



MassMutual African American Middle America Financial Security Study

Background and Methodology

Study Objectives

- To raise awareness of the threats and obstacles to African American middle class workers' financial security and highlights the workplace and retail products that can help this segment achieve their financial goals and prepare financially for the long-term.

Survey of Middle Income African Americans

- An online survey of 492 African American Middle Income Americans through Research Now's panel was conducted by Greenwald & Associates on behalf of MassMutual. The survey was conducted from February 28 to March 14, 2017.
- To qualify, respondents needed to be between the ages of 25 and 65, work full-time, have a household income between \$35k and \$150k, and have considerable influence when it comes to making financial and employee benefit decisions.
- The data is weighted by race, age, and gender to reflect the composition of the United States' African American middle class.
- Percentages in the tables and charts may not total to 100 due to rounding and/or missing categories.

Key Insights

African Americans Are Less Prepared For a Financial Emergency

Half of African American workers describe themselves as not too or not at all financially secure. Three in ten African American workers report having less than \$500 in emergency savings. Most feel they could manage a sudden expense of \$500, but of those that could not, African Americans are more likely to use a payday loan than others. More than half say an unexpected expense of \$5,000 would cause significant discomfort or they wouldn't be able to get by. African American workers are more likely to say they don't always have enough money each month.

African Americans Worry Less

African Americans are more likely to be worried about politics and the direction of the country. Three out of four state that this is their top concern. Following politics, nearly six in ten are worried about their household's financial situation. However, they are less likely to spend a lot of time worrying about it.

Among worriers, financial concerns are negatively impacting African American workers' mental health and stress levels, as they do for others. African American workers are more likely to say financial worries are negatively affecting their ability to pay for a child's education or school supplies/trips.

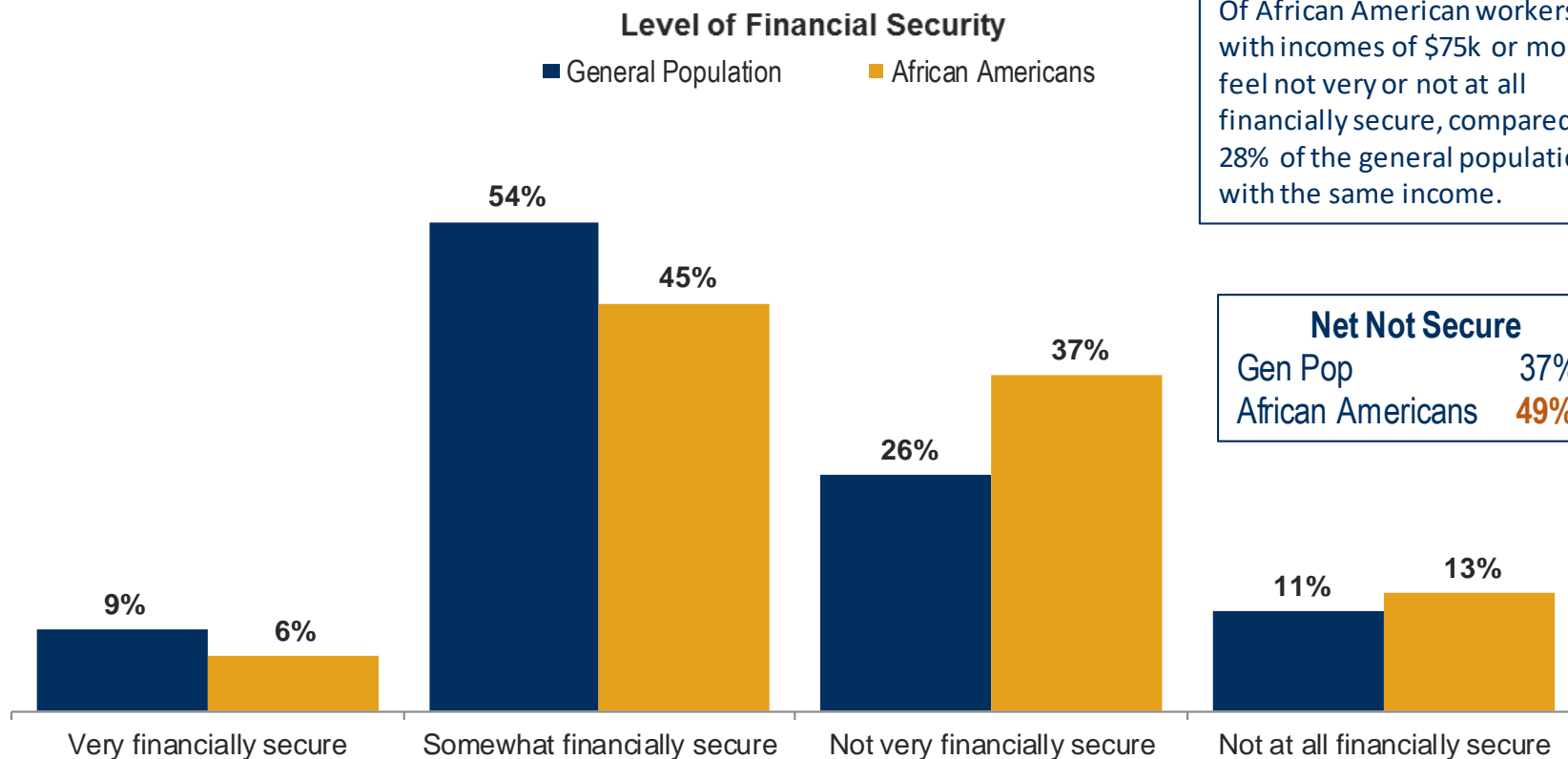
Desire for Help

African American households are more likely to say their biggest financial issues are debt, (lower) income, and the cost of living. Nine in ten say high debt levels is what makes managing household finances difficult for them.

More so than others, African American workers say they are behind in their retirement savings. More than half say they would welcome financial help and guidance from their employer. They also wish their employer offered more resources to help set financial goals, educate on saving for retirement, and educate on other financial products that assist with protection from financial hardship. They express greater interest in employee benefits that offer financial assistance in an emergency.

African Americans are slightly more likely than others to agree that financial services companies *want* to help households like theirs. However, significantly fewer work with some type of financial professional (29% vs. 38%); half (48%) say they are unsure where to go for financial advice.

African American workers are significantly less likely to feel financially secure. Half feel they are not financially secure.

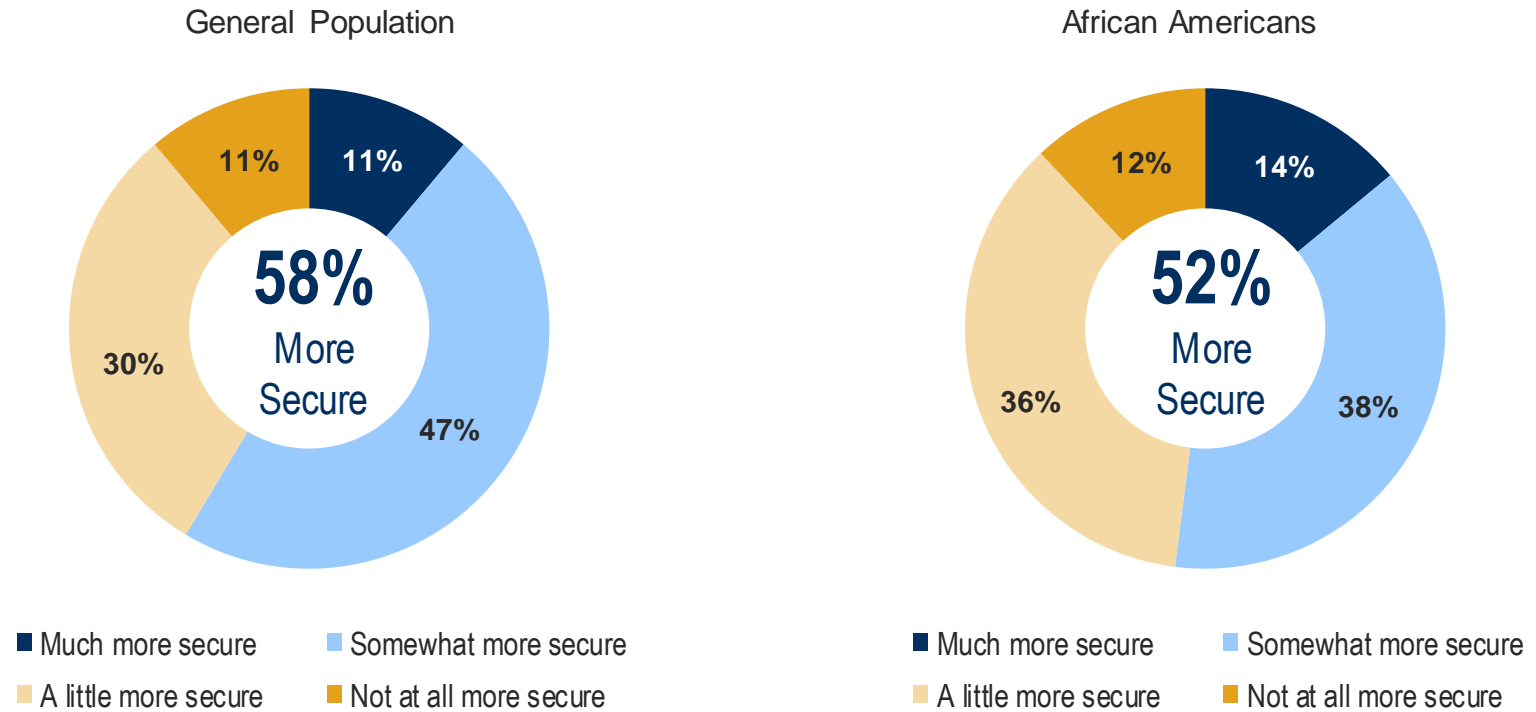


How financially secure do you feel? (General Population n=1,010; African Americans n=492)

Having employee benefits available makes most workers feel more secure. However, African Americans are slightly less likely to feel this way.

16% of African American men report feeling much more financially secure by the benefits offered by their employer than African American women (12%).

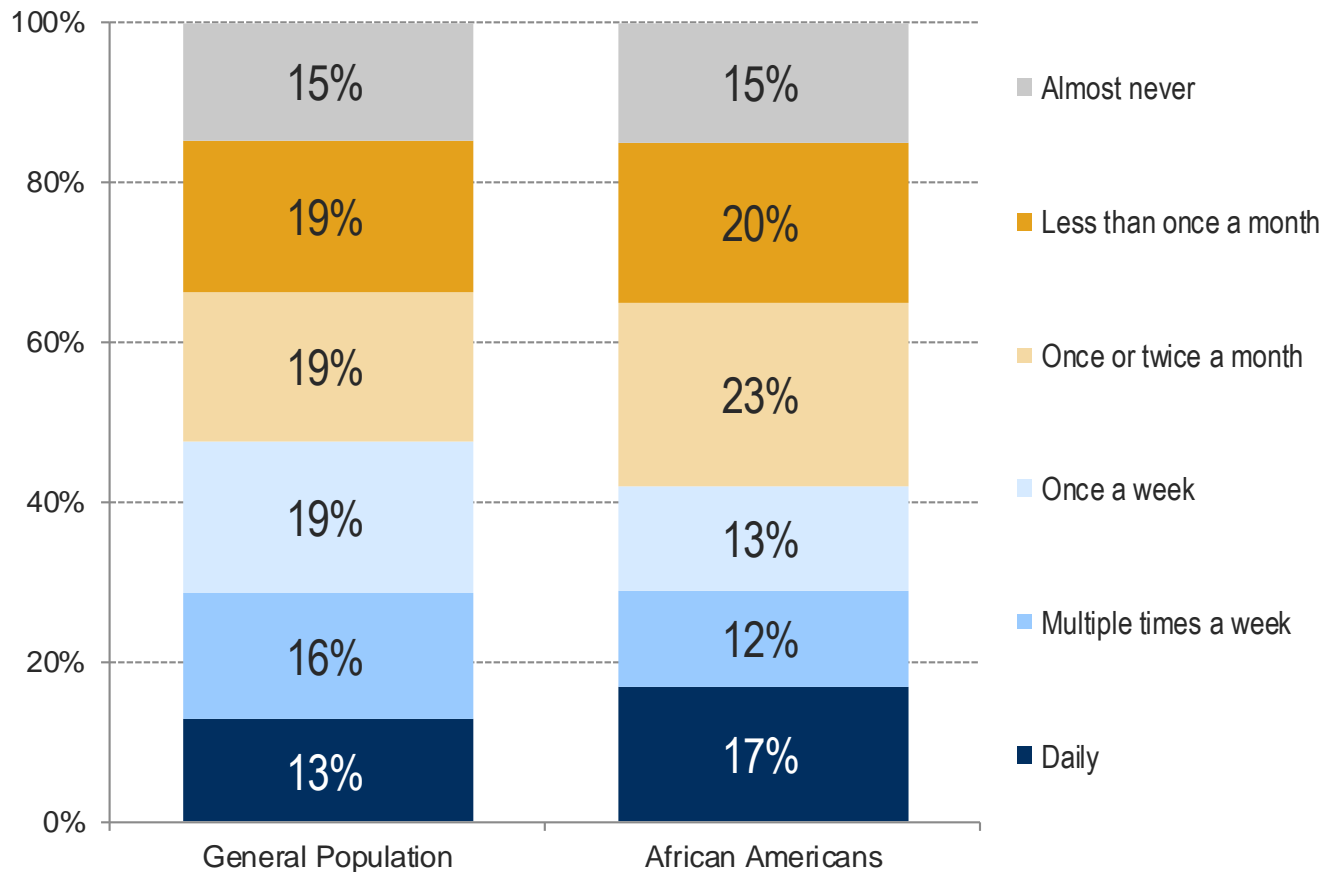
How Employee Benefits Impact Financial Security



Thinking about all of the benefits offered by your (and your spouse's/partner's) employer, would you say that having those benefits you do makes you feel...?
(General Population n=1,010; African Americans n=492)

African Americans are substantially less likely to worry often about their finances.


How Often You Worry About Money/Household Finances

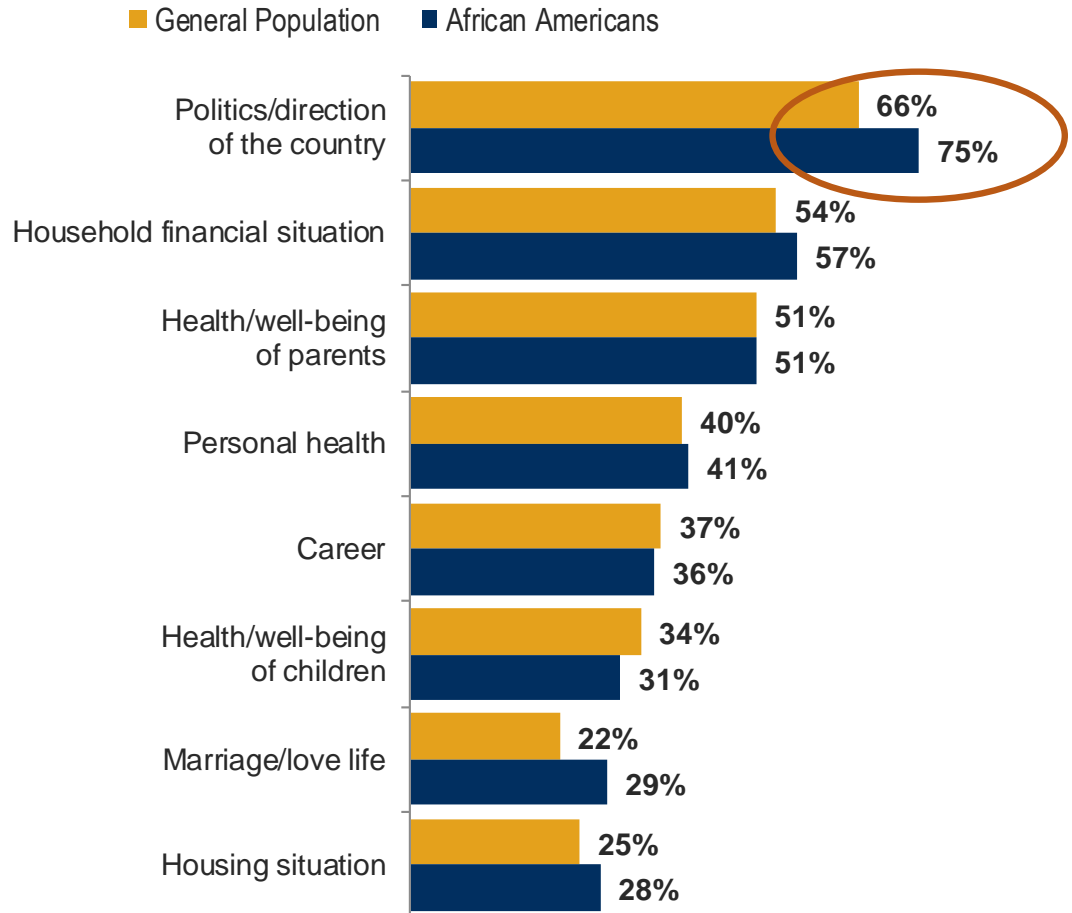


How often do you worry about money or your household's finances? (General Population n=1,010; African American n=492)

Three-quarters of African Americans are worried about the direction of the country, a substantially larger share than the general population.

Percent Very/Somewhat Worried For Life Aspects



African American workers with an income lower than \$45k are significantly more likely to worry about politics, their household's financial situation, job security, and their housing situation than those making \$75k or more.

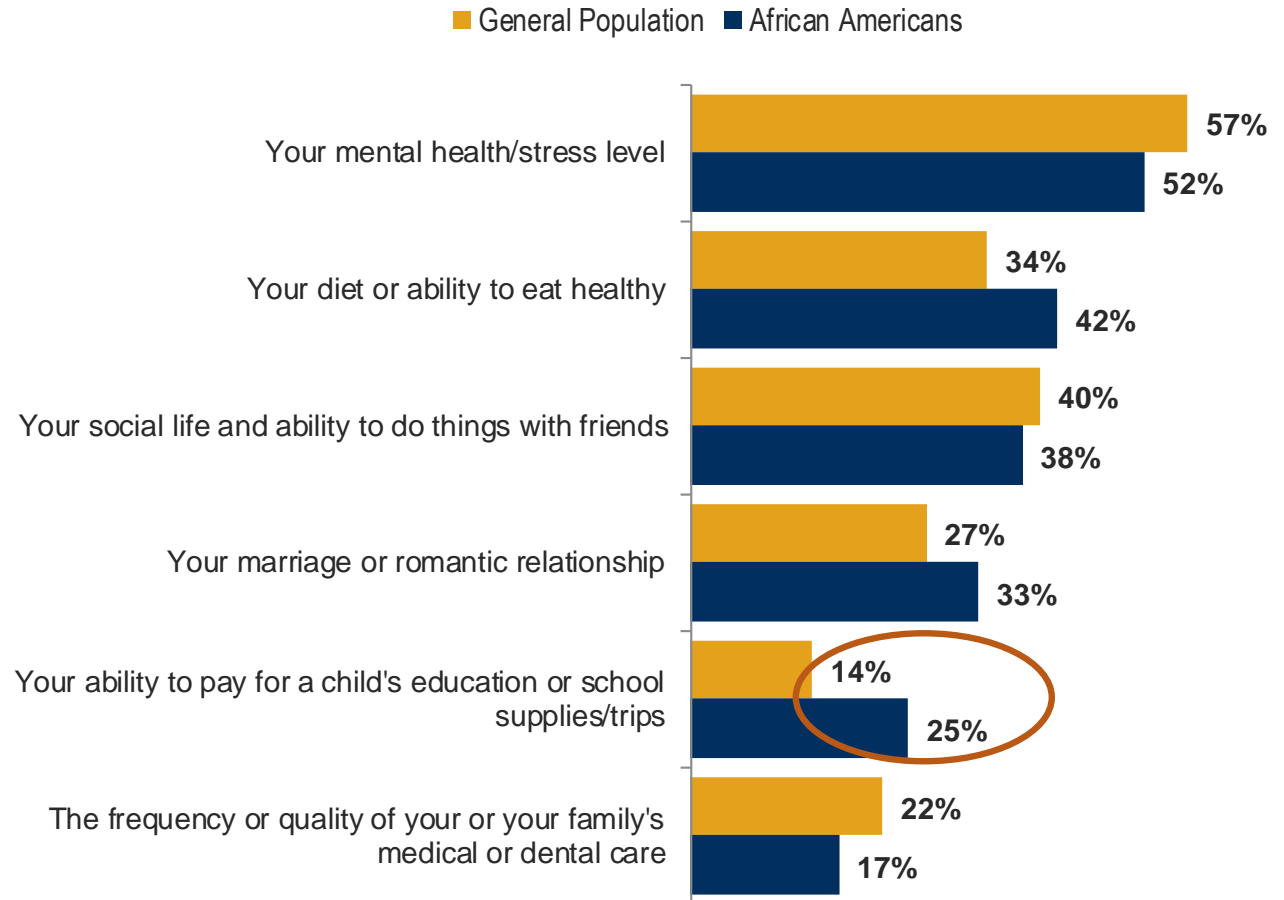


From day to day, how worried are you about each of the following aspects of your life? (General Population n=1,010; African American n=492)

Among African Americans who worry about money, many report that it negatively affects their mental health and diet.

Top Aspects Negatively Affected By Worrying About Money

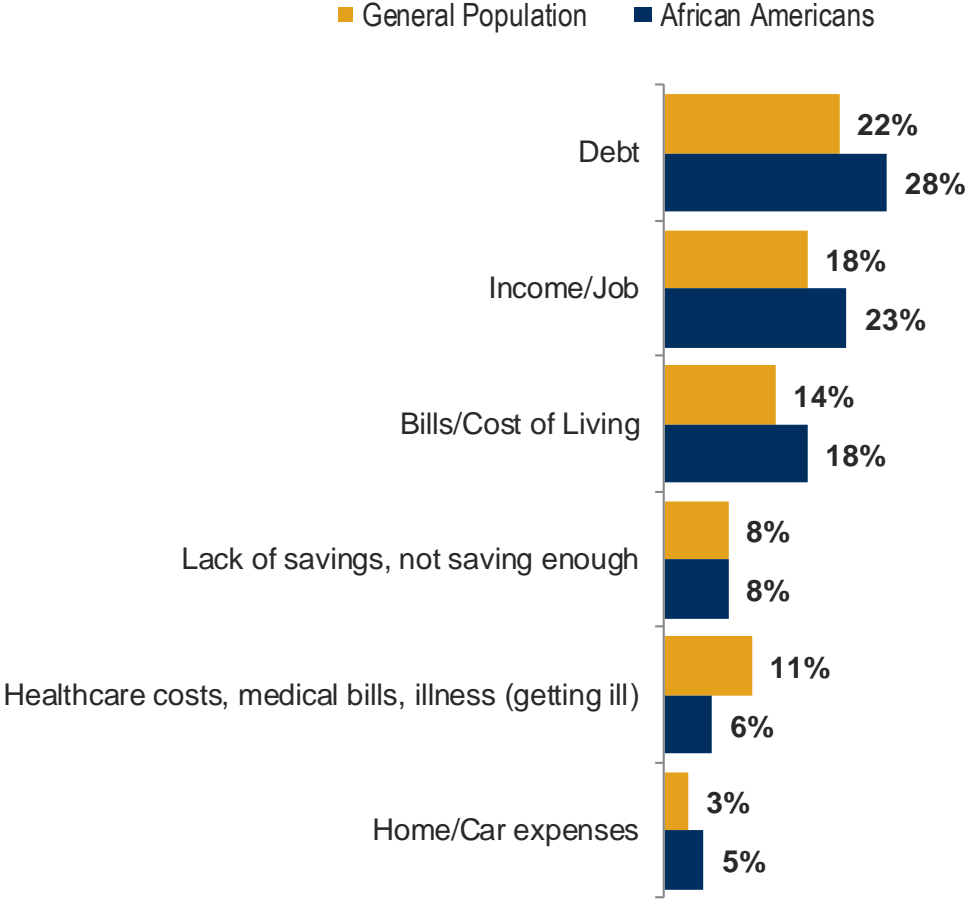

African American women are more likely to say financial worries are negatively impacting their social life than men (47% vs. 27%).



Do worries about money negatively affect any of the following aspects of your life? Please select all that apply. Filter: If worries at least once a week (General Population n=495; African Americans n=205)

African American workers face the same big financial issues as others, with debt and income topping the list.

Top Issues or Problems Facing Household's Finances and Financial Situation

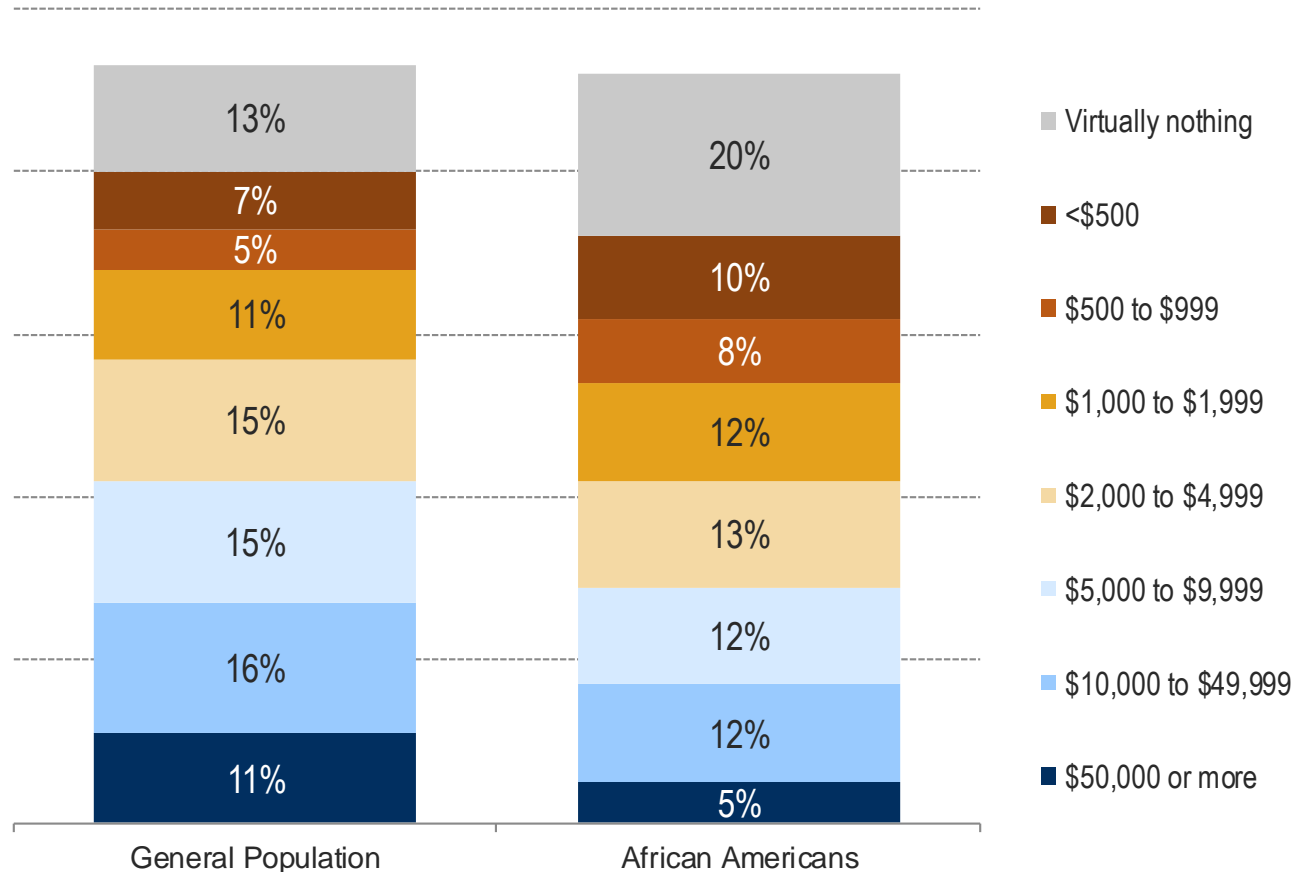


What is the biggest issue or problem facing your household's finances and financial situation today? (General Population n=1,010; African American n=492)

Three in ten African American workers have little to nothing saved for a financial emergency.

Level of Savings for Financial Emergencies

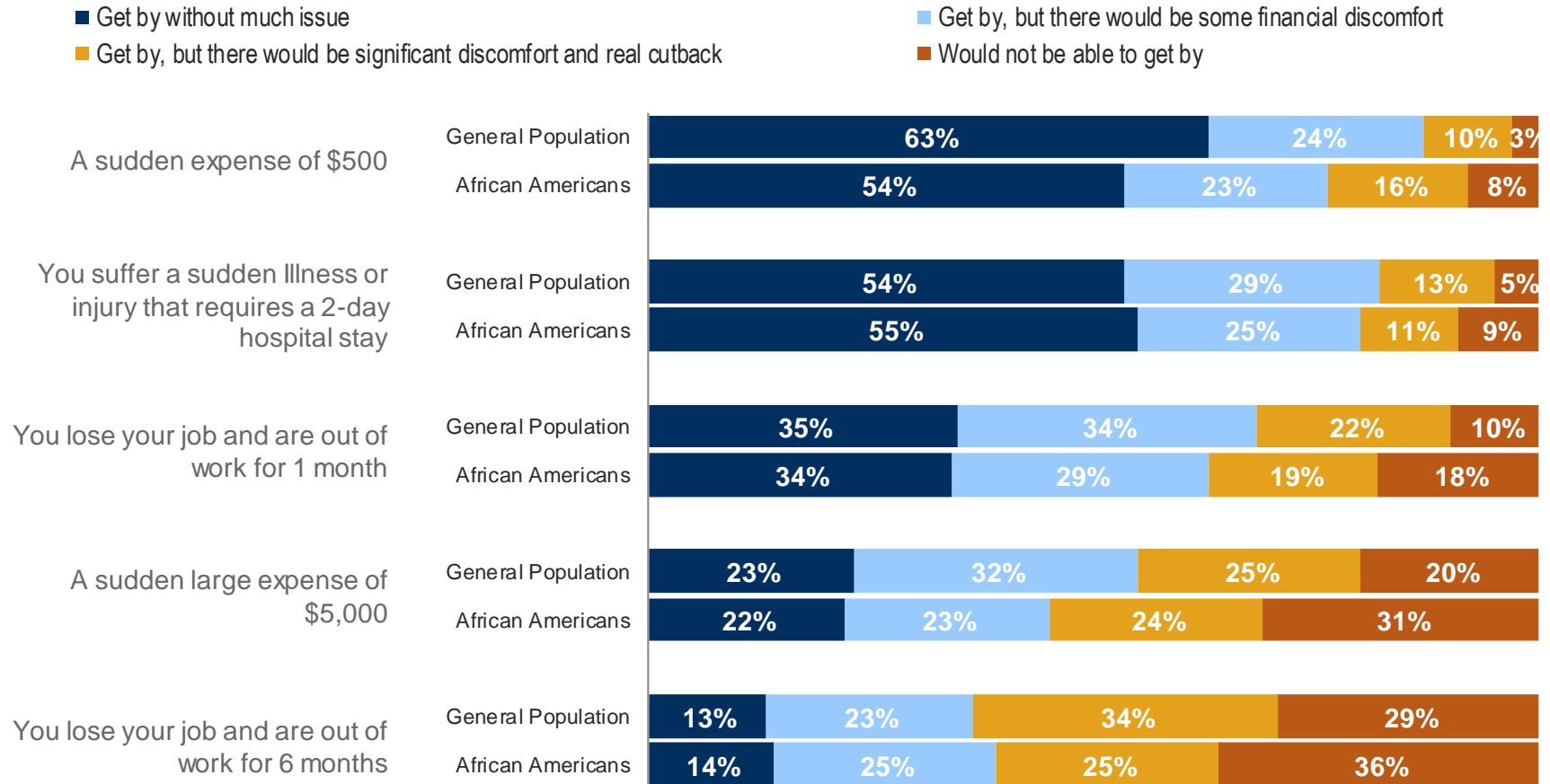
30%
Of African American workers with an income of \$35k - \$45k report having virtually no savings, compared to 13% of those with an income of \$75k or more.



How much do you have saved for financial emergencies? (General Population n=1,010; African Americans n=492)

Severe emergencies, like a \$5K unexpected expense or being out of work, would present real challenges.

Degree of Challenge to Household

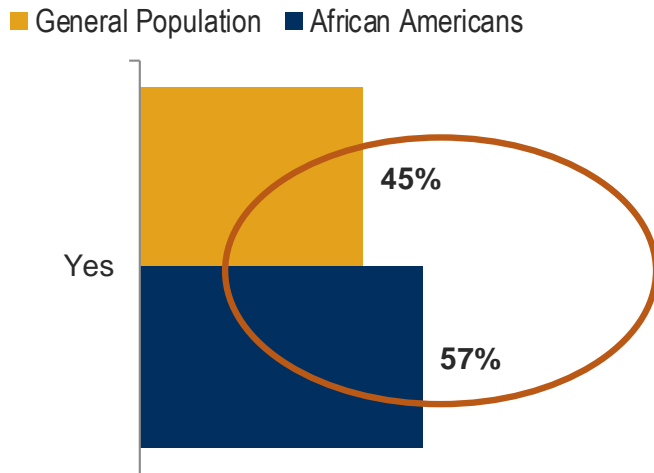



Please indicate the degree of challenge each would pose to your household if it were to occur tomorrow (General Population n=1,010; African Americans n=492)



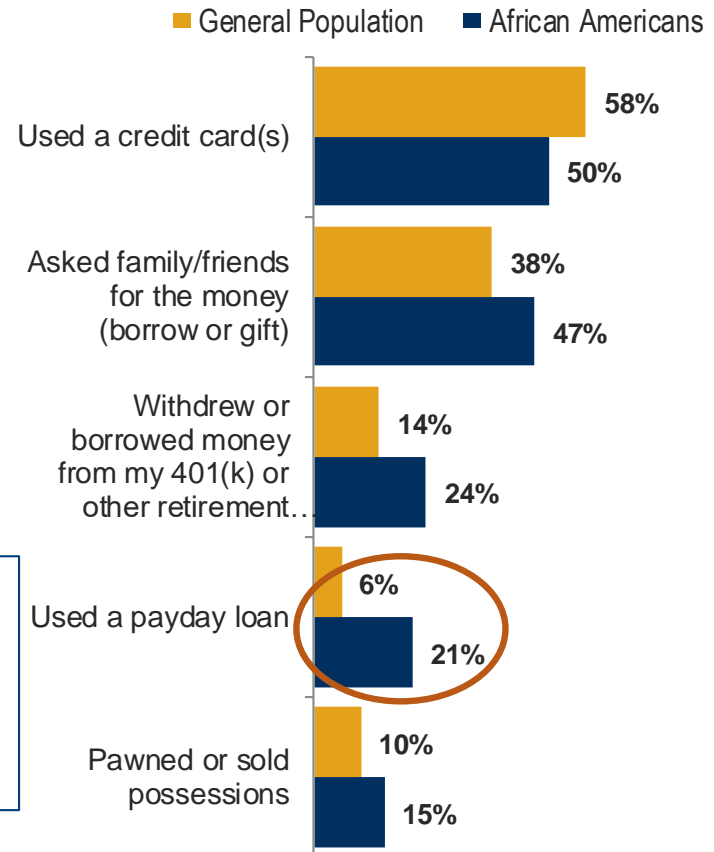
However, African Americans are more likely to be unprepared for a financial emergency that requires \$500.

Experienced a \$500 Emergency



 Upper-middle class African American workers are more likely to use a payday loan in a financial emergency than other upper-middle class workers (20% vs. 0%).

Actions Taken in the \$500 Emergency



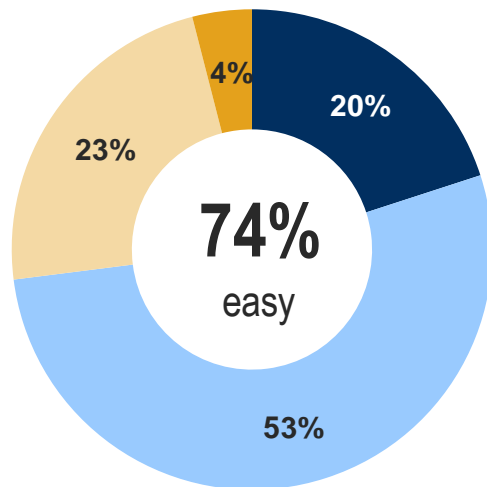
Have you ever been faced with a financial emergency that required \$500 you didn't have? Split sample \$500 (General Population n=505; African Americans n=248)
 What did you do in this emergency? Please select all that apply. If faced a financial emergency that required \$500 you didn't have (General Population n=235; African Americans n=136)

Most find it relatively easy to manage their monthly finances. However, African American workers are much more likely to find it difficult to manage their monthly finances than the general population.

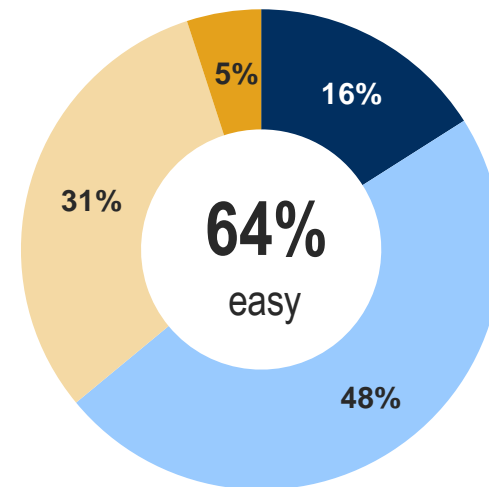
Half of lower-middle class African American workers with incomes between \$35,000 and \$45,000 (48%) find it much more difficult to manage their household's monthly finances compared to those with income of \$75,000 or more (29%).

Level of Difficulty Managing Household's Monthly Finances

General Population



African Americans



■ Very easy ■ Somewhat easy ■ Somewhat difficult ■ Very difficult

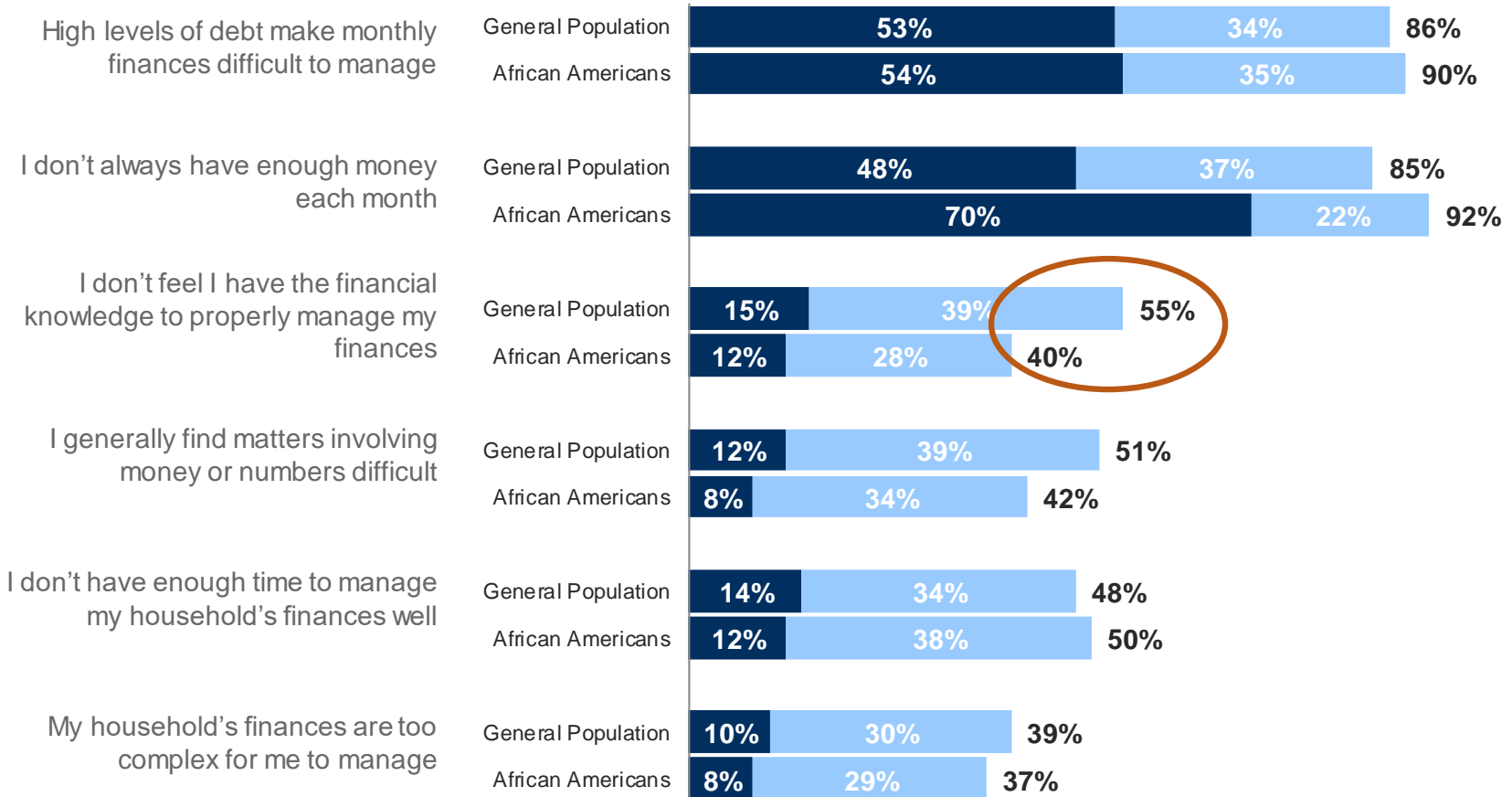
■ Very easy ■ Somewhat easy ■ Somewhat difficult ■ Very difficult

Do you find it easy or difficult to manage your household's monthly finances? (General Population n=1,010; African Americans n=492)

More so than others, African Americans say not having enough money each month is a major reason why managing finances is challenging.

Reasons Managing Finances is Challenging

■ Major reason ■ Minor reason

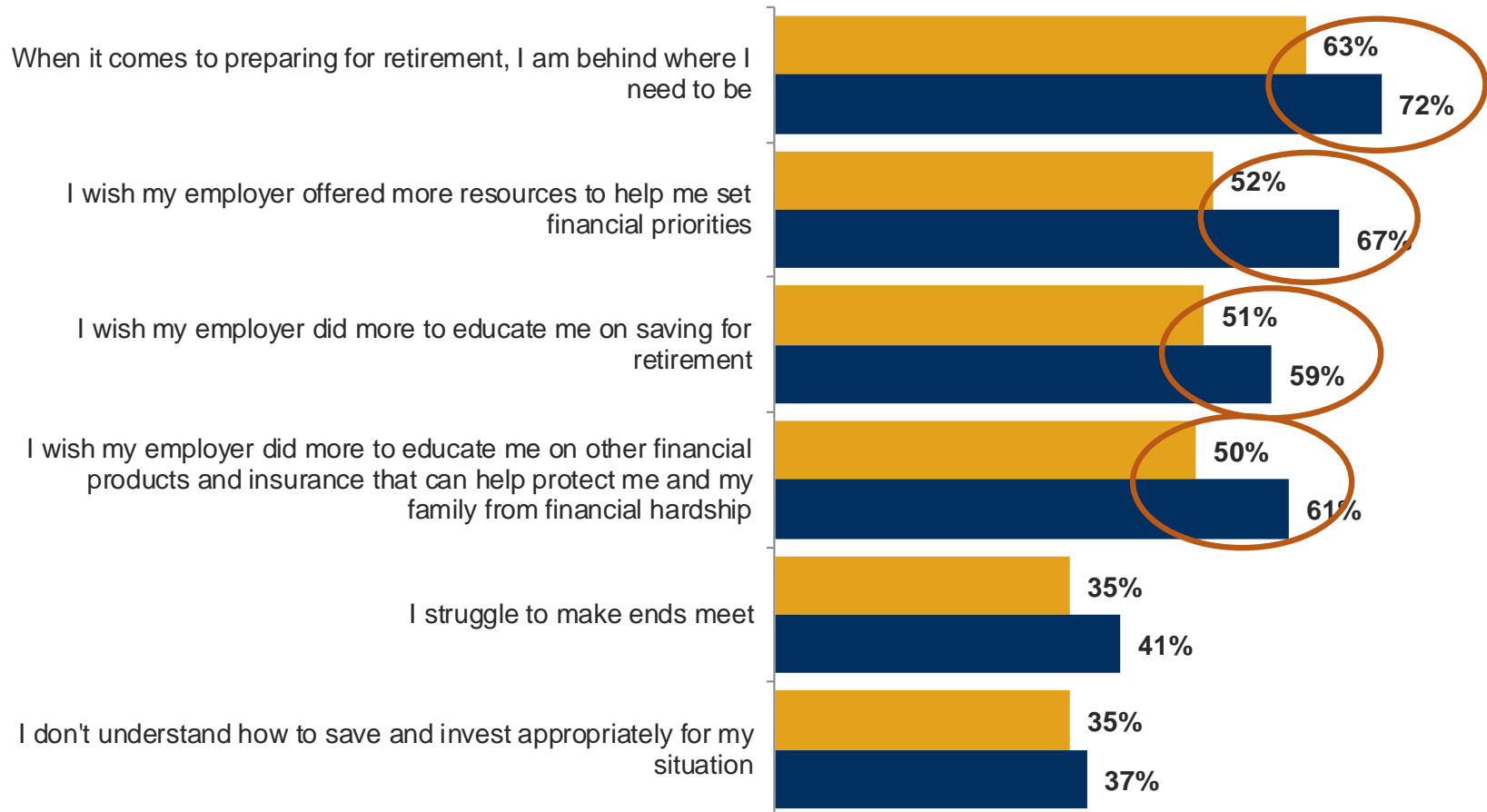


Are these major, minor, or not reasons why you find managing your finances challenging? Filter: If managing monthly finances is difficult (General Population n=275; African Americans n=167)

African American workers are more likely to wish their employer offered more resources to help them set financial priorities and protect against financial hardship.

Agreement with Statements About Finances

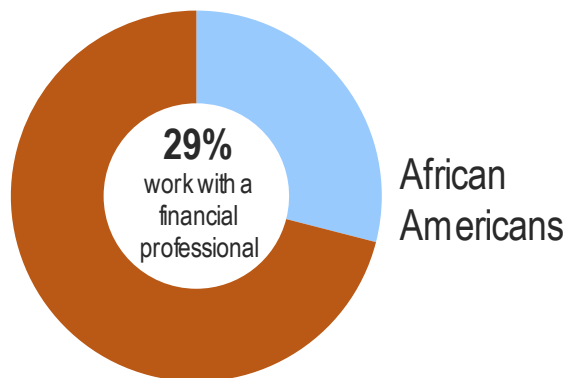
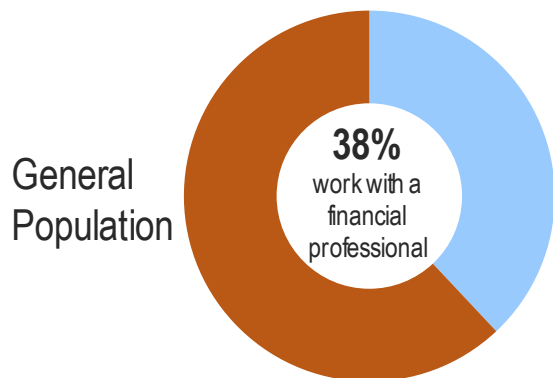
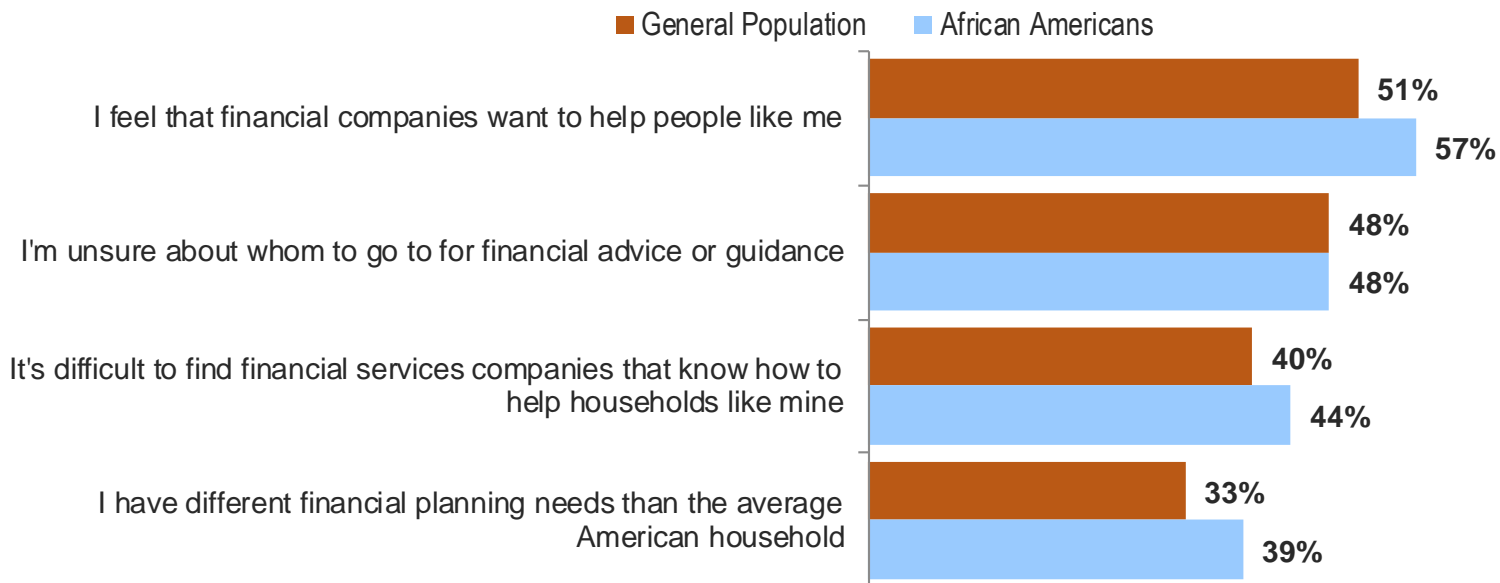
■ General Population ■ African Americans



To what extent do you agree or disagree with the following statements? (General Population n=1,010; African Americans n=492)

Like others, half of African Americans are unsure about whom to go to for financial advice or guidance; fewer work with a financial professional.

Agreement with Statements About Getting Financial Help

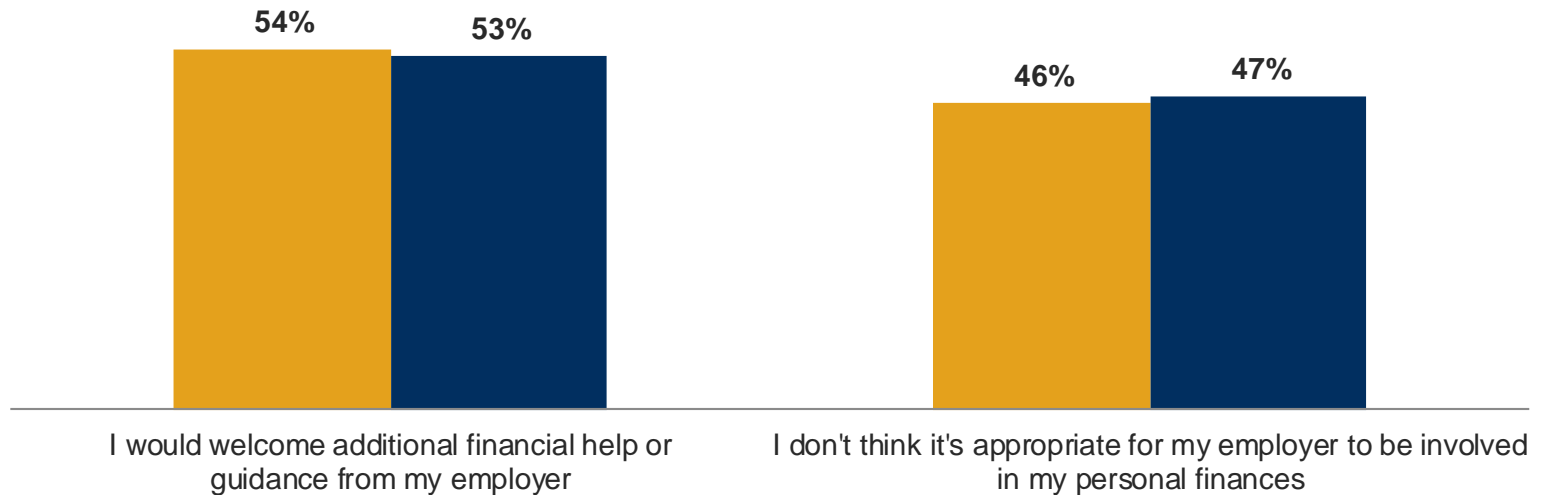


African Americans are less likely to work with a financial professional.

Slightly more than half would welcome additional financial help or guidance from their employer.

Views on Help from Employer

■ General Population ■ African Americans

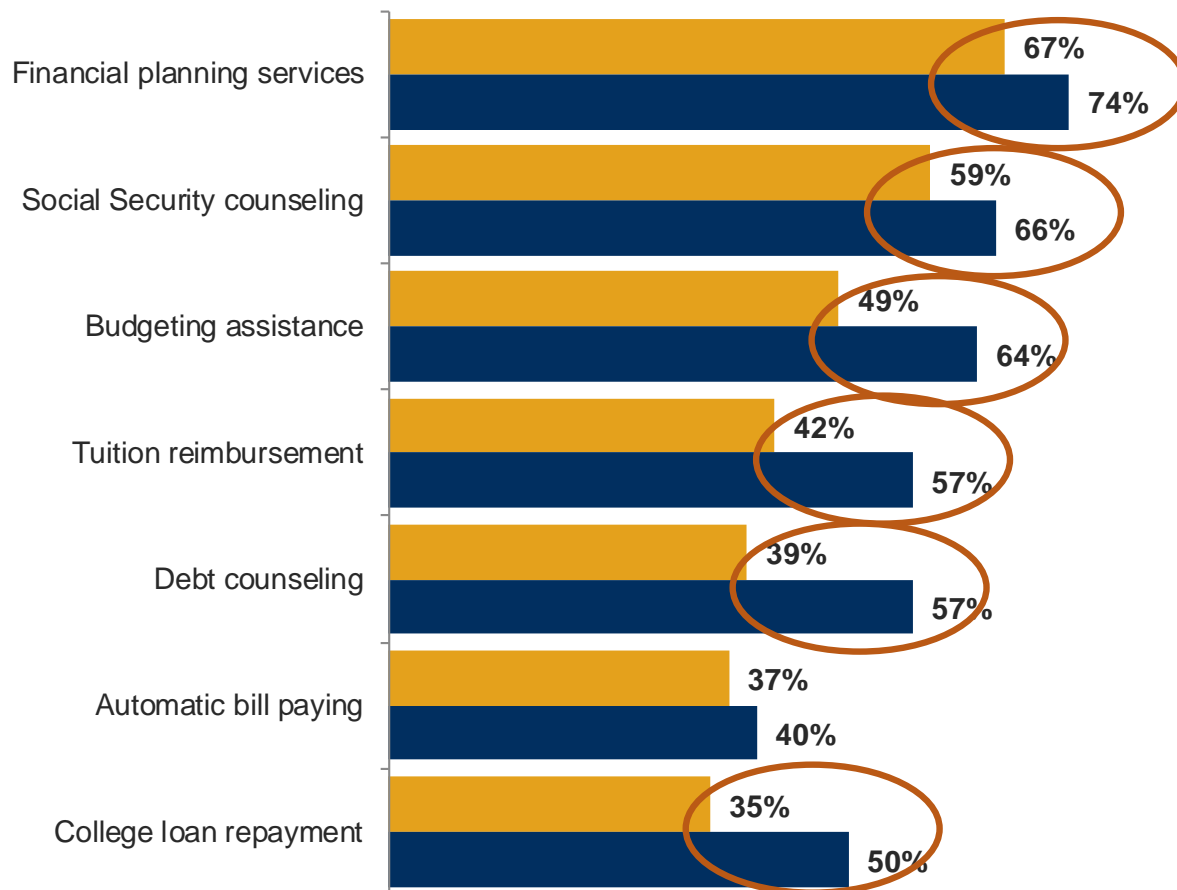



Which of the following is closer to your view? (General Population n=1,010; African Americans n=492)


African Americans tend to show a substantial amount of interest in financial planning services, budgeting assistance, and college loan repayment.

Percent Very/Somewhat Interested in Financial Wellness Benefits

■ General Population ■ African Americans

African American women are more likely than African American men to be interested in budgeting assistance, tuition reimbursement, and debt counseling.



Lower/middle-middle class African American workers express greater interest in budgeting assistance (71% vs. 57% \$75k+).

How interested would you be in receiving the following from your employer? (General Population n=1,010; African American n=492)

Study Demographics

	Total (n=1,010)	LGBT (n=504)	Hispanic (n=513)	African American (n=492)
Gender				
Male	56%	59%	59%	47%
Female	44	41	41	53
Do you consider yourself to be...				
Heterosexual or straight	91%	2%	87%	93%
Gay	4	44	5	2
Bisexual	3	34	5	2
Lesbian	1	19	2	1
Prefer not to say	2	2	1	2
Do you consider yourself to be transgender or transsexual?				
Yes	2%	8%	4%	*
No	98	90	95	99%
Prefer not to say	*	2	1	*
Age				
25 to 34	27%	33%	31%	25%
35 to 44	25	30	30	27
45 to 54	26	22	24	29
55 to 65	22	15	15	19

*=<0.5%



Study Demographics

	Total (n=1,010)	LGBT (n=504)	Hispanic (n=513)	African American (n=492)
Are you of Hispanic, Spanish, Latino origin or descent?				
Yes	17%	17%	100%	--
No	83	81	--	99%
Prefer not to answer	*	2	--	1
Racial Background				
Non-Hispanic Caucasian	68%	66%	--	--
Hispanic	17	17	100%	--
Non-Hispanic African-American	9	7	--	100%
Non-Hispanic Asian	5	7	--	--
Non-Hispanic Other	1	2	--	--
Prefer not to answer	1	2	--	--
[If Hispanic] Were you...				
I was born outside of the U.S.	(n=76) 20%	(n=49) 16%	(n=513) 20%	N/A
I was born in the U.S., and at least one of my parents was born outside of the U.S.	32	35	34	
I was born in the U.S., and both of my parents were born in the U.S.	44	48	46	
Not sure	--	--	--	
Prefer not to say	4	--	1	

*=<0.5%



Study Demographics

	Total (n=1,010)	LGBT (n=504)	Hispanic (n=513)	African American (n=492)
Household Income				
\$35,000 to \$44,999	10%	16%	15%	14%
\$45,000 to \$54,999	12	24	16	14
\$55,000 to \$64,999	12	15	13	14
\$65,000 to \$74,999	8	12	11	11
\$75,000 to \$99,999	27	17	24	26
\$100,000 to \$149,999	30	17	22	21
Marital Status				
Married	61%	23%	54%	44%
Single, never married	19	44	20	29
Divorced or separated	10	9	10	14
Not married, but living with a partner/significant other	7	23	13	11
Widowed	2	1	2	2
Level of Education				
High school graduate or less	16%	10%	19%	16%
Some college/trade or technical school	43	42	61	50
College graduate (4-year degree)	27	27	14	22
Graduate or professional degree	14	21	5	12

Study Demographics

	Total (n=1,010)	LGBT (n=504)	Hispanic (n=513)	African American (n=492)
Current Employment Status				
Employed full time	100%	100%	100%	100%
[If married/partner] Spouse's/Partner's Employment Status				
Employed full time	81%	80%	81%	79%
Employed part time	6	6	3	4
A homemaker	5	3	6	4
Retired	3	2	3	2
Disabled and unable to work	2	3	2	3
Self-employed	2	3	2	4
Unemployed or temporarily laid off	1	3	2	1
A full-time student	*	1	1	2

*=<0.5%

Study Demographics

	Total (n=618)	LGBT (n=262)	Hispanic (n=349)	African American (n=250)
[If married/partner] Household Decisions On Financial Matters				
You make most of the decisions with little or no input from another household member	29%	31%	42%	34%
You take the lead and discuss decisions with another household member	37	38	24	31
Decisions are made in total partnership	33	30	32	32
Another household member takes the lead and discusses decisions with you	1	1	1	2
[If married/partner] Household Decisions On Employee Benefits				
You make most of the decisions for both you and your spouse/partner, with little or no discussion	28%	25%	36%	35%
You take the lead for both you and your spouse/partner, but discuss decisions	35	35	30	26
You make decisions about both your benefits in total partnership	25	23	23	23
You make the decisions about the benefits from your job, and your spouse/partner makes the decisions about the benefits from their job	9	13	10	14
Your spouse/partner takes the lead for both of you, but you discuss decisions	3	3	1	3

Study Demographics

Live with and provide some financial support to...	Total (n=1,010)		LGBT (n=504)		Hispanic (n=513)		African American (n=492)	
	0	1+	0	1+	0	1+	0	1+
Children under 18	67%	33%	75%	25%	50%	50%	57%	43%
Adult children (over 18)	61%	39%	70%	30%	54%	46%	63%	37%
Parent or parent-in-law	92%	8%	82%	18%	82%	18%	86%	14%
Grandparent or grandparent-in-law	98%	2%	95%	5%	95%	5%	97%	3%
Other family or relatives	88%	12%	91%	9%	86%	14%	86%	14%
Friends or other non-family	95%	5%	91%	9%	92%	8%	93%	7%

Are there people you do not live with, but provide financial support?

Yes	21%	19%	20%	27%
No	79	81	80	73

Do NOT live with and provide some financial support to...	(n=168)		(n=82)		(n=122)		(n=123)	
	0	1+	0	1+	0	1+	0	1+
Children under 18	74%	26%	70%	30%	74%	26%	61%	39%
Adult children (over 18)	51%	49%	63%	37%	61%	39%	60%	40%
Parent or parent-in-law	74%	26%	48%	52%	48%	52%	64%	36%
Grandparent or grandparent-in-law	94%	6%	90%	10%	88%	12%	95%	5%
Other family or relatives	84%	16%	73%	27%	73%	27%	76%	24%
Friends or other non-family	87%	13%	77%	23%	87%	13%	83%	17%

Study Demographics

	Total (n=1,010)	LGBT (n=504)	Hispanic (n=513)	African American (n=492)
Region				
South	33%	33%	33%	52%
Midwest	26	23	11	19
Northeast	21	19	16	17
West	20	24	40	11
Total Savings				
Less than \$1,000	7%	12%	13%	13%
\$1,000 to \$4,999	8	7	9	12
\$5,000 to \$9,999	7	10	10	11
\$10,000 to \$49,999	20	24	23	22
\$50,000 to \$99,999	18	16	18	17
\$100,000 to \$249,999	14	15	10	12
\$250,000 to \$499,999	10	7	6	4
\$500,000 to \$999,999	5	4	2	2
\$1 million or more	2	2	*	*
Not sure	2	1	3	3
Prefer not to say	7	2	7	4

