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FINANCIAL EDUCATION PROGRAMS MUST EVOLVE TO ADDRESS THE UNIQUE NEEDS OF UNDERREPRESENTED WOMEN

New TIAA Institute Study Reveals Key Insights to Inform Financial Education Programs for Black and Hispanic Women

NEW YORK (February 23, 2021) – Limited access to financial education disproportionately affects Black and Hispanic women and harms their long-term financial outcomes, according to new research from the TIAA Institute.

The “Black and Hispanic Women’s Financial Well-Being” report found that while participation in financial education programs, whether through high school, college, or employer, was similar across underrepresented groups of women, Black and Hispanic women were offered shorter financial education programs – typically less than 10 hours – leading to fewer opportunities to learn and implement money-management skills that could result in meaningful improvements in financial well-being.

“Structural inequities and longstanding institutional biases in financial education and well-being have disproportionately impacted Black and Hispanic women,” said David P. Richardson, Managing Director of Research at the TIAA Institute. “A one-size-fits-all approach to financial education is unlikely to address differences in financial well-being. Instead, our research indicates that targeted education programs and research should be designed with the knowledge that Black and Hispanic women may have economic needs and perspectives about personal finance that differ from those of White women.”

The research, conducted by Robert Clark (North Carolina State University), Olivia S. Mitchell (The Wharton School’s Pension Research Council), Annamaria Lusardi and Hallie Davis (George Washington University’s Global Financial Literacy Excellence Center), measured financial well-being by adopting the U.S. Consumer Financial Protection Bureau’s metric, which defines financial well-being as “a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow enjoyment of life.”

Key findings and considerations include:

- Black and Hispanic women are less likely to have accumulated assets and more likely to exhibit costly borrowing behaviors compared to White women.
 - To address this reality, financial education programs can inform participants about the costs associated with alternative financial services or credit cards, and help Black and Hispanic women understand better solutions available to them.

- Black and Hispanic women are more likely have lower-wage employment and have student loan debt, making saving and homeownership more difficult.
 - Financial education programs can provide guidance on savings, retirement planning and debt repayment calibrated to the particular constraints facing Black and Hispanic women.
- Black and Hispanic women are more likely to be unmarried parents with financially dependent children.
 - Financial education programs should take into account diverse family structures and differing expectations about financial obligations among families and provide guidance for how to plan for long-term needs of dependent children, including health and educations costs.

The full report can be found [HERE](#).

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About the TIAA Institute

The TIAA Institute helps advance the ways individuals and institutions plan for financial security and organizational effectiveness. The institute conducts in-depth research, provides access to a network of thought leaders, and enables those it serves to anticipate trends, plan future strategies and maximize opportunities for success. For more information about the TIAA Institute, visit www.tiaainstitute.org and follow us on Twitter [@TIAAInstitute](#).

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With an award-winning¹ track record for consistent investment performance, TIAA (TIAA.org) is the leading provider of financial services in the academic, research, medical, cultural and government fields. TIAA has \$1.3 trillion in assets under management (as of 12/31/2020²) and offers a wide range of financial solutions, including investing, banking, advice and education, and retirement services.

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² Based on approximately \$1.3 trillion of assets under management across Nuveen affiliates and TIAA investment management teams as of 12/31/2020.

