

THE NEW MATH OF RETIREMENT

First-generation Americans seek advice during these unprecedented times

A WHITE PAPER

Research shows first-generation workers are worried about long-term economic impacts

Just a few months ago, Empower Institute research found that first-generation Americans were more optimistic than the general public when it came to the economy and jobs.¹ That trend has continued even as the turmoil and uncertainty caused by the COVID-19 pandemic have depressed consumer confidence. Still, new data shows that first-generation Americans need support as they learn how to navigate the market volatility that has become the new normal in the U.S.

Why focus on the needs of first-generation workers? More than 44.7 million immigrants live in the U.S., meaning roughly one in seven U.S. residents was born in a different country.² And those first-generation workers make up 17% of the U.S. civilian workforce.³ They represent a significant portion of the U.S. population, and they work in every industry

33%

**IN MANAGEMENT,
BUSINESS, SCIENCE
AND ARTS**

23%

IN SERVICES

16%

**IN PRODUCTION,
TRANSPORTATION AND
MATERIAL MOVING**

15%

IN SALES AND OFFICE

13%

**IN NATURAL RESOURCES,
CONSTRUCTION AND
MAINTENANCE**

Our research shows that first-generation employees sometimes have questions or concerns about retirement that are different from the overall population, and they tend to look to their employers for guidance. Employers have an opportunity to keep these employees informed and help them stay on track with their retirement goals.

Research methodology

The Harris Poll conducted an online survey, U.S. Financial Confidence – Impact of COVID-19, on behalf of Empower Retirement from March 16-18, 2020. A total of 2,028 U.S. adults ages 18 and older responded.

A first-generation American is defined as someone who was born in a non-U.S. country and is now an American citizen. Unless otherwise noted, all data in this brief is from this survey.

¹ Online survey in conjunction with The Harris Poll on behalf of Empower Retirement, U.S. financial attitudes and behaviors, January, 2020, 2,001 U.S. adults ages 18 and older.

² American Community Survey, U.S. Census Bureau, 2018.

³ American Community Survey, U.S. Census Bureau, 2018.

First-generation Americans remain confident

During this difficult period in our nation's history, first-generation Americans continue to have significantly more confidence in the economy and their retirement savings than the general population. While COVID-19 — and the market downturn and spike in unemployment it has caused — has fueled uncertainty

across demographics, 56% of first-generation Americans say they're confident in the U.S. economy compared with 42% of the general population. And 65% of first-generation Americans still feel confident in their retirement savings compared with 47% of the general population.

First-generation confidence versus the general population



Confidence in the U.S. economy

First-generation

vs.

General population

56%

42%



Confidence in their retirement savings

65%

47%

Workers' top COVID-19 concerns

While many first-generation Americans still have confidence in the economy, the potential economic impact of the pandemic is still top of mind. In fact, the data shows that economic fallout is

even more concerning to first-generation Americans than more immediate issues, such as getting sick or not being able to find necessities like toilet paper.

First-generation Americans' top five concerns:



82%

Inflation due to increased demand



76%

Recession



76%

Stock market volatility



73%

Getting sick



67%

Finding things I need (like toilet paper)

A “stay the course” mentality

As market volatility causes retirement balances to plummet, conventional wisdom suggests that employees avoid monitoring their accounts too closely. First-generation Americans, more than the general population, are following that advice. While 53% of the general population say they're not looking at their accounts until the market levels out, 62% of first-generation Americans say the same.

While that “stay the course” mentality may be to first-generation Americans’ advantage, it’s possible that many aren’t checking their accounts because they simply don’t know how to react. The data shows that 60% of first-generation Americans are not sure how the pandemic impacts their personal finances compared with 51% of Americans overall. And two-thirds of first-generation Americans would like their employer to “provide guidance on how to manage their retirement savings at times like this”— significantly more than the general population, 42% of whom say the same.

First-generation Americans are also much more likely to reach out to their employer for advice: Nearly 1 in 4 have sought advice from their employer versus fewer than 1 in 10 of Americans overall.

The needs of first-generation Americans should not be ignored. They very likely work for you, and they’re looking for help during this challenging time. Contact Empower for more ways to educate these employees on saving for retirement during the pandemic.

First-generation

vs.

General population

62%

53%

not looking at their accounts
until the market levels out

60%

51%

not sure how the pandemic
impacts their personal finances

1 in 4

1 in 10

have sought advice from
their employer



Research shows that first-generation Americans tend to be more optimistic about the U.S. economy than the general population, but the COVID-19 pandemic is causing workers across demographics to question what the future holds.

A recent survey administered by The Harris Poll on behalf of Empower Retirement suggests that first-generation workers are

still more optimistic about the economy and their finances, but they share the concerns of other workers about the long-term effects of the pandemic. First-generation workers in particular trust their employers to provide sound advice, and they are looking to their employers for guidance on saving for retirement through this uncertain time.



Key findings

First-generation workers **remain more confident in the U.S. economy and their retirement savings** than the general population.

The vast majority of first-generation workers are **concerned about the economic impacts of the pandemic, including inflation and a recession.**

More than the general population, first-generation workers **want guidance from their employers on saving** for retirement during these uncertain times.

Want to learn more? Contact your Empower representative today.