



Data Summary

Retirement Planning and Confidence Among Tenured and Tenure-Track Faculty

2014 Faculty Career and Retirement Survey

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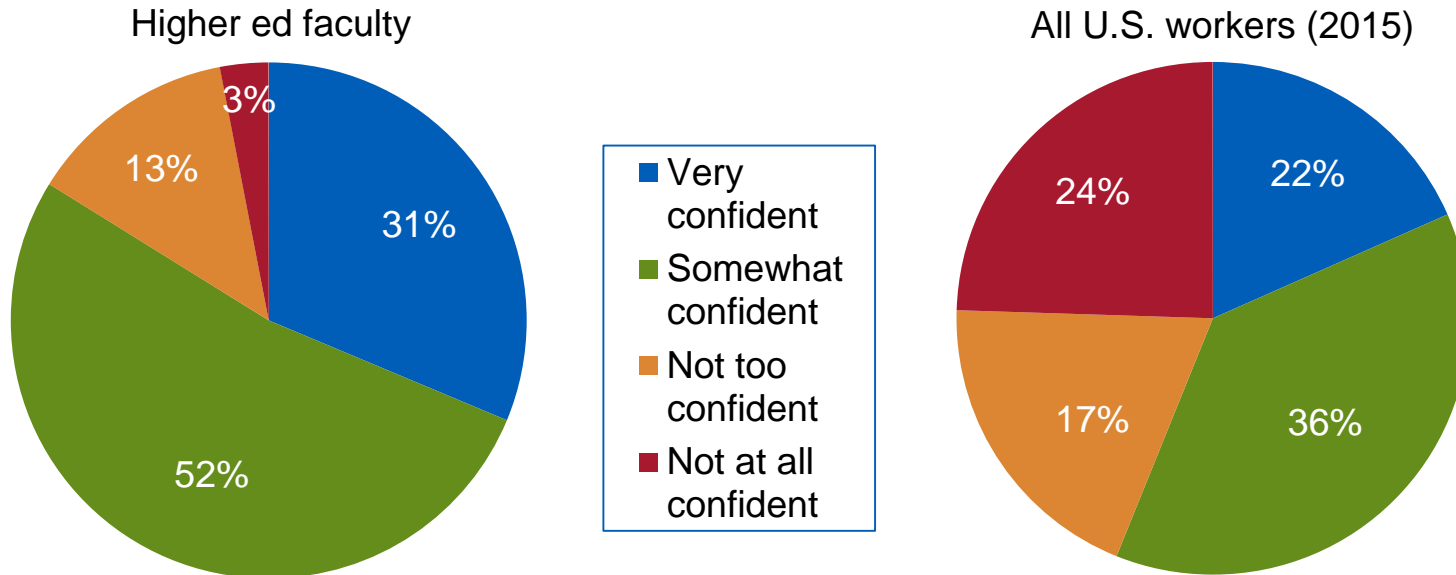
TIAA-CREF Institute

2014 Faculty Career and Retirement Survey

- This research examines the retirement planning, saving and investing behavior of college and university faculty, including their self-reported retirement readiness, use of financial advice and preparedness for medical expenses after retirement.
- 1,201 tenured and tenure-track faculty were surveyed in the fall of 2014.
- Some questions were developed from the framework of the annual Retirement Confidence Survey sponsored by the Employee Benefit Research Institute (EBRI) and Mathew Greenwald & Associates (MGA).

High confidence in higher ed

Overall, how confident are you that you will have enough money to live comfortably throughout retirement?

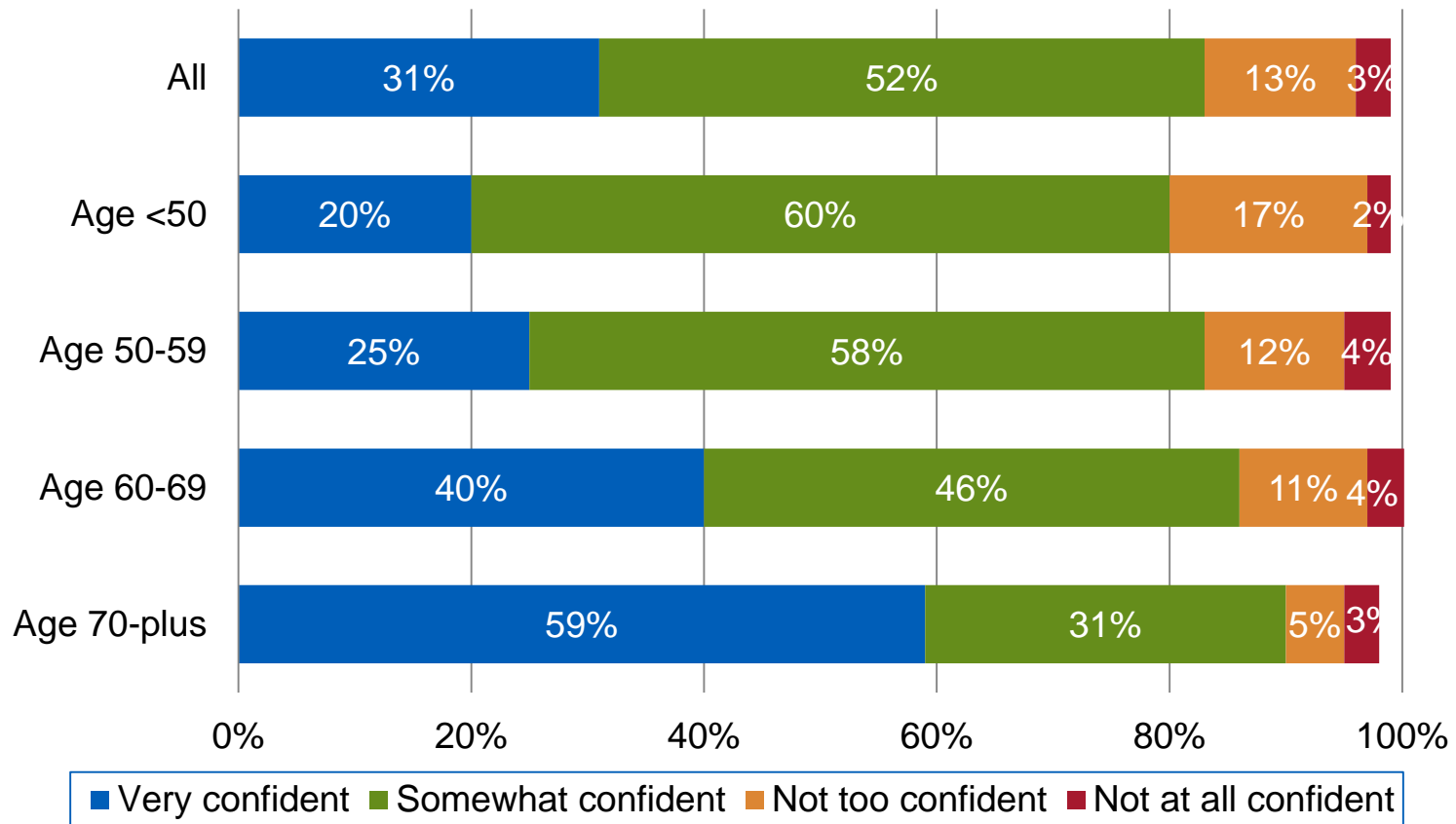


Faculty most frequently cite saving and investing well (48%) as the main reason for retirement income confidence. Having a good pension or retirement plan is next (18%).

Analogously, not saving enough or not being sure that you are saving enough is cited most often (35%) as the main reason for a lack of confidence. Next are not earning enough (18%), inadequate retirement benefits (16%) and too much uncertainty (15%).

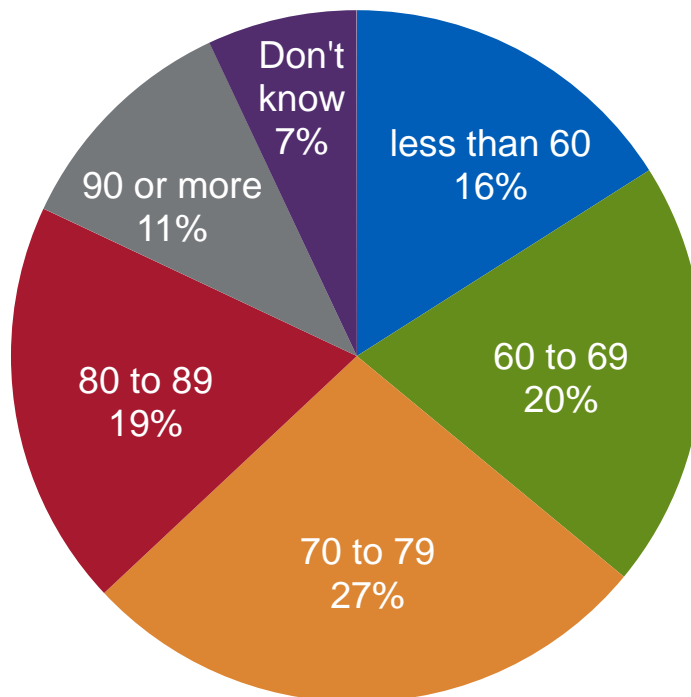
Older faculty are more confident

Overall, how confident are you that you will have enough money to live comfortably throughout retirement?



Unrealistic expectations?

What percentage of your household's pre-retirement income will you need each year in retirement to live comfortably?



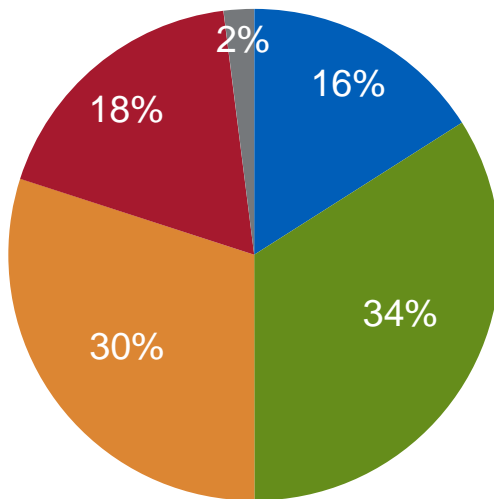
Conventional wisdom holds that replacing 70% to 80%, or more, of preretirement income is needed to maintain one's preretirement lifestyle in retirement.

But over 40% of faculty think that necessary income replacement is less than 70% or they don't know what is needed.

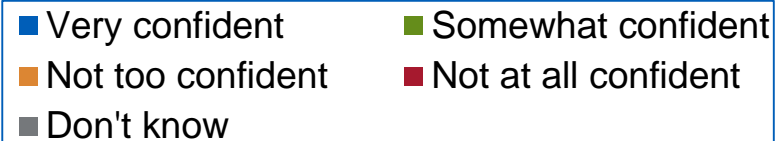
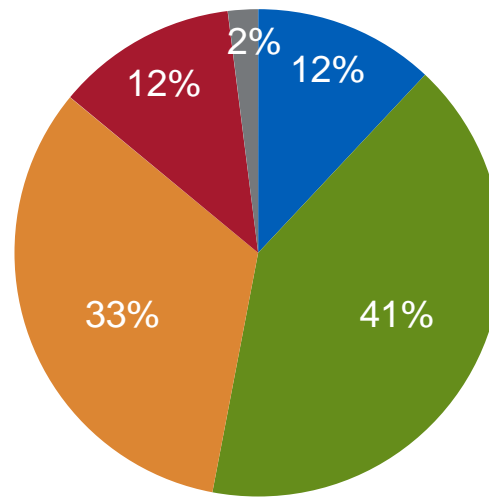
Mixed confidence in Social Security and Medicare

How confident are you that the [Social Security/Medicare] system will continue to provide benefits of at least equal value to the benefits received by retirees today?

Social Security



Medicare



Older faculty tend to be more confident about future Social Security and Medicare benefits.

- 27% of those under age 50 are very or somewhat confident in future Social Security benefits, versus 59% of those age 50 or older.
- 41% of those under age 50 are very or somewhat confident in future Medicare benefits, versus 59% of those age 50 or older.

Almost all faculty are retirement savers

99% of faculty report participation in a retirement plan at their college or university.

- 74% of participants report that their primary plan is a defined contribution plan.
- 34% report participation in two or more plans.
- 81% of those with a supplemental plan are currently contributing to it.

62% of faculty are saving for retirement outside of a plan at their institution.

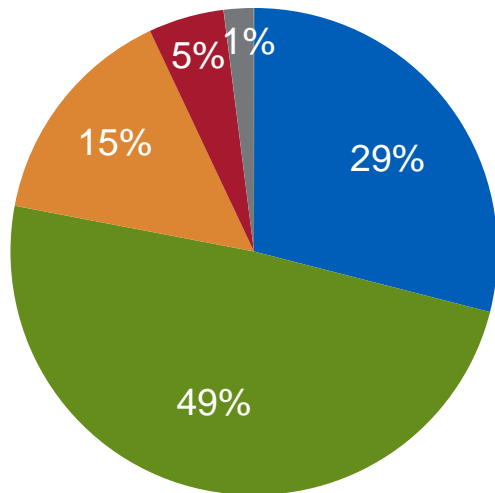
94% of faculty are currently saving for retirement.

47% of faculty have a spouse who is participating in a retirement plan at work.

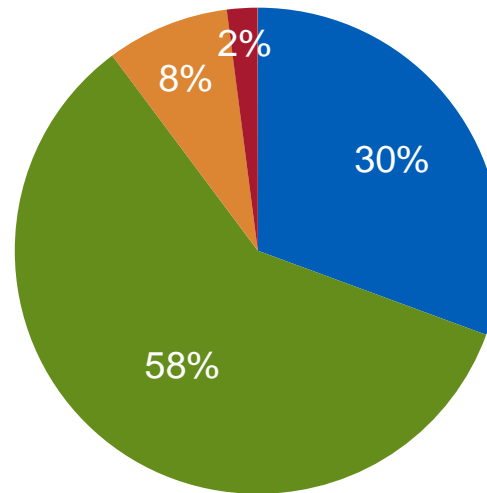
Savers are generally confident in their decisions

How confident are you that you are...?

Saving the right amount for retirement



Investing your retirement savings appropriately



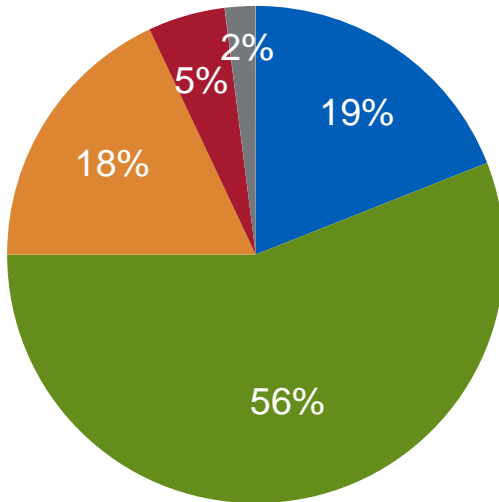
- Very confident
- Somewhat confident
- Not too confident
- Not at all confident
- Don't know

Older savers are more likely to have attempted a retirement savings needs calculation, and they tend to be more confident in their saving and investing decisions.

Sixty-two percent of faculty saving for retirement have tried to figure out how much they will need to have saved by the time they retire to live comfortably in retirement.

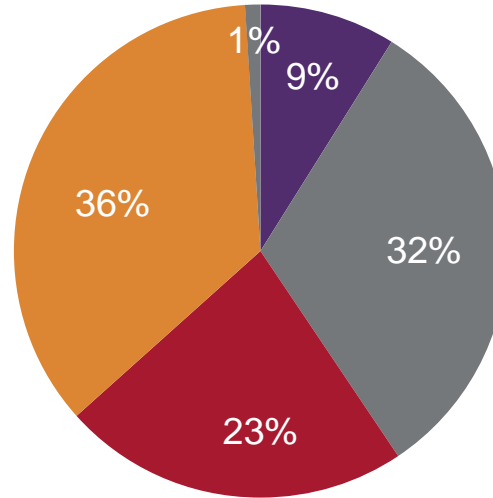
A retiree medical disconnect?

How confident are you that you will have enough money to take care of medical expenses during retirement?



- Very confident
- Somewhat confident
- Not too confident
- Not at all confident
- Don't know

To what extent have you planned and saved specifically for out-of-pocket retiree medical expenses?



- A great deal
- Somewhat
- Very little
- Not at all
- Don't know

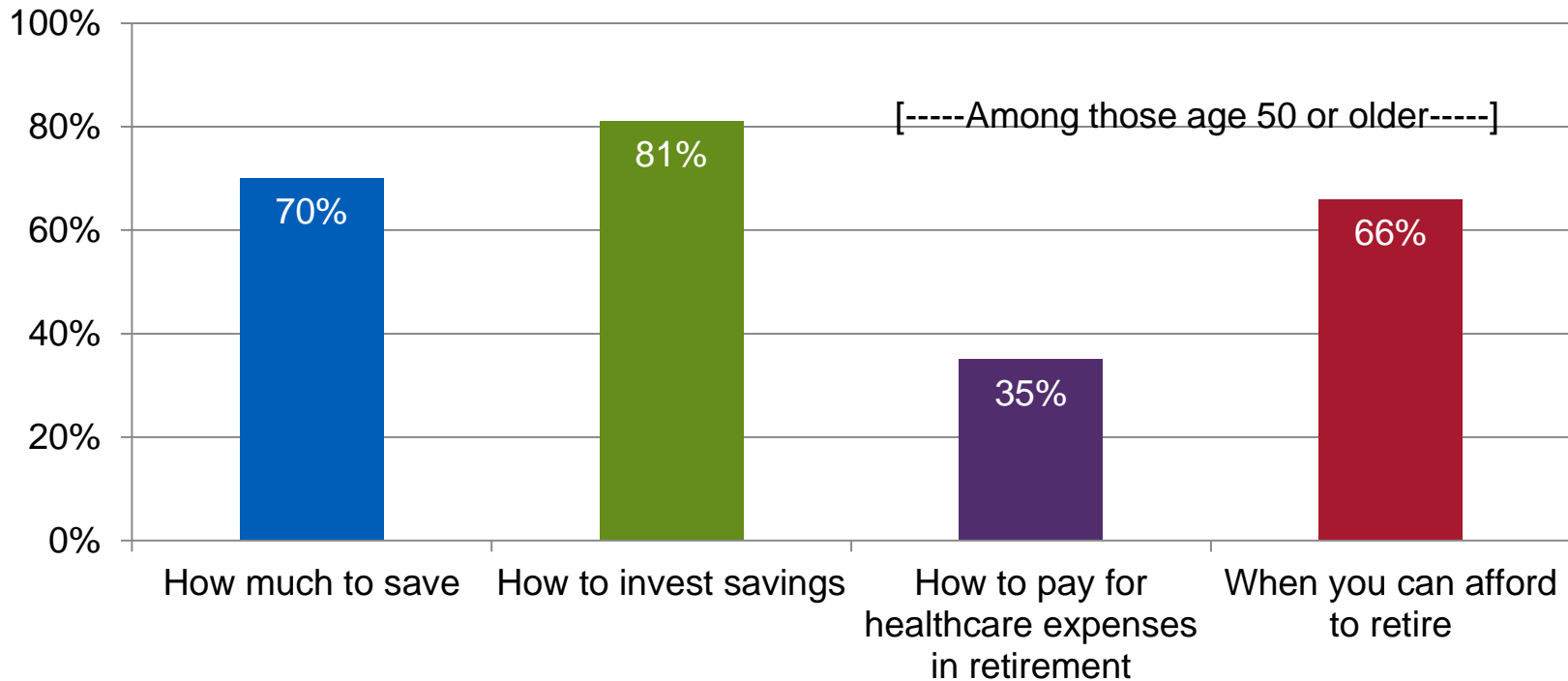
Many faculty are confident to some degree about having enough money for retiree medical expenses, but few have planned and saved for it.

Fifty-two percent expect to receive retiree healthcare benefits from an employer.

Older faculty have more likely planned and saved for such expenses; they tend to be more confident about having enough money.

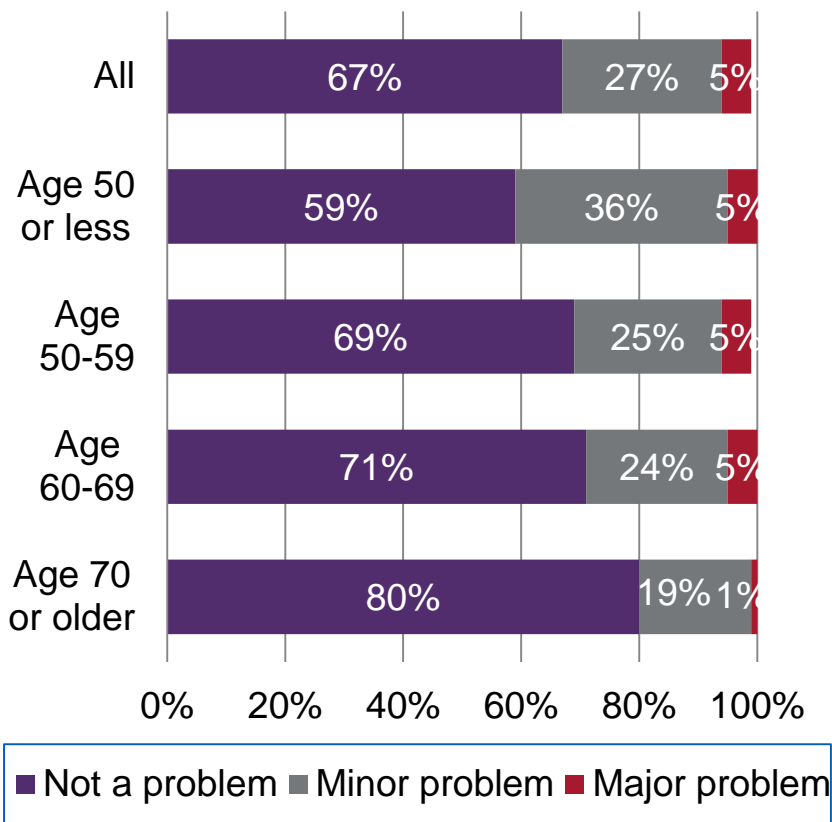
Fifty-eight percent of faculty saving for retirement or at least age 50 received retirement planning advice from a professional advisor within the past three years.

Received advice regarding...?

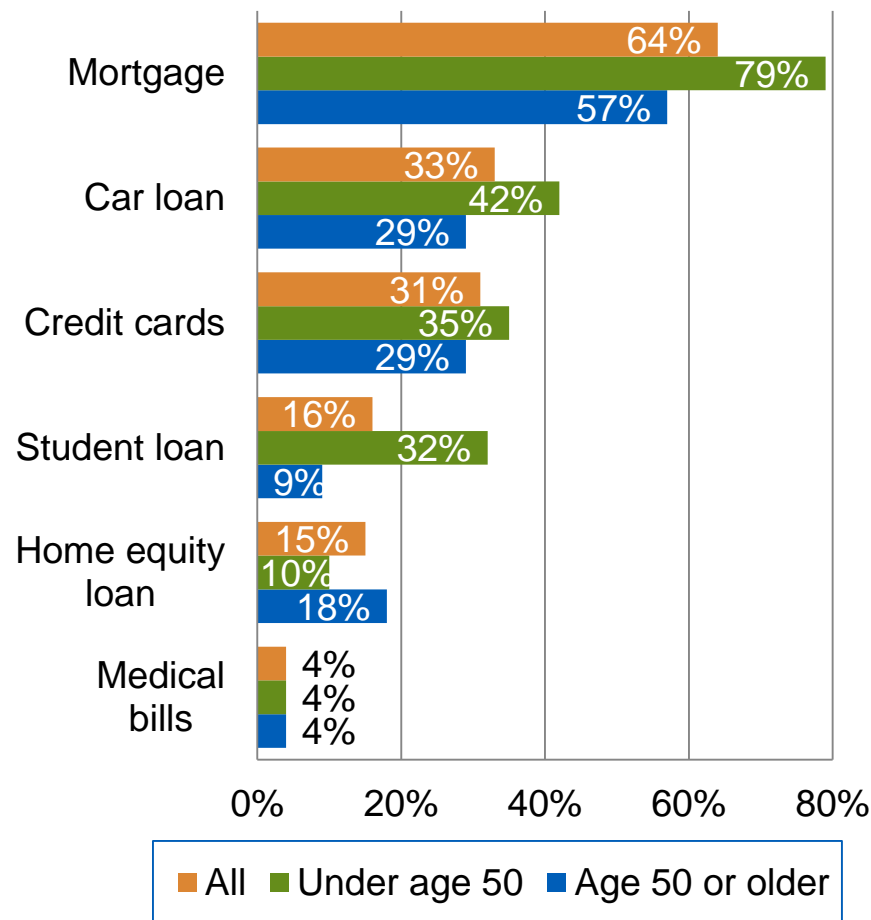


Debt among faculty

Thinking about your current financial situation, how would you describe your level of debt?



Sources of debt



College and university faculty are more confident regarding their prospects for a financially secure retirement than are American workers in general.

This high confidence is likely driven by their financial preparations.

- Ninety-nine percent of faculty report participation in a retirement plan at their college or university.
- Ninety-four percent of faculty are currently saving for retirement.
- Those saving for retirement are generally confident that they are saving the right amount and investing appropriately.
- Many have received professional retirement planning advice.

There also are signals of potential shortcomings.

- About 40% of faculty seem to underestimate the amount of preretirement income that needs to be replaced in retirement to live comfortably.
- Many faculty are at least somewhat confident about having enough money for retiree medical expenses, but few have specifically planned and saved for such expenses.