

# 401K'S & THE GAP BETWEEN BLACK & WHITE

IN 2016, WHITE FAMILIES HAD ABOUT \$130,000 MORE, OR **6 TIMES THE AMOUNT**, IN AVERAGE LIQUID RETIREMENT SAVINGS THAN BLACK AND HISPANIC FAMILIES. THIS DISPARITY HAS INCREASED MORE THAN FIVEFOLD OVER THE PAST 25 YEARS, AND CONTINUES TO GROW AS **401KS REPLACE MORE TRADITIONAL DEFINED-BENEFIT PENSION PLANS.**

AMONG FULL-TIME, YEAR-ROUND WORKERS, BLACK WORKERS WERE **14% LESS LIKELY** THAN WHITE WORKERS TO HAVE ANY TYPE OF RETIREMENT PLAN THROUGH THEIR EMPLOYER. BUT, **INCREASING ACCESS AND PARTICIPATION AREN'T ENOUGH TO CLOSE THE GAP.\***



LOWER-INCOME GROUPS OFTEN CONTRIBUTE A SMALLER PORTIONS OF THEIR INCOME TO RETIREMENT PLANS AND ARE **MORE LIKELY TO WITHDRAW MONEY EARLY TO COVER FINANCIAL EMERGENCIES.** OFTEN TIMES, LOWER-INCOME FAMILIES GET LOWER RETURNS ON AVERAGE IF THEY INVEST IN SAFER, SHORTER-TERM ASSETS. **WITHOUT THESE FINANCIAL TOOLS WORKING FOR US WE LIMIT OUR ABILITY TO BUILD FOR OUR FUTURE.**



\*Craig Copeland, the Employee Benefits Research Institute

THINK ABOUT A 401K PLAN LIKE **A SEED YOU PLANT** IN THE GROUND.



WISELY INVESTED AND ALLOWED TO GROW, THIS SMALL SEED WILL MATURE AND **GO TO WORK ON OUR BEHALF.**



AND WHEN YOU'RE READY TO RETIRE, **THAT SEED HAS GOT YOU COVERED.**

BUT THIS IS BIGGER THAN YOU, **IT'S ABOUT BUILDING FOR THE NEXT GENERATION.** THAT SEED YOU PLANTED MAY EVEN BE LOOKING AFTER YOUR GRAND KIDS LONG AFTER YOU'RE GONE.

FAMILY OWNED FOR 50 YEARS

THE NATIONAL BLACK WORKER CENTER IS COMMITTED TO EQUAL OPPORTUNITY AND EQUALITY IN THE WORKPLACE. WE KNOW THAT WITH EQUALITY COMES OPPORTUNITY FOR ECONOMIC SECURITY. JOIN US.

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**WEREADY.**