



## Case 1: Retirement Inequality

According to TIAA's #RetireInequality initiative\* women retire with 30% less income in retirement than men, even though on average they live five years longer. Not only do women, on average, leave the workforce two years earlier than men, women earn less than men doing the same work. Overall, in 2022 women earn \$0.82 cents on the dollar compared to men. That disparity is greatest for Black women, who earn 58 cents for every \$1 of take-home pay of a white male.

In February, 2021 TIAA, through its #Bethechange initiative, shared several statistics about the “persistent disparities in wealth for Black Americans today,” including retirement income.\*\* These disparities include:

- Black people hold \$6 of assets for every \$100 owned by white people.
- The median white family has 41 times more wealth than the median Black family.
- More than 73% of white U.S. families own their homes, compared to 44% for Black families, according to the U.S. Census.
- Even before the pandemic, the Black poverty rate in the U.S. was 22% – more than double the white poverty rate of 9%.

### Questions for the table:

1. Think back to your childhood. What kind of discussions, memories, thoughts, impressions, or assumptions do you remember from your caregivers around finances and planning for retirement? Does any memory stand out as particularly meaningful?
2. Take a look at T's Top 10 list (handout). What stands out to you? How do you challenge the wealth gap?
3. What workshops or trainings have you attended? How did they affect your financial decision making?

\*Find more information at <https://retireinequality.org>

\*\*Find more information at

<https://www.linkedin.com/pulse/bridge-racial-equity-starts-financial-health-brown-duckett-she-her>

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# The catalyst for change starts with each of us

T's list of 10 ways to Be the Change



## 1 Challenge my own perspective

I grow every time I get REAL—respectfully engage, listen and learn.

- Join a book club with authors who don't look like you
- Take inventory of the media you consume

## 2 Lean into inclusion through equity

It's about understanding different people require different things to thrive.

- Speak up for removing barriers to equity
- [Establish both subjective and objective measures of equity](#)

## 3 Know the only one

Walk a mile in someone else's shoes to gain insight.

- Practice empathy—seek to understand, not judge
- Read [The Power of Onlyness](#) by Nilofer Merchant

## 4 Study and learn from history

It helps us better understand our world and challenge biases.

- Find the stories that aren't being told
- Take the [Cultural Competency Self Assessment](#)

## 5 Take action as an ally

Go beyond words and literally do something.

- [Seize this historic moment and make sure it brings about long-lasting, long-overdue change.](#)
- Share your resources with others—knowledge, influence, assets

## 6 Challenge the wealth gap

Be intentional about increasing access to financial services for underserved communities. It's all about [financial inclusion](#)—we have to help people get their shot at jobs as well as the evolving skills needed for both and tomorrow's jobs.

- Promote financial education early and often with young people
- Foster a longterm perspective on financial wellness

## 7 Go for big, bold community impact

Change the world one act of service at a time.

- Protect your planet – Take small steps for us, and future generations
- [Find a cause that resonates and effect change](#)

## 8 Get proximate

Be willing to get close—a first step to authentic connections and inclusion.

- Seek out people who are different, like you, and actively listen
- Practice productive dialogue, not just debate

## 9 Protect peace

Accept that it's ok to not be ok. Focus on what anchors your life. For me, that's family and friends, faith and philanthropy.

- [Take steps to encourage courageous conversations that enable us to connect, to begin healing and get on a path to meaningful progress.](#)
- Spend time with loved ones and/or by yourself doing what you love

## 10 Set the bar higher

Then reset it.

- [Amp your leadership skills with some top podcasts](#)
- [Elevate with intention](#)



## Case 2: Pandemic Savings and Financial Anxiety

Between December 2019 and December 2021, savings in the U.S increased by \$4.1 trillion. Most of that was concentrated among the wealthiest Americans, though every income level did see increased savings.\* However, in June U-M's Surveys of Consumers found that 53% of consumers reported worsening personal finances in June 2022 and 32% expected their finances to worsen\*\* (June results).

### Questions for the table:

1. Did your financial behavior change during the pandemic (e.g. no longer paying for a parking pass or the dry cleaner)? If so, will those changes be sustained or changed? If so, how?
2. What kind of financial wellness training or advice would you recommend to a friend worrying about personal finances?
3. Given the wealth gap for Persons of Color in the current economy, how can the behaviors that support savings be reinforced, incentivized or rewarded?

\* (2022) *Federal Reserve: Distributional Financial Accounts*. Retrieved from <https://www.federalreserve.gov/releases/z1/dataviz/dfa/>

\*\* (2022) *Surveys of Consumers June 2022 Final Results*. University of Michigan. <https://data.sca.isr.umich.edu/fetchdoc.php?docid=70332>



### Case 3: Financial Wellness linked to Financial Literacy

The TIAA Institute-GFLEC Personal Finance Index (P-Fin) is a project that assesses financial literacy among American adults annually. According to an October 2021 report\*:

Over its first five years, the P-Fin Index has consistently found that financial wellness is linked to financial literacy—greater financial literacy generally translates into better financial well-being and lower financial literacy is generally associated with lesser financial well-being. This finding holds across generations as well. Within each generation, the following issues are more common among those with lower levels of financial literacy:

- Having difficulty making ends meet in a typical month.
- Being unable to raise \$2,000 for an unexpected expense, except for the Silent Generation.
- Being debt constrained.
- Spending time thinking about and dealing with issues and problems related to personal finances.

#### Questions for the table:

One avenue to increased financial literacy is through apps, several of which are available for a range of ages (see handout for examples).

1. Have you used any financial literacy or money management apps?
2. If you were to design your own financial literacy app or system, what behaviors or actions would you build into the system?
3. What words or concepts would you use to invite others into a discussion about financial literacy? What do you think is the relationship between financial literacy and financial wellness?
4. To what extent are apps the most effective way to increase financial literacy? Is there another method in your knowledge or experience that could be as or more effective? If so, what is it and why do you offer this method?

\*Yakoboski, P. J., Lusardi, A., Hasler, A. (2021) *Financial literacy and well-being in a five generation America: The 2021 TIAA Institute-GFLEC Personal Finance Index*. TIAA Institute and Global Financial Literacy Excellence Center.

[https://www.tiaainstitute.org/sites/default/files/presentations/2021-10/TIAA%20Institute\\_GFLEC\\_P%20Fin%20Index%20Finacial%20literacy%20and%20wellbeing%20in%20a%20five%20generation%20America\\_TI\\_Yakoboski\\_October%202021.pdf](https://www.tiaainstitute.org/sites/default/files/presentations/2021-10/TIAA%20Institute_GFLEC_P%20Fin%20Index%20Finacial%20literacy%20and%20wellbeing%20in%20a%20five%20generation%20America_TI_Yakoboski_October%202021.pdf)

## **Financial Literacy App Examples:**

**App A:** Designed to teach teens about money, this free app offers videos and financial literacy quizzes.

**App B:** Promoted as making learning about money fun, this app offers videos and short articles, paired with a secured credit card. It is designed for adults 18-24 years old.

**App C:** A popular free financial planning tool, this app has features for auto-paying bills, managing budgets and investments, and checking your credit score.

**App D:** This app is \$5 per month and utilizes an algorithm to automatically save daily for the goals you enter.

**App E:** This app automatically invests the “spare change” from your purchases into a retirement account.