



Faculty Retirement Patterns and COVID-19: Impacts, Challenges and Opportunities

Wednesday, May 26th, 2021 | 2:00-3:00pm ET

CUPA-HR Webinar

Presenters



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Agenda

- The underlying dynamic
- Then came COVID-19
- What to do?
- Addressing the psychosocial



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.

Poll Question

How many tenure-line faculty age 50 or older expect to work past normal retirement age (67)?

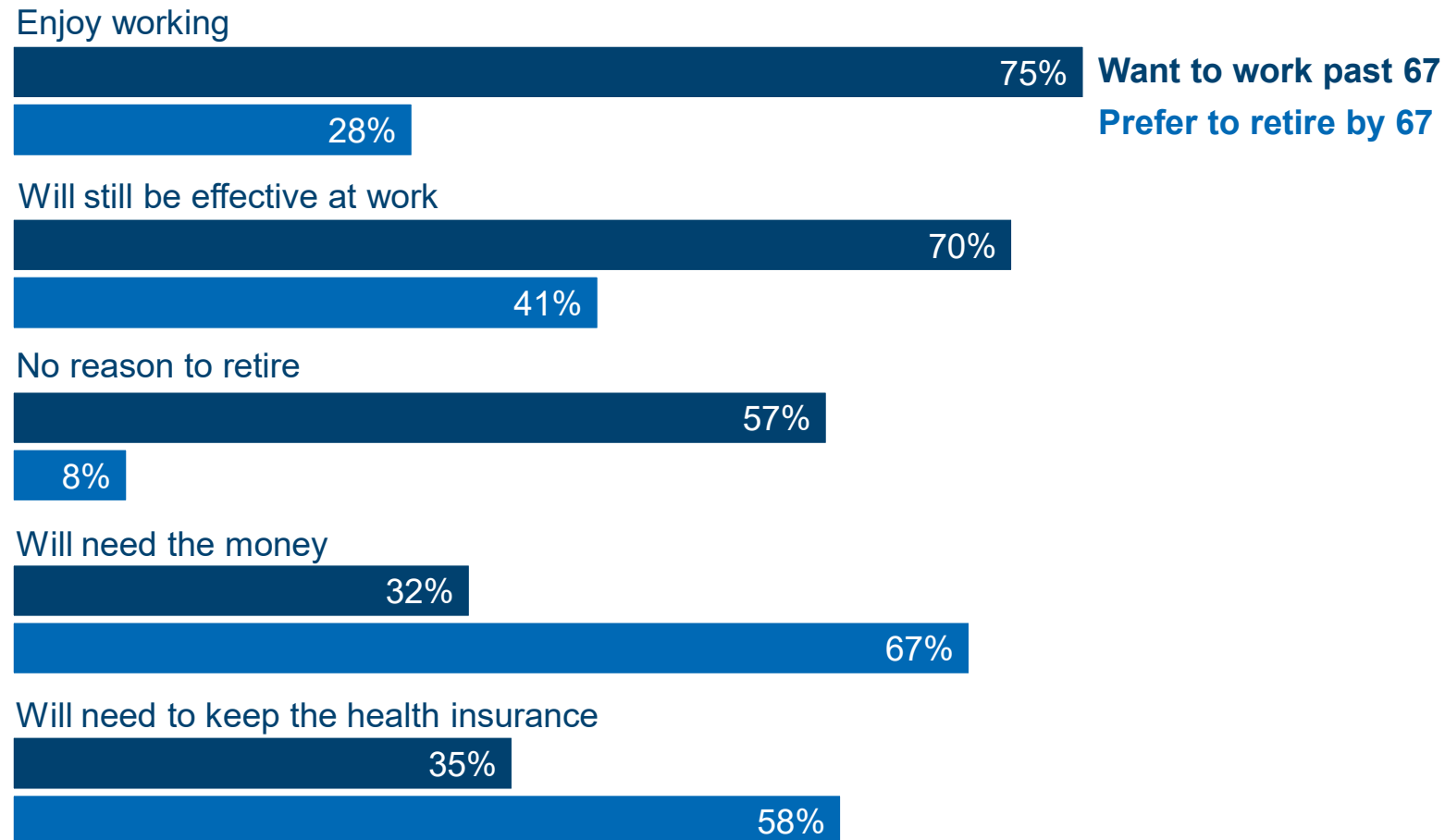
- 1/3
- 1/2
- 2/3
- 3/4

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%

Reluctant retirees

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



Poll Question

Approximately how many of those who expect to work past 67, **but want to retire by then**, have carefully evaluated when they can afford to retire?

- 1/3
- 1/2
- 2/3
- 3/4

Approximately how many of those who expect to work past 67, **and want to do so**, have carefully evaluated how they could spend their time if they retired?

- 1/3
- 1/2
- 2/3
- 3/4

Assumptions → Outcomes

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

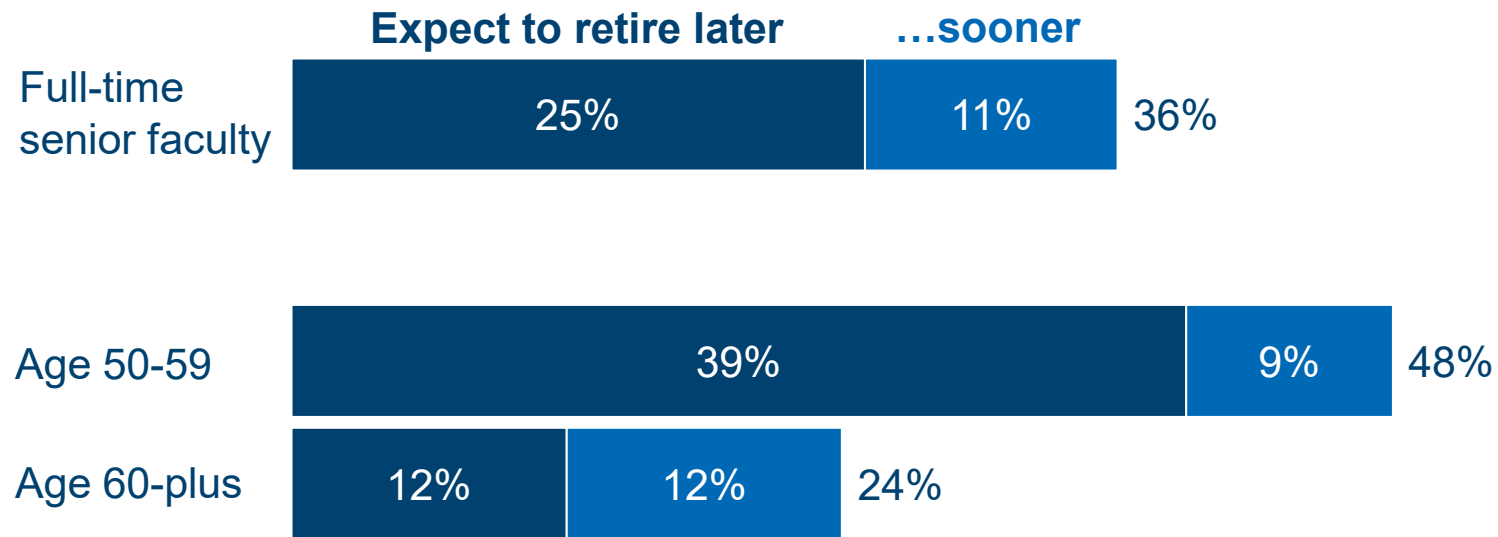
Poll Question

Since the onset of COVID, how many faculty age 50 or older expect to retire later?

- 1/4
- 1/3
- 1/2
- 2/3

COVID and retirement age

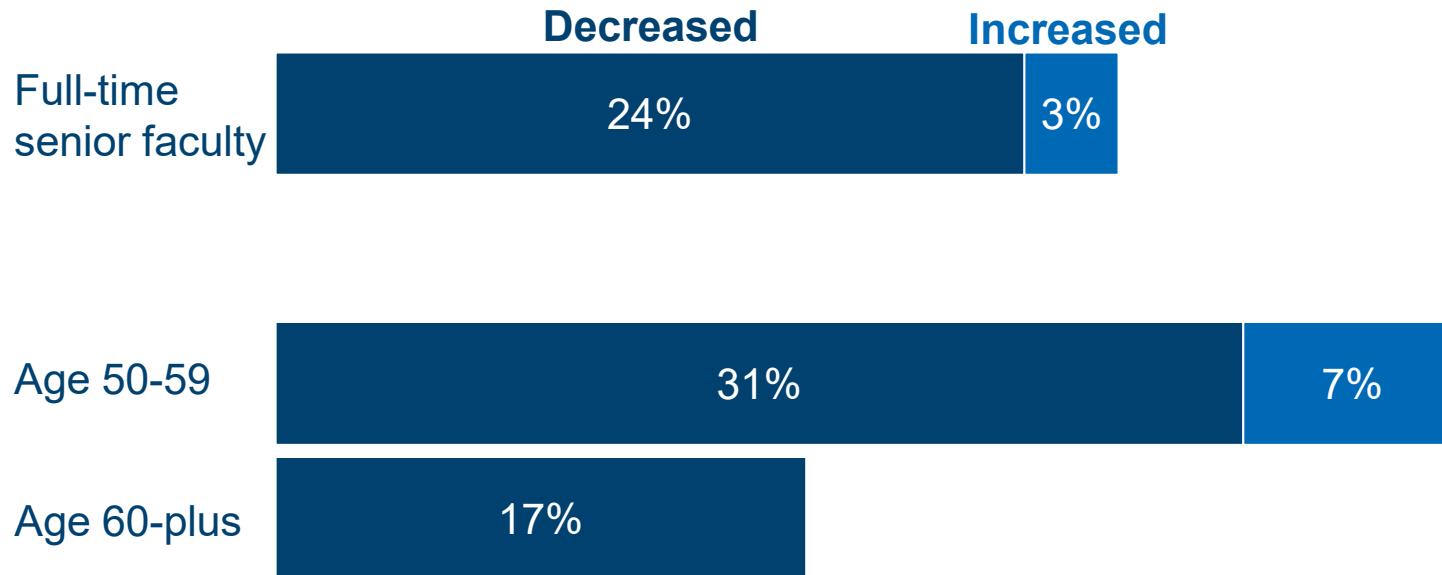
Expected retirement age increased for 25% of senior faculty after the onset of COVID-19.



Retirement income confidence

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

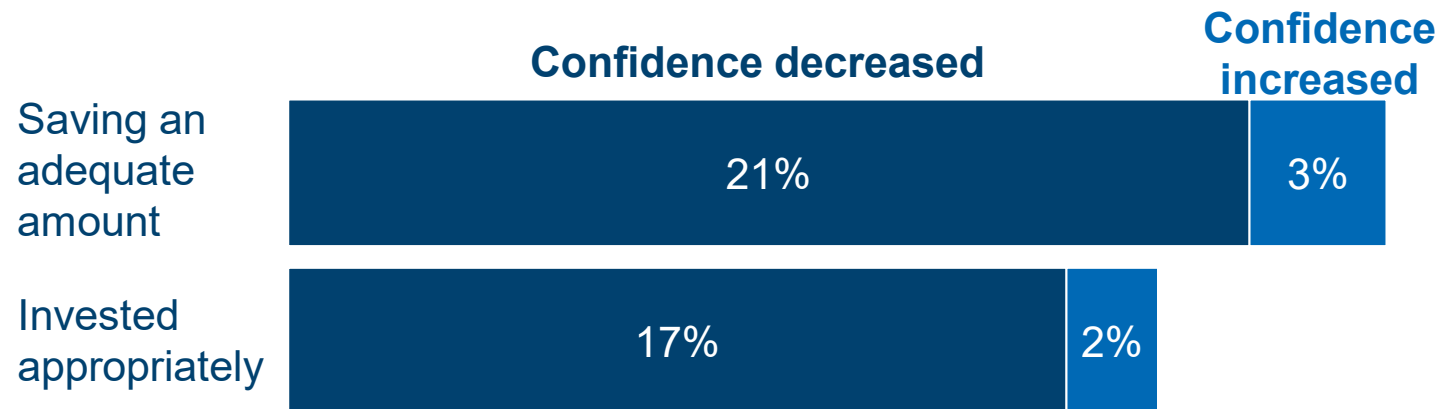
% whose retirement income confidence changed during COVID-19



Saving and investment confidence

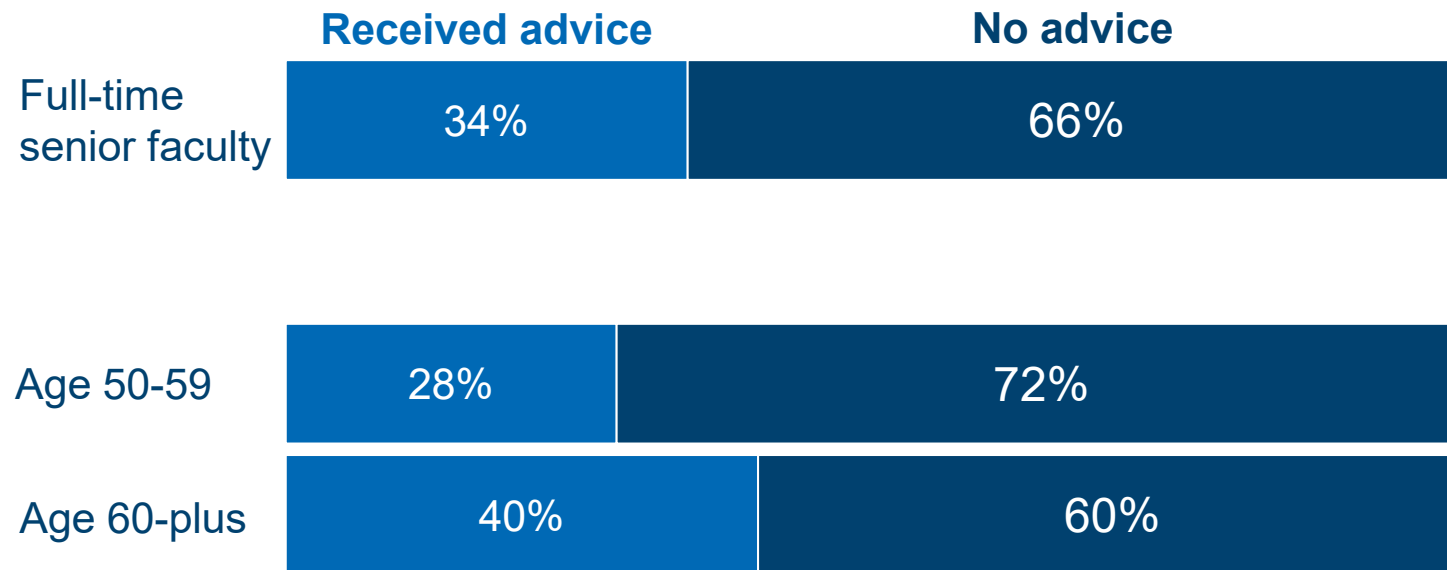
Many senior faculty became less confident about the amount they are saving and how they are investing.

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



Advice

Two-thirds of retirement savers did not receive retirement planning and saving advice after the onset of COVID-19.



Issues in play

- 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?

Traditional programs

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.

Must address assumptions

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.

Addressing the psychosocial

Retirement

Re·tire·ment

Noun

1. 16th century French
'Re' = back + 'Tirer' = draw
'Drawback' or 'Withdraw'



Third chapter



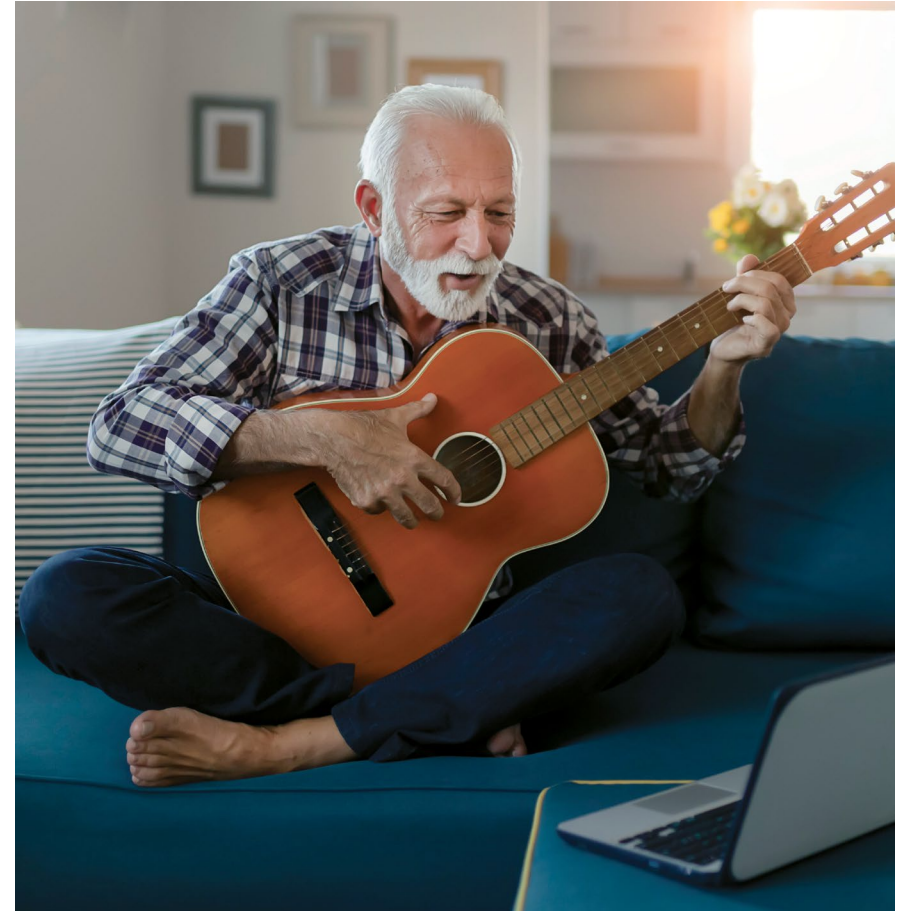
Elderhood



Encore



Protirement



A Tale of Two Studies



The Terman Study

- 1921
- 1,528 gifted children

“What leads to long life?”



The Grant Study

- 1938
- 724 men

“What leads to a satisfied life?”

A Tale of Two Studies

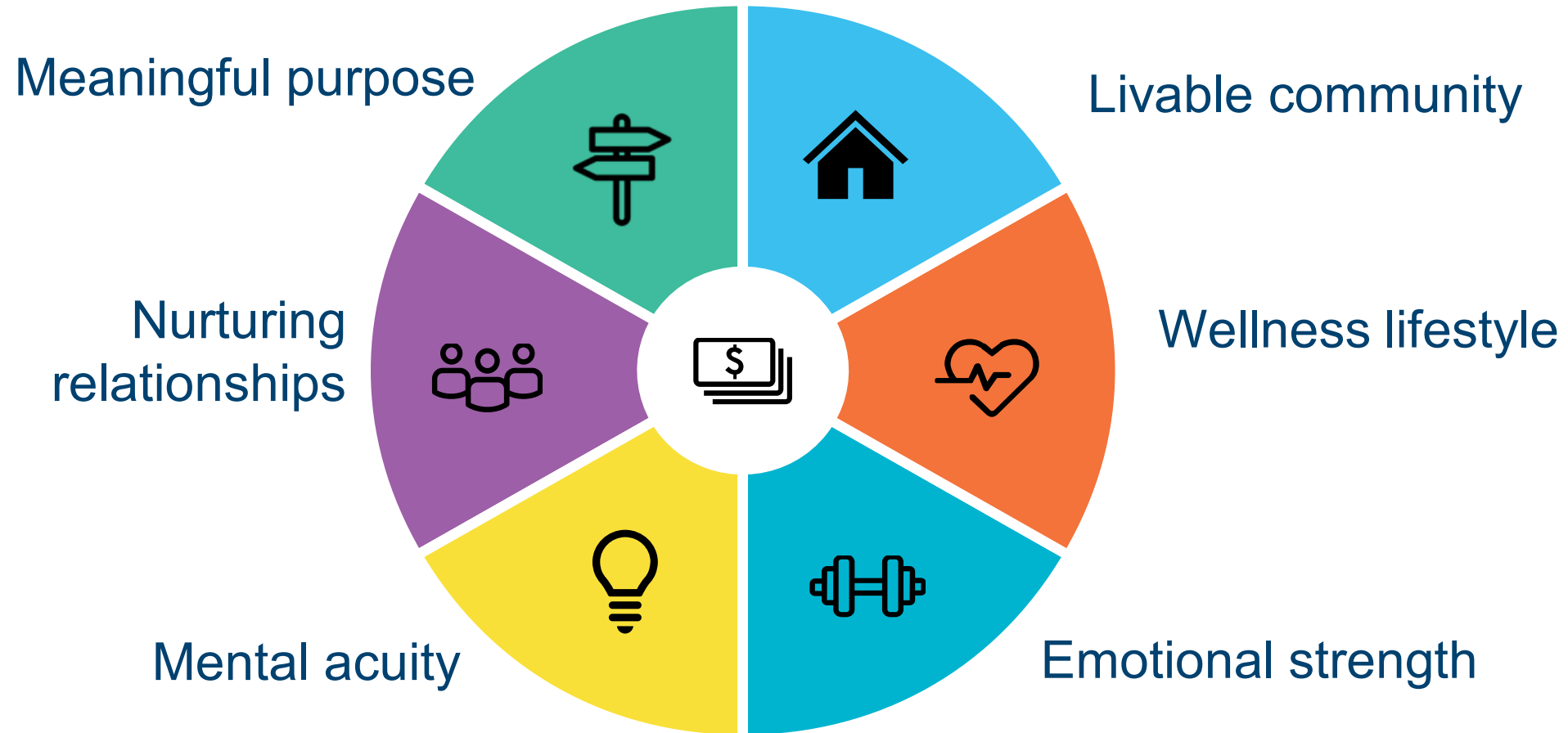
The Terman Study

- “Conscientiousness”
 - Purposeful
 - Persistent
 - Detailed
 - Responsible
 - Thrifty

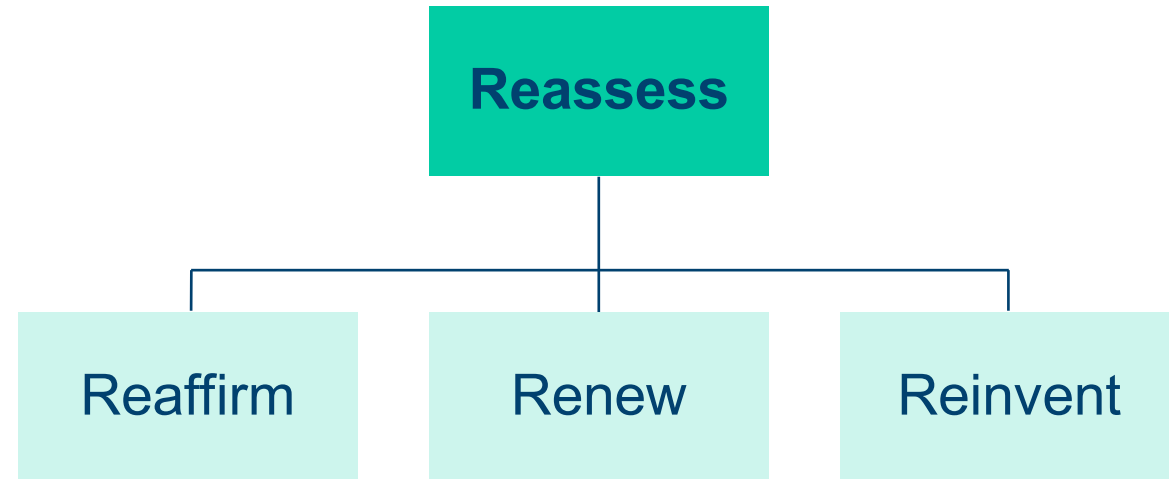
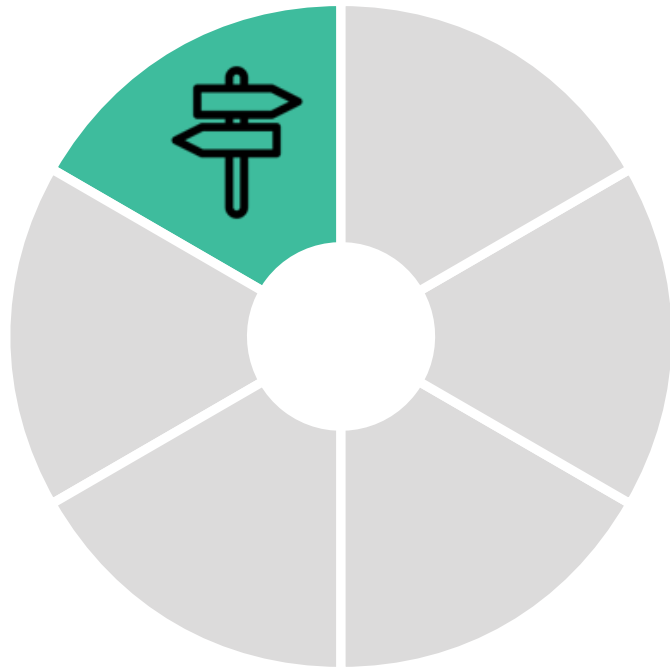
The Grant Study

- Relationships have the greatest impact on life satisfaction

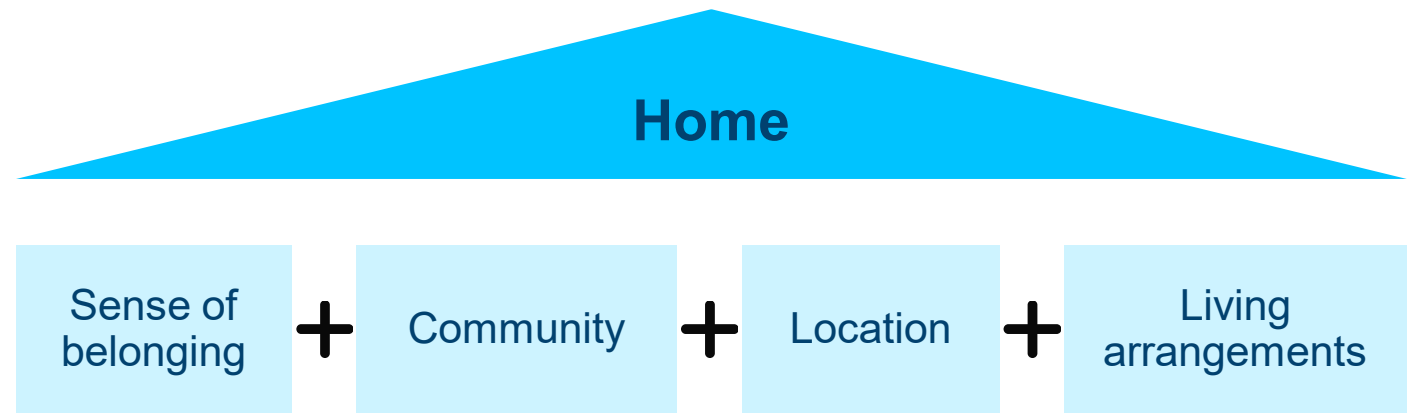
The well-rounded retirement model



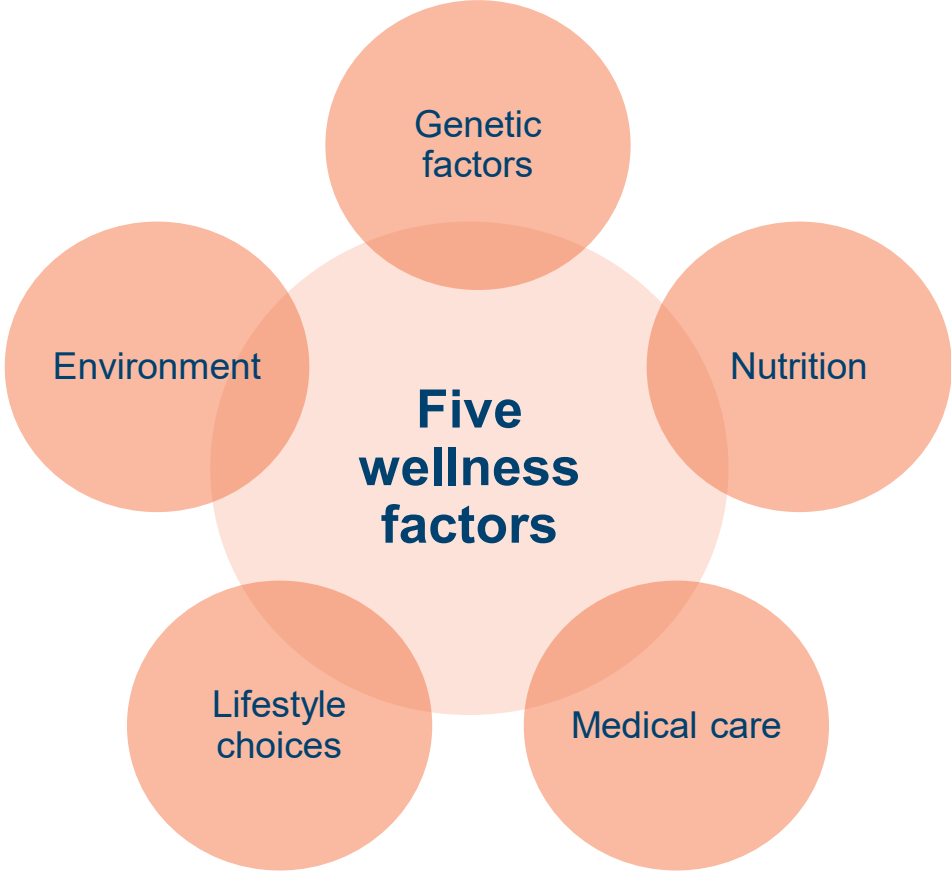
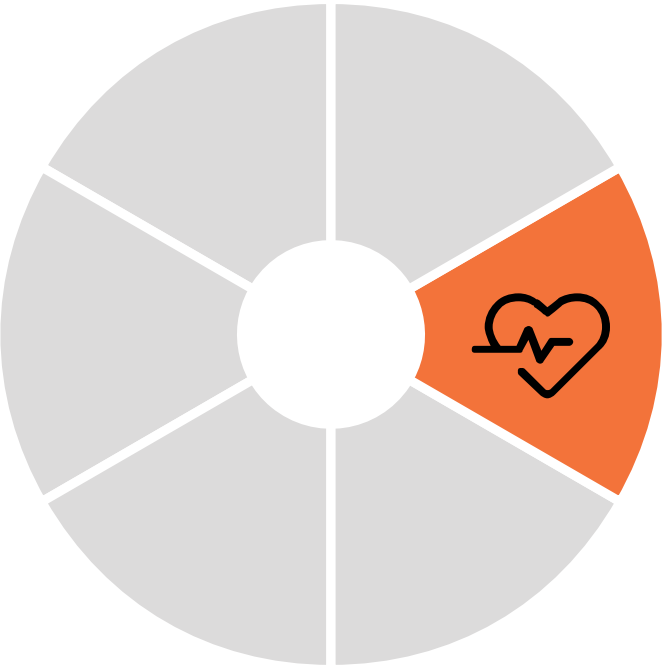
Meaningful purpose



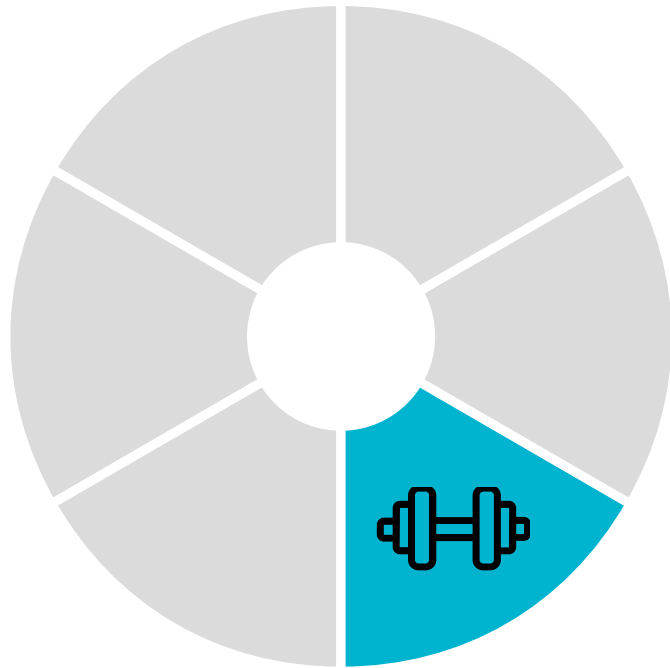
Livable Community



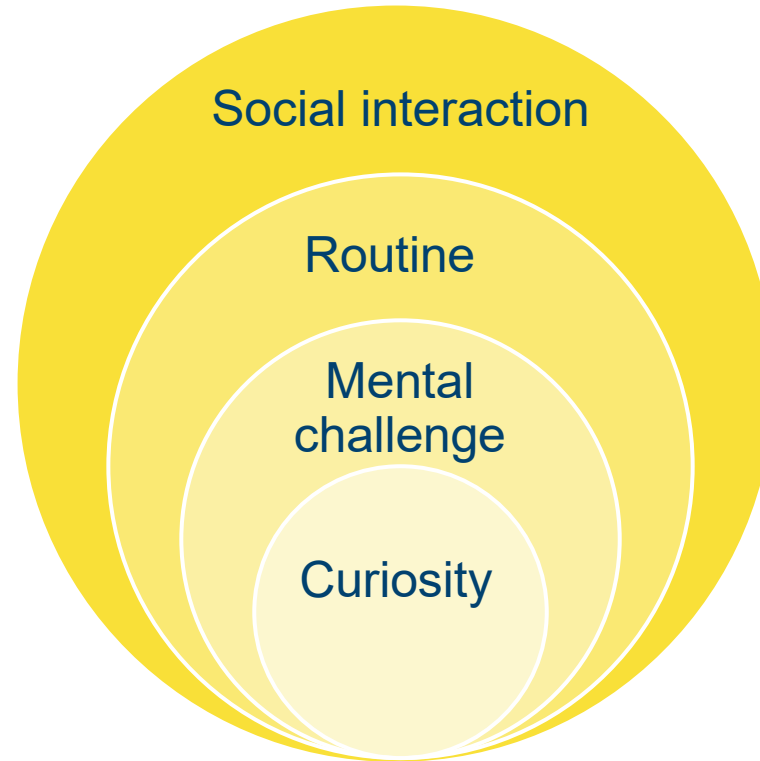
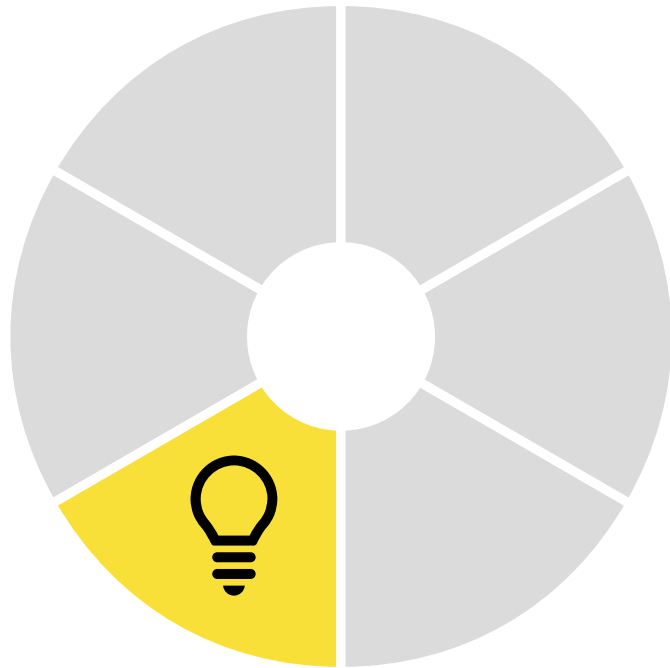
Wellness lifestyle



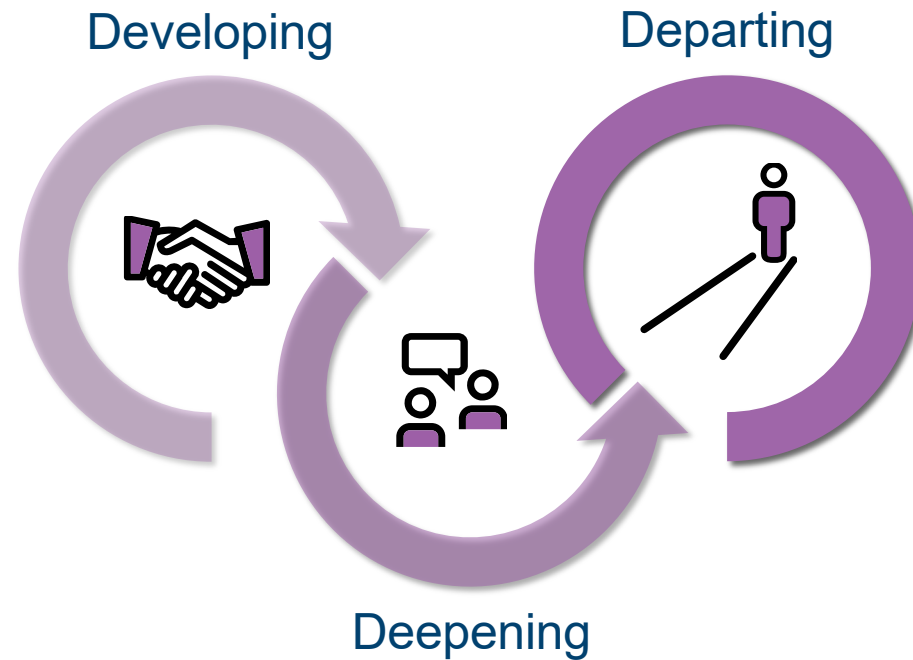
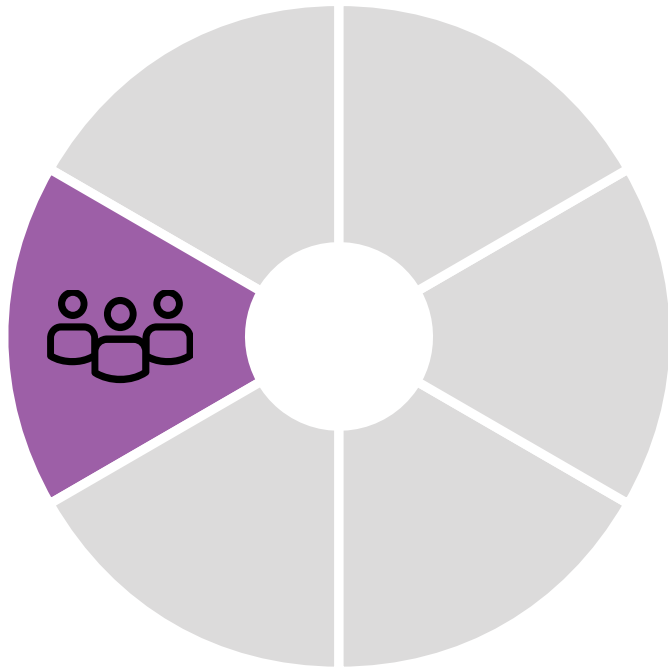
Emotional strength



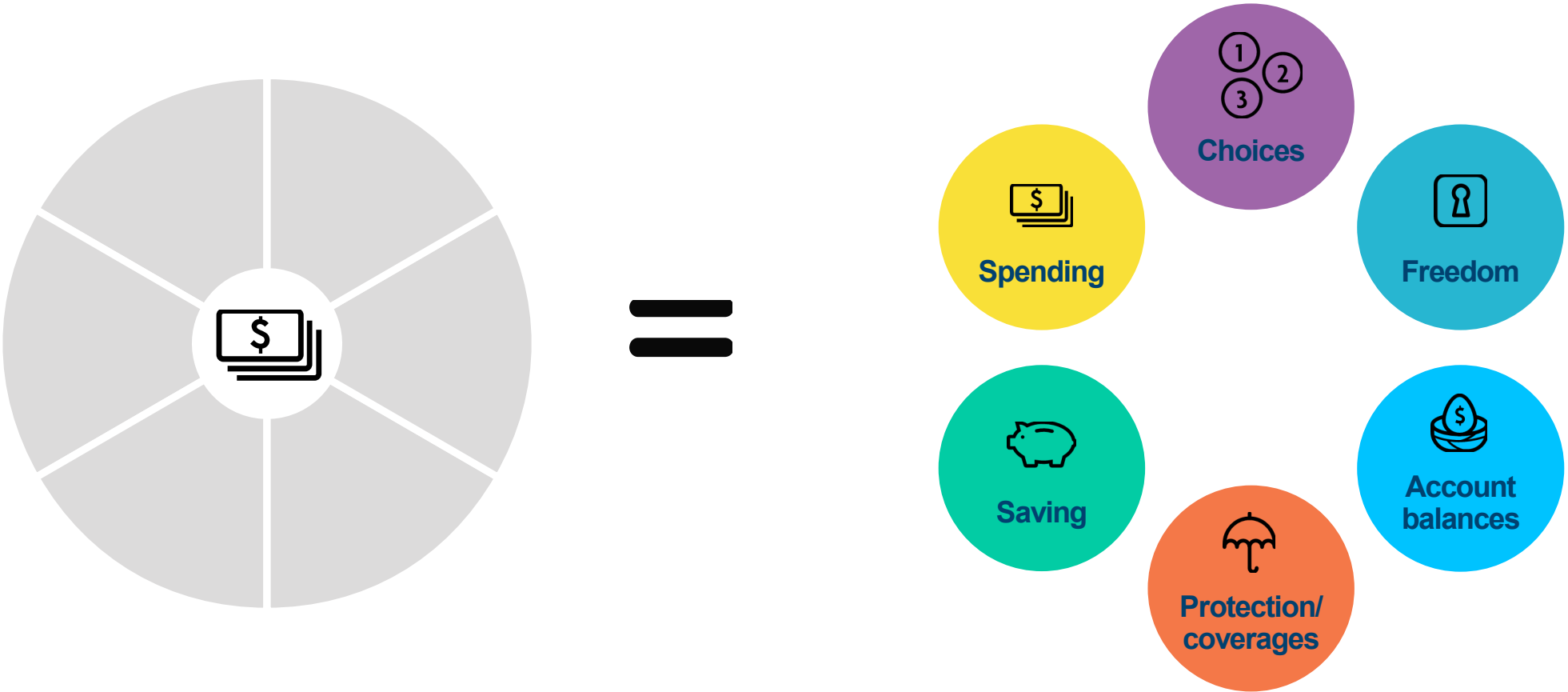
Mental acuity



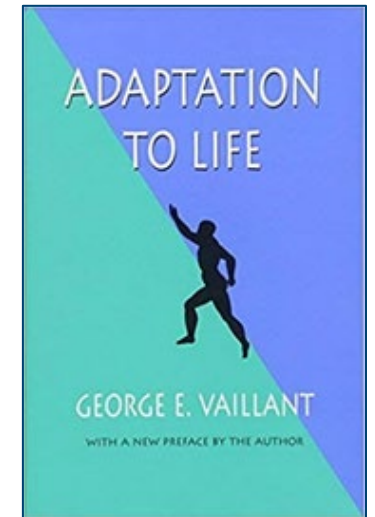
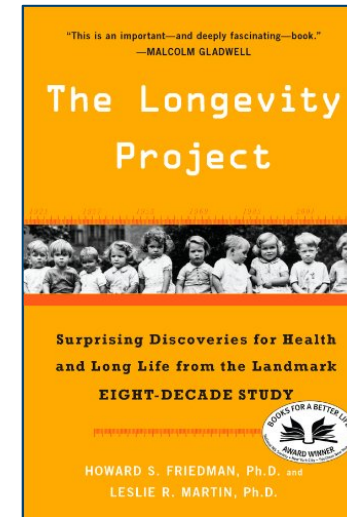
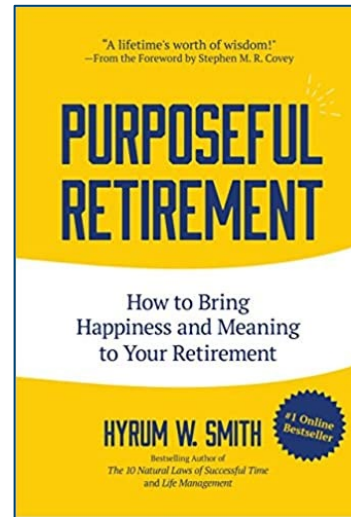
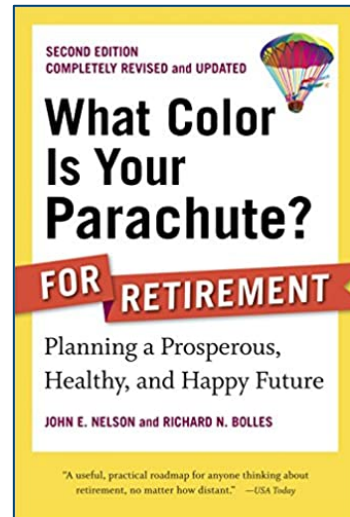
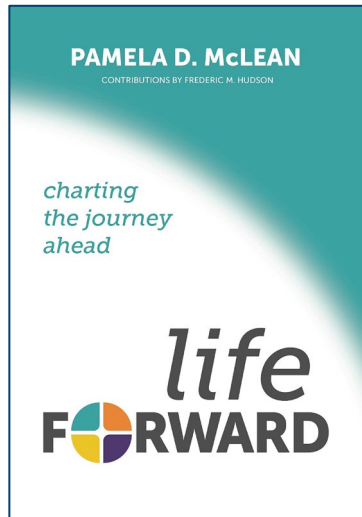
Nurturing relationships



Financial foundation



Sources and resources



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Have a question?



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using the Chat.



Thank you
