

## Consider the “Us” Mindset When Serving Hispanic Clients

Many Hispanic and Latino clients aren't just saving for themselves—they're saving for their immediate and extended families. During Hispanic Heritage Month, consider who may be relying on your clients as you plan to address their most common concerns.

When helping clients plan for retirement, it can be easy to only consider a client's needs—or, at most, the client plus a spouse and/or children. However, some clients support extended family members. Research shows that Hispanic clients are more likely to focus on the “us” than the “I,” shouldering additional responsibility for extended family and other loved ones.<sup>1</sup> As you work to address the challenges your Hispanic clients are likely to face in retirement, it may be helpful to ask who needs to be considered in their preparations and how annuities can help.

### Address the Retirement Savings Gap

**According to a 2022 research study conducted by AARP, 64% of surveyed Hispanic workers don't have access to workplace retirement plans.**<sup>2</sup> This means that they are at a distinct disadvantage when it comes to accumulating enough money to sustain themselves in retirement, which is even harder to overcome when they must account for their extended families. Without the benefits of tax deferral and employer matching, the gap may become wider.

Even if clients feel their savings are behind, it's important for them to know there are options to help reach their financial goals. For example, adding a Roth IRA can help them accumulate savings for which they won't need to pay income tax when they take distributions in retirement. You also can remind clients that lifetime income products, such as annuities, can provide regular payments that cover

immediate expenses and may allow them to delay claiming Social Security retirement benefits. Extra income from delayed social security retirement credits can go a long way to help clients create the retirements they want, while taking care of relatives and loved ones.

### Longevity Concerns for the “Sandwich” Generation

**The average Hispanic client will live longer than clients of most other ethnicities.**<sup>3</sup> When working to build their retirement plans, it can be helpful to remember that this means these clients must account for both their own extended lifespans and those of their loved ones. For those in the sandwich generation—those responsible for caring for both young children and aging parents—this concern may feel even more pressing.

To address longevity risk, it can be helpful to suggest a strategy that accounts for everyone your Hispanic clients may need to care for. Prepare them for the possibility that their loved ones may live longer than the national average—and what that could mean for their savings needs. For example, providing additional lifetime income, with the help of annuities, both generations may be able to reduce portfolio stress and increase a potential financial legacy for their children. The ability to leave behind generational wealth may give Hispanic clients the confidence that their children (or other younger beneficiaries) will be set up for success to take care of themselves and their own families.

<sup>1</sup>TruStage. “[What Matters Now: A multicultural and multigenerational consumer lens.](#)” 2022 Research Report.

<sup>2</sup>David John, Gary Koenig, and Marissa Malta. “[Payroll Deduction Retirement Programs Build Economic Security.](#)” AARP. July 2022.

<sup>3</sup>National Institutes of Health. “[Life expectancy in the U.S. increased between 2000 - 2019, but widespread gaps among racial and ethnic groups exist.](#)” June 16, 2022.

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### **You Can Provide Inclusive Options**

By asking clients questions like, “Beyond your spouse and children, who might need support from you?”, you can offer strategies that account for their top priorities. Consider discussing adding annuities with lifetime-income strategies to IRAs to help maximize growth potential and flexibility to address the challenges they may face in caring for multiple generations. Your advice has the potential to address long-term income needs for more than a single generation.

### **Additional Resources and Links**

[Bridging the Financial Knowledge](#)

[Gap in the Hispanic Community](#)

[Retirement Income Translator Calculator](#)

[Managing Your Beneficiaries’ Inheritances](#)

### **ACTIONS YOU CAN TAKE RIGHT NOW**

- **Reach out to Hispanic and Latino clients during Hispanic Heritage Month.**
- **Evaluate who will rely on their income plans.**
- **Consider adding lifetime income to support greater longevity.**

For more information about retirement planning,  
please contact our Retirement Strategies Group at  
[RSG@PacificLife.com](mailto:RSG@PacificLife.com) or (800) 722-2333, ext. 3939.

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3 of 3



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