

Creating a Retirement Culture on Campus

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- The underlying dynamic
- Then came COVID-19
- What to do?
 - Assumptions
 - Culture

THE UNDERLYING DYNAMIC

3 retirement mindsets

Traditional Retirees	Reluctantly Reluctant	Reluctant by Choice
Want to retire by normal retirement age and expect to do so.	Want to retire by normal retirement age, but expect to work longer.	Want to work beyond normal retirement age and expect to do so.

3 retirement mindsets

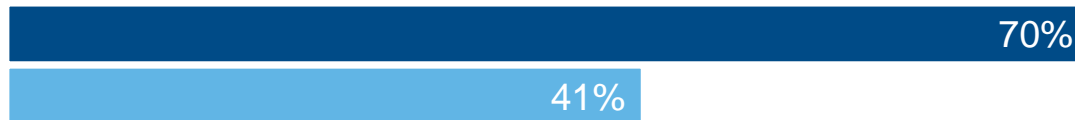
Traditional Retirees	Reluctantly Reluctant	Reluctant by Choice
Want to retire by normal retirement age and expect to do so.	Want to retire by normal retirement age, but expect to work longer.	Want to work beyond normal retirement age and expect to do so.
Distribution of tenure-line faculty, age 50 or older		
50%	18%	32%

% citing as major reason for expecting to work past age 67

Enjoy working



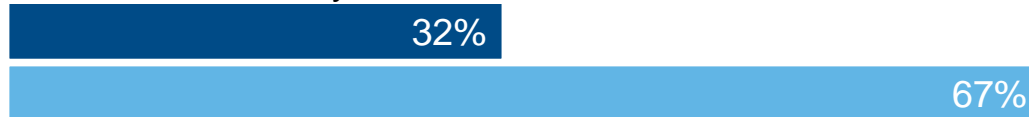
Will still be effective at work



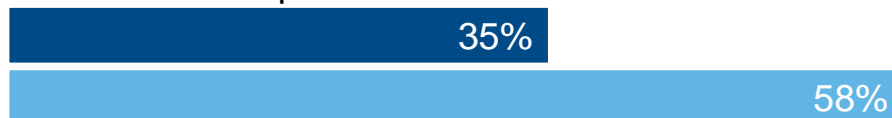
No reason to retire



Will need the money



Will need to keep the health insurance



Reluctantly reluctant

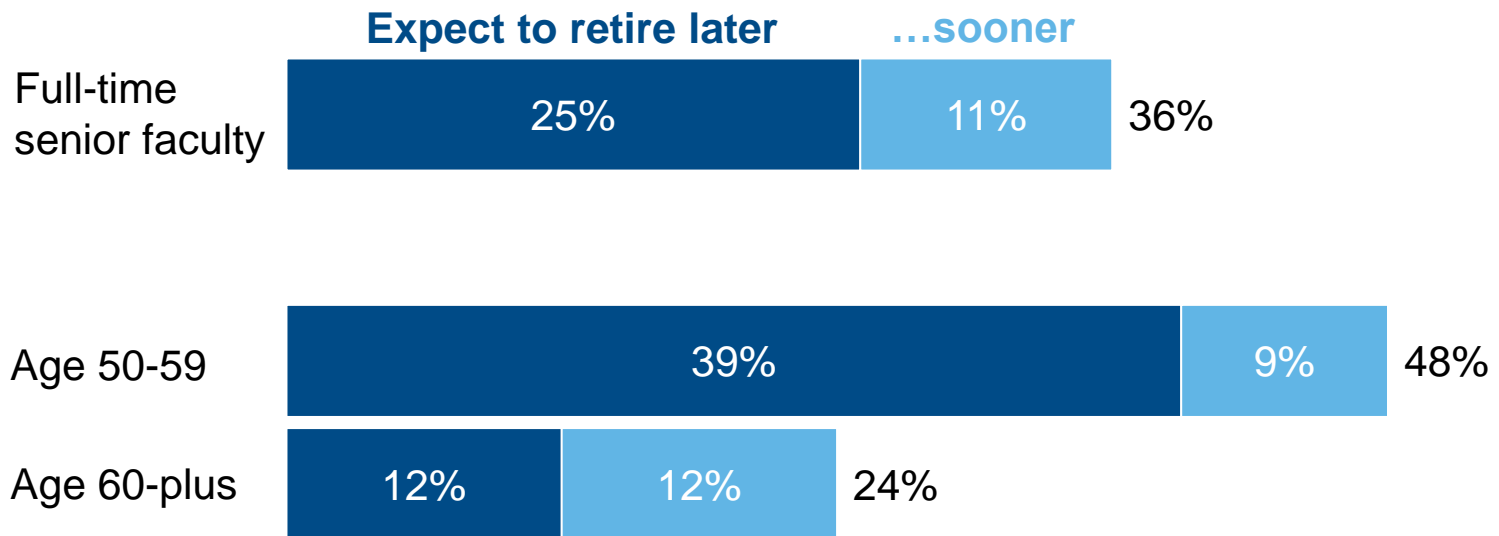
- Only 36% have carefully evaluated when they can afford to retire.

Reluctant by choice

- Only 39% have carefully evaluated how they could spend their time if they retired.

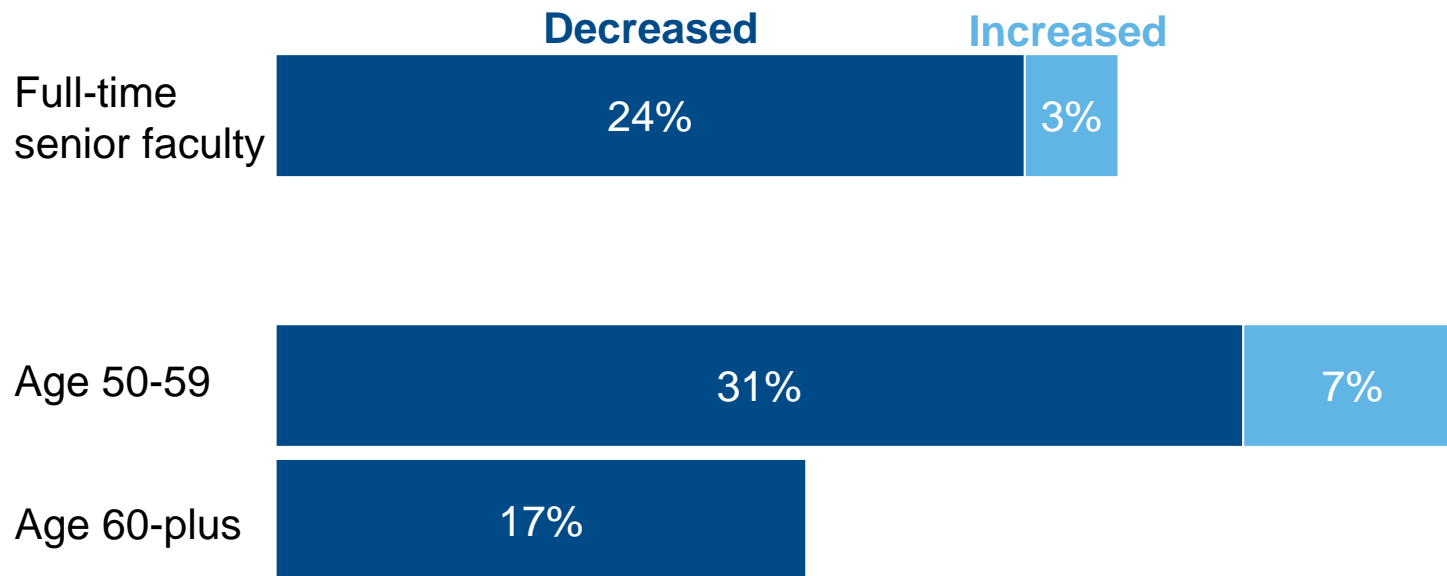
THEN CAME COVID-19

Expected retirement age increased for 25% of senior faculty after the onset of COVID-19.



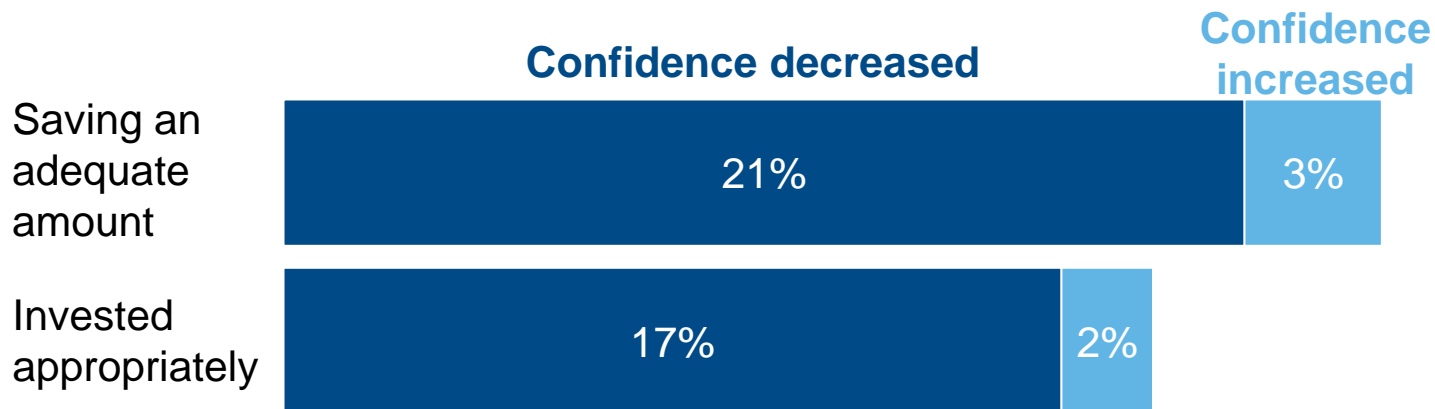
Over 20% of senior faculty became less confident that they will have enough money for a comfortable retirement.

% whose retirement income confidence changed during COVID-19

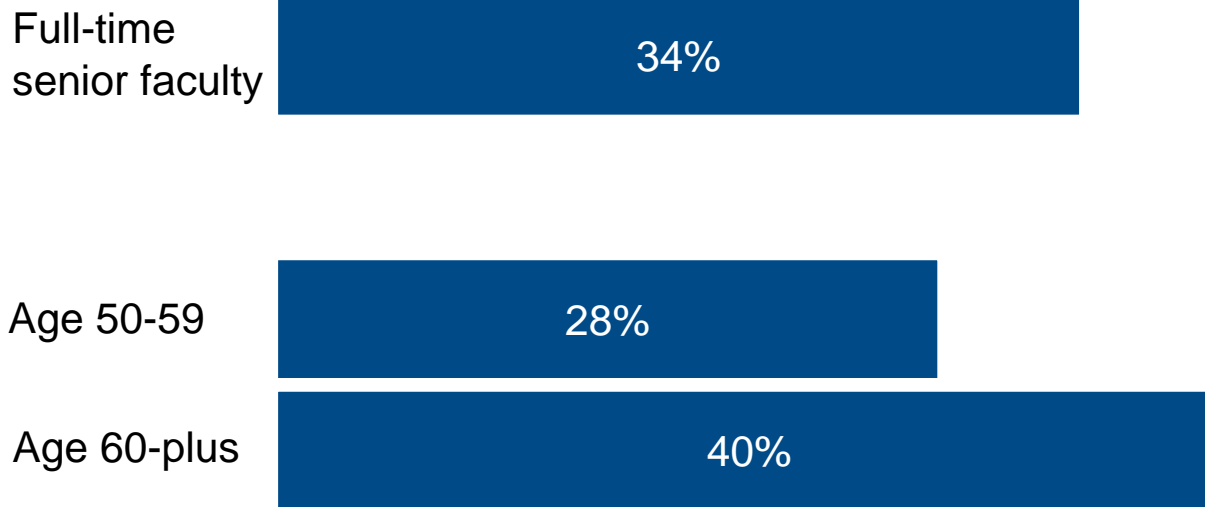


Many senior faculty became less confident about the amount they are saving and how they are investing.

% of senior faculty whose retirement savings and investment confidence changed during COVID-19



One-third of retirement savers received retirement planning and saving advice after the onset of COVID-19.



- Ongoing: significant share of faculty reluctant to retire.
- New context: expected retirement age increased for 25% of senior faculty; most common among those in their 50s.
- Near-term: need to trim faculty workforce in response to financial pressures.

WHAT TO DO?

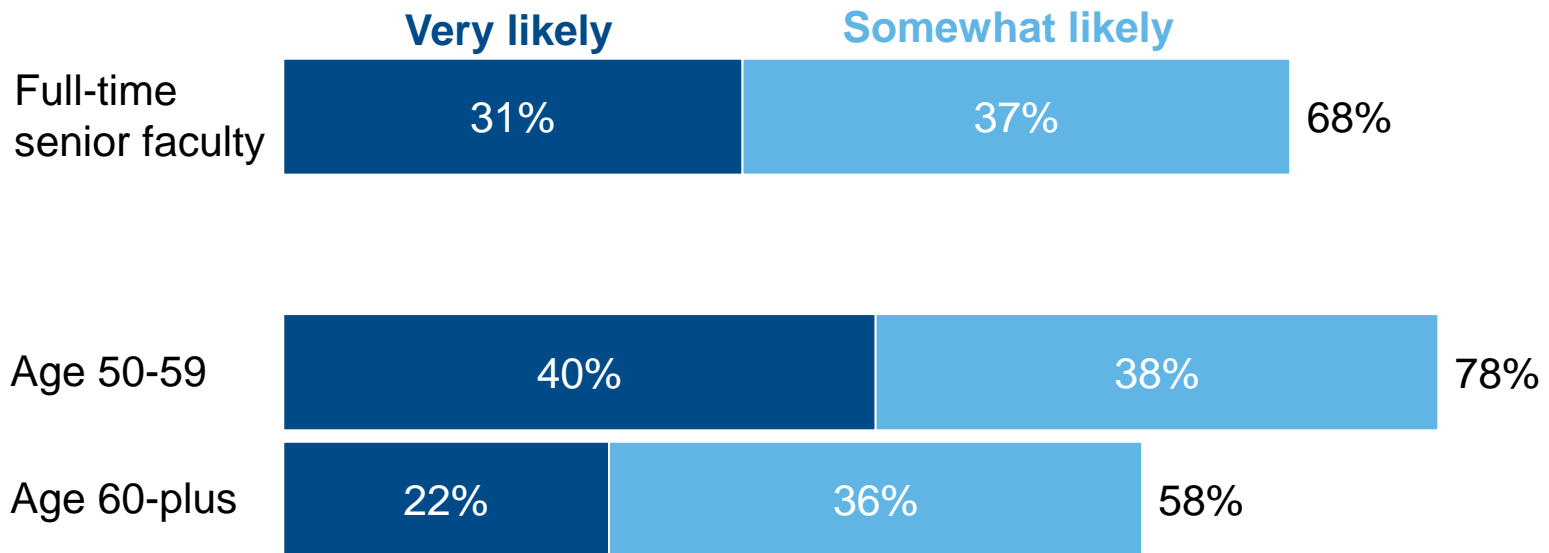
Buyouts

- One-time fix.
- “Wrong” people may leave.
- What is the “right” offer?

Phased retirement

- Creates certainty regarding retirement timing.
- May not advance the timing of retirement.
- Financial incentives to enter phase by certain age.

Two-thirds of senior faculty are very or somewhat likely to use a phased retirement program when ready to retire.



Addressing assumptions positions individuals to make fully informed decisions.

- “*Can I retire?*” is a financial planning exercise.
- “*Should I retire?*” is a life planning exercise.
- Clarity can increase likelihood of retiring sooner.
- Supports traditional programs.
- Also a standalone strategy.

How does retirement fit in faculty culture?

The aspirational

- Emeriti is seen as a career stage, not end of career.
- Retiring into emeriti status is the cultural norm.
- Emeriti faculty are engaged.
- Emeriti status is coveted.

Thank you!

(Stay positive. Test negative.)