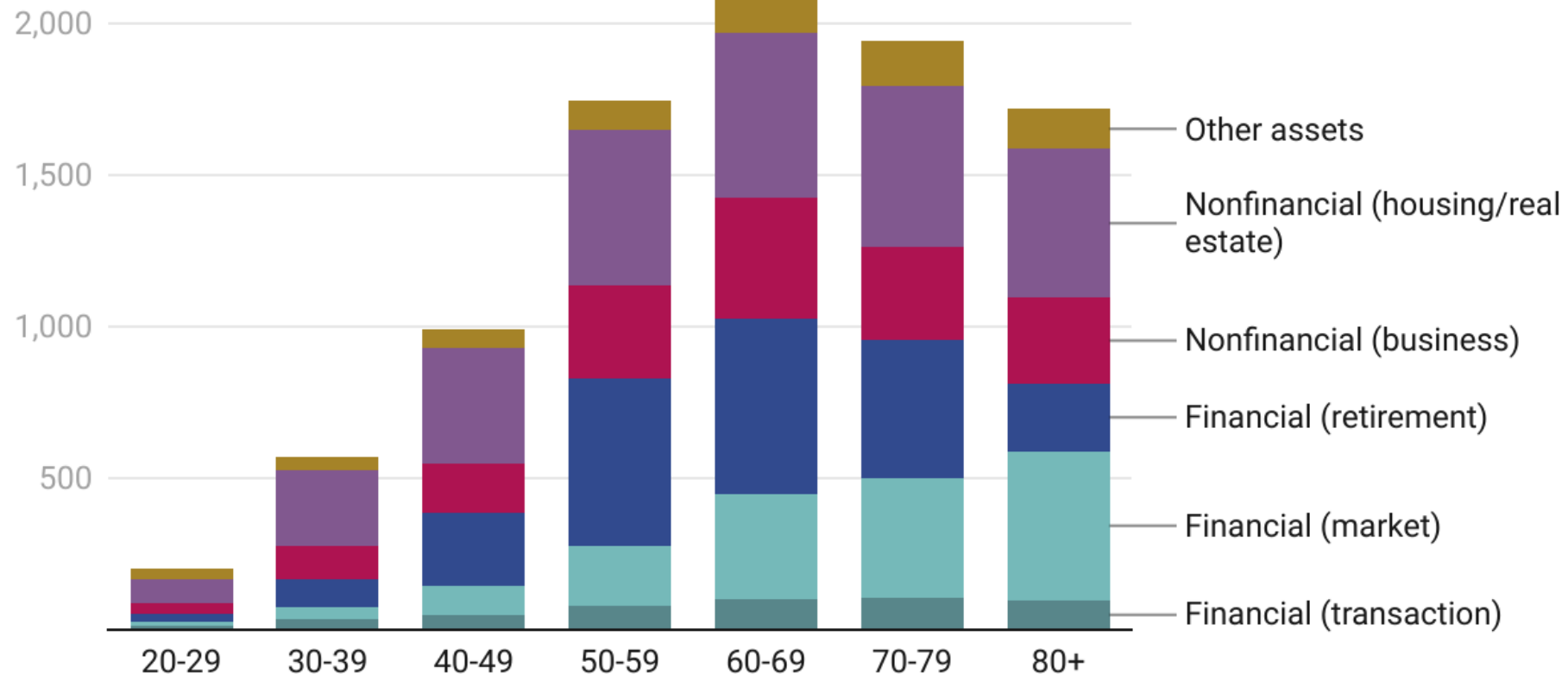
Source: SCF 1989-2022 supplemented with DB plan assets • Created with Datawrapper

Asset Composition of Private Wealth in 2022 (All Households)



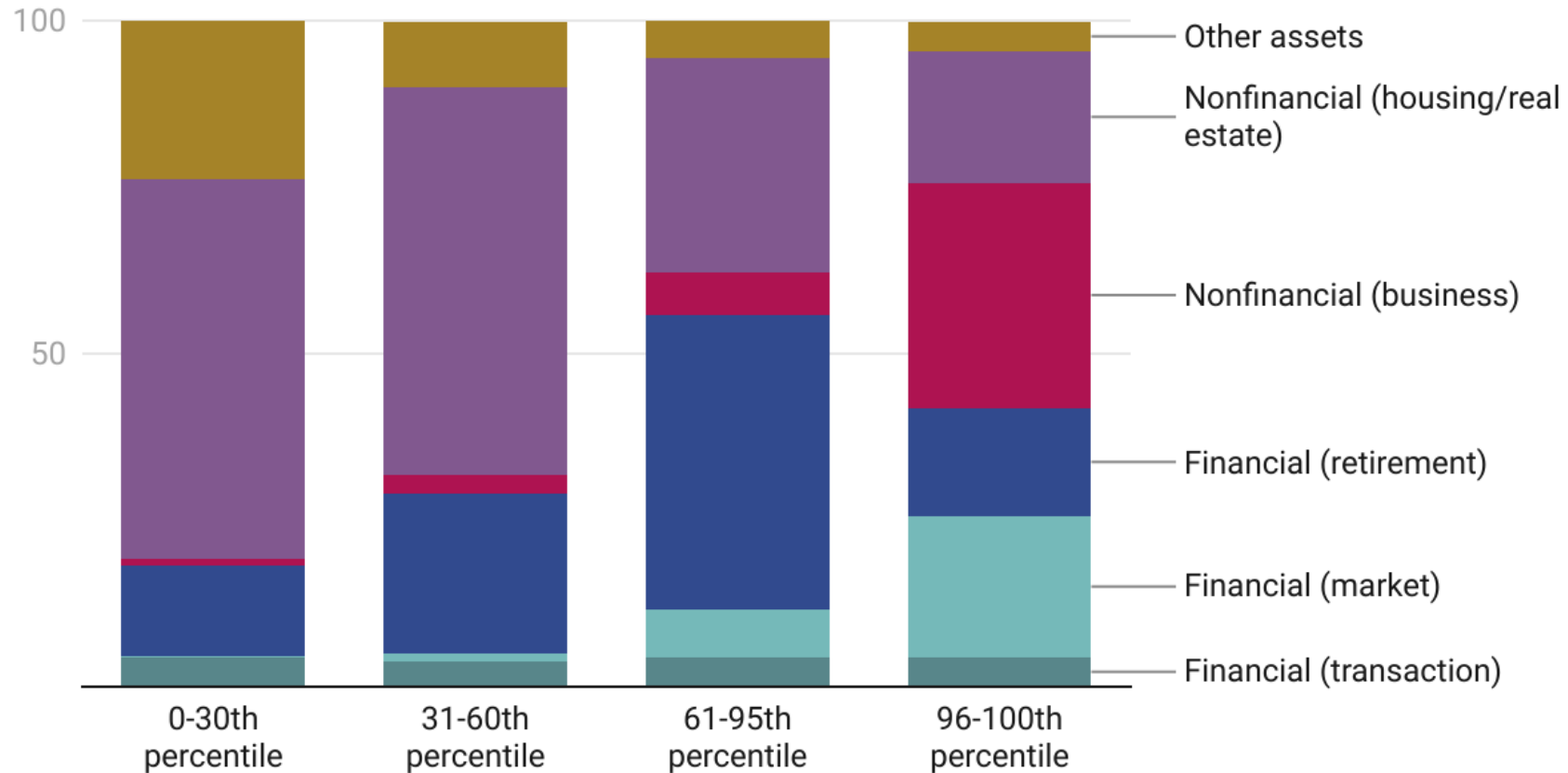
Source: SCF 2022 supplemented with DB plan assets • Created with Datawrapper

Private Asset Composition by Age Group



Source: SCF 2022 supplemented with DB plan assets • Created with Datawrapper

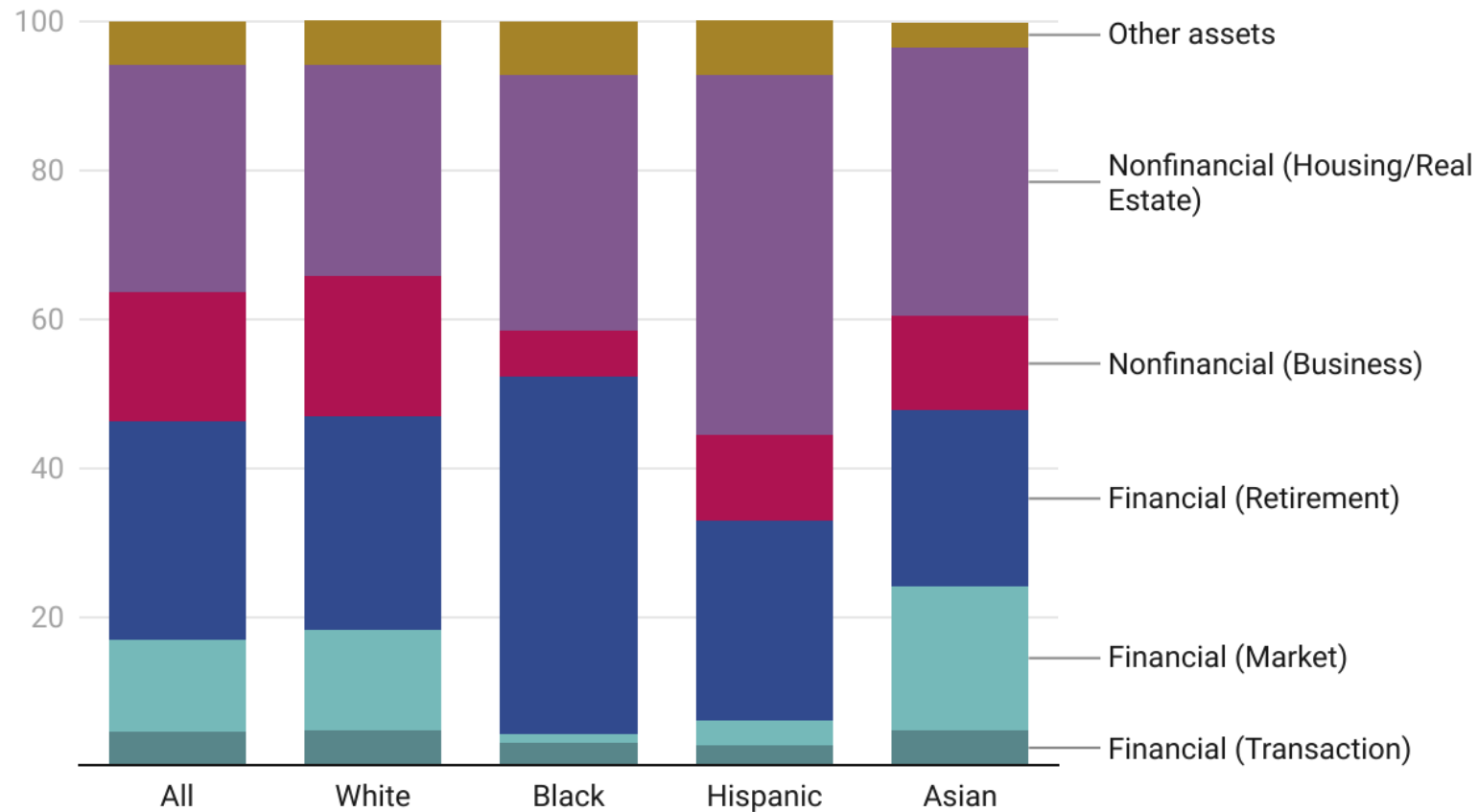
Asset Composition by Private Wealth Group



Restricted to households with respondents age 45-65. Private wealth percentiles based on 5-year age bins.

Source: SCF 2022 supplemented with DB plan assets • Created with Datawrapper

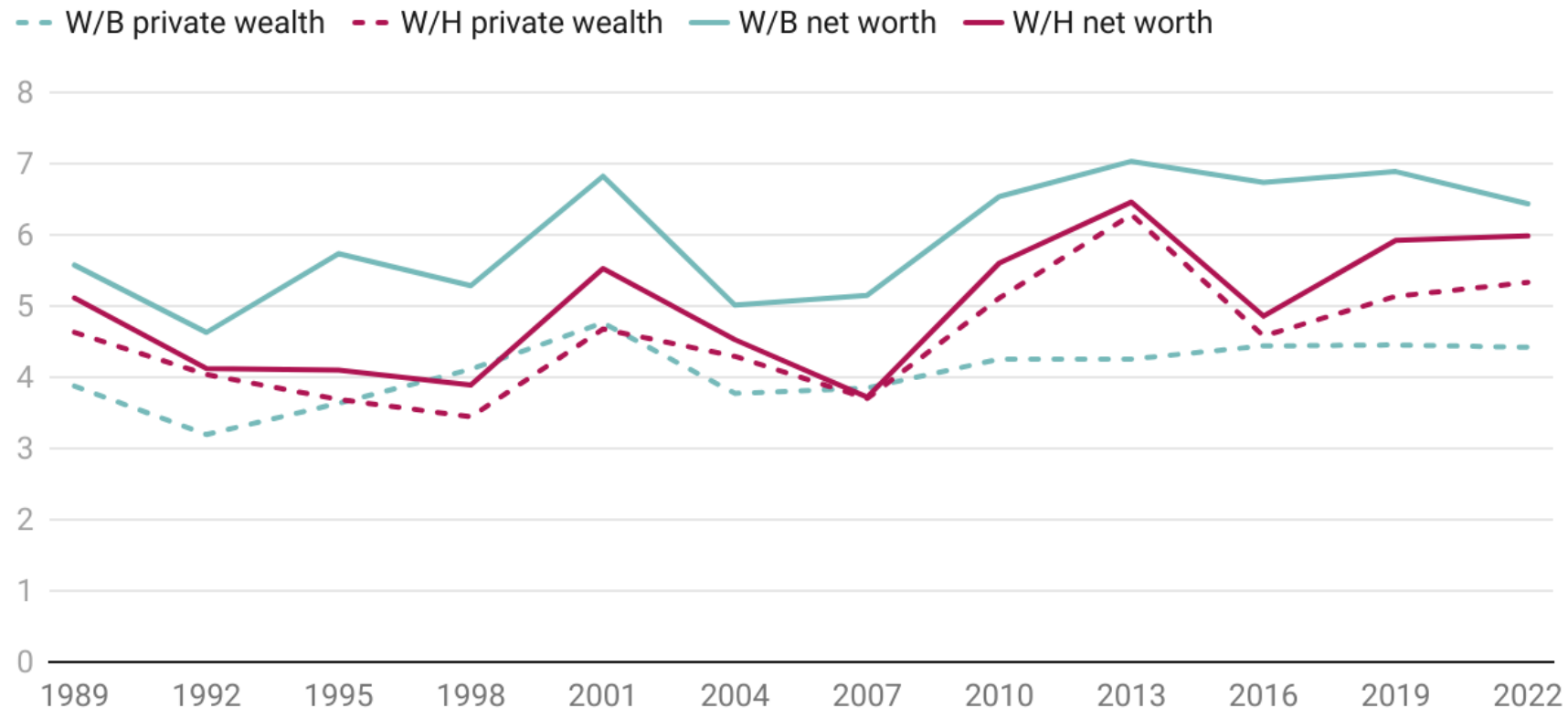
Private Asset Composition by Race



Restricted to households with respondents ages 40-64.

Source: SCF 2022 supplemented with DB plan assets • Created with Datawrapper

White/Non-White Average Wealth Ratios over Time by the Inclusion of DB Plan Assets

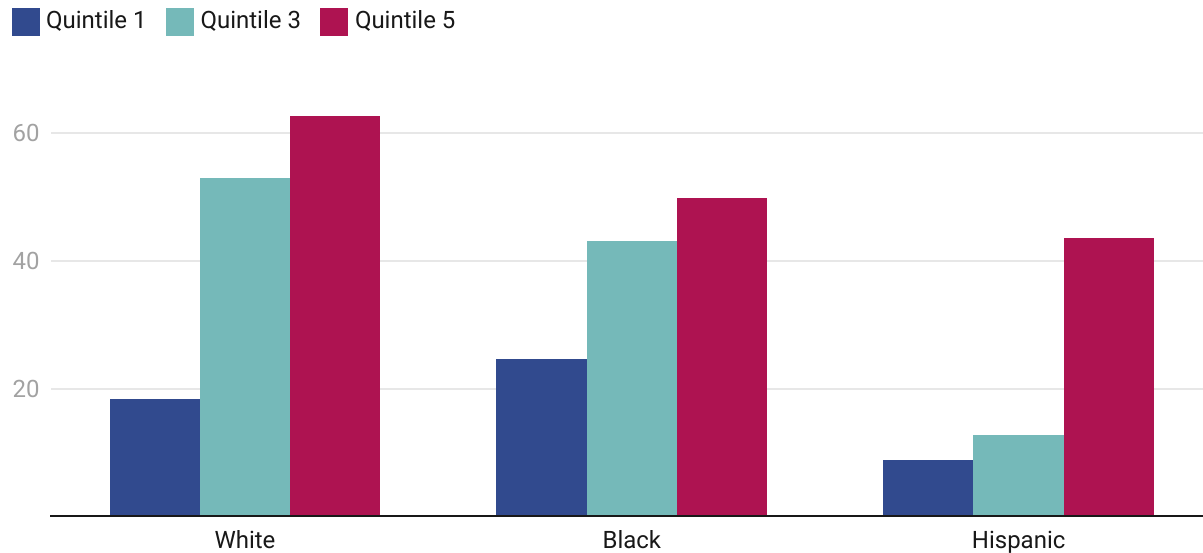


Private wealth includes defined benefit plan assets; net worth does not.

Source: SCF 1989-2022 supplemented with DB plan assets • Created with Datawrapper

DC Plan Wealth and Coverage by Race and Private Wealth Quintile (%)

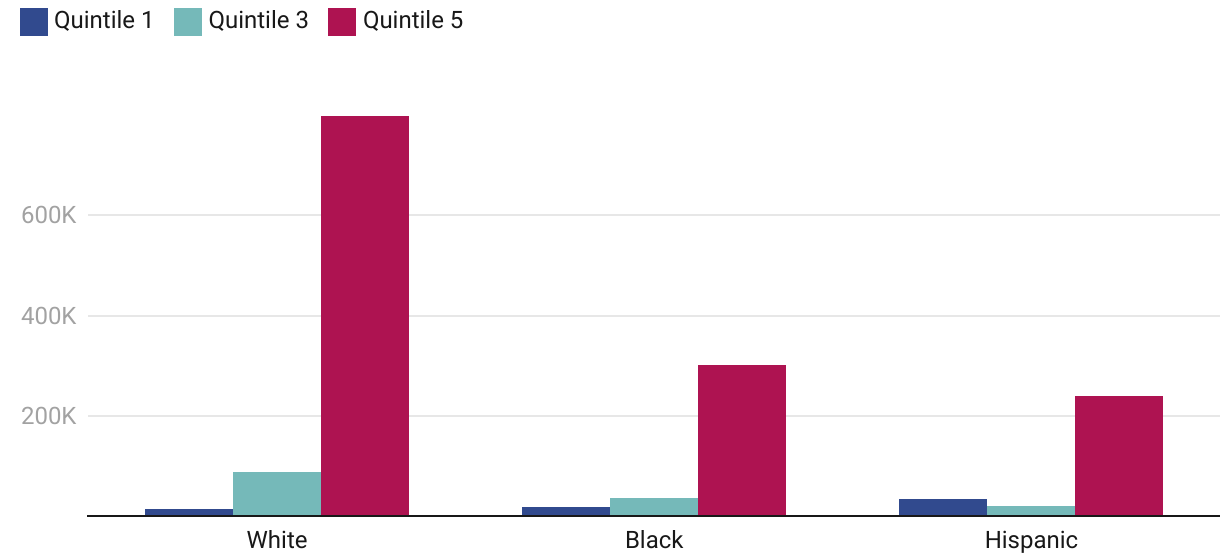
DC Plan Coverage



Includes households with heads age 40-64

Source: SCF 2019, 2022 supplemented with DB plan assets • Created with Datawrapper

Average DC Plan Wealth



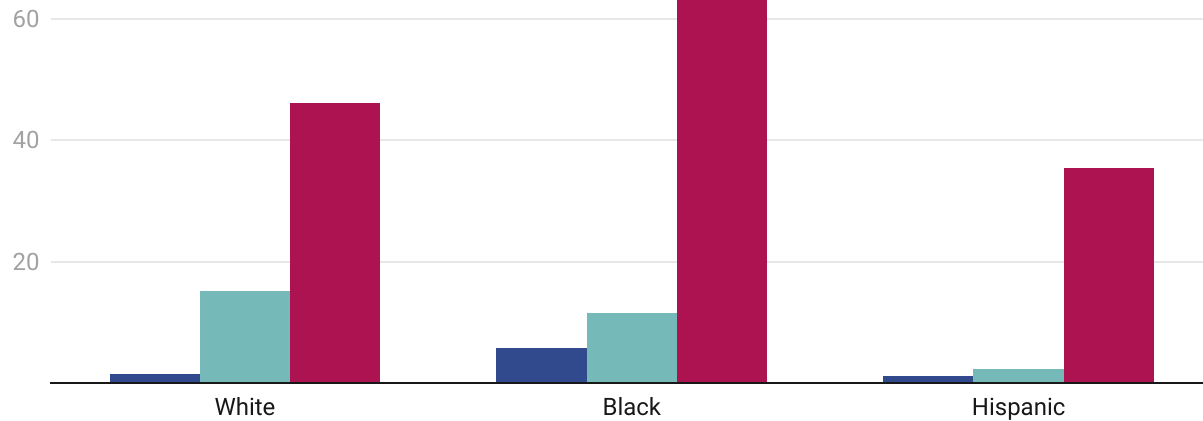
Includes households with heads age 40-64

Source: SCF 2019, 2022 supplemented with DB plan assets • Created with Datawrapper

DB Plan Wealth and Coverage by Race and Private Wealth Quintile (%)

DB Plan Coverage

■ Quintile 1 ■ Quintile 3 ■ Quintile 5

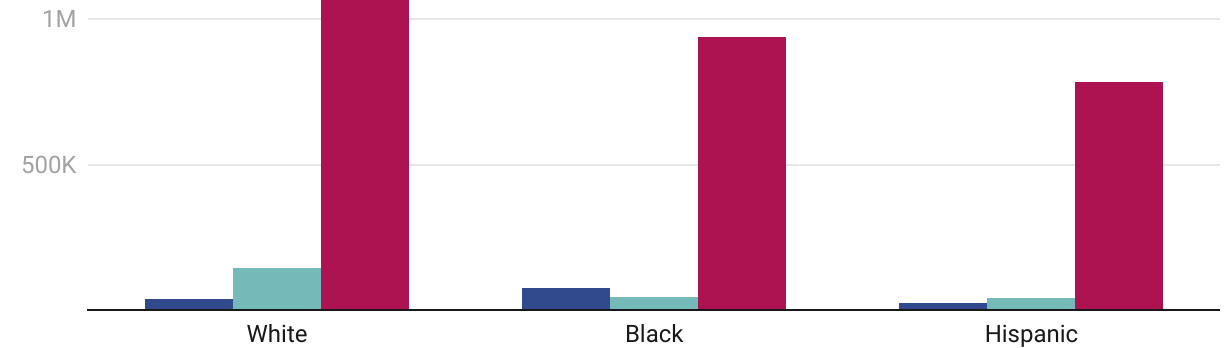


Includes households with heads age 40-64

Source: SCF 2019, 2022 supplemented with DB plan assets • Created with Datawrapper

Average DB Plan Wealth

■ Quintile 1 ■ Quintile 3 ■ Quintile 5



Includes households with heads age 40-64

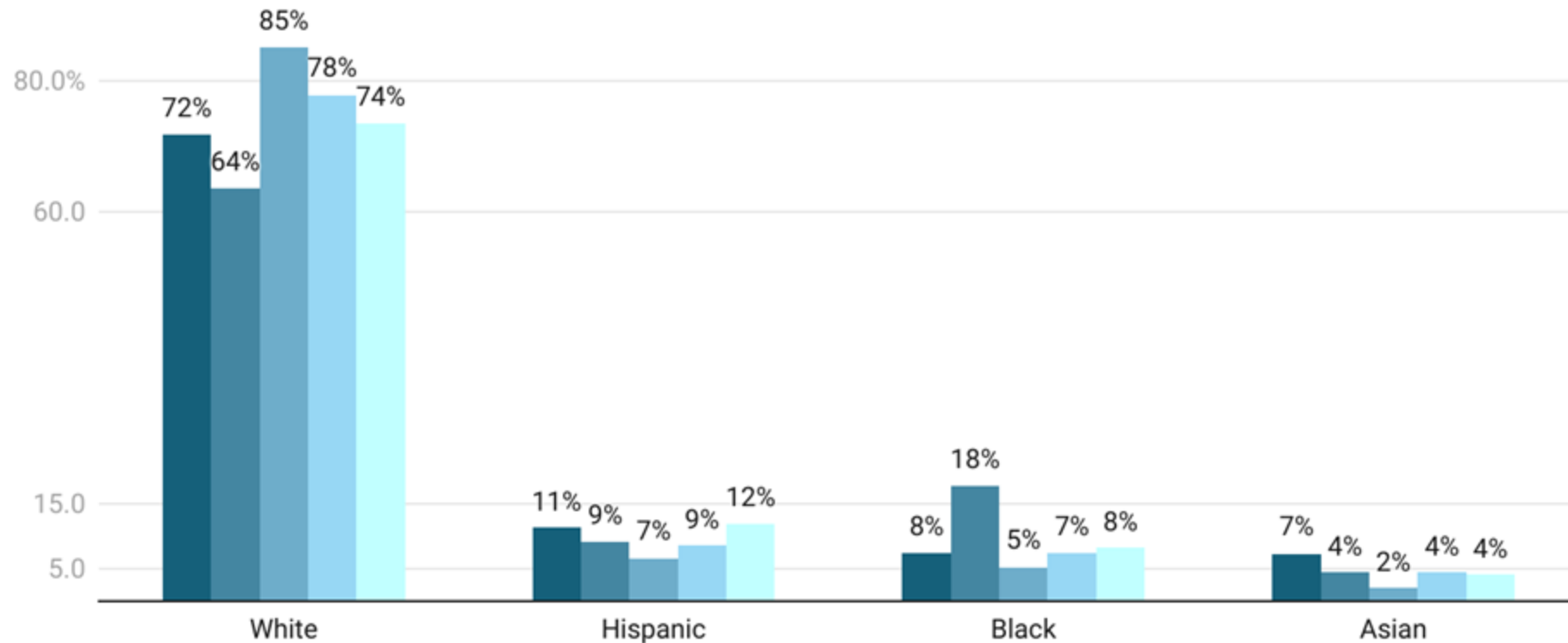
Source: SCF 2019, 2022 supplemented with DB plan assets • Created with Datawrapper

Retirement Security and Racial Disparities in Massachusetts

Racial composition of segments of the Massachusetts labor force most likely to offer strong retirement benefits.

HR ODEO 2023Q4, MA DESE 2023-24, CPS Basic Monthly Survey, Jan 2018-2023.

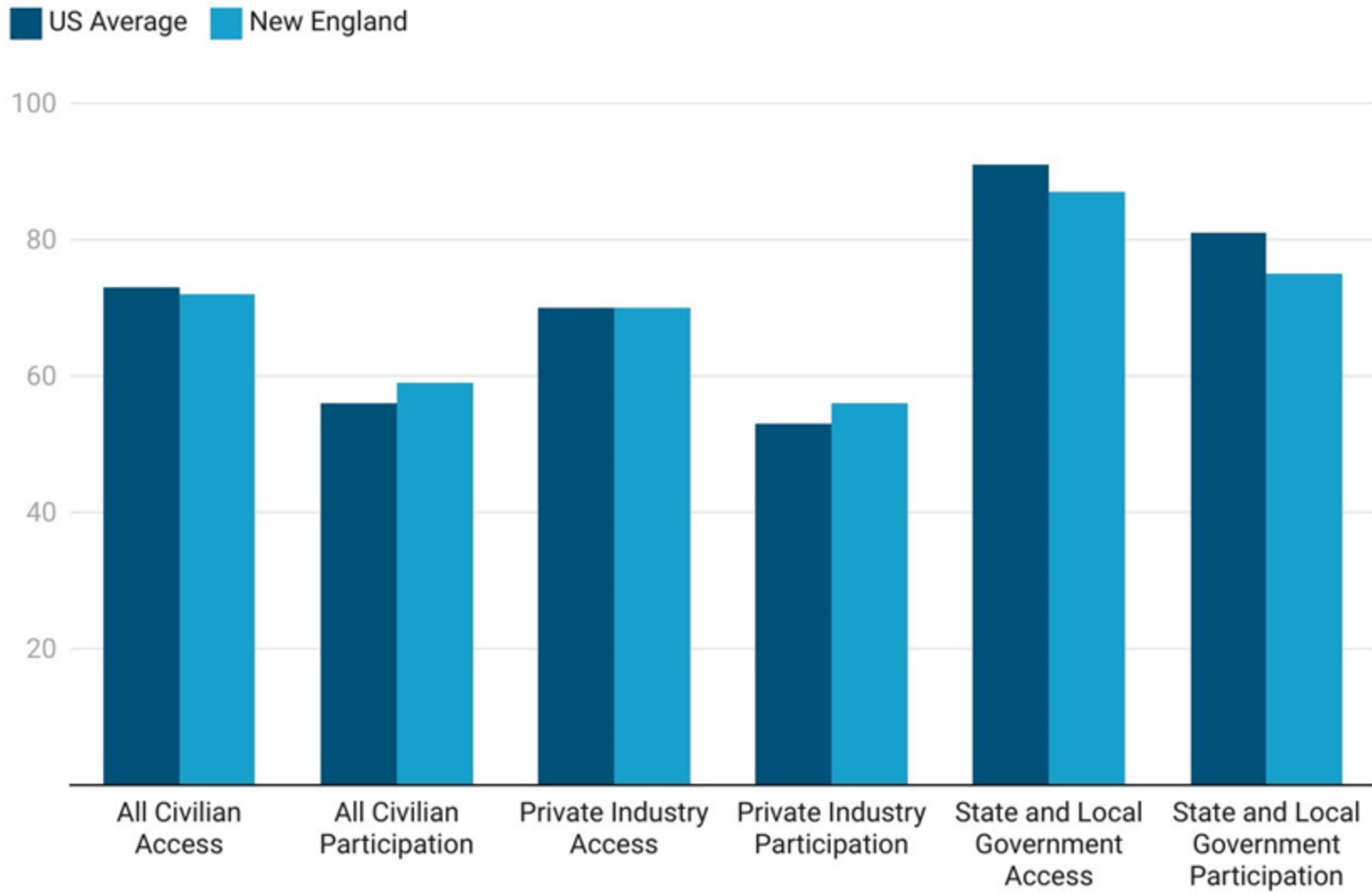
■ All Employed Adults ■ MA Executive Branch Employees ■ MA Teachers ■ Public Sector Employees ■ Union Members



"Public sector employees" includes all workers whose first or second job was categorized as belonging to local, state, or federal government.

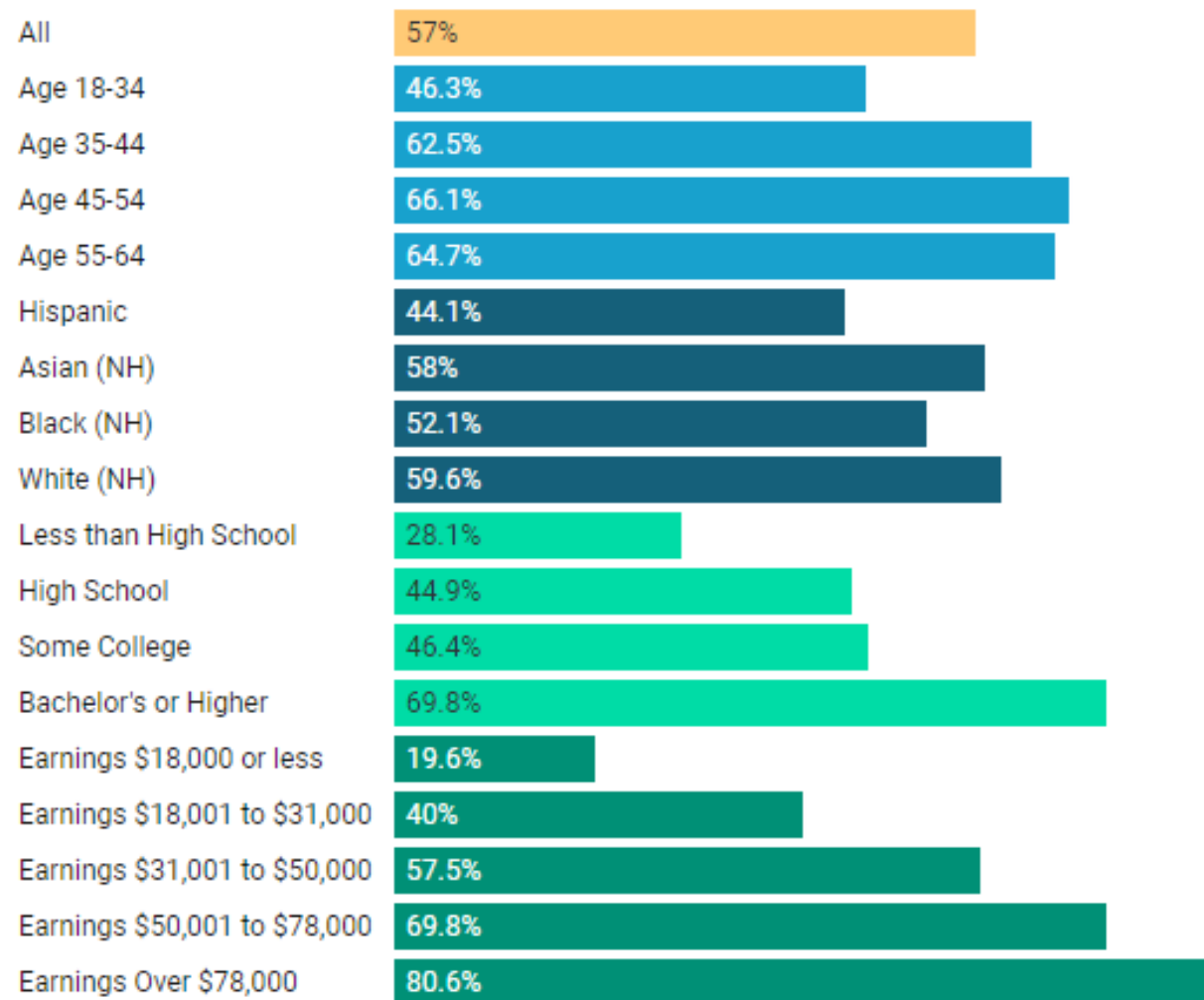
Source: MA HR Office of Diversity and Equal Opportunity, MA Department of Elementary and Secondary Education, U.S. Census Current Population Survey • Created with Datawrapper

Retirement Plan Access and Participation by Sector



Source: National Compensation Survey, BLS, 2023 • Created with Datawrapper

Share of Massachusetts Workers with Access to Retirement Plan through Job

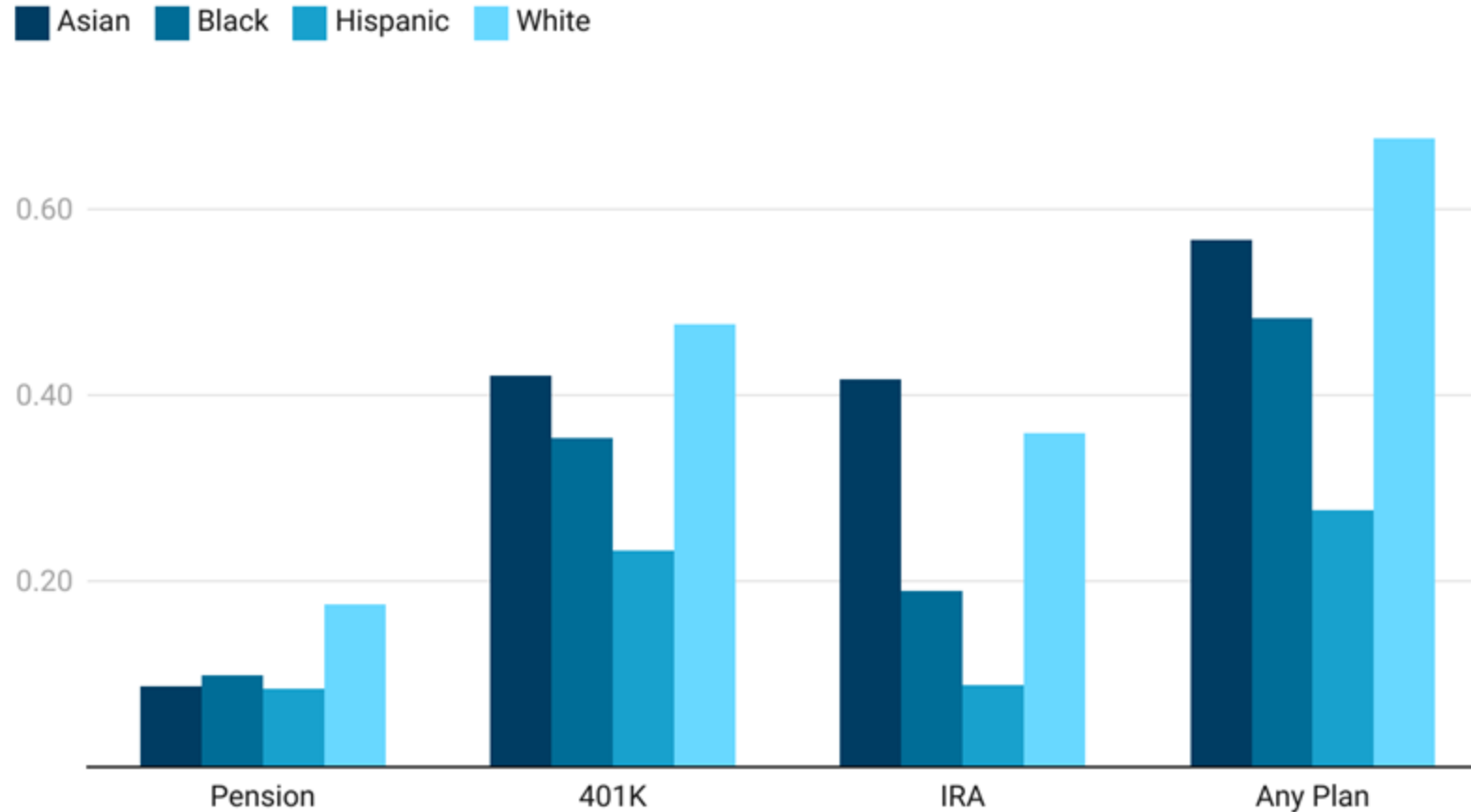


Source: AARP Public Policy Institute, 2022 • [Get the data](#) • Created with [Datawrapper](#)



Retirement participation by plan type and race.

Rate of participation in retirement plans among employed MA residents ages 25 or older. SIPP 2018-22



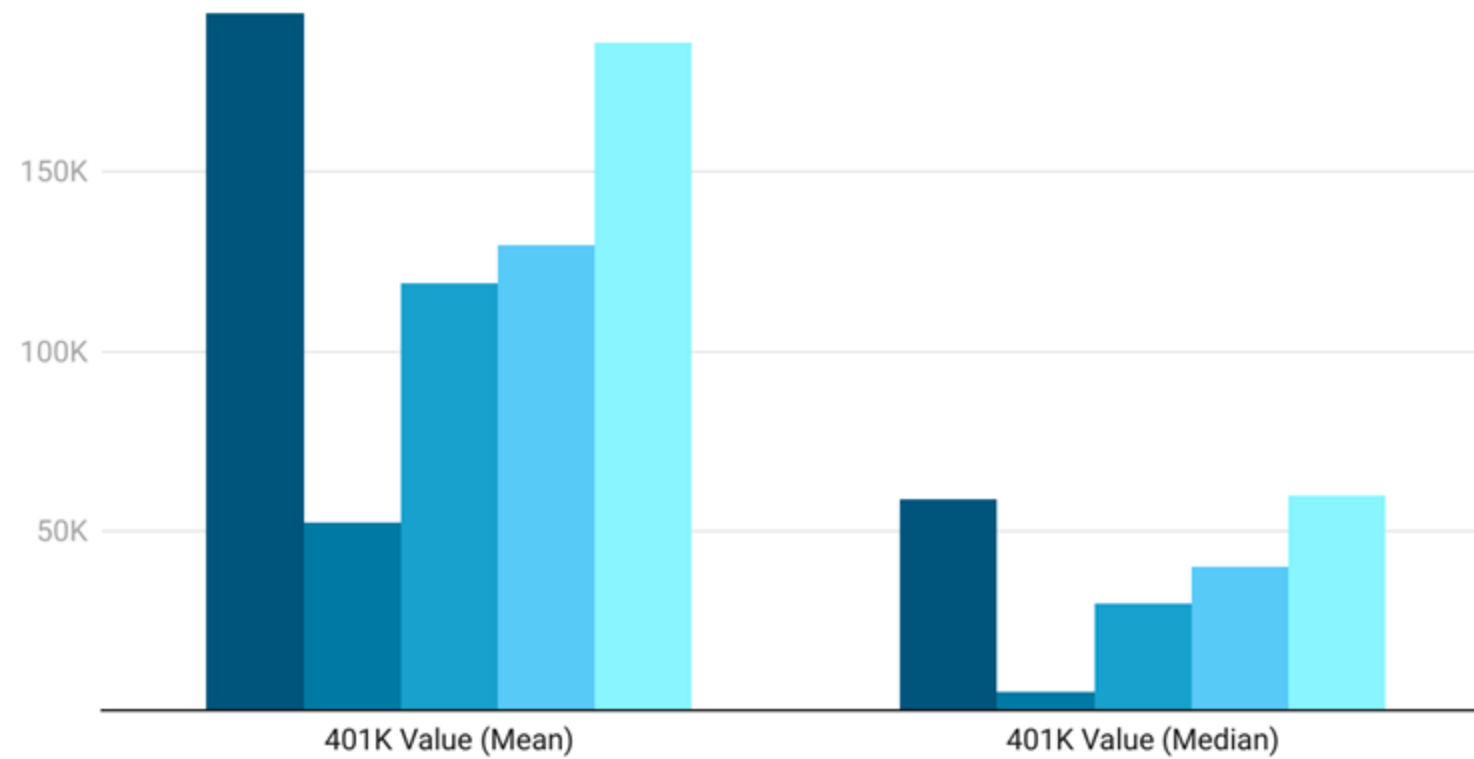
Includes employed MA residents ages 25 or older.

Source: U.S. Census Survey of Income and Program Participation 2018-22 • Created with Datawrapper

Value of 401K assets are lowest for Black populations.

Average value of 401K accounts by race. SIPP 2018-22

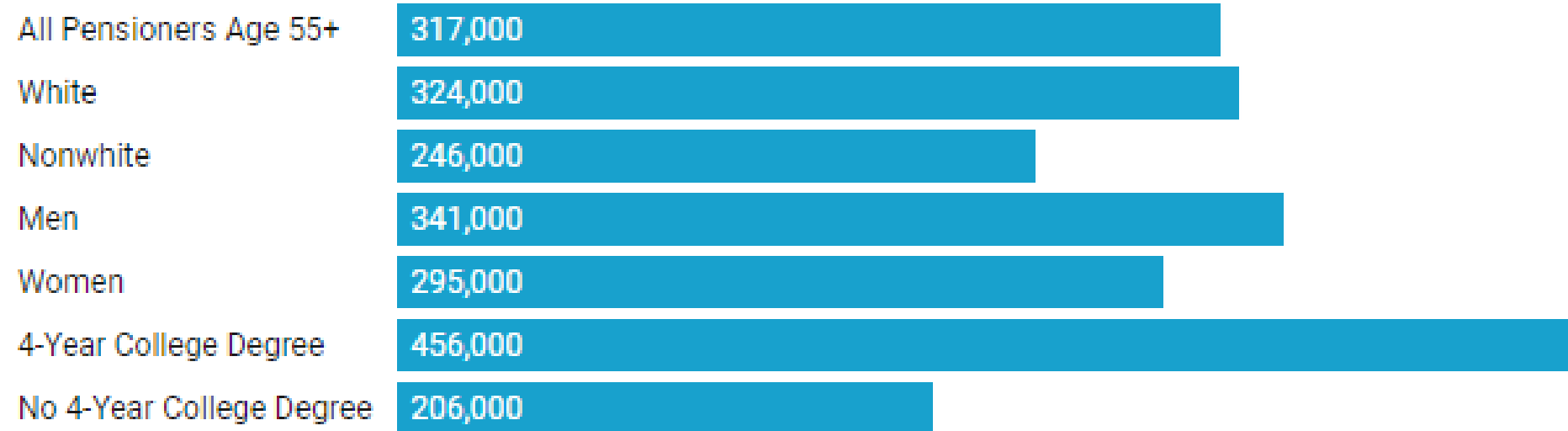
Asian Black Hispanic Other White



Includes MA residents age 25 or older.

Source: U.S. Census Survey of Income and Program Participation 2018-22 • Created with Datawrapper

Average Value of Defined Benefit Pension Wealth Among Massachusetts Pensioners Age 55+, 2013-21



Reproduced version of graph found in MA Fact Sheet for 2023 "Closing the Gap" report, National Institute on Retirement Security.

Source: CPS/ASEC data tabulated by National Institute on Retirement Security for 2023 Closing the Gap Report - [Get the data](#) - Created with [Datawrapper](#)



Policy Options

Policy Options

1. Increasing Coverage

- Extend plan offerings to workplaces without coverage
- Increase portability

2. Boosting Plan Balances

- Automate enrollment and default contributions
- Tax credits & side-car family emergency funds
- Workforce development – wages and career stability

3. Ensuring the Fiscal Viability of Funds

- Signs of progress – GAO upgrading status of both PBGC SE & ME programs
- States taking bolder steps – use of lottery and Covid-19 funds
- Further steps needed