TIAA-CREF institute

TRENDS AND ISSUES

JULY 2011

UNDERSTANDING THE RELUCTANT RETIREE ON CAMPUS: HELPING INDIVIDUALS MAKE THE RIGHT RETIREMENT DECISION

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EXECUTIVE SUMMARY

Conventional wisdom maintains that many tenured faculty remain in their position too long—beyond what is considered a normal retirement age and past the point where they are effective professors. Where this phenomenon exists, it can create problems for administrators focused on keeping the faculty workforce dynamic for purposes of teaching, research and service.

While there are older faculty who are poor performers, there are also older faculty who remain effective teachers, productive researchers and supportive colleagues.

Typical retirement incentive programs may paradoxically create incentives for the latter to leave and for the former to stay. When the goal is motivating the "right" reluctant faculty to retire, a college or university cannot structure programs based simply on age and years of service. The roots of the issue are more nuanced, so strategies to address it must also be nuanced. This requires a deeper understanding of the reluctant retiree.

Addressing the reluctant retiree challenge thus involves targeting the "right" individuals and empowering them to undertake a careful evaluation of their retirement finances and their life options outside academe. Addressing the "Can I afford to retire?" issue falls squarely within the domain of traditional retirement financial planning. Addressing the "Is there life outside academe?" question falls under the domain of life planning. Both are necessary for individuals to make fully informed decisions about whether and when to retire.

Life planning for older individuals is about helping them discover preferences and meaning in their lives. The challenge is drawing older faculty into such an examination of alternative scenarios regarding the remainder of their life, providing

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a structure and framework to do the examination thoroughly, providing the support to do it well, and scaling such a program for delivery across campus over time. Life planning can be a powerful complement to phased retirement programs, buyouts or other retirement incentives. In particular, such planning programs can be offered in conjunction with retirement incentives that, while not individually tailored, are targeted at the "right" reluctant retirees. The University of Colorado provides a case study of how this can be successfully done.

INTRODUCTION

Conventional wisdom at colleges and universities maintains that many tenured faculty members remain in their positions too long. These individuals often work well beyond what is considered a normal retirement age and sometimes past the point where they are effective professors. Where this phenomenon exists, it can create various problems for administrators (department chairs, deans and provosts) focused on keeping the faculty workforce dynamic for purposes of teaching, research and service, e.g., limited advancement opportunities for junior faculty, a lack of openings for new hires and a lack of flexibility to reallocate resources across departments and programs. But while there are older faculty members who are poor performers, there are also older faculty members who remain effective teachers, productive researchers and supportive colleagues. So issues involving "reluctant retirees" are related to more than just age.

Increased life expectancies at older ages have led to increased interest in policies and practices to manage and even influence faculty retirement patterns.[1] Phased retirement programs are one institutional response to the reluctant retiree issue. Such programs appeal to administrators because they provide a degree of predictability in retirements. In addition, phased retirement seems to work well for faculty who choose to participate. But do phased retirement programs affect faculty retirement patterns? More specifically, do such programs result in earlier retirements to the degree desired and among the faculty desired? It is easy to imagine a phased retirement program leading to earlier retirements among those resistant to an abrupt end to faculty life by providing the ability to ease out of academe. But it's just as easy to imagine the effect cutting the other way if a phased retirement program provides faculty who would otherwise retire now with the means to hang around a few more years. A systematic analysis regarding the impact of phased retirement programs on faculty retirement patterns does not exist, let alone an analysis that identifies the key factors of a successful program.

Retirement buyouts are another institutional response. In essence, individuals are paid to leave, but there is a limited time frame during which they must decide whether to accept the buyout. Survey evidence indicates that faculty members are likely to be more responsive to a buyout offer than to a phased retirement program,[2] but colleges and universities are increasingly interested in nonfinancial strategies to address the reluctant retiree challenge. In the current budget climate, the financial resources to support a buyout incentive are often lacking. Furthermore, buyouts can lose their effectiveness on a given campus if offered repeatedly over time. In this case, faculty may come to expect subsequent buyout offers and there will be no sense of urgency to consider a current buyout that does not match an individual's planned time frame for retiring. Finally, if personal finances do not underlie a reluctance to retire, then a buyout will have minimal effect. Paradoxically, an institution may be providing a financial incentive for some of its best faculty to "retire" and accept positions at other colleges and universities.

Developing new responses to complement or replace an existing strategy requires a deeper understanding of the reluctant retirees on campus while recognizing that motivations will vary across faculty. When the goal is motivating the *right* reluctant faculty to retire, a college or university cannot structure programs based simply on age or number of service years. The roots of the issue are more nuanced, so strategies to address it must also be nuanced. Sorting out the root

1 Increases in life expectancies are changing traditional notions of "normal" retirement age. A 65-year old male in the upper half of the income brackets in the U.S. has a life expectancy of 22 years. For a 65-year old female in the upper half of the income brackets, life expectancy is 25 years. With mortality improvements in later life cohorts, these life expectancies for "retirement" age individuals will continue to increase. For colleges and universities, this means that the pool of reluctant retirees is likely to grow over time.

2 According to a recent TIAA-CREF survey, 29% of faculty would be much more likely to consider retiring sooner than planned if a phased retirement program were offered. By comparison, 44% would be much more likely to consider retiring early if a lump-sum payment equal to 50% of base salary was offered; 81% would consider early retirement for a lump sum of 100% of base salary.

reasons is important to inform policies. If individuals are financially unable to retire, then programs to motivate them to do so are unlikely to succeed. If, however, individuals *perceive* that they are financially unable to retire, but objective advice allows them to determine that they can indeed do so, an opportunity has arisen.

WHO IS THE RELUCTANT RETIREE?

Two reasons typically assumed for the reluctant retiree phenomena are personal preference (i.e., a faculty member wants to keep working as opposed to retiring) and financial necessity (i.e., a faculty member cannot afford to retire). Those who continue working due to personal preference are the ones typically labeled as "reluctant retirees." Considered in this framework, personal preference is the more common driver—two-thirds of faculty planning to work past age 67 cite personal preference as the primary reason.[3] But such a dichotomy is too simplistic for understanding the reluctant retiree dynamic and can result in programs and policies that are only marginally effective.

The framework of personal preference versus financial necessity can be subdivided into "assumed" and "known" status. A faculty member may *assume* that retirement is not financially feasible at a given point in time, but it is entirely different to *know* that is not feasible based on a systemic evaluation of household finances and resources. Analogously, a faculty member may simply *assume* after decades in academe that the status quo of faculty life must be better than retirement, but the individual cannot *know* this with certainty without consideration of the options that become available in retirement. Continued work is not so much a choice as it is a default outcome when it results from assumptions as opposed to evaluation; the faculty member does not truly consider the possibility of retirement, so he or she continues to work.

Viewed through this prism, addressing the reluctant retiree challenge involves empowering faculty to undertake a careful evaluation of their retirement finances and their life options outside academe. Addressing the "Can I afford to retire?" issue falls squarely within the domain of traditional retirement financial planning. Addressing the "Is there life outside academe?" question falls under the domain of life planning. Both are necessary for individuals to make fully informed decisions about whether and when to retire.

FINANCIAL PLANNING

Financial planning addresses a technical issue—an individual's financial ability to retire. For the segment of faculty who do not realize that they are financially able to retire, objective advice about the sufficiency of their financial resources to support themselves in retirement is critical. Such advice could propel some from *reluctant* to *willing* retiree status. This technical issue is not trivial, however. Complexity arises from a number of factors, including the need to convert wealth to income for defined contribution participants, the need to plan for healthcare expenses in retirement and the need among some to address multigenerational financial responsibilities. Some individuals shoulder significant financial responsibility for their parents and young adult children, so any retirement analysis of their "household" must take account of these dependencies.

Some reluctant retirees will not have sufficient financial resources to retire based on a technical analysis of their situation. It should be noted that phased retirement programs may be particularly attractive for faculty who would like to retire if only they had the resources to do so. The faculty member can continue to earn a salary and accumulate additional savings for several more years. Likewise, a buyout could be attractive as well.

CAN AFFORD TO RETIRE, BUT DON'T

The situation that most challenges colleges and universities is how to manage and advise faculty who do not consider the possibility of retirement, irrespective of their financial ability to retire. This is a behavioral issue as opposed to a technical issue.

3 See Yakoboski, Paul J. "Retirement Confidence on Campus: The 2010 Higher Education Retirement Confidence Survey," TIAA-CREF Institute *Trends and Issues* (June 2010).

It is one thing for a faculty member to assume that there is no other activity that could provide the same level of satisfaction as being a college professor. It is clearly a different matter for a faculty member to identify alternative opportunities in which to engage if retired, evaluate these alternatives relative to remaining a professor, and decide as a result that remaining a professor makes the most sense. The objective is then providing a framework in which faculty can evaluate their alternatives to continued work.

Several common themes emerge in interviews with faculty who continue to work, could afford to retire:[4]

- They enjoy teaching and interacting with young people.
- They value the intellectual stimulation provided by research and interactions with colleagues.
- There is a social benefit associated with being a faculty member when an individual's personal life revolves around relationships on campus.
- Some feel a sense of duty and obligation to their institution, department or program.

While there may be awareness among reluctant retirees that slots which continue to be held by older faculty are slots that are unavailable for younger faculty, there is no indication that such awareness leads to a sense of obligation to retire. What seems more prevalent in the minds of older faculty is intent to leave the job if and when they are no longer able to function at an acceptable level. This is accompanied by a belief that they are the best person to make such an evaluation and it is not necessary for someone else to tell them that it is time to go.

Such comments indicate that identity can be defined by what faculty do—teaching and research—and imply that programs linking retired faculty with the campus community could make reluctant retirees more amendable to retirement. Different models that have been used in this regard, e.g., emeritus programs, retired faculty office space and access to research facilities. But none have proven to be a universal solution.

In addition, some comments indicated that retirement would inevitably mean disconnecting from campus irrespective of opportunities to remain connected. If this is the case, then retirement means losing all the benefits associated with being a faculty member. The question is then whether those benefits could be found or developed off campus? Faculty life has scratched a number of itches for older faculty for decades. So the question that needs to be considered, evaluated and answered is whether there are new, different and maybe even better ways at this stage of life to scratch those itches? The answer will be individual specific. Older faculty who do not seriously consider such questions or simply assume an answer of "no" are *de facto* defaulting into nonretirement and continued faculty status.

ONE SIZE WILL NOT FIT ALL

Retirement incentive programs that offer a one-size-fits-all solution based on age and service ignore the tenets of the financial planning process in general, and life planning in particular. A college or university must focus on revealing the preferences of older faculty for continued work versus retirement, and performance may provide an important clue in this regard.

Suppose that a university has two professors in the same discipline who are identical in both age (assume they are over 60 years old) and years of service. But the two professors differ in one key respect—one does an outstanding job in every realm of academic life (teaching, advising, mentoring, research and service), while the other does a poor job though this was not always the case. What can explain such a dramatic divergence in performance?

Poor recent performance could signal that a professor is not finding value in his or her current work. The poor performer's preference might be to retire, but an impetus to do so is needed. Or the individual may not be cognizant of such a changing perception on their part; a framework to elicit clarity is needed in this case. Older professors who are performing well,

4 The TIAA-CREF Institute and Mathew Greenwald & Associates conducted in-depth interviews in March 2011 with six professors age 67 or older who were still working but had sufficient financial resources to retire and live comfortably and two retired professors who were at least 70 years of age, retired in the past five years and felt they had sufficient resources to retire two to three years before they actually did.

on the other hand, may be signaling their preference to stay in academe. Suppose then that a retirement incentive policy treats the low- and high-performing professors the same. Such a policy creates the *wrong* incentive for the *wrong* faculty. The high performer is perversely encouraged to retire and accept a position at another university. Meanwhile, the poor performer may or may not retire depending upon the individual's perceptions regarding academic life.

An elicitation of preferences might reveal how to proceed in managing each professor. Sorting out the reasons for declining performance is not to cast blame, but to determine how best to proceed. Some older professors are physically or emotionally unable to continue at the pace they once kept. Some might just want to move on to the next stage of their life. Assessments, such as post-tenure reviews, could document that a poor performance trend has been apparent for an extended period of time. If the goal of retirement incentive programs is to get the *right* faculty to retire, then helping these individuals develop clarity regarding the reasons for performance declines serves both the faculty and the university.

Ignoring the individual in the process of providing "retirement solutions" is not unique to colleges and universities. The for-profit financial advisory sector wrestles with the same challenge. Financial planning consists of two basic steps—elicit the needs and preferences of the individual and then make recommendations on how to meet those needs and preferences. In advisory practice, few get paid for the first step. The advisor might not get paid until the client buys a product (at which point the advisor receives a commission) or places assets under management with the advisor (who then receives payment from fees). The objectives and practice differ in colleges and universities, but the outcome is often similar. Individual needs and preferences fall victim to a nontailored program motivated by an objective of a certain number of faculty retirements and crafted to survive numerous bureaucratic (and ultimately legal) challenges. Such a program is not developed from an understanding of the reluctant retiree on campus.

LIFE PLANNING

Life planning is the investigation of meaning beyond money. An individual's life story is at the heart of life planning. Some of that story has been written; some remains to be written. What is left to write in the life story of the reluctant retiree in academe? The life story of a professor often contains vignettes of fulfilling interactions with students and colleagues. Reading the life story of a professor *ex post*, i.e., an obituary, illustrates the point. Professor obituaries tend to have quotes from students and colleagues talking about a passion for subject matter and collegiality. Life planning engages an individual in systematically thinking through the obituary content for the remainder of his or her life.

Financial life planning has been defined as "a process conducted…to help financial planning clients (1) focus on the true values and motivations in their lives, (2) determine the goals and objectives they have as they see their lives develop and (3) use these values, motivations, goals and objectives to guide the planning process and provide a framework for making choices and decisions in life that have financial and non-financial implications or consequences…A collaborative, client-centered approach to communication that integrates a client's values-based life goals with their financial goals."[5]

As explained by Jetton, "At the core of financial life planning is the emphasis on asking meaningful questions…A thoughtful open question may generate deeper thinking on the part of the client, unleash new insight or inspire clarity and direction. Good questions lead to critical learning on the part of the advisor and the client. We call this process "discovery."

"The ability to ask truly open questions is difficult because it is so easy to embed our own assumptions and beliefs into our questions. For instance, the question, "When do you want to retire?" makes an assumption that the individual does, in fact, want to retire. Perhaps a better question in the framing of financial life planning would be, "What do you want to do during your 60s, 70s and 80s?" Note the difference between the question "How much money do you want to spend in retirement?" versus "Describe a thriving life in retirement." Perhaps both questions are warranted, but one assumes that one's financial resources are the key to a happy quality of life. The other question opens the possibilities to find resources aside from financial ones, to address goals and aspirations. Good questions lead to critical thinking, and critical thinking leads to better, more thoughtful decisions."[6]

5 Anderson, Carol, and Deanna L. Sharpe. "Research: Communication Issues in Life Planning." *Journal of Financial Planning* (June 2008).

6 Jetton, Elizabeth. "Moving from Financial Planning to Financial Life Planning," TIAA-CREF Institute *Trends and Issues* (August 2009).

The challenge is then drawing older faculty into such an examination of alternative scenarios regarding the remainder of their life, providing a structure and framework to do the examination thoroughly, providing the support to do it well, and scaling such a program for delivery across campus over time. Done successfully, such a program would be a powerful complement to any phased programs, buyouts or other retirement incentives. "Done successfully" implies that faculty reach a fully informed and considered decision as opposed to defaulting to the status quo; it does not necessarily mean that they choose to retire.

RECOMMENDATIONS FOR PROCESS

Two questions drive recommendations for process. First, how should the university approach the life planning process with reluctant retirees? Second, how should faculty be advised about the retirement programs? Making some generalizations about context is necessary. Faculty, by their nature and training, tend to be skeptical and distrusting. They have spent their career finding weaknesses in arguments, theories and proposals. A retirement program is likely to be met with skepticism and may trigger defense mechanisms. Establishing trust with this type of individual in this context will not be easy.

A competent advisor can speak to the financial aspects of the decision whether to participate in a retirement incentive program, but this might be insufficient. From a life planning perspective, the advisor needs to assist the faculty member with a journey to clarity about preferences. In the case of the retirement decision, an understanding of the faculty member's remaining life story is necessary. Advisors who are similar in age and life circumstances can often better facilitate this type of discussion. An advisor in his or her 50s or 60s can talk about careers, issues with elderly parents and young adult children, and an envisioned future with the reluctant retiree in a personal way.

An outcome of this search for clarity may be the faculty member's ability to answer a key question—what does an ideal day in your older years look like? If the answer is filled with enriching activities having little to do with the university, then there is a strong behavioral match to accepting an offer involving much less time at the university. On the other hand, if the articulated ideal still involves significant time at the university, then the match may be poor. Further elicitation is necessary to identify the needs filled by continued engagement in academe and to evaluate whether those needs might be better addressed in a nonacademic setting during the individual's older years.

Finding the resources necessary to counsel reluctant retirees may be challenging. Who can perform this function? Is it Human Resources? An outside advisor hired by Human Resources? The department Chair? Dean of the college? An advisor from the retirement plan vendor? Given the varied nature of information involved in the decision, it would seem that several of these parties would have to be involved. Regardless of the source or sources, some economies of scale in providing retirement advice are necessary.

For economies of scale, the advisory source must tailor life planning presentations to groups of faculty. Mitch Anthony, an advisor to financial planners, offers a valuable framework based on presentation pace and focus.[7] Pace involves the speed of presentation—fast or deliberate. Focus involves the nature of a presentation's underpinnings—technical or relationship-based. In the context of a two-by-two matrix based on these aspects, any presentation will fall within one of four quadrants.

Applying this segmentation to the faculty universe offers interesting possibilities. In some fields, professors devote their intellectual efforts to notions of efficiency, and efficiency is often a quantitative construct. For these professors, a fast-paced, technical presentation of the retirement program alternatives fits their communication language well. The goal of the presentation should be to help them find an *efficient match* of program to their needs. Examples of fields where this type of presentation might fit include engineering, hard sciences, economics, accounting and finance. Other professors have spent their careers in fields that explore meaning. The design of presentations for this segment should be quite different than that just described; it would have a deliberate pace and focus on a *thoughtful match* of retirement program to

7 See Anthony. M. and G. DeMoss. (2004) *Making the Client Connection*. (2004) Dearborn Trade Publishing.

personal needs. The presentation has a relationship focus and is not based heavily on numbers or efficiency. Examples of fields where this type of presentation would likely be a good match include arts, humanities, social sciences, management and marketing.

More tailored individual advice sessions can follow such initial group-level presentations. When working with an individual as opposed to a group, it is easier to use less-familiar and less-comfortable communication language. For example, the advisor can facilitate a discussion of issues related to meaning with the analytical professor. How would the individual feel without an office on campus? What would an ideal day in late life look like? Similarly, a more numbers-oriented discussion could occur with a relationship-oriented professor. For example, the advisor could show a comparison of the individual's estimated future financial position under two retirement options currently being offered by the university.

CASE STUDY: UNIVERSITY OF COLORADO AT BOULDER

The University of Colorado (CU) employs about 27,000 people, 57% of whom are faculty. The Boulder campus (CU-Boulder) is a Research 1 campus with 822 tenured faculty, accounting for 40% of the university's tenured faculty. Among tenured faculty at CU-Boulder, the average age is 52, average tenure is 17 years and average salary is $100,566. Typically, about 50 faculty retire annually at CU-Boulder, but in 2009 there were just four. The university wanted to continue recruiting for tenure-track faculty and key specialized, senior faculty; it did not want to spend a year out of the academic labor market. So Human Resources began considering strategies to encourage some faculty to retire earlier than they might have otherwise planned. The administration viewed this as a fiscal management exercise rather than as a budget reduction exercise.

The CU administration began talking with the faculty council in mid-2009 about retirement—What would it take for faculty to retire during the recession? Beyond finances, why are faculty reluctant to retire? How can the university address such issues? CU also conducted an environmental scan of other universities and organizations to ascertain use of retirement incentives. The University of Utah ultimately served as a model for CU. Utah has an ongoing retirement incentive program with a payout equal to one year's salary, and has consistently averaged about 100 faculty retirements per year under the program.

The CU administration obtained an authorizing resolution by the CU Board of Regents to create a retirement incentive plan as a fiscal management tool. CU developed alternative plans for review and consideration—both traditional groups plans where any faculty member meeting the eligibility requirements has a window of opportunity to retire under the plan and targeted individual incentives. The inherent danger of losing good faculty under a group plan was recognized. Individual incentives can avoid this risk, but must be structured as quid pro quo arrangements to be defensible, i.e., a faculty member relinquishes tenure and retires in exchange for remuneration by the institution.

CU already had a phased retirement program in place,[8] but Human Resources wanted a program where faculty retired now and received a "reward" for doing so. After extensive discussion with various faculty governance groups and the campuses' leadership regarding faculty preferences, the administration decided upon and developed a primarily individualized approach with the following features:

- Candidates had to be at least age 55 with at least 15 years of service (the same eligibility criteria as the regents' policy on retirement from the university).
- Two years' payment at final base salary made equally over five years into a 403(b) account (if base salary is greater than $245,000, the balance beyond the contribution limit of $49,000 per year is taxable and paid in cash at the beginning of the sixth year).
- No negotiation on the terms of the incentive agreement.
- No CU-paid work possible for the five-year period of incentive contributions; otherwise, the retiree forfeits future payments with previous payments immediately becoming taxable as income.

8 The program has not been actively marketed. There are currently 105 faculty in the program which has a maximum phase period of five years.

The plan was announced to CU-Boulder leadership in October 2009. It was presented as a fiscal management tool, not a benefit to which anyone was entitled. The offer period was capped to a Spring-Summer decision, allowing retirement dates to range from May 31, 2010 to December 31, 2011.

Based on discussions with faculty, two years of base pay seemed like an amount that would be both attractive and affordable. Also, two years of salary paid out over five years translates into essentially receiving a 40% employer contribution of final salary. The logic was as much behavioral as anything else—for those who had experienced large losses in their defined contribution accounts during the recession, the incentive would provide an amount substantial enough to help offset the loss. In addition, a retiree would likely not need these funds immediately upon retirement, so putting it into a tax-deferred account assured that it would be available downstream when needed. From an accounting standpoint, the university had to book the entire stream of payments at the time of retirement, i.e., the point when costs were incurred.

A key element of the program beyond the payment was the restriction that individuals could not work for pay at CU during the five years immediately following retirement. If someone did, say, teach on a part-time basis, there was the risk that the entire amount of the payments could be declared taxable. Retirees could work anywhere else during these five years, just not at CU. This prohibition created a very hard decision for many faculty regarding an otherwise attractive package.

The program was offered as a fiscal management tool by the provost to all deans. The incentive payments at CU-Boulder were funded two different ways. The provost has a discretionary fund from which he offered to pay the two years of salary, but then the college had to relinquish the FTE position. Alternatively, the college could fund one-half of the payments with the provost funding the other half, in which case the position was relinquished for only one year.[9]

While faculty meeting the age and service requirements were eligible to be considered, each campus set its own criteria determining who among these was actually offered the incentive package. Establishing these criteria was done by the provost in conjunction with legal counsel and the head of human resources for the campus. At CU-Boulder, the program was a targeted approach focused on faculty with decreased course demand, significantly reduced research funding or declining performance. This was an opportunity to incent someone to leave with dignity, as opposed to possibly being forced to leave at a later time. Again, while campus leadership set the criteria for making the retirement incentive offer, they were not allowed to make any changes in the specifics of the offer; retirement under the program required sign-off by legal, human resources and the controller.

In practice, the CU-Boulder provost consulted with the deans about individual faculty; the deans subsequently met privately with those identified. The conversation with the prospective retiree was straightforward—their specific situation was discussed and the option of retiring under the incentive program was presented. Deans had specific instructions on what to say, how to say it and what not to say. A standard follow-up letter was sent to those interested in accepting the retirement incentive offer.

A retirement planning coach was available to work with anyone receiving the offer. The coach did not focus so much on the financial planning aspects of the decision, but rather on the life planning aspects, such as feeling personally empowered, identifying a new purpose and goals, having dreams for the future, focusing on leisure activities that would be rewarding, and evaluating friendships in the context of retirement. Most individuals took advantage of the coach.

The College of Engineering was the first to embrace the program, followed later by the College of Arts and Sciences. Thirty-one faculty accepted the offer (Engineering, 12; Arts and Sciences, 13; various other colleges, 6) and five declined it.[10] The average age of retirees under the program was 68, their average service was 34 years and average salary was $98,523. There were no lawsuits regarding the offer, and no changes were made to the incentive template. No plans are contemplated by CU to repeat the program in the near term, but the university would not hesitate to use it again if the

9 Two years in the case of Arts and Sciences, which had a greater need to make overload or adjunct payments in the first and second years.

10 One person not meeting the criteria asked to participate but was disallowed.

need arises. The university believes that the program performed as intended. While a cost was involved, the university also believes that it can recoup that cost within two to three years.

CONCLUSION

Reaching the normal retirement age of 65 used to signal that the end of life's trail was near, but not anymore. Life expectancy contingent on reaching age 65 in the United States is now 22 years for men and 25 years for women. Demographically, this means rapid growth in older-age Americans. It also means rapid growth in the number of older-age professors in U.S. colleges and universities.

Not all "retirement age" professors are bad. In fact, some are great. Why would a university design and promulgate retirement programs that encourage its best performing retirement age professors to leave and the poorest performing to stay? In the growingly competitive marketplace for higher education, this type of policy is extremely damaging. But developing a one-size-fits-all retirement incentive program based on age and service and then soliciting volunteers inverts the financial planning process, resulting in this type of adverse selection. Strong performing senior faculty have outside options, quite possibly at other universities, and will be inclined to the take the incentives and employ their valuable human capital elsewhere. Poorly performing senior faculty, on the other hand, may end up staying put.

Mindful of the myriad legal constraints and large organizational frictions in colleges and universities, it may well be that programs have to be developed that are not individually tailored. However, these programs should be *targeted* based on financial and life planning tenets. Life planning for older individuals is about helping them discover preferences and meaning in their lives. In the faculty context, a key inquiry is about the reasons for good or poor performance. Prolonged poor performance is an indication that the faculty member has moved away from drawing meaning from their work. Strong performance suggests that the faculty member remains engaged in the university.

Given constraints in university advising resources, segmentation of the reluctant retiree population is needed. Professors differ in their preferred communication languages. Some are numbers-oriented and find notions of efficiency pleasing. Others are relationship oriented and find the understanding of meaning to be important. One possible life planning progression involves moving from a more comfortable communication language in a group setting to a less comfortable, but needed, one in an individual setting.

Designing a life planning program for reluctant retirees in a university will not be easy. The information needed spans organizational boundaries and requires coordination between individual colleges, university human resources, and sources of advising expertise outside of the university. Despite the challenge, universities should consider the benefits of designing programs that encourage the "right" reluctant retirees to retire.

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Pollock assumed her role at CU in 2008 and provides leadership and strategic direction to a 70-person staff engaged in matters such as the management and pay of CU employees, employment policy, compliance education, leadership and organization development, benefits design and employee data management and metrics. Before moving to Colorado, Pollock was the chief human resources officer at Texas A&M University. She has also held leadership positions in corporate and entrepreneurial settings. Her professional experience includes 12 years at Ford Motor Company in all aspects of human resources management at the corporate and division levels. In addition, she owned a management consulting firm for 16 years, with offices in Detroit and Washington, D.C., serving clients in both the public and private sectors.

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