

## The Ariel-Schwab 2007 Retiree Survey

*The Ariel-Schwab Retiree Survey was conducted for the first time in 2007 and surveyed 300 Black and 300 White retirees. The survey was administered by telephone between June 22 and July 11, 2007 by Argosy Research. All the retirees surveyed had household incomes of \$50,000 or more before retirement and had been retired between one and ten years.*

### KEY FACTS

- Overall, both African-American and White early retirees are happy about their retirement. Only 18% of African-Americans and 11% of Whites rate their happiness as a five or below on a scale of ten.
- African-American retirees, however, are in a precarious position relative to White retirees when it comes to their financial futures.
  - Blacks are drawing a somewhat lower income than Whites during retirement: the Black retiree median income is \$51,000 and the White retiree median income is \$57,000
  - African-American retirees have on average (median) \$73,000 saved, whereas White retirees have saved an average of \$210,000.
  - Even after controlling for financial and human capital factors (peak income, education, and so on), African-Americans are still 1.7 times less likely than Whites to have over \$100,000 in savings during retirement.
- African-Americans who say they are living comfortably in retirement are likely to be doing one or more of three key things: drawing income from stock, bond or mutual fund investments (3.6 times more likely); drawing income from a 401(k) or another employer sponsored plan (2.3 times more likely); or being married (twice as likely).
- Only 45% of African-Americans and 57% of Whites calculated how much savings they would need to retire.
- Half of the African-American retirees surveyed were primarily employed by the government, as compared to one-third of Whites. Consequently, 59% of African-Americans, compared to 47% of Whites, retired before the age of 60.
- Compared with the expectations of not-yet-retired African-Americans, Black retirees are relying more on Social Security and pensions for retirement income, and less on employer sponsored retirement plans, real estate investments, and other savings or investments.

Ariel Capital Management, LLC and The Charles Schwab Corporation are separate entities, but co-sponsor the Ariel-Schwab Retiree Survey.