A close-up portrait of a woman with dark hair pulled back, smiling warmly. She is wearing a dark top with white polka dots and small gold hoop earrings. The background is blurred, showing other people in a social setting.

# **A Community-Based Randomized Controlled Trial on an Educational Intervention to Promote Retirement Savings among Hispanics**

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# Hispanics are lagging behind in retirement saving

## There is a racial/ethnic gap in financial planning for retirement

Percentage of working adults with no retirement savings:

- Whites: 26%
- African Americans: 40%
- **Hispanics: 43%**

## Hispanics fare worse than other minorities groups in retirement preparedness

- Lack access to employer sponsored retirement plans
- Behavioral barriers towards retirement planning
- Little knowledge about retirement plans

# A community based RCT to promote retirement saving through opening a myRA

## myRA

A federally sponsored retirement saving plan

## Community partners

Mexican American Opportunity Foundation (MAOF)  
New Economics for Women (NEW)

## Population & location

Low and middle income Spanish-speaking Hispanics between 30 and 64 years old in the Los Angeles area

## Participants characteristics

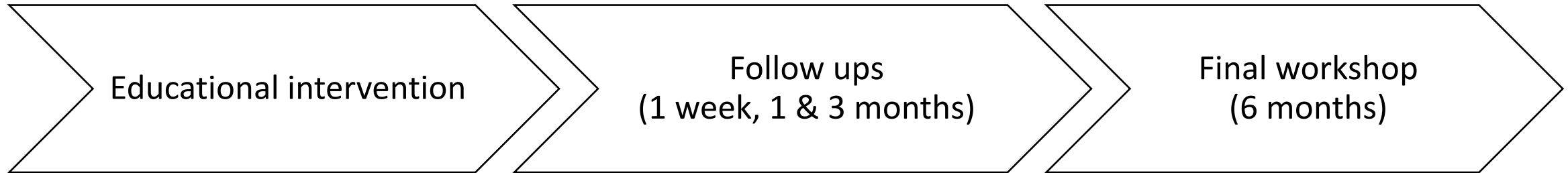
- 87% are women
- 85% are immigrants
- 70% have a household income below \$30K
- 89% have completed high school or less
- 75% have a pre-existing bank account (banked)

# An intervention based on the tenets of behavioral economics

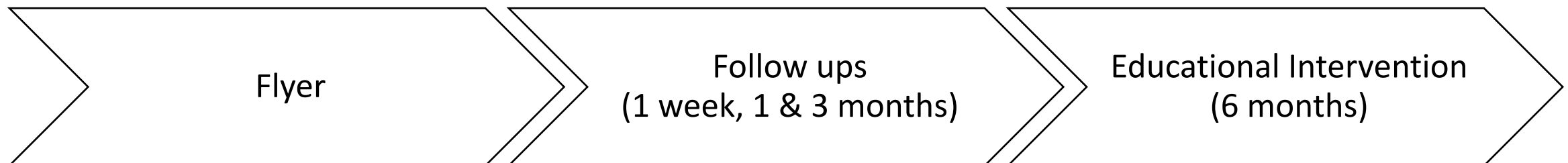
Barrier	Solution	Tools
Immersed in the here and now	Make retirement vivid	Visualizing exercise
Social norm of not saving	Make retirement savings commonplace	Video, images, messages
Procrastination	Make participants accountable	Technology (access to computer, text messages), and personal commitment (poster)

# Yo Planeo Mi Retiro Educational Intervention

## TREATMENT GROUP ( $n_t = 69$ )



## CONTROL GROUP – WAIT LIST ( $n_c = 74$ )



**Significantly greater proportion open myRA in treatment group within 6 months self-reported**

Sample	Treatment	Control	Difference
Full, n=143 (n <sub>t</sub> =69, n <sub>c</sub> =74)	13%	0%	13%*
Banked, n=102 (n <sub>t</sub> =43, n <sub>c</sub> =59)	21%	0%	21%*

\*Denotes statistically significance at the 1% level; difference also significant with a statistical power of 80%



**Significantly greater improvement in retirement knowledge in treatment group**  
 scale 0-10, self-reported

Full Sample	Treatment	Control	Difference
Pre-Intervention (Baseline)	1.8	1.4	0.4
Post-Intervention (at 6 months)	4.1	2.5	1.6*

\*Denotes statistically significance at the 1% level

# No significant difference in the saving and investment subscale among treatment and control groups after intervention

scale 1-5, self-reported

<b>GROUP A - CONTROL</b>	<b>PRE</b>	<b>POST</b>	<b>DIFF</b>
Finc. Mgmt. Behavior Scale (12)	2.58	2.71	0.12
Savings and Investment Subscale (5)	1.88	1.99	0.11
Cash Management Subscale (4)	3.54	3.74	0.20
Credit Management Subscale (3)	2.60	3.08	0.48
<b>GROUP B - TREATMENT</b>	<b>PRE</b>	<b>POST</b>	<b>DIFF</b>
Finc. Mgmt. Behavior Scale (12)	2.57	2.48	-0.09
Savings and Investment Subscale (5)	1.94	2.28	0.34
Cash Management Subscale (4)	3.63	3.50	-0.12
Credit Management Subscale (3)	2.87	2.13	-0.73*

\*Denotes statistical significance at the 5% level

Scale developed by Dew, J. P., & Xiao, J. J. (2011). The Financial Management Behavior Scale: Development and validation. *Journal of Financial Counseling and Planning*, 22 (1), 19–35.



# Significance of our study and future work

- In July of 2017 the federal government announced that myRA program will be phased out, and we redesigned our intervention to promote opening a Roth IRA (32 study participants exposed to new intervention)
- Analysis is underway to explore the link between retirement saving and mental and physical health
- We provide insights applicable to future programs that aim at promoting retirement saving, such as California Secure Choice

# Changing the message to promote behavioral change



# Yo Planeo Mi Retiro Team

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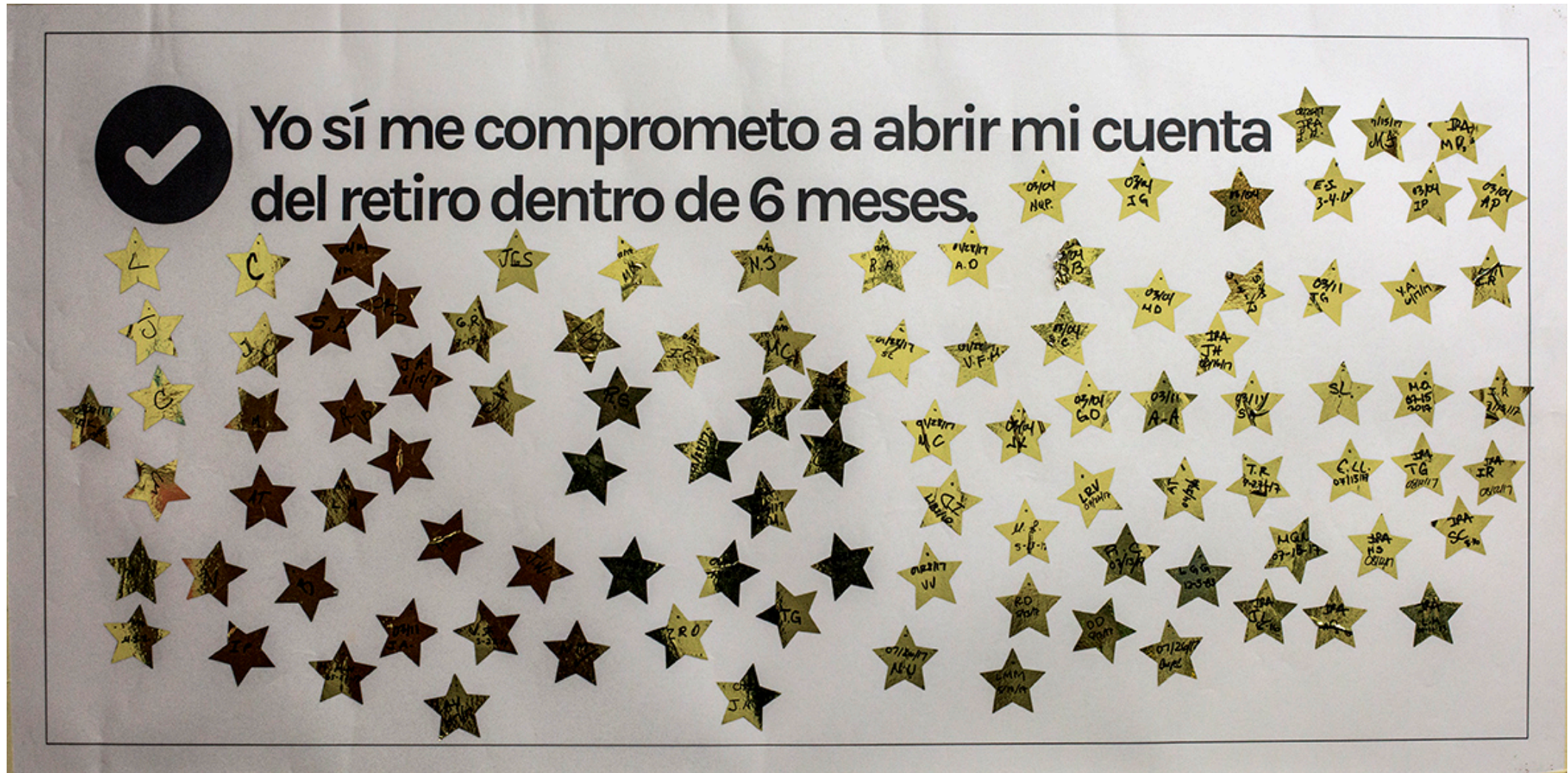
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¡Gracias!  
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# OTHER SLIDES

FOR REFERENCE



## Retirement planning indicator – Answer: Yes / No

1. Do you know how saving accounts work and how money grows over time in these accounts?
2. Do you know what you have to do to plan for retirement?
3. Do you know the different types of plans for retirement savings or retirement available?
4. Have you talked to a family member or friend about planning for retirement and ways to prepare?
5. Have you obtained information about planning for retirement in a book, magazine or brochure?
6. Have you obtained information about planning for retirement through a computer or cellphone using the Internet?
7. Have you consulted with financial advisor on how to plan for retirement person?
8. Have you obtained information about planning for retirement in a workshop?
9. Have you ever thought what age you plan to retire?
10. Have you ever tried to calculate how much you would have to save for retirement?

**Financial Management Behavior –whether you engaged in the last 6 months**  
**Answer: Scale 1(never)-5(always) - Developed by Dew & Xiao (2011)**

1. Comparison shopped when purchasing a product or service (Cash Management Subscale)
2. Paid all your bills on time (Cash Management Subscale)
3. Kept a written or electronic record of your monthly expenses (Cash Management Subscale)
4. Stayed within your budget or spending plan (Cash Management Subscale)
5. Paid off credit card balance in full each month (Credit Management Subscale) **NA option**
6. Maxed out the limit on one or more credit cards (Credit Management Subscale) **NA option**
7. Made only minimum payments on a loan (Credit Management Subscale) **NA option**
8. Began or maintained an emergency savings fund (Saving and Investment Subscale)
9. Saved money from every paycheck (Saving and Investment Subscale) **NA option**
10. Saved for a long term goal such as a car, education, home (Saving and Investment Subscale)
11. Contributed money to a retirement account (Saving and Investment Subscale)
12. Bought bonds, stocks, or mutual funds (Saving and Investment Subscale)

# Effect of Educational Interventions on opening a retirement account

Study	Tool (months)	Cont. (%Δ)	Treat. (%Δ)	Diff (%Δ)
Madrian & Shea (2001)	Seminar (6)	7	14	7
Lusardi (2008)	Planning aid (2)	29	45	16
Beshears et al. (2013)	Quick enroll. (1)	7	18	11
Beshears et al. (2013)	Quick enroll. (12)	22	44	22
<b>Our intervention</b>	<b>Seminar (1, 3, 6)</b>	<b>0</b>	<b>13</b>	<b>13</b>