

# THE PILLARS

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## Benefits of 401(k) Plans

Written by: Chad Cooper

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In the past, many private-sector employees could depend on traditional defined benefit pension plans from their employers for their retirement planning. With the gap between retirement dates and life expectancies increasing over the decades, the viability of defined benefit pension plans to provide guaranteed lifetime income has greatly decreased over the years. According to the Bureau of Labor Statistics, as of March 2020, only 15% of all private industry workers had access to a defined benefit plan.

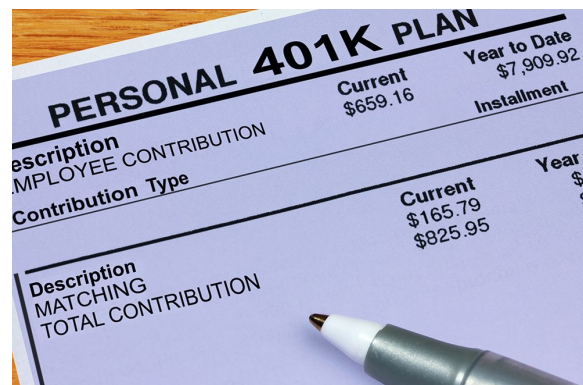
401(k) plans, however, remain a popular choice for investors. They offer a flexible, proven way to save for retirement. According to the Investment Company Institute, “as of March 31, 2021, 401(k) plans held an estimated \$6.9 trillion in assets and represented nearly one-fifth of the \$35.4 trillion US retirement market.” ([https://www.ici.org/faqs/faq/401k/faqs\\_401k](https://www.ici.org/faqs/faq/401k/faqs_401k)). In 2021, investors under age 50 are allowed to contribute up to \$19,500 into a 401(k). If you are age 50 or older, you can contribute an extra \$6,500 via a catch-up

### What are the benefits of a 401(k) plan?

Investors can contribute as much or as little to the account up to the plan and IRS limits. Plus, plans generally offer the flexibility to change contribution levels dependent on your situation. Additionally, by contributing systematically bi-weekly or monthly regardless of price, the investor may reduce short-term volatility and the cost of investing over time.

In addition to the investor’s contribution, many employers match at least a portion of their employees’ 401(k) contributions. For example, if an employer matches 100% of contributions up to 3% of your salary and you earn \$40,000 per year, your employer's contribution would add another \$1,200 to your 401(k) as long as you contributed at least that much yourself. By not contributing enough to collect the full match, investors are missing out on free money.

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With traditional 401(k) plans, contributions are conveniently taken directly out of the paycheck before withholding federal income taxes. This reduces the investor's total taxable income by the contribution amount and may lower income taxes owed at the end of the year. If the plan offers a Roth 401(k) option, there is not a deduction for contributions, but withdrawals in retirement are tax-free provided certain conditions are met and not subject to required minimum distributions at age 72.

Additionally, for investors who are not comfortable choosing their own investments, many plans will offer Target Date Funds. With the date on the portfolio coinciding with the investor's targeted retirement year, the asset allocation mix becomes more conservative as the target date approaches.

When changing jobs, the money contributed to the 401(k) belongs to the investor, and the investor will have different ways to keep the retirement plan invested and growing on a tax-deferred basis. These options include leaving the plan with the employer or finding out what other options available.



A comfortable retirement requires planning and does not have to be complicated. In addition to the benefits mentioned above, joining the company retirement plan early allows investors to take advantage of a wide range of additional benefits including compounding interest, access to investments potentially vetted by the investment manager and possible loan option.

Remember that an important key to any retirement savings plan is to save early, save consistently and seek professional guidance when needed.

AUGUST EDITION

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## EDUCATION IN BLACK NEW MEXICO

Written by: Dr. Jack Taylor  
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### Critical Race Theory: What it is and What it Isn't

Critical Race Theory has become the newest hot button issue in the culture wars. It can now take its place alongside the Black Lives Matter Movement, the 1619 Project, and voter fraud. The anti-CRT movement at the local, state, and federal level has its origins in the nation-wide protests calling for the removal of Confederate monuments and statues and demands for equal justice for Black Americans after the murder of George Floyd and Breanna Taylor.

Currently, although Critical Race Theory is not specifically named in the legislation, at least 8 states have passed legislation prohibiting the teaching of Critical Race Theory (and at least 20 states are proposing legislation banning the teaching of Critical Race Theory. It is important to point out that there is no evidence that Critical Race Theory is being taught in our nation's K-12 schools. Following are several of the arguments being presented by the opponents of Critical Race Theory:

- Critical Race Theory "will cause irreversible damage to our children who hold the future of our great country." (Tennessee state Senator Brian Kelsey)
- Critical Race Theory "will create another great divide in America." (Missouri state Representative Brian Seitz)
- "There is no room in our classrooms for things like Critical Race Theory. Teaching kids to hate their country and to hate each other is not worth one red cent of taxpayer money." (Florida Governor Ron DeSantis)
- "No child should ever be taught to feel like a victim of circumstance or made to feel guilty for the color of their skin." (Mike Pompeo former Secretary of State)

## What Critical Race Theory is Not.

- Critical Race Theory is not an attempt on the part of Black scholars to smear all white people as being oppressors and Black people as helpless and hopeless victims of white oppression.
- Critical Race Theory is not arguing that white people living now are to blame for what people did in the past. (“Why are states banning critical race theory?” by Rashawn Ray and Alexandra Gibbons, Brookings.edu, August, 2021)

In defense of critical race theory, by Margaret Cruikshank, The Ellsworth America, July 2, 2021, she writes that

- Critical race theory is not about hating white people, nor is it about making white people feel guilty for the wrongs suffered by Black Americans.
- CRT asks Americans to look beyond the racist acts of individuals and focus instead on the bias hidden in systems and institutions, bias that may be unintended. Awareness of large-scale bias can sharpen our understanding

BREAKING IT DOWN

## Critical Race Theory (CRT)



Critical race theory (CRT) is an academic movement started by legal scholars who seek to critically examine the law as it intersects with issues of race and to challenge mainstream approaches to racial justice. Here are the basic tenets of the theory broken down.

- 1** Race is a social construct.
- 2** Racism in the United States is an ordinary experience of most people of color.
- 3** Legal advances (or setbacks) for people of color tend to serve the interests of dominant white groups.
- 4** Minorities deal with being stereotyped often.
- 5** No individual can be identified only in one way. A Black person can also identify as a woman, a lesbian, a feminist, a Christian, and so on.
- 6** People of color are uniquely qualified to speak on behalf of other members of their group (or groups) regarding the effects of racism.

For more information, please visit:  
[www.kindacademy.org](http://www.kindacademy.org)  
Kind Academy

Critical Race Theory (CRT) has its origins in Critical Legal Studies. Dr. Derek Bell, a Harvard law professor, is considered the founder of CRT. **He began conceptualizing the idea of CRT in the 1970s as one way to understand how race and law interact to and impact the lives of Black Americans.**

**Currently, legal scholars such** as Kimberle’ Crenshaw, Cheryl Phillips, Ian Lopez and Richard Delgado, among others, are continuing their efforts to examine and explain the various ways in which our nation’s laws, policies and court decisions continue to perpetuate, reinforce and recreate structures and institutions that influence the life chances and opportunities of Black Americans in all aspects of their lives, for example, housing, education, health care, and employment, even though laws against discrimination and segregation are now in place.

In closing, Jonathan Chism, assistant professor of history at University of Houston-Downtown and co-editor of “Critical Race Studies Across Disciplines” sums up the bills opposing or banning Critical Race Theory as “a tactic that has been employed for a long time in the culture wars-accusing those that are agitating for social justice, racial justice, equality and equity of being racist. It’s an old trick in the playbook.”

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## HEALTH IN BLACK NEW MEXICO

### Sleep it Off

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“Your future depends on your dreams, so go to sleep” This quote by Mesut Barzany may hold multiple interpretations, but one prominent aspect pertaining to Black people, is that our future does indeed depend on us going to sleep. Through perseverance and survival, we have had to do what it takes by any means necessary, an attitude that has helped us to hold steadfast in a world created to challenge us. But this also begs the question, how does this approach affect our sleep? Well as you may soon understand, sleep for the Black community varies compared to other ethnic groups, and there should be serious consideration on how certain sleep patterns our truly affecting us( <https://www.sleepfoundation.org/how-sleep-works/whats-connection-between-race-and-sleep-disorders>).

The way that we approach sleep behaviors and practices are shaped by cultural and societal norms. These factors can provide more insight on why Black people have many varying sleeping patterns. For our community specifically, there are higher rates of short sleep (Sleep less than 7 hours) as well as higher rates of long sleep (Sleep greater than 8 hours) The variation of sleep also causes sleep apnea which is also more noticeably common and more severe in Black communities. ([https://www.sleephealthjournal.org/article/S2352-7218\(14\)00009-6/pdf](https://www.sleephealthjournal.org/article/S2352-7218(14)00009-6/pdf))

Some of the causes for these variances in sleep are:

Higher levels of physical & Emotional stress

Shift work

Occupational Hazards

Racial Discrimination

Financial Stress

Neighborhood environment

Acculturation

Unequal access to and quality pf care



Sleeping problems are a major issue in the U.S. with 30% of adults suffering from sleep insomnia, also known as having persistent problems being able to fall asleep. (Sleep Foundation) More specifically, it's hard for individuals to initiate and/ or maintain sleep and typically wake up early without being able to fall back asleep. Some additional symptoms of insomnia include depression as well as, financial difficulty, multiple chronic diseases, and pain ([https://www.researchgate.net/publication/337100862\\_Insomnia\\_Symptoms\\_among\\_African-American\\_Older\\_Adults\\_in\\_Economically\\_Disadvantaged\\_Areas\\_of\\_South\\_Los\\_Angeles](https://www.researchgate.net/publication/337100862_Insomnia_Symptoms_among_African-American_Older_Adults_in_Economically_Disadvantaged_Areas_of_South_Los_Angeles)).

There is a strong indication that sleeping problems are disproportionately impacted in minority groups. Habitual short sleep duration is associated with obesity, cardiovascular disease, diabetes, and mortality. This means that poor sleep quality encourages poor health outcomes. Part of the issue stems from the inferior service that Black people received in healthcare, along with the lack of access to health and social service.



It is important to acknowledge these disparities and how they affect the Black community. Sleep is critical to virtually every aspect of health and wellness. Poor sleep can potential influence unequal health outcomes. Sleep is socially scheduled and culturally institutionalized as well as, practiced with different meaning across racial, ethnic, cultural, and religious groups ([https://www.sleephealthjournal.org/article/S2352-7218\(14\)00009-6/pdf](https://www.sleephealthjournal.org/article/S2352-7218(14)00009-6/pdf)). More specifically, when it comes to Black people who rely on self-regulation for sleep may be less likely to talk sleep with a healthcare provider or may not have access to one, leading to undiagnosed sleeping problems.

Citations:

<https://www.sleepfoundation.org/how-sleep-works/whats-connection-between-race-and-sleep-disorders>

[https://www.researchgate.net/publication/337100862\\_Insomnia\\_Symptoms\\_among\\_African-American\\_Older\\_Adults\\_in\\_Economically\\_Disadvantaged\\_Areas\\_of\\_South\\_Los\\_Angeles](https://www.researchgate.net/publication/337100862_Insomnia_Symptoms_among_African-American_Older_Adults_in_Economically_Disadvantaged_Areas_of_South_Los_Angeles)

[https://www.sleephealthjournal.org/article/S2352-7218\(14\)00009-6/pdf](https://www.sleephealthjournal.org/article/S2352-7218(14)00009-6/pdf)

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