



BLACK WOMEN'S WEALTH IN RETIREMENT

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DISCLAIMER

- I will share information and experiences concerning financial matters throughout this presentation.
- Everything shared today is for informational purposes only and is not advice.
- Contact a professional to answer questions and guide you on any other subjects discussed today.

Why this topic?

- My family's experiences since 2023 with declining health and the need to enter long-term care facilities
- Experience with lay-off after 50
- Rising costs of food, rent, and taxes is a topic of conversation among friends, and how what this means for the future
- Living longer in relatively good health

What is wealth?

Wealth is defined in different ways:

- Having many possessions
- Having a large bank account
- Having a large income

How do you define wealth?

For my research, I define wealth as the ability to receive income from your assets to achieve a sustainable lifestyle



Urban Institute

Black Women's Retirement Preparedness and Wealth Study

Angelino Viceisza December 2022

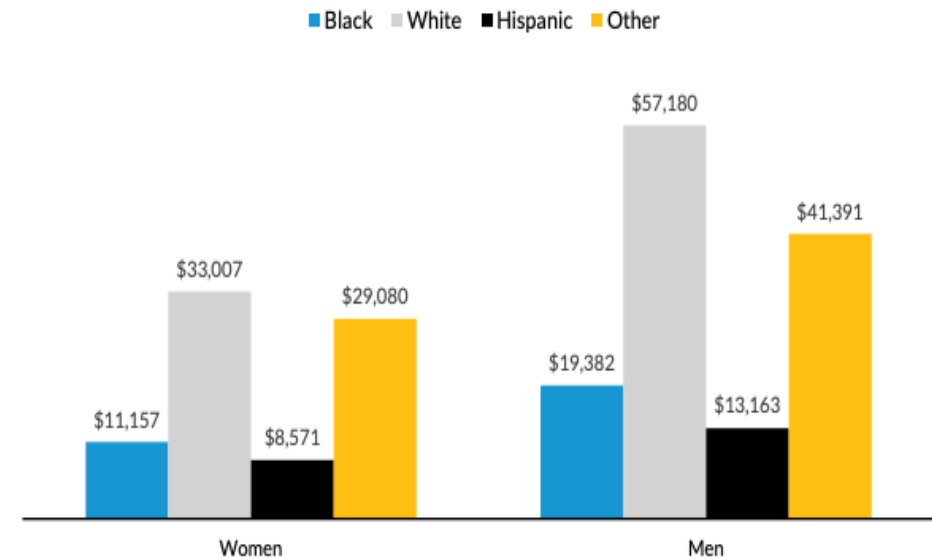
Angelino's Study 2019 Survey of Consumer Finances

- Black women have among the lowest levels of retirement wealth
- Lag in their retirement preparedness is unlikely a result of lack of awareness
- Contributing factors:
 - Employment discrimination
 - Occupational Segregation
 - Low-paying jobs
 - Limited intergenerational wealth transfers
 - Limited home equity and home ownership due to lending market discrimination
 - Drains on savings due to adverse health outcomes

Average Retirement Wealth for Black Women and Others

FIGURE 1

Average Retirement Wealth for Black Women and Others



Choosing a dataset

- Not much data about Black women
- Studies use data to identify deficits – the results are conveyed from a place of lack
- I wanted data that could tell a different story

I turned to AARP (American Association for Retired Persons) and found a dataset from a survey on the need to work in retirement

AARP Financial Need To Work In Retirement Dataset – May 2022

- AARP conducted this study to determine how many Americans aged 50 or older still work during standard retirement age.
- This study reports 42% of individuals over 50 are working in retirement or expect to work in retirement for financial reasons.
- 29% of all retirees surveyed are already working in retirement or expect they will need to.
- Survey sample size – 1,016 50+ people
- Employment situation:
 - Retired and not working
 - Retired and working
 - Not retired and working
 - Not retired and not working
- Questions asked if you need to work:
 - If working or not working in retirement years but will need to work for financial reasons
 - Retired and working or not working for financial reasons
- Can we analyze this data to determine what factors contribute to a person's need to work in retirement?
- Can we use these factors to help Black women be better prepared for retirement thus creating and maintaining their wealth?

Hypothesis	Null Hypothesis
There is a relationship between working in retirement and dataset contributing factors	There is not a relationship between working in retirement and dataset contributing factors

Using machine learning techniques on survey demographics to draw conclusions

- This study contains demographic information for gender, age, race, education, marital status, employment status, income, state, region, internet usage, housing, household size, and children in the household as variables.
- A chi-square statistics test is used on the dataset to significance. The results provided 17 variables identified as significant.
- Statsmodel is used to determine significance according to P-value results.
- Logistic regression is used to test and train the data and determine the accuracy of the model and the AUC-ROC curve to measure the performance of the model.
- The results will help develop proof of concept for a more comprehensive study

Logistic regression is used to test and train the data and determine the accuracy of the model and AUC-ROC curve to measure performance of the model.

Both score models with high degree of accuracy

Accuracy of the model with best parameters: 0.842809364548495

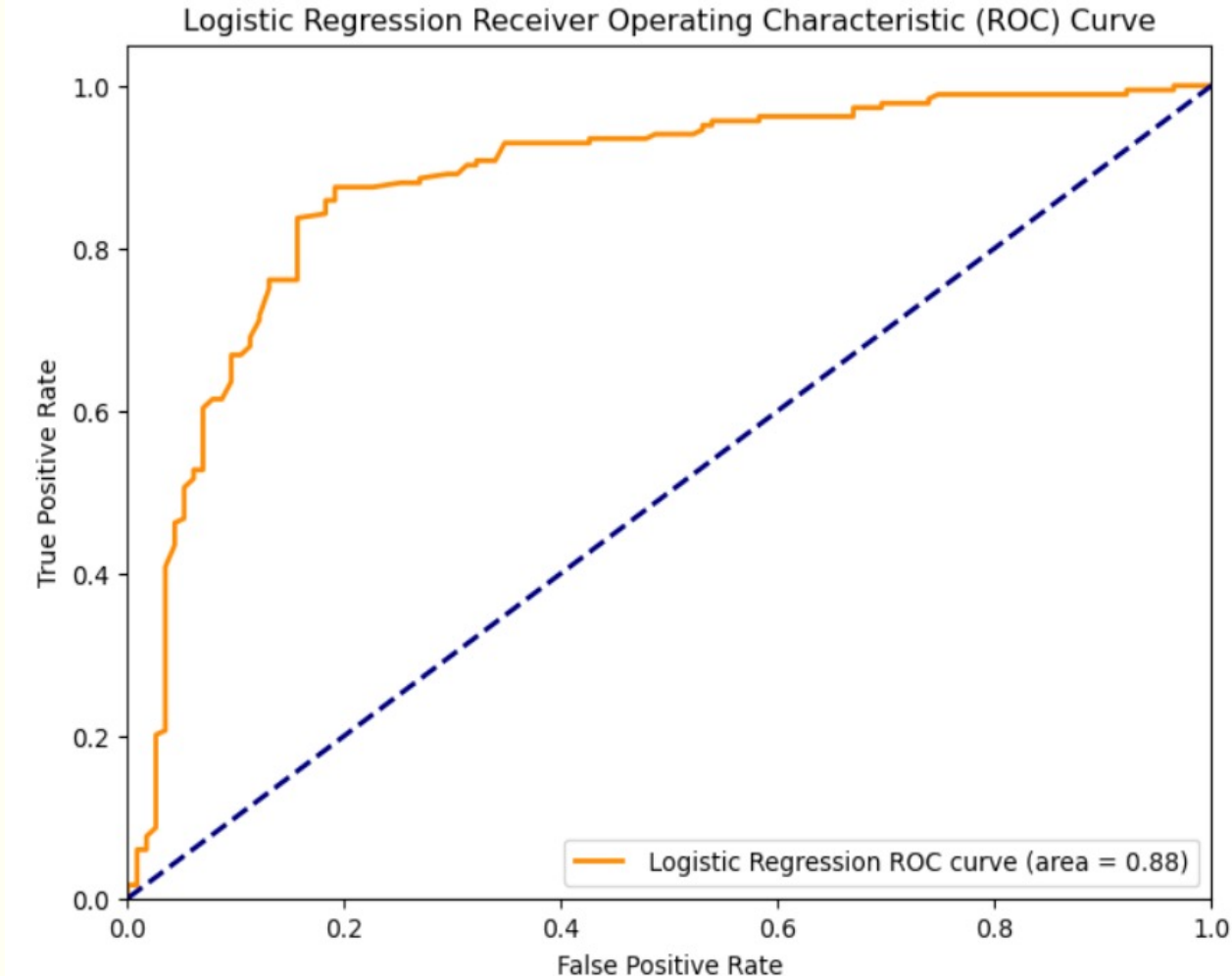
Classification Report:

	precision	recall	f1-score	support
0	0.78	0.82	0.80	115
1	0.88	0.86	0.87	184
accuracy			0.84	299
macro avg	0.83	0.84	0.84	299
weighted avg	0.84	0.84	0.84	299

Confusion Matrix:

```
[[ 94 21]
 [ 26 158]]
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AUC Score: 0.8788988657844992



Conclusion – Reject null hypothesis. There are factors which determine if a person will need to work in retirement

Type	Variable	P> z
Household size	HH_Six or more	0.002
Household size	HH_5	0.000
Household size	HH_3	0.000
Household size	HH_4	0.000
Race	RACETHNICITY_White	0.005
Race	RACETHNICITY_Hispanic	0.036
Education	EDUC_Vocational/tech school/some college/associates	0.007
Children in the household	HH1317 (Children aged 13-17)	0.000
Income	INCOME4_\$30,000 to under \$60,000	0.004
Age	AGE2 50-64 and 65+	0.005
Marital	MARITAL_Never married	0.001
Marital	MARITAL_Widowed	0.001

The P-value score shows a strong likelihood these contributing factors determine if a person will need to work in retirement.

In pre-retirement, Black women may consider how the factors relevant to their lives are affecting their retirement wealth goals. Understanding what other factors could possibly hinder savings and/or investment goals will enable course correction before retiring.

More research is needed to determine what Black women need and want to create and maintain their wealth



- My continuing research will create a solution specific to Black women's needs
- Black women need to be able to define wealth by their standards and experiences
- Black women need resources to help navigate situations that may lead to changes to wealth goals

Call to Action

- Utilize resources that provide financial guidance through work, health insurance companies, school, etc.
- Prepare pre-retirement checklist
- Start having financial conversations with parents or anyone you may have to become a caregiver
- Check your numbers annually – maybe on your birthday
- Maintain your health
- Enjoy your life!

Thank you!

Thanks for sharing this time with me and listening to my research presentation.

Many thanks to Dr. A and the Applied Data Science and Analytics program faculty.

Thank you to Dr. Edmund for leading our class through Machine Learning.

Thank you to the students participating in this journey with me.

I hope you all create and reach your wealth goals.



References

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