

RETIRING

Latinas Have Struggled to Build Savings, but a Younger Cohort Is Making Gains

As one of the longest-living yet lowest-earning groups in America, Hispanic women have challenges ensuring that their later years are secure. But things are changing.

By **Tammy La Gorce**

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Before Lupita Uribe married in 2020, she told her husband-to-be that a wedding wasn't in her future unless he was OK with two promises she had made herself. One: She intended to keep living in San Francisco, where she had grown up and where she works in internal communications for the software developer Twilio. Two: Her mother would eventually move in with her.

"I always say I'm my parents' retirement plan," said Ms. Uribe, 29. As a Latina, she said, she knows that caring for aging family members is a part of her culture and nonnegotiable. But making it happen financially, something she is working on, can come with challenges.

Last year, the Institute for Women's Policy Research found that compared with every other racial, ethnic and gender group, Latinas earned the least. They are also the most likely to be what is called unbanked, or to have no bank account, and to work in lower-wage jobs without pensions or retirement savings plans, said Judy Chapa, a financial educator who helped start a two-year study, the **Latina Savings Project**, with MANA, an advocacy organization for Latinas, and a nonprofit group, the Women's Institute for a Secure Retirement (WISER).

Because Latinas are one of the longest-living demographic groups — Hispanic American women can expect to live to 84, second only to Asian American women, at 87, according to the Centers for Disease Control and Prevention — the consequences of low wages and a lack of access to workplace savings opportunities add up. The longer life expectancy becomes a mixed blessing, translating to more financial burdens in old age, the Social Security Administration has found. Overall, 42 percent of women who receive Social Security benefits rely on them for more than half their income, according to the administration.

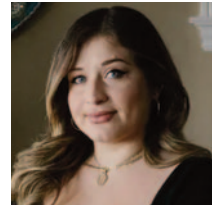
A number of issues contribute to Hispanic women's lack of collective wealth, experts said. There is a significant pay gap between them and others: They earn 57 cents on the dollar compared with white men, a bigger gap than Black and white women face. Over a 40-year career, that gap shortchanges them by more than \$1.2 million, said Jasmine Tucker, director of research at the National Women's Law Center. That gap is exacerbated by breaks from the work force to care for children or older relatives, she said.

In some households, traditional gender roles that can leave Latinas dependent on spouses can render them financially insecure, said Fernando Torres-Gil, director of the Center for Policy Research on Aging at the U.C.L.A. Luskin School of Public Affairs and a member of the Latino Policy & Politics Institute. "For a lot of them, it's still: The husband will provide a long, happy life," he said.

Ms. Uribe's parents emigrated from the state of Jalisco, in western Mexico, when she was 6. They divorced the year they arrived in California. Both had gone to college before immigrating, but their degrees didn't transfer, Ms. Uribe said, and they ended up having to take jobs in the service sector. Ms. Uribe's mother worked as a private housekeeper, while her father logged years working for AAA and now owns and operates his own roadside assistance service in Sacramento. While they stayed clear of debt, neither has been able to accumulate much for retirement.

Ms. Uribe said she understood why. "What my parents did was save money in their bank account, and that's not really what allows you to grow wealth," she said. Her mother, for example, "has no idea how a 401(k) or a Roth I.R.A. works, because she's never had the opportunity to learn about it," Ms. Uribe said.

Ms. Uribe said she didn't know much about investing until she started working at Twilio. "When I got a higher-paying job, I had the bandwidth to actually think about my future instead of my immediate needs," she said. "I felt like I needed to be intelligent about building future wealth."



Lupita Uribe. Credit: Jason Henry, *The New York Times*



Judy Chapa, WISER Financial Educator

That line of thought led her last year to Valerie Rivera, a certified financial planner and the founder of FirstGen Wealth in Chicago. Ms. Rivera knew right away that she wanted to work with Ms. Uribe. “My clients are often the first in their families to be born in this country,” she said. “They might be the first to go to college or the first to make more money than their parents.”

Dr. Torres-Gil said he was noticing a trend in his own work. “We’re seeing an increase in the proportion of Hispanics going on to higher education,” he said. “The majority happen to be female. And it doesn’t matter whether they’re first generation or second generation. They’re recognizing that they have to depend on themselves first, and they’re far more likely than previous cohorts to invest or have access to 401(k)s.”

Most of Ms. Rivera’s clients are in their 30s and 40s and have college degrees. Some send money regularly to relatives in their family’s country of origin. Many are like Ms. Uribe, who is negotiating how to start a family and set aside money for her own retirement while also caring for her parents later on.

Ms. Uribe’s goal, she said, is to buy a house big enough to raise children with their grandmother by her side, a desire Ms. Rivera hears a lot. For Latinas, “our retirement isn’t just our retirement,” she said. “Culturally speaking, for the most part we don’t send our family members to retirement homes. Family stays within the family.”

The commitment to caring for older relatives is a particular challenge for Latinas who are closer to retirement and shorter on resources themselves. Azucena Guzman, 46, is an owner of Miriam’s Flower Shop in Brooklyn. She and her brother, who lives nearby, share responsibility for housing and financially supporting their 70-year-old mother. Ms. Guzman’s mother has some health issues, including diabetes and arthritis. She does not receive Social Security benefits because, until a few years ago, she was undocumented. But she still works to earn extra income. “She collects plastic bottles for money,” Ms. Guzman said. “Sometimes she calls family in Mexico to send her something she can sell here, like handmade bags.”

Ms. Guzman has no savings and doesn’t expect to be able to start putting away money for her own retirement anytime soon. Her financial focus is instead on repaying a \$28,000 government loan that kept her business from closing permanently during the worst of the pandemic. The interest rate is low, she said, but with that obligation she has trouble envisioning retirement at all. She does worry about paying for health care emergencies. “I don’t feel as good as when I was 20,” she said. “But I need to do something for my mother and myself. That’s my concern.”

Inspired by situations like Ms. Guzman’s, Cindy Hounsell, president of the Women’s Institute for a Secure Retirement (WISER), started the Latina Savings Project in 2017. AARP helped fund the program, which offers financial education workshops and encourages moderate- and low-income Latinas to save and invest with as little as \$20. The first few years of the workshops, Ms. Hounsell said, showed positive results: Three-quarters of participants offered the chance to open a savings account at a local credit union signed up. Of those, the majority successfully saved during the six-month period after enrollment.

Despite the inroads, Latinas can feel a bit lonely in the finance space. In her 15-year career in financial services, Ms. Rivera said she had met only a handful of certified financial planners who are Latina. Before she started FirstGen Wealth, “at the very large wealth management firms I worked in, I was always the only one there who looked like me,” she said. “That’s a terrible thing.”

Because Latinas are still overrepresented in lower-paying jobs, Dr. Torres-Gil is trying to impress upon his 20-something students the importance of social programs meant to lift women out of poverty. “We have to reinforce for them the critical importance of keeping Social Security,” he said. “Because a lot of them know it’s important for their elders, but they don’t think they’ll ever see a check themselves.”

What’s encouraging, he said, is the growing number of national groups working to improve the prospects of Hispanic women of all ages. Awareness movements meant to call out discrimination give him hope, too: For example, Latina Equal Pay Day, sponsored by a consortium of advocacy groups to close the gender and racial pay gap, is Thursday.

Ms. Uribe, for her part, said she felt well compensated for her work. Earlier this year, she received a bonus that left her torn over whether to invest the money or spend it on expanding a family-owned property in Mexico that is intended for the extended clan to use. She turned to Ms. Rivera for help.

“We decided to instead invest it in the market,” Ms. Uribe said. “Since it’s at such a low, it made more sense to do that right now for long-term gains.”

The Latina Savings Project encourages moderate and low-income Latinas to save and invest with as little as \$20. Three-quarters of participants offered the chance to open a savings account at a local credit union signed up. Of those, the majority successfully saved during the six-month period after enrollment and received matching funds. Cindy Hounsell, President, Women’s Institute for a Secure Retirement (WISER), started the Project with partner: MANA, A National Latina organization.