

Insights From Hispanic and Latino Families – Executive Summary



Empowering the Dreams of the Hispanic and Latino Community

In 2023, MassMutual commissioned the fifth wave of a nationally representative survey to understand how American families perceive the American Dream and the financial aspects involved. This Executive Summary highlights key findings about Hispanic and Latino families and their financial decision-making.

MassMutual is dedicated to listening to and understanding the unique needs of the Hispanic and Latino communities, taking meaningful action to support them. By working with a financial professional, creating a financial plan becomes less daunting and more achievable. Along with the study insights, you'll find helpful ideas and specific actions that can help you turn your American Dream into reality.



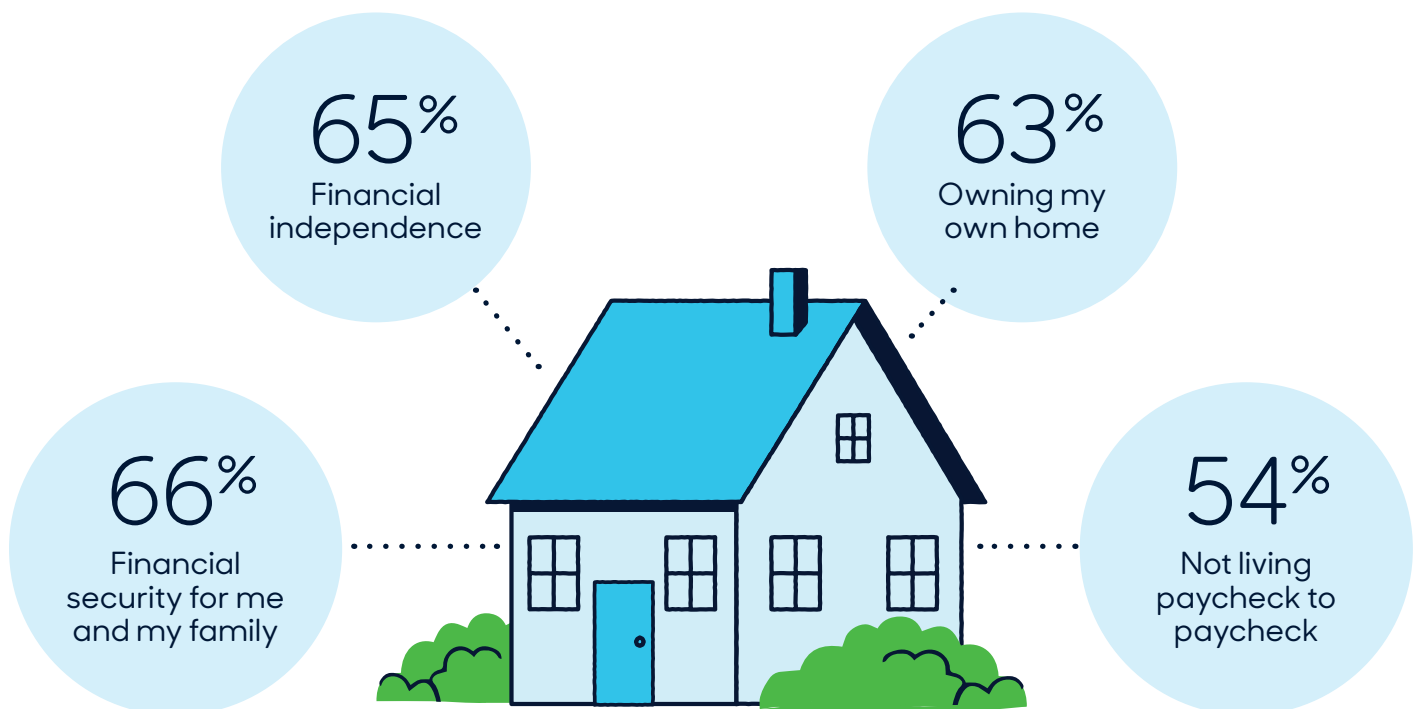
How Hispanic and Latino Americans Define the American Dream

Nearly half of Hispanic Americans believe the American Dream is fading, marking a higher percentage than any other ethnic group and reflecting a 9% increase since 2018.

Key aspects of the American Dream, such as financial security, independence, and not living paycheck to paycheck, are highly valued, yet about half of Hispanic families lack confidence in their ability to achieve these goals.



Defining the American Dream



Hispanic Americans Face Financial Challenges ...

The belief that the American Dream is out of reach may be influenced by specific challenges faced by Hispanic and Latino families. They are more likely than other ethnicities to wish for greater financial control and to feel that recent financial challenges have strained family relationships.



... But Still See Pathways to Building Wealth

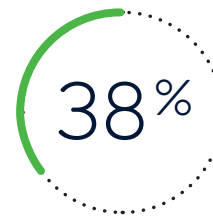
Despite these financial challenges, Hispanics and Latinos remain hopeful about the future. Out of their financial goals, they are most confident in their ability to own a home, consistent with 2018 data, and a growing number see entrepreneurship as a path to building wealth. In fact, 56% believe they could start or own a business one day, a 17% increase since 2018.



have less than 1 month of expenses set aside for emergencies.



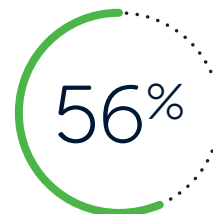
have credit card debt, higher than other groups, but the amount of debt they carry is consistent with other groups.



say they often have to prioritize day-to-day expenses over the long-term.



are confident about owning a home one day.



are confident in running a business.

Family Life is Front and Center

Hispanic Americans have a broad definition of family that extends beyond the nuclear unit to include extended family and friends. They're more likely to include "social media influencers" and "volunteer groups" in this definition.

This broader definition of family also means having more people to care for, which may intensify the challenge of balancing home and work life.

32%

struggle to balance work and home life.

27%

get help with child care from parents/in-laws, more than other ethnicities.

16%

hire full- or part-time child care help.



Family Wealth Transfer Is a Top Priority

Given the importance of family life, it's hardly surprising that Hispanic Americans place high value on passing down financial acumen and family wealth to the next generation. Top-rated attitudes toward finance are directly related to their children.



Top attitudes toward family and money



“I am actively involved in educating my child(ren) on finances.”



“I feel strongly that kids benefit from having parents or in-laws in our home.”



“I believe that I should pass along my values to my dependents and the next generation of my family.”

Top family financial priorities

79% don't want to burden their families financially.

73% prioritize stable income for their families in case of unexpected events.

69% prioritize wealth transfer to family.

Hispanic Families Remain Focused on the Future

Hispanic and Latino families focus on building a secure financial future, preparing for the unexpected, and keeping their savings on track. Top priorities include having an emergency fund and creating a comprehensive financial plan.

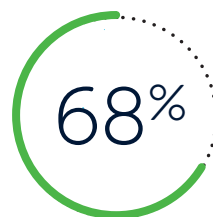
Top family financial priorities



said having an emergency fund.



said saving enough for retirement.



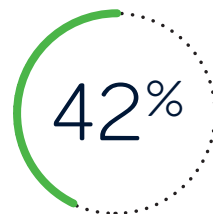
said developing a comprehensive financial plan.

They're Working Toward a Comfortable Retirement

“Saving enough to avoid having to work after retirement” is a top priority for nearly three quarters of Hispanic respondents. Their average ideal retirement age is 61. Many Hispanic families have figured out how much they need to retire (69%), and half have developed a financial plan for retirement, with 30% saying they always stick to that plan. However, other financial pressures make retirement saving more challenging.



are confident in being able to retire at their intended age.



feel confident in their retirement financial preparation—more than most other groups.



struggle deciding whether to save for retirement or their children's college education.

Hispanics and Latinos Worry About Future Health Care Costs

About two-thirds of Hispanic families are concerned about future health expenses, aligning with their top financial priorities around saving. Specifically, 66% worry about healthcare costs in retirement, and 65% are concerned about long-term care.

Ownership of long-term care insurance products has risen from 16% in 2018 to 23%, and is highest among Hispanic and Korean families. Hispanic Americans, like other groups, tend to purchase more life insurance privately rather than through employer plans, with most policies equaling at least 3-4 times their salary.

66% worry about healthcare costs in retirement.

65% are concerned about long-term care expenses.

89% believe it's important that their children are not burdened with their care.

A Secure Financial Future Is Within Reach

Hispanic families are working hard to secure their financial futures and achieve their dreams, but there's still more to do to keep the American Dream alive. A financial professional can work with you to create a strategy to help you meet your financial goals for the future.



The Top 10 Ways to Build Wealth



1 Protect Your Credit

A credit score helps lenders assess your risk of late payments, with higher scores indicating less risk. Higher credit scores might mean lower interest rates and help secure loan approvals, impacting major purchases like buying a home. Always review your credit report for inaccuracies to maintain a healthy score.



2 Take Advantage of Your Employer Benefits

Health insurance, group life insurance, and disability income insurance can help protect you against unexpected financial shocks. Likewise, retirement plans like 401(k)s can help your savings grow faster, so make sure to enroll and put your savings on autopilot through payroll deductions.



3 Avoid Credit Card Debt

Credit card debt is costly due to sky-high interest rates. Use credit cards for convenience, not for purchases you can't afford to pay off in full each month. Aim to spend no more than 30% of your credit limit, as exceeding this can hurt your credit score.



4 Build Your Financial Acumen

Understanding saving and investing principles, like diversification, boosts your wealth-building potential. Dedicate 30 minutes monthly to learn about financial topics like credit scores and IRAs. The more you know, the better you can manage your finances.



5 Only Use Loans to Buy Long-Term Assets

Use loans only for assets that can cover the loan if sold, like homes. Cars and education may be acceptable if they increase your earning potential above the loan's cost. Avoid using loans for depreciating assets or unnecessary expenses.



6 Always Take the Match

Employer 401(k) matches are free money, often matching 3%-8% of your salary. Always take advantage of this match to boost your retirement savings and reduce your tax liability. These contributions grow rapidly through compound interest.



7 Create and Stick to a Budget

Create a budget with categories like necessities, nice-to-haves, and emergency savings. Anticipate setbacks by setting aside six to nine months' worth of expenses as your financial cushion. Prioritize cutting back on luxuries and avoid dipping into emergency funds unless necessary.



8 Live Within Your Means

Know the limits of what you can (and can't) afford. Spending beyond your take-home pay burdens you with debt, which can hang around even as your income grows. Living within your means ensures financial freedom as your income increases.



9 Start Saving Early, Knowing It's Never Too Late

Start investing early in a 401(k) or IRA to benefit from compounding returns. Investing 10%–12% of your income from age 25 can make you a millionaire by 65. Even small, consistent investments grow significantly over time.



10 Hire a Financial Professional

A financial professional can help you build a wealth plan, regardless of your starting point. Seek a trusted professional to develop a comprehensive financial strategy and keep you accountable to your goals.

It's Okay to Start Small

You don't have to follow all 10 steps to start building wealth. This doesn't happen overnight; it takes deliberate, sustained effort. The most important thing is to begin. Jumpstart your journey by speaking with a MassMutual financial professional today.

Visit [Massmutual.com/financial-wellness](https://www.massmutual.com/financial-wellness) for more insights and planning tools



Connect with a MassMutual financial professional near you.

Visit [MassMutual.com](https://www.massmutual.com) today.

Survey Methodology

The 2023 State of the American Family survey was conducted for MassMutual by Shapiro and Raj from March to May 2023 via a 25-minute online questionnaire. The survey comprised 1,674 total interviews with Americans—men and women aged 25–64, with household incomes equal to or greater than \$50,000 and with dependents under age 26 for whom they are financially responsible. Respondents had to contribute at least 40% to decisions regarding financial matters in their household to qualify. Additional quotas were set for the targeted ethnic groups including: African American, Asian Indian, Chinese, Korean, and Hispanic, which were then weighted to be representative of American families. This study includes trending data for the previous survey wave conducted in 2018.





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Since 1851, MassMutual has been building a reputation for financial strength and integrity. At MassMutual, we operate for the benefit of our customers. Our business decisions are based on a single guiding principle: to help people secure their future and protect the ones they love.



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