

The Ariel-Schwab
2007 Black Investor Survey:
 Saving and Investing Among Higher Income
 African-Americans and White Americans

The Ariel-Schwab 2007 Black Investor Survey is a random sample survey of 500 Black and 500 White households earning over \$50,000 annually. This is the tenth such survey and was administered by telephone between June 23 and July 14, 2007. The margin of error is approximately 4.5%.

KEY FACTS

- African-American stock market participation is at the same level as it was ten years ago (the first year of the survey): at a low of 57% (compared to a high of 74% in 2002). White investing is at 76% this year.
- Even when all other significant demographic factors are held constant (age, income, gender, education, and so on), Whites are nearly twice as likely as African-Americans to be investors.
- While 56% of Whites say that retirement is their most important goal for saving and investing, only 40% of African-Americans see retirement as their priority. All else being equal (income, age, etc.), Blacks are 50% less likely to say retirement is their primary saving and investing goal.
- Preference for real estate as an investment is at a five year low, with 45% of Blacks and 34% of Whites saying that it is the “best investment overall.”
- African-Americans continue to lag their White counterparts in monthly savings:
 - Blacks save an average (median) of \$182 a month, while Whites save an average of \$261 a month.
 - Of those who are working and who have retirement accounts, Blacks save an average (median) of \$173 in those accounts, while Whites save an average of \$252.
- The overall value of savings and investments is an average (median) of \$48,000 for Blacks and \$100,000 for Whites.
- Of those who invest, more African-Americans (55%) than Whites (47%) report that they first started investing as a result of having a 401(k) or other employer-sponsored retirement plan.
- When asked which is a bigger worry: day-to-day expenses, or having enough money to retire, 41% of African-Americans cited expenses, and 59% cited retirement. In contrast, only 29% of Whites cited expenses and 71% cited retirement.

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