

AHORRE PARA EL MAÑANA EMPEZANDO HOY.

HOW TO SPEAK TO YOUR SPANISH-SPEAKING
EMPLOYEES ABOUT SAVING FOR RETIREMENT



FINANCIAL SERVICES

FOR THE GREATER GOOD®



RICE
Unconventional Wisdom

C48709



RICE UNIVERSITY AND TIAA-CREF TEAM UP FOR SUCCESS



WHO WE ARE

Rice University

Elaine Britt, Director of Benefits

- Joined Rice in November 2001
- Manages Rice's health and welfare and retirement plans
- AB, Mathematics and Psychology, Washington University in St. Louis; MBA, Statistics and Marketing, University of Houston

Gloria O'Bryan, Sr. Benefits Coordinator

- Joined Rice in July 1989
- Serves as Rice's HR advocate for Spanish-speakers and the benefit plans

TIAA-CREF

Romano Richetta, Sr. VP, Participant Services

- Joined TIAA-CREF in July 2006
- Oversees TIAA-CREF's Call Center and Field Consulting Group -- more than 1,400 employees
- Bachelor's degree, Texas A&M University; Master's degree, M.I.T.; MBA, University of Texas at Austin
- Registered Principal and Registered Representative (FINRA Series 7, 24)
- Native of Venezuela





WHAT WE'RE GOING TO DISCUSS

- Cultural insights about gaps between the vision of retirement and reality
- Rice University and TIAA-CREF's model for talking to Spanish-preferred Hispanics about retirement planning
- How other Hispanic-serving institutions can help their Hispanic employees take control of their retirement future

A photograph of a large, ornate brick building with Gothic-style architecture, featuring arched windows and two towers with spires. The building is partially obscured by green trees in the foreground. A semi-transparent grey box is overlaid on the right side of the image, containing text and a list of facts.

RICE UNIVERSITY

- HACU Associate Member
- Founded 1891
- Enrollment: 5,556
- Number of employees: 2,900



RICE
Unconventional Wisdom



**OUR MISSION IS
CLEAR: SERVE THOSE
WHO SERVE OTHERS**



TIAA-CREF

Founded 1918 by the Carnegie Foundation

Assets under management (as of June 30, 2010) = \$410.2 billion

Helps those in the academic, medical, cultural and research fields plan for and live in retirement

Higher education participants: 890,000

HACU sponsor 2009-2010

A good fit with Hispanic values

- **Objective advice (Our consultants are compensated on how well we serve, not on what we sell)***
- **Experience: "Over 90 years helping people just like you"**
- **Strong individualized relationship**

FE 101: “HISPANICS AND RETIREMENT”





- Hispanics **under-index in retirement planning**, in numbers of retirement accounts and amounts saved.
- “Because Hispanic Americans have a longer life expectancy, their **retirement savings will need to last longer** than many have predicted...”*
- Lack of preparation for retirement will impact the economy.

**Many experts agree that you will need 80%
of your preretirement income****

*“Hispanics and Retirement: Challenges and Opportunities,” The Hispanic Institute and Americans for a Secure Retirement, October 2009;

**Kiplinger.com, “How Much Will You Need for Retirement?” © 2008 The Kiplinger Washington Editors



- **Only 25% of Hispanics are covered by employer-sponsored retirement plans**, compared to 42% of non-Hispanic whites and 40% of African-Americans
- When they reach retirement age, **Hispanics often find that their savings do not stretch far enough**
- On average, **Hispanics spend more than half of their retirement income (54%) on food and housing**. Non-Hispanic white retirees spend just 11.4% of retirement income on these items

THE NEXT RETIREMENT WAVE

- **Younger** than the general U.S. population
- **Less than 6% of U.S. Latinos are in retirement age** – vs. 12% for non-Hispanic whites
- **Foreign-born Latinos:** The first large group of U.S. Latinos to begin **approaching retirement age**
 - Foreign born: 10-15 years
 - Next wave in 25-35 years skews U.S. born



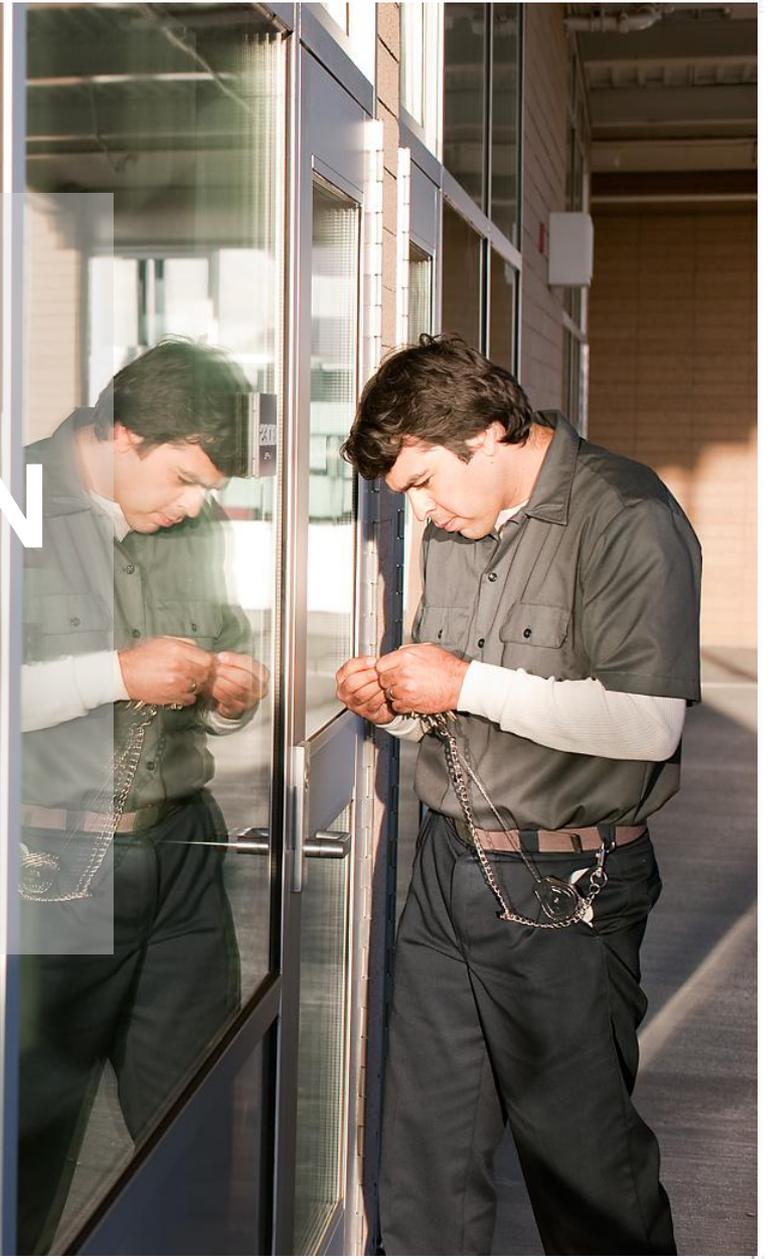


FOREIGN-BORN LATINOS HAVE THE GREATEST NEED

- Lack retirement-planning information
- Prefer Spanish
- Least acculturated



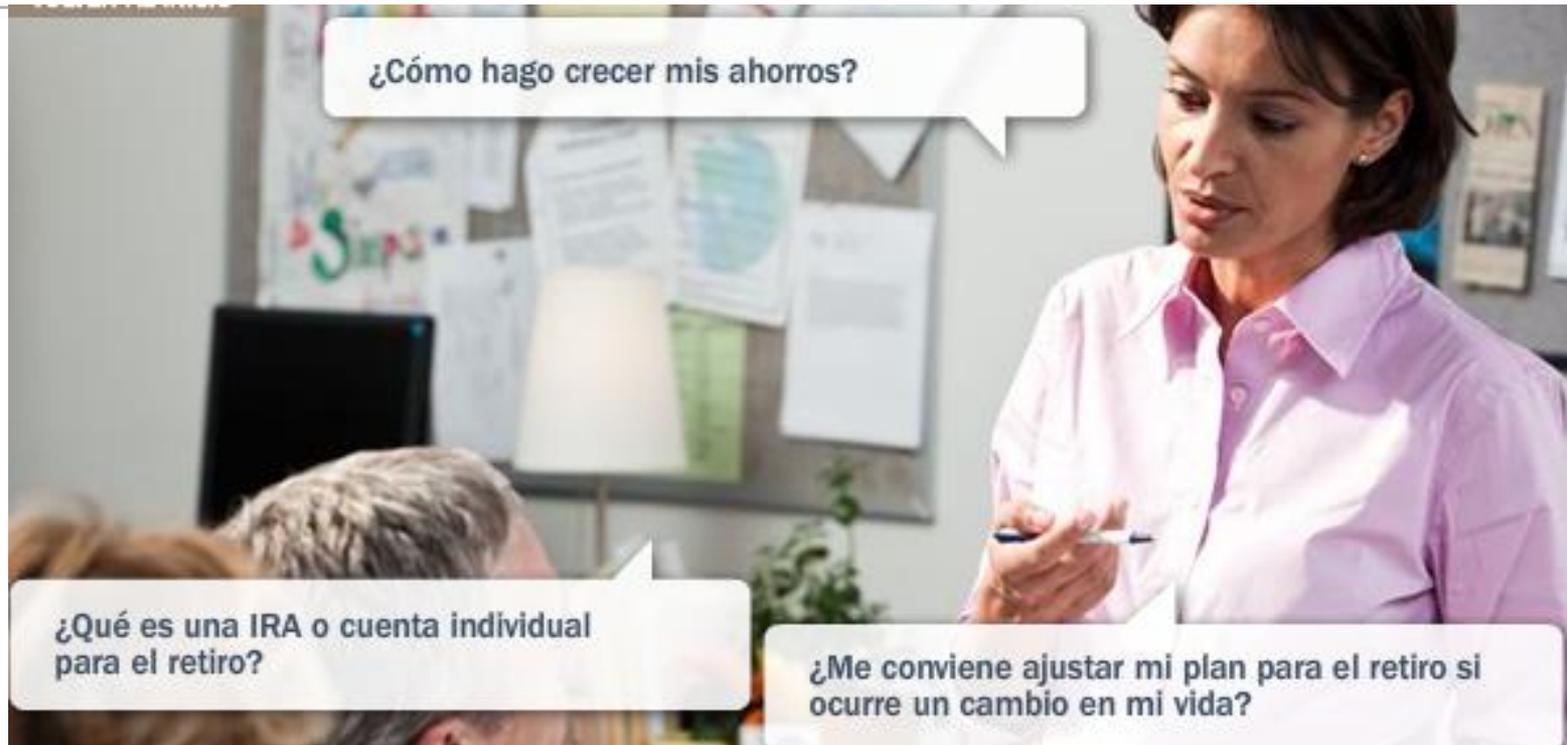
WHY HISPANICS UNDER-INDEX ON RETIREMENT PLANNING





CULTURAL ATTRIBUTES THAT CAN IMPACT RETIREMENT PLANNING

- Religion/faith
- Live in the “now”; short-term financial time horizons
- Trusted relationships: family, friends and influencers
- Family responsibility drives decisions
- Desire to stay busy, active, connected to family and friends – even in retirement
- Strong work ethic



- **Language barriers:** Confusing financial terms – no one has talked to them in Spanish about retirement planning
- **Income:** Must provide for family's day-to-day needs
 - Belief: Don't make enough money for monthly contributions
- **No retirement plan offered:** Work in small or family-owned businesses without formal retirement programs

GAP BETWEEN VISION AND REALITY

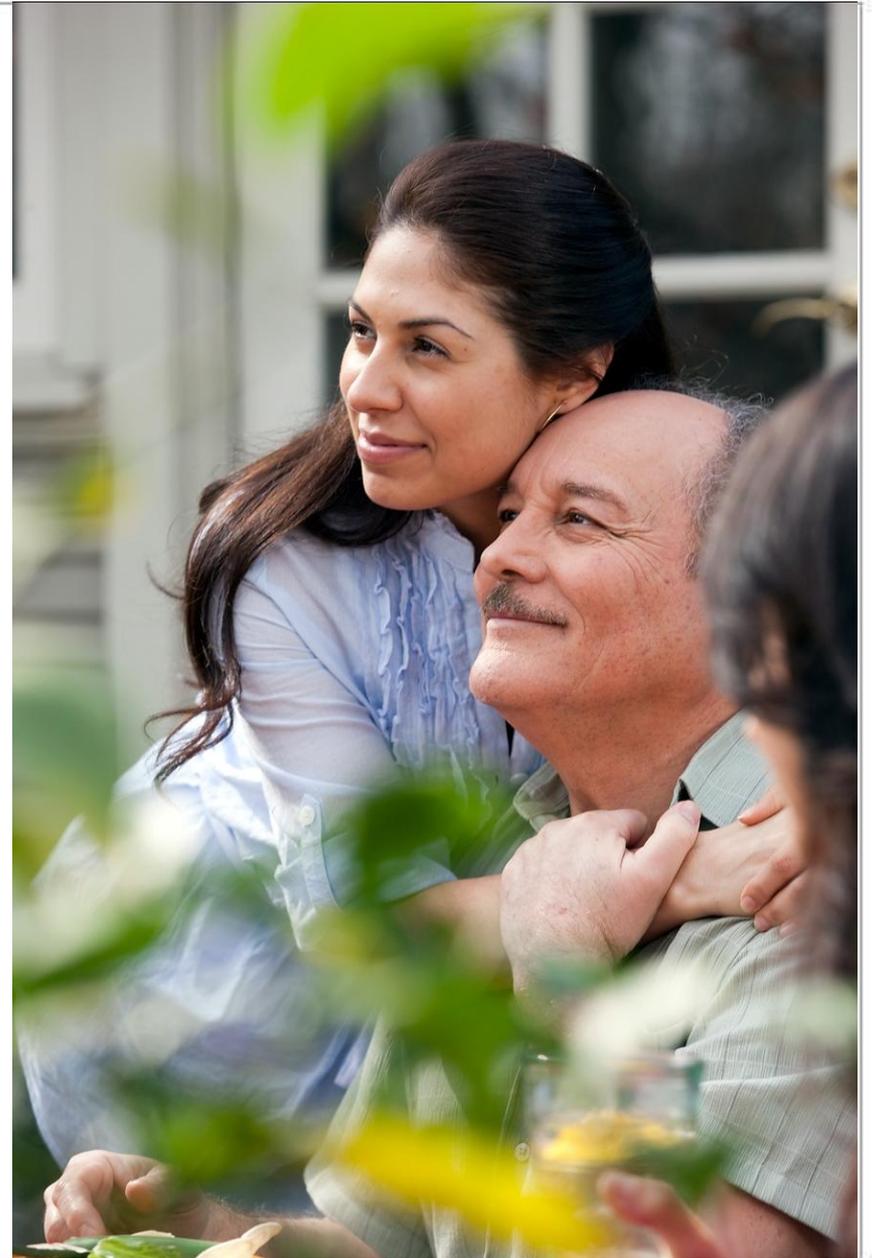
- See the importance of preparing for retirement
- What they believe they will need does not = the reality of what they will be able to afford
- Dream: Have a larger house so the entire extended family can visit
- Rely on family, Social Security, savings accounts, or real estate (a *ranchito* in Latin America)





LACK OF TRUST

- Don't know where to go for retirement advice
- From countries without a tradition of retirement saving or where there is distrust of financial systems



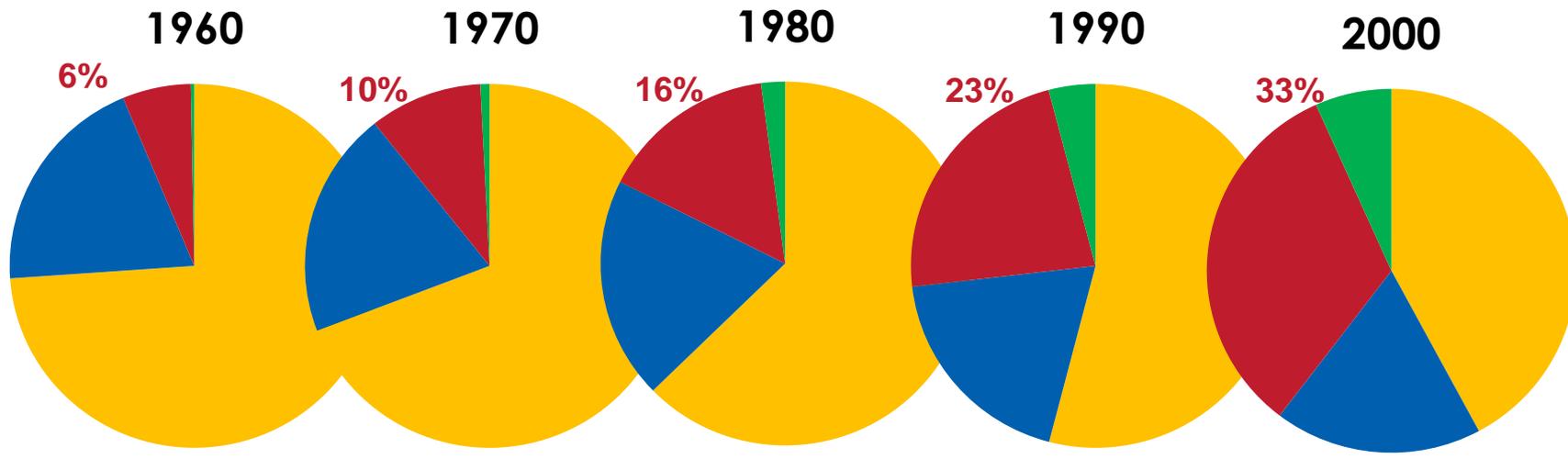


BREAK: ARE YOU PREPARED FOR RETIREMENT?

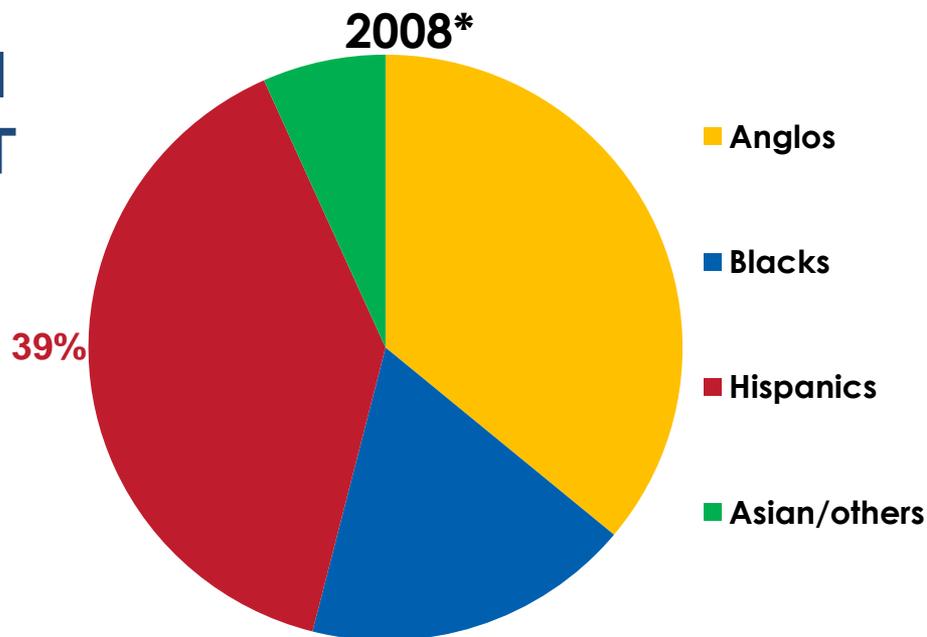


TEAMING UP FOR RETIREMENT- PLANNING SUCCESS AMONG SPANISH-PREFERRED HISPANICS

Rice University and TIAA-CREF



WHY SPANISH IS IMPORTANT IN HARRIS COUNTY – Hispanic Population Growth



RICE UNIVERSITY'S HISPANIC EMPLOYEES



- **Hispanic employees:** around 21% of total (609 employees)
- **40% prefer Spanish** (around 244); many benefit from both English and Spanish-language materials
- Mexico, Central and South America
- **Very loyal** -- working at Rice is a career, not a job
- Typically **low participation in retirement** programs and low contributions

RICE: WHAT OUR HISPANIC EMPLOYEES TOLD US

“I don’t earn enough to save”



“Social Security will take care of me.”



“My son will support me.”



“I don’t want to save a lot of money and then not live long enough to enjoy it.”



“I don’t trust banks. They’re corrupt.”



RICE: WHAT OUR HISPANIC EMPLOYEES TOLD US

After further talks – in Spanish – we discovered that our employees did want help with their retirement planning – in Spanish!



“I don’t understand the plans.”



“I speak English, but I’m not comfortable talking about finances in English.”



“Money is too serious a topic/too personal to discuss in English.”



TIAA-CREF U.S. HISPANIC/ LATINO INITIATIVE



“In-language/in-culture” retirement planning information – more than simply translating materials to Spanish – messages/images that resonate culturally with Hispanics

- Bilingual consultants in National Contact Center for customer requests
- Automated telephone system in Spanish for account access 24/7 (800-842-2252, option 9 for Spanish)
- Financial-education seminars for Spanish-speaking employees of higher education/healthcare institutions
- Personalized 1-on-1 retirement-planning consultations with objective, non-commissioned advisors¹ in Spanish
- Educational Spanish-language website (June 2010): www.tiaa-cref.org/espanol

¹Our advisors/Individual Consultants receive no commissions. We compensate them through a salary plus incentive program that rewards client service as well as financial results.



FINANCIAL EDUCATION SEMINARS

- Spanish-language FES on campus
- Tuesday, Oct. 13; 10 a.m. & 1 p.m.
- Authorized time off from work duties
- 1-on-1 consultations three days later with Spanish-speaking Individual Consultants



FLYERS/POSTERS



SAVINGS CALCULATOR BROCHURE



TENT CARDS



GETTING THE WORD OUT

Two weeks before the FES:

- Spanish-language posters/flyers
- e-mails to supervisors and head custodians
- In-person talks to target groups
- Incentive to attend: Scheduled during work hours





RESULTS

- **Session Attendance: 70**
 - Maintenance, kitchen and housekeeping staff, groundskeepers
- **83% requested & received 1-on-1's with Individual Consultants (face-to-face + telephone)**
- **Increase in deposits: \$23,500 annualized**
 - 21% increased their contributions
 - 13% opened new accounts





Participants' comments

- Very appreciative; felt very comfortable with speaker, wanted to sign up for 1-0-1 session with him
- Had never contacted us; didn't know we offered Spanish services
- One person didn't know she had an account!
 - \$20,000 accrual
 - Signed up to make supplemental contributions to ensure she is on target for retirement

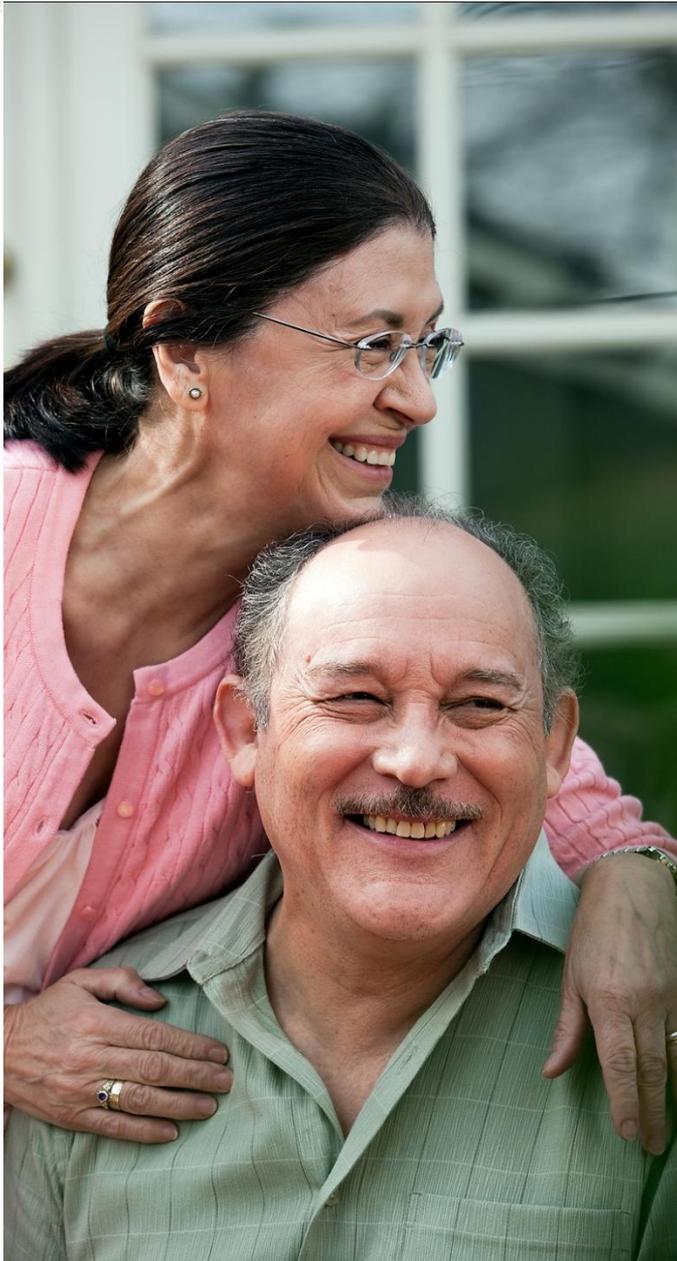
RESULTS: WHY HAS THE PROGRAM BEEN SUCCESSFUL?

- Advance planning
- Joint effort: Working together to meet need
- Effective communication channels
- Listening to employees/participants and reaching out to meet their retirement needs
- In-language, in-culture





REPLICATING THE RICE EXPERIENCE ON YOUR CAMPUS



LESSONS LEARNED

Meet Spanish-preferred employees' needs regarding retirement

Education

**Build a
comfort
level**

**Don't
push!**

LESSONS LEARNED



Timing: Avoid end of school year – too much happening on campus

Publicize sessions in English and Spanish. Don't forget word-of-mouth!

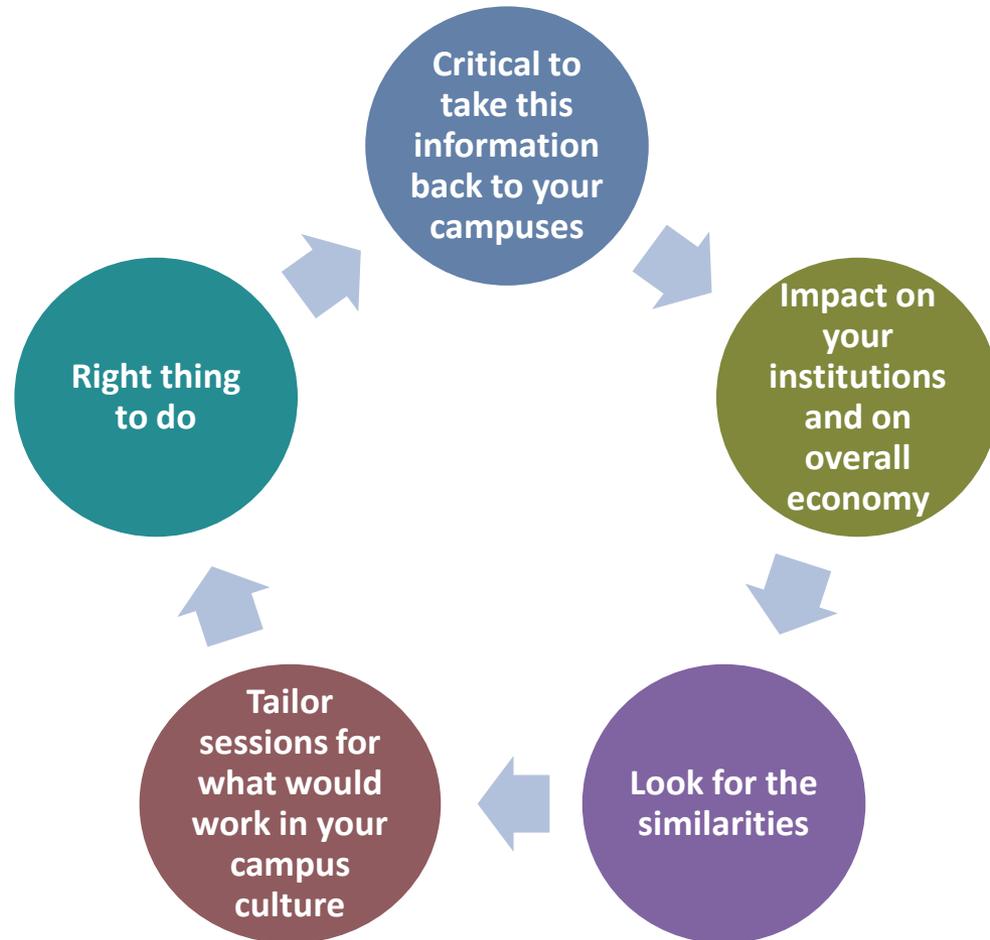
Internal advocacy: Involve employee managers from the start and get their support. Talk to target groups

Allow time off from work duties to attend sessions

In-language: Education sessions in Spanish

Follow up with one-on-one sessions with consultants for added comfort level

TAKE THE MODEL TO YOUR CAMPUS



“A DIFFERENT STORY OF THE FUTURE”

“After accelerating in the 1990s, immigration has leveled off. The newcomers are moving out of poverty and assimilating at least as rapidly as the earlier immigrants from Europe. The baby boomers will soon retire, and today’s immigrants and their children will be the citizens and voters, workers and taxpayers, of America in the 21st century.”



TIAA-CREF.ORG/ESPAÑOL



Building on Our Éxito:

Website

Educational materials

Additional outreach initiatives



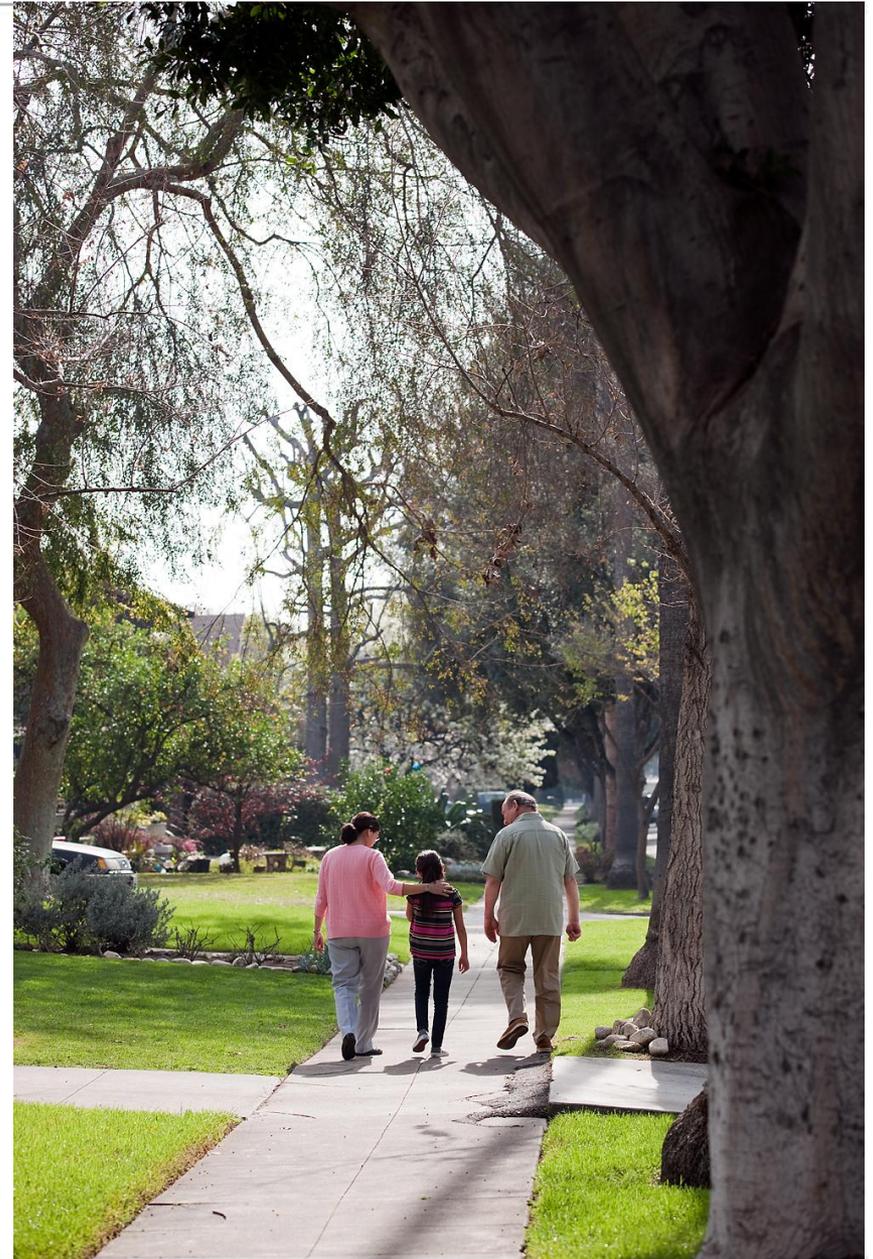
PREGUNTAS Y RESPUESTAS



The time to start is now!

Save for tomorrow.

Start today.



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