Johnson & Wales University
ScholarsArchive@JWU

Administration Publications and Research | Academic Affairs

3-28-2008

The Institutional Challenges of Full-time Faculty Retirement: Has The Expedition Accomplished All That it Promised and That it Should Accomplish?

Jeffrey D. Senese
Johnson & Wales University - Providence, jsenese@jwu.edu

Follow this and additional works at: http://scholarsarchive.jwu.edu/admin_publications

Part of the Higher Education Administration Commons, and the Other Educational Administration and Supervision Commons

Repository Citation
Senese, Jeffrey D., "The Institutional Challenges of Full-time Faculty Retirement: Has The Expedition Accomplished All That it Promised and That it Should Accomplish?" (2008). *Administration Publications and Research.* Paper 4.
http://scholarsarchive.jwu.edu/admin_publications/4

This Article is brought to you for free and open access by the Academic Affairs at ScholarsArchive@JWU. It has been accepted for inclusion in Administration Publications and Research by an authorized administrator of ScholarsArchive@JWU. For more information, please contact egearing@jwu.edu.

The Institutional Challenges of Full-time Faculty Retirement: Has The Expedition Accomplished All That it Promised and That it Should Accomplish?[1]

Jeffrey D. Senese[2]
Philadelphia University

Abstract

This paper provides a discussion of the issues and challenges that are presented in the recent literature concerning faculty retirement and the impacts this phenomenon has on colleges and universities as well as practical suggestions for administratively planning. Faculty retirement is an issue that has the potential for tremendous impact on institutions of higher education. In the coming decade there will likely be a generational shift in the faculty through retirements and rehiring and this will test many institutions in their efforts to maintain a strong core faculty strength in their curricula, research and service missions not to mention the affects this change with have on institutional governance and culture. It is also important that academic administrators and others involved in leading institutions of higher education consider how retirement should be managed, encouraged, perhaps tactically discouraged and strategically planned for in the present and over the next few decades.

Introduction

The retirement of full-time faculty is an issue that is currently and likely to continue to challenge many higher education institutions. It is an issue that has implications that are long-term and both positive and negative. On the positive side for institutions, faculty retirements present potential opportunities to renew the core staffing of the institution. Faculty retirements may allow institutions to add new energy and innovation through the hiring of new faculty. Not that new ideas or innovations are the exclusive realm of new or young, but fresh ideas and approaches in higher education are more typically associated with new faculty coming to an institution for the first time rather than with senior faculty near the end of their careers. To be sure there are clearly exceptions to this phenomenon and perhaps perception and in the sphere of research that may particularly be the case as senior faculty are proportionately more productive researchers. Retirements are also opportunities to reallocate scarce faculty salary resources to areas where student demand is particularly acute.

In recording his travels through Europe and the Middle-east Mark Twain concluded with a recounting of his experiences wherein he satirically discusses his travel mates and focuses on his own views and opinions while not having the kindest words for his fellow travelers and the crew of the *Quaker City*, which was the ship on which he traveled. Faculty retiring have a similar luxury or opportunity in that they can continue to engage in the community but are fully empo-

---

[1] An earlier draft of this paper was presented at the Association of American Colleges and Universities: Faculty Work and the New Academy: Emerging Challenges and Evolving Roles Network for Academic Renewal Conference, Chicago, Illinois November 11, 2006. The second clause of the title was taken from "The Innocents Abroad" by Mark Twain.

[2] Dr. Senese is the Vice President for Academic Affairs/Dean of the Faculty at Philadelphia University senesej@philau.edu

wered to criticize the end of their journey as well as decide when and where they will leave the voyage without concern or second thoughts about the ship and crew that conveyed them to that point in their careers. Thankfully not many faculty are as mocking as Twain. On the contrary it has been my experience that most retiring faculty are concerned about their transition and think about the ship, crew and passengers (e.g., students) of the institution they are about to leave. This paper is focused on providing a discussion of faculty retirements with particular context of the institutional impacts and to focus administrative considerations.

Institutions of higher education are currently enjoying strong student growth both in terms of traditional and non-traditional students. This growth has created a demand for resources and particularly faculty staffing. While part-time faculty use has dramatically increased many in academe believe there is a certain critical mass of full time faculty that is needed to deliver high quality academic programs. In that context, retirements are perhaps the most readily available and cost efficient source of faculty position dollars and this is likely to continue in the next decade given the average age of the professoriate at this writing and the limited availability of truly new dollars provided to institutions for that purpose. Few institutions of higher education have initiated programs to increase the number of faculty at their institutions other than when they begin new curricula.[3] Even in that case the proportion of adjunct faculty, of the faculty as a whole, has growth steadily over the past few decades and there is nothing on the horizon that seems capable of abating or slowing that trend.

Faculty retirements also have the potential to create the opportunity for institutions to diversify their faculty. The faculty that are currently retiring are arguably more white and male than the demographics of the country and the broader higher education access successes over the past few decades strongly encourages the development of a level of diversity among the faculty and staff of institutions of higher education to strengthen their collegiality, openness and ability to understand the cultures and subcultures both within the United States and globally. While changing the demographic profile of the faculty will not "solve" the diversity issue, it can move institutions in this direction more expeditiously.

On the other hand, institutions, through faculty retirements, one can argue, lose something in each retirement as long-serving faculty have an ability unlike new untried faculty to balance their teaching, research and service responsibilities. Senior faculty also have perhaps a better ability to contribute in ways that newer less experienced faculty are far from able to bring to bear at the beginning of their careers because the former know the institution and their roles. It is important that academic administrators should not immediately see retirement as a positive for their institution, and certainly most experienced administrators know this or come to appreciate it when a strong senior faculty member retires. This is especially true when the individuals retiring have made wonderful contributions to the institution, are engaged appropriately or otherwise continue to add value to the learning community. Serious health concerns and the effects of aging aside, it is commonsensical to suggest that senior faculty can add much to their institution and perhaps it should be considered whether partnering with them to create what might be labeled "legacy programs" rather than simple emeritus benefits, early retirement incentives or voluntary separation agreements or other like legalistic or managerial approaches. In such legacy programs, institu-

[3] The notable recent exception of Boston University who announced that it would be hiring 150 new faculty (Chronicle of Higher Education, November 2, 2007).

tions could design an approach perhaps to transfer experience and knowledge wherein the senior faculty would "leave behind" their successes in teaching, research and learning as well as scholarship so that it is accessible to junior faculty and those who will joint the collegium as they retire.

Perhaps it is a bit heretical for an administrator to suggest that senior faculty should be depended upon to transfer their knowledge and even celebrated and that one should look to many of these individuals as valuable human resources who have a true desire to do what is good for the institution and higher education. One can also argue that much will be lost when the "baby boomer" generation of faculty retires if a more engaged approach in the lead up to their retirements is not taken. The costs for engaging in knowledge transfer of senior faculty are minimal. They are faculty and allowing for a longer phasing out and perhaps phasing-in of long-serving adjuncts might be a solution, albeit an approach which requires a great deal of finesse, to the problem of retirement of faculty.

The argument that senior faculty should be celebrated and worked-with to contribute to building their institutions as they retire is unorthodox because there is a bias against older faculty in the United States. As long ago as 1905 William Osler the outgoing chief physician at the John Hopkins Medical School argued that faculty over 40 were unproductive and those over 60 are a nuisance (Graebner, 1980). This view may not have changed very much in the past one hundred years although it certainly will not be heard in such direct terms in the litigious era we are in at present.

Due to rapid faculty growth in the 1960's and the subsequent slow down in hiring in the 1980's a "bulge" in the faculty age cohort exists (Ashenfelter and Card, 2002). Those who have identified this trend have argued that institutions must work now to replace senior faculty with other perhaps younger faculty who expect equal salary to those who retire given salary compression and market forces. All of higher education is competing for new faculty at a time when student enrollments are at an all-time high. So the new faculty, while promising and perhaps full of energy, also must develop their research agendas and records at the same time they are engaging in the learning community, focusing on curriculum development, service to the institution and development of more active learning approaches given the changes in students and their learning styles. Indeed the "new" faculty will need to evolve in ways that senior faculty have not had to in their careers, and also in ways that they have not contemplated or that perhaps cannot be foreseen at this point given they will have careers that will likely extend into the middle of the twenty-first century.

In a recent TIAA-CREF Institute study it was found that relative to all working Americans, faculty are doing a good job of preparing for retirement (Yakoboski, 2005) (See Figure 1). That certainly bodes well for institutions of higher education because it suggests there will be a predictable retirement pattern among faculty. On the other hand it may also suggest that faculty can choose their retirement time more readily regardless of the needs of the institution given they have been more adept at planning for that time throughout their careers. If one assumes that financial concerns are well in hand, it may only be health issues that drive the faculty retirement decision at least from the faculty perspective. This may be an oversimplification, but if it is either true or a large part of the truth it may make managing retirement incentives not about buy-

outs or financial encouragement so much as it is about individual faculty health and perhaps the institution providing health care support.

Insert Figure 1 about here

Trends. The generational changes in the United States are fairly well known at this point. In particular the so-called "baby boomers" are a large group that is beginning to retire in many occupations including faculty. The baby boomers and seniors are currently estimated to include 78,000,000 and that group is growing at a rate of one every 8 seconds representing a vital and influential force in the United States (Christian Science Monitor, 2006, p. 18). In that group there has been a change in the trend of men towards a slightly later age of retirement (Toossi, 2004) although their average age of retirement is still much younger than that of faculty (Sugar et al., 2005).

Institutions of higher education should recognize that they are not isolated from the demographic age trends in society. In fact, the aging of the professoriate may be the most important trend in higher education today (Sugar et al., 2005, p. 407) yet very limited data is available on this phenomenon. Many institutions also find it difficult to plan for faculty retirements and while a good number have taken actions to encourage it, they have not planned for large numbers of faculty retiring nor have they really been able to consider how they will strategically renew their faculty ranks over the coming decade.

All indications are that in the coming decade, large numbers of professors will be aging into retirement (Clark and d'Ambrosio, 2005). Clark and d'Ambrosio (2005) contend that this is due to the reality that a relatively large number of new professors were hired in the 1960s and 1970s and that only a small fraction of these professors have left the academic labor market at this point in time. Many institutions of higher education are not adequately planning for this change because it may be difficult to do so or because they are not even aware of the potential affects of this will have on their faculty and curriculum.

Institutions with heavily tenured faculty and those that built the bulk of their faculty compliment in the 1960's and 1970's are going to be particularly affected by this trend. This also implies that competition for new faculty may increase for all institutions. This can be seen in some fields today (e.g., business, engineering, etc.) but if larger numbers retire it may create broader inter-institutional competition for what might be fewer available qualified new faculty. On the other had there appears to be more opportunities today for doctorate-level education than was the case in the 1960s and 1970s so there may be hope that the supply of qualified and credentialed faculty may not be an issue. There is limited research on the replacement rate of credentialed faculty so this may be wishful thinking given the growth in the size of the student body.

Mandatory Faculty Retirement. The current reality of faculty retirement can be traced to the changes in law enacted over the past thirty years. The first landmark was the 1967 Federal Age Discrimination in Employment Act that created the legal idea of the protection of individuals

from age discrimination in hiring, discharge, compensation and other aspects of employment. Despite the existence of the Federal Age Discrimination Employment Act, mandatory retirement had become nearly a universal event in the lives of faculty in colleges and universities during the 1970s (Aschenfelter and Card, 2002). In 1994, however, age-based mandatory retirement ended nationally for tenured professors in American colleges and universities, and a new era began in which academics could continue to work indefinitely in their career jobs if they wished (Dorfman, 2002, p. 15). There was a view expressed at that time that faculty would remain in their positions into their 70s and beyond and that that would weaken higher education. It is interesting that the perception concerning senior faculty was so negative at that time. In the context of the law and its rather significant shift from the past that reaction might have been a rational. Conversely, it has been argued, that society cannot afford to support on pensions people who have received long and expensive training and who still, in what is now late middle age, are quite capable of continuing to exercise their skills (Tizard, 2004).

Institutions should also consider the amount of energy and resources they have dedicated to senior faculty over their careers and in the end this investment is likely to have been significant. Where senior faculty remain vibrant contributors to the institution, they should be supported to continue as long as possible given these investments alone but also because such an approach does not lack integrity for both the institution and individual faculty.

Faculty Effectiveness. There is also research that contradicts the point of view that senior faculty become less capable by definition. Research has shown that faculty who remain in their positions rather than retire are generally productive and continue to enjoy their work in the senior years of their careers (Dorfman, 2002; Over, 1989). This certainly implies that it would be reasonable to design an approach that can take particular advantage of capitalizing on the lengthy careers of senior faculty to add value to the institution by creating a situation wherein they will "pass on" their knowledge and experiences to the next generation of faculty and to the institution. Senior faculty who are at the ends of their careers are an incredible knowledge resource that higher education has intermittently and somewhat poorly drawn on to create an institutional memory. Sugar et al., 2005 suggest that senior faculty with established careers and a wealth of teaching experience may be in a position to devote more time and energy than younger faculty to program development.

That is not to say that there are not senior faculty who are ineffective who should perhaps retire because it is in the best interests of the institution. Cleary new or junior faculty can also be equally ineffective. What is clear is that the retirement decision, right or wrong and by and large, is a personal faculty decision rather than an institutional choice. In addition, there is no existing literature that shows retiring faculty consider what is in the best interests of their institution when they make their decision as a primary, secondary or important factor in that decision. Individual faculty no doubt may consider their colleagues and students but they may not consider the broader institutional impacts of retirement nor do they have the information or perspective to accurately consider this in the first place in most cases.

The Number of Faculty Retirees. While there is relatively limited data on faculty other than occasional national studies and the annual AAUP salary data, there is enough to predict that retirement is an issue. Even IPEDs data is very limited with respect to faculty data. One can extrapo-

late however from the data that does exist that the professoriate is aging. Data collected on faculty age cohorts shows that in 1979 the largest proportion of faculty were 36-40 years of age; in 1989 the largest proportion were 46-50 and in 1999 the greatest proportion were 51-55 (National Research Council, 1999; U.S. Department of Education, 2001) (See Figure 2). The trend in aging of the professoriate may be the result of an increase in the average age of newly hired faculty and a decrease in the retirement rate of existing faculty members (Clark and Hammond, 1998). But again, because the rate of retirement since the 1990s has appeared to have slowed down a bit does not mean, given the aging of the faculty, and the absolute finite nature of time that people have in life and the inevitable fact that they will simply run out of time, that there is not the potential for a significant wave of retirements or departures over the next decade. Simply put academic administrators and institutions of higher education must consider this issue as critical over the next several years and decade given the impacts and costs.

Insert Figure 2 about here

It is perhaps concerning that there is limited research on faculty retirement since the 1994 change in law ending mandatory retirement (Sugar et al., 2005). This might be due to the strength in the numbers of students pursuing higher education or maybe it is due to the growth in institutional acceptance of using part-time faculty to meet their instructional needs. Possibly the lack of research is due to the availability of qualified new faculty and if that is the case institutions are not experiencing challenges with senior faculty retirements and subsequent replacement.

Evidently, understanding the trends, realities and policy implications of faculty retirement has not been a priority for many researchers and it has certainly been difficult to plan for operationally at the institutional level. There are researchers that focus on these issues as is clear from the literature cited throughout this paper. It is also important to keep in mind that the lack of current research focus in this area does not mean that it is not an issue worthy of much more research and operational attention and given the trends it is more than likely to become more important as an issue over the coming decades.

Concerns with Faculty Retirement. One of the concerns about delayed retirement of older faculty is that it will reduce job opportunities for new faculty, women and minorities and will reduce the quality of instruction and research productivity (Bahrami, 2001; Clark and d'Ambrosio, 2005). If these concerns are founded, then institutions and academic administrators should be focused on strategically addressing retirement planning, incentives and strategies. While there is no immediate and tangible benefit for planning for faculty retirement at the institutional level, there are near term costs for not doing so as the trend lines clearly suggest that there will be a significant number of retirements. If there is a decline in quality as a result of faculty aging it is also important that institutions create a responsible approach to address that issue. The latter is not easily contemplated or accomplished with senior faculty.

While many administrators may believe that junior faculty will be more productive, more adaptable to new technologies and ideas, and better able to communicate with students (Chronister

and Reed, 1994; Holden and Hansen, 1989; Morrell, 1993; Smith, 1991), that view is not empirically established. Assuming it is true for a moment, it suggests that there may be an appropriate balance between the senior faculty and new faculty as institutions strive to have an appropriate balance between their traditions and the new and innovative. There is currently no literature that documents or discusses what an appropriate balance of new and senior faculty should be at the institutional level. Conversely, it has been shown that senior faculty are more productive researchers (See Dorfman in particular). There is limited evidence that shows new technologies result in deeper or better learning but none that demonstrates that innovation is the exclusive claim of new faculty. Communication with students is the most logical of the negatives presented against senior faculty but even that belief may be irrelevant because it is important that students are exposed to a broad range of viewpoints and perspectives as well as communications styles and senior faculty have an important part to play in that process.

Interestingly, it has been shown that faculty in private universities in general retire later than those in public universities and research oriented institutions differ from teaching institutions (Baharmi, 2001). This is likely due to the fact that the average salaries at private institutions are generally higher than those at public institutions and the literature suggests that more highly compensated faculty tend to retire latter than less highly compensated faculty.

Sugar et al., 2005 suggest that rather than thinking of faculty in terms of age, it would be more helpful to think of them in terms of their career trajectory and the different strengths that junior and senior faculty bring to the professorate (p. 409). This is an important suggestion in that there could well be senior faculty with strengths that should be celebrated and maintained and considered in balance with those of new energetic junior faculty.

Most research shows there are large individual differences among institutions in the age structures of their faculty (Holden and Hansen, 1989); and there are also differences noted by discipline. So some fields, such as physics, have higher proportions of senior faculty than do other fields. It is also important to note there are differences within institutions that complicate this issue. For example, if the College of Science has a high proportion of senior faculty as opposed to the College of Liberal Arts that may be more problematic for an institution given the costs associated with hiring new faculty in science and the competition for new faculty in sciences nationally. Conversely, if the liberal arts area teaches the institution's core curriculum and there are a high percentage of retirements in that area that has the potential to weaken or change all programs at the institution. Financial implications aside, liberal arts faculty are somewhat easier to replace than science faculty. The affects of retirements in Liberal Arts may be broader than in the Sciences. While retirements in both science and liberal arts have significant potential for distressing the institution, it may be easier to address building one faculty than the other. This is a rather simple example of a decidedly much more complex situation that exists across disciplines at even small colleges and universities.

The Decision to Retire

A variety of factors, such as the uncapping of the retirement age, current salary, eligibility for full retirement benefits, other sources of income, early retirement incentives, social security income, preference for leisure, teaching effectiveness, type of institution, and the level of educa-

tion of faculty have a significant influence on faculty members' decisions to retire (Bahrami, 2001, p. 297). The decision is therefore based on a complex mixture of factors and largely based on individual faculty considerations.

The literature appears to suggest however that financial and health considerations are a primary consideration of individual faculty when they consider retirement. That is not to say the softer concerns such as preference for leisure or family considerations are not important only that the financial issues are considered first in the decision to retire. The research is consistent on this and it shows that the most powerful predictor of delayed retirement in the higher education sector was "fear of inadequate income during the first two years of retirement" (Montgomery, 1989, p. 57). Others have found that faculty are less likely to retire if they anticipate a higher salary; and they are more likely to retire if they anticipate a greater pension income during retirement (Euster, 2004). Money matters in the retirement decision, which should not be a surprise to any academic administrator.

The reasons given by faculty for retirement are similar to other professions and include the desire to do other things and hence, to have more free time, an awareness that time is finite, being tired of the routine and duties of the job and poor health (Henretta, Chan, and O'Rand, 1992; Kimmel, Price and Walker, 1978; Parnes and Sommers, 1994). Much of the literature iterates that poor health or health concerns are significant precursors to retirement for many senior faculty.

Conversely, Dorfman (2002) found, in her study of a selected sample of faculty aged 70-74, that most professors who continued to work said they did so mainly because they enjoyed their work and because they thought it was important to continue that work (p. 23). Those that did retire did so for health reasons. Dorfman (2002) also argues that virtually all retirement studies indicate that health is a major factor in the decision to continue working or to retire. Faculty report they will continue to work because they are committed to their work and enjoy what they are doing (Dorfman, 2000). One can argue that regardless of age if faculty enjoy what they are doing they will continue at their current institution.

Anderson et al., (1986) determined that the retirement decision among the general workforce is influenced by both the current value of relevant variables such as income, inflation, and health and by expectations about their future. Faculty contemplating retirement are not all that different from the considerations undertaken by individuals in the general workforce with perhaps the notable exception that many institutions of higher education have implemented retirement benefit programs that are generous when compared to the range offered to workers in general. Faculty may, on that basis, have more confidence in income factors in the retirement decision and especially if they have planned and invested appropriately. Institutions of higher education have been very encouraging on retirement issues and the long-term result in the next century should be an even better situation for faculty contemplating retiring because their financial situations will be advantageous.

Research on both older faculty and the general retirement literature suggests that interest in a commitment to work impact how long older individuals continue to work (Dorfman, 2000; Parnes and Sommers, 1994). It is important to note that the interest that is generally referred to as commitment to work impact is not from the institutional perspective but from the individual

view. Faculty are focused on teaching and scholarship in this individual view. The literature has not addressed the institutional views when assessing faculty decisions to retire.

Research has also shown that faculty with strong research orientations are likely to remain in their positions longer than teaching oriented faculty (Monahan and Greene, 1987; Smith, 1991). In fact, the most successful researchers – those with lighter teaching loads and higher incomes – are more likely to work into their 70s, other things being equal (Lozier and Dooris, 1991; Leslie and Janson, 2005). This reality is important from an institutional perspective as one can argue that senior faculty with strong research orientations are generally more productive than new faculty with respect to generating overhead or indirect revenues. That is particularly the case where external funding is concerned as more experienced faculty researchers are usually better able to win grant competitions and to know how to write effective grant proposals than are new developing faculty.

Career and retirement decisions are ultimately individual decisions, and the significance of personal interactions, the work environment, leadership, and so on cannot be discounted (Lozier and Dooris, 1991, p. 105). It might be possible given these considerations to encourage or discourage faculty retirement decisions. Obviously that is not to say that the institution should work to interfere with personal interactions or the work environment. Conversely, the institution may focus on the best interests of the institution in the short and long-terms and if that requires faculty to be focused on active teaching, technology enhanced teaching or other foci that senior faculty may not be amenable to embracing then the focus should be on building the institution for the long-term. On the other hand if the institutional focus is on building more research or external funding, senior faculty might be focused upon to help build that aspect of the institution. That is not to say the junior faculty can't write successful proposals or that they are not successful in this area, or that there are not senior faculty who produce nothing in this arena, only that faculty with decades of experience tend to be better grant proposal writers. In reality most institutions will be somewhere between these two extremes.

Interestingly, women appear far more affected by their family situations (including household income and spouse's employment) than are men when making retirement decisions (Leslie and Janson, 2005, p. 42). As the professoriate becomes more female over time this is an important consideration in planning for retirements of faculty for the institution but that is certainly, at this writing, a much longer-term issue. While this phenomenon potentially adds a level of complexity to the issue, men are likely to consider their spouse in their decisions as well.

Research has shown that faculty on defined-contributions plans are less likely than those on defined-benefits plans to retire at or near traditional retirement ages (Clark, Ghent, and Kreps, 2001). Defined-contributions plans (e.g., TIAA-CREF) are increasingly the norm in higher education. The downside of these plans for faculty and institutions is that their value is sensitive to the broad economic fluctuations in the economy. During the booming 1990s when the economy was particularly strong there appears to have been a surge of retirements, conversely in a slower growth economy or investment situation, such as has been the case to a larger extent after September 2001 until very recently, there may be fewer faculty retirements due to the less stellar value of their portfolio and perhaps their perception, and historical evidence, that the high point of the past of the 1990s will return.

The focus is more individual although there is a belief and connection to the "field" the institutional consideration is not really a primary concept in faculty considerations, at least that has not been a reported empirical result or research focus.

Early Retirement Incentives

Phased or early retirement incentive programs are programs that offer faculty members nearing traditional retirement age (e.g., 65) a variety of financial incentives, coupled with reduced work loads, to induce them to retire (Leslie and Janson, 2005, p. 42). Usually, phased retirement programs are formalized in order to ensure equal treatment and to standardize the incentives for faculty to retire in a predictable and orderly way (Leslie and Janson, 2005). Formalized programs are those that define the time frame, buyouts and other conditions of retirement based on an agreement between a class of faculty (usually determined by a minimum age) and the institution.

Piper (2001) suggests that retirement decisions are influenced by the structure of the pension fund as much as by early retirement incentives. Structured early retirement programs may be easier to manage than occasional programs and the former can be more clearly presented to and perceived as fair by faculty. Structured programs can be developed and should involve legal council, human resources, finance and academic affairs administration.

Eligibility for phased retirement is often based on age and years of service, and it typically requires the waiver of tenure rights, has a limited time frame, reduces the faculty member's work load (most commonly to 50%), reduces the salary in proportion to the reduction in workload, and continues benefits (Leslie and Janson, 2005, p. 43). These are most typically "class" offers (e.g., all faculty 63 years of age or older at the institution) with limited duration although a few institutions have standing programs. These programs can be supported with endowment but may also be funded over multiple operational years. These programs are also based on a fair bit of collaboration between human resources, academic affairs leadership, finance and administration and must have strong support from the president and ultimately the board.

Leslie and Janson (2005) also found that only about 4 percent of all tenured faculty at four-year institutions are in some kind of phased retirement arrangement and that faculty who participate in such programs do so in the early 60s but phasing appears to be comparatively rare among faculty over 64 (p. 43). So again, retirement for the most senior faculty is on their terms. The few who actually take advantage of these programs benefit, but it is unclear they are really necessary or good for the institution. Clark and D'Ambrosio report that recent research indicates that phased-retirement plans have increased the total number of faculty retiring from the university (Clark and d'Ambrosio, 2005) and also that these plans have become more popular and will become, perhaps, the normal or preferred transition to retirement among university faculty. Perhaps, but this will be at the expense of the institution. Assuming this reality, it behooves administrators to structure these programs so the institution receives a return on the long-term investment that is made in senior faculty and for the short-term costs of phased retirement programs. Indeed this is a tall order to fill. This further encourages short-term programs that can be adjusted with institutional needs as the primary focus.

For many faculty, a menu of services from which they can choose will be important with respect to early retirement including continued access to the internet, parking passes, access to some form of office space, library privileges and other amenities that faculty typically enjoy such as visibility in their departments and listing in the faculty directory or on the website (Sugar et al., 2005, p. 415). Some retiring faculty are interested in part-time teaching, continuing their research, service on graduate committees, mentoring junior faculty, service on university-wide committees and assisting with alumni fundraising (Sugar et al., 2005). Other features of these programs include giving extra credit for years of service to increase the annual retirement benefits and the limitation of the enrollment window (Clark and d'Ambrosio, 2005). Essentially emeritus faculty programs provide these sorts of benefits and connections for retiring faculty. The balance of the research done for this paper shows that faculty incentives are not attractive if the faculty are happy, healthy and well paid.

Phased retirement is more widely elected at institutions where a greater proportion of the faculty workload is teaching and less widely elected at research universities (Leslie and Janson, 2005). This is very important for institutions desiring to keep or increase their research capability. There may be possibilities or approaches that could create the transfer of knowledge from senior teaching faculty at teaching institutions to junior faculty to create legacy of teaching excellence.

There is relatively limited information available about the outcomes of retirement incentive programs for faculty. That is, there is little reported research that shows the effects or effectiveness of these approaches for either the individual faculty or institutions of higher education. This is interesting given these programs are fairly common in higher education today rather than the exception. Basically we do not have good information on whether they "work" or achieve the intended goals.

To encourage voluntary retirement prior to age 70 most schools provide some financial incentive, buyout or have phased retirement programs (Sugar et al., 2005). So it is interesting that more is not known about the results of these incentive programs. Perhaps, it may also be difficult to study this issue given the potential reluctance of institutions to disclose details about these legal arrangements.

The Carnegie Foundation reported in the early 1990's that the number of faculty intending to retire prior to their 63rd birthday is significant and they found that nearly 4 out of 10 faculty under the age of 60 intend to retire early and as many as 17% stated they would retire in their 50's (Carnegie Foundation, 1990). It is also interesting to note that the Carnegie Foundation study found that faculty are not particularly enamored with their institution's retirement plan (p. 2), yet they still project that they will retire early. Early retirees also gave their institutions low ratings with respect to the sense of community, intellectual environment and the quality of life (Carnegie Foundation, 1990). This is an interesting finding and it may suggest that early retirement incentives can indeed renew the institution with more dedicated connected new faculty that choose to be in their academic careers at the institution. But the Carnegie study was done prior to 1994 and the change in requirements for retirement could well have changed the faculty perspective. Another source of anxiety for early retirees in the Carnegie Foundation study is the perception that undergraduate students are seriously under-prepared and that they require too much attention and they are unmotivated. There is also limited literature about the generational gaps that no

doubt exist between senior faculty and students. It is certainly logical to suggest that that has the potential for significant impact in faculty decisions to retire or stay.

Recent data on faculty retirements (Yakoboski, 2005) shows that as many as half of the faculty surveyed considered themselves very likely to take advantage of a phased retirement program if available and an additional third reported to be somewhat likely to take advantage of such a program. This suggests that phased retirement is certainly on the minds of the faculty and given the age distribution this is a very important institutional consideration. In addition, should the institution desire renewal, it appears the timing is good if these opinions are matched with actions. Succession should be thought about, however, and the institution must be considered. When offering such plans they could be managed by setting the age limits of the offer higher or lower depending on the size of the faculty group that could take advantage of it and goals of the institution and the associated costs.

The TIAA-CREF Institute data also provides interesting recent data on the faculty expectations to retire early (See Figure 3, below). What these data appear to show is that about half as many faculty as workers in general expect to retire under the age of 62, similar proportions expect to retire between 62 and 65 (just over one-third). Hence, about half of the faculty in the study indicated that they intend to retire by the age of 65. That means that the other half intends to retire after they reach the age of 65. The effects of age and health aside these data suggest that institutions of higher education will have a significant number of senior faculty over the age of 65. The Yakoboski study further shows that 28% of the faculty respondents intend to retire at 70 or older or never plan to retire (p. 9).

While Lozier and Dooris (1991) found that the two most salient factors to influence retirement decisions were overall financial status and eligibility for full retirement benefits, the availability of an early retirement incentive was important when it was made available. They also suggest that it is questionable whether retirement incentive programs that become permanent or are available to all prospective retirees produce the desired effect and it may be more useful to have them limited in duration and scope (p. 104). The argument is that shorter-term offers of retirement incentives are more likely to encourage faculty to consider the plan rather than a standing plan that is viewed as always in place with no real time sensitivity.

Standing early retirement may change higher education negatively by increasing the managerial approach and it may change different universities differently (Shelley, 1998). That is, early retirement, if formalized, can lead to a standing approach that does not allow for individualized methods or plans with and for particular faculty or situations that require creative and appropriate solutions. On the other hand having a standardized package to present might encourage those who are ready to retire more readily and may reduce some of the unevenness in the application of these approaches.

Sugar et al., 2005 suggest that early retirement incentive programs that followed the change in law in 1994 may have had the effect on the most productive faculty leaving their institutions only to move to other universities and others who would have retired anyway were given generous and, perhaps, unnecessary incentives. Since little is known about the results of early retirement

incentive programs, beyond individual institutional experiences with such approaches, it is likely that the result that was offered by Sugar et al., is potentially the current situation.

The down side of early retirement incentive programs is that they may induce some of the most highly productive faculty to retire earlier than anticipated (Crawley, 1995) whereas less productive faculty often retire without any special retirement incentives (Durbin et al., 1984). The use of limited and costly institutional resources is inefficient in both cases. The goals of early retirement incentives to achieve retirement decisions by unproductive faculty while retaining productive senior faculty leaders are difficult to achieve to say the least. But it is not naïve to suggest this as possible and that it should be considered planned for and components of the institutional perspective in faculty retirement planning.

Faculty decide to accept phased retirement most typically because of the effects of age, their health has declined, they are dissatisfied with their work or burned out, retirement had become an issue in their marriage, or their financial situation allowed them to relinquish their work without sacrificing security (Leslie and Janson, 2005, p. 44). Given these findings, phased retirement has clearly positive benefits for the institution. A few others have also reported similar results. For example, Kim and Feldman (1997) found that poor health, low current salary, higher pension benefits, and declining productivity were significantly related to faculty members' early retirement decisions (p. 69-70).

Faculty may be reluctant to retire fully because they dread losing contact with their colleagues and the intellectual and social life they had enjoyed as full members of the campus community (Leslie and Janson, 2005, p. 45). Emeritus faculty programs may address these concerns somewhat and they could be enhanced to focus on incentives and connections for retiring faculty and for institutions. On the other hand, age may lead to a growing generational gap with younger faculty and increasingly diverse students, from whom some older faculty members feel progressively more alienated (Leslie and Janson, 2005).

The balance of costs and benefits for phased retirement seems to favor the individual faculty members in that they receive reduced work load and greater control over their time, while they do generally ask faculty to relinquish tenure and sometimes to concede the best teaching assignments and lab spaces. The phased retiree faculty member gains financially if they have planned properly prior to participation in the program (Leslie and Janson, 2005, p. 46). That is, at the same time as they move from full time to part-time status, phased retirement offers faculty a great deal of control over their work time which is arguably more valuable at that point in their careers, and especially for active researchers, than is continuing the full-time routine.

The benefit of phased retirements for institutions is that they can recapture a portion of the salary from senior faculty positions and can plan for renewal based on a promise of retirement (Leslie and Janson, 2005). In addition, such phased retirement programs make replacement a question given that it may take multiple budget years to fully implement. That is, it could take three years for the salary of a phased retiree faculty member to be made fully available for replacement.

There has also been salary compression over time and at some less elite institutions the salary of the senior faculty may not permit replacement to occur on half a salary. At the very least the in-

stitution has a final decision and time line that allows for planning of renewal of the faculty position. The other advantage of phased retirement is that it can encourage academic leaders at the institution to work on transition with the phased faculty member and to "pick their brains" about the school, college or department with the benefit of the senior faculty member's experience and their new insider/outsider status.

Other benefits include the fact that senior faculty who have long-served the institution are unlikely to work only half time on phased retirement. The reality is that most of the best faculty work much longer hours than is required given the nature of their work and the amount of dedication and time it takes to be the best at what they do. Not that it should be argued that institutions should take advantage of this situation with higher expectations, only that faculty pride in their work is likely to result in this institutional benefit.

Individual departments have the most difficulty with phased retirement programs given they are typically not permitted to hire a replacement during the program implementation and they do not have the benefit of the full availability of the faculty member in pre-retirement status (Leslie and Janson, 2005). This is an interesting institutional dilemma. Early retirement plans should be developed based on discussions with the departments and schools/colleges at the institution. However, once the program is offered it typically must be offered to a class of faculty based on their ages, which does not discriminate or allow for specialized programs by departments. If a standing early retirement program is in place additional components should or could be added to enhance it but these must be added to all faculty members given the offer. Early retirement is a larger institutional function that does not focus at the departmental level. That is also a very important gap in the literature on faculty retirement given that departments are likely to feel the consequences of early retirements most acutely.

Another issue in early retirement programs, or faculty retirement for that matter, that is important is health insurance coverage. Gustman and Steinmeier (1994) found that employer-provided health insurance had a small net effect on early retirement of men but their research may have been too close to the mandatory retirement era. In 2005, Sugar et al., found that health-care coverage is a critical aspect of financial well being which is a key retirement consideration and the safety net of continuing health-care coverage is important (p. 414). The survey of faculty retirement planning of faculty conducted by Yakoboski (2005) found that most faculty expect their institution to pay for health care about a third expect to share the costs and about one fifth expect to pay the costs themselves. Logically, health care is a key issue for retiring faculty or retirees and given the typical double-digit annual increases in costs to individuals in health care insurance over the past few years this is likely to be important in any early retirement incentive program. Although limited some research suggests that institutions, in response to higher health-care costs for retirees, will increase retiree costs for premiums, deductibles, and co-payments, or reduce coverage or both (AAUP, 2003). Higher education is as challenged by the cost increases in health care as are other people-centric industries. The difference, perhaps, is that higher education includes a larger number of highly skilled professionals and it is very human resource dependent. Faculty are a core essential part of the delivery of higher education.

Bahrami and Stockrahm (2001) suggest that administrative measures such as annual performance evaluations, salary caps for unsatisfactory performance, meaningful post-tenure review and a

well-designed merit raise system may encourage some faculty to retire (p. 59). Conversely, Tizard and Owen (2001) suggest that provision for adequate research facilities and appropriate recognition for their work might well prove to be attractive retirement disincentives for faculty. The balance between the individual faculty member and institutional needs is key to administrative programs or approaches to retirement.

There are model phased retirement programs that seem to provide a more gradual and defined exit strategy for faculty. For example, one such program established a teaching role and title of "Resident Professor" for up to the first three years of retirement (Allen, 1993) where other programs allow for pre-retirement sabbaticals.

Implications and Suggestions

In the end, most faculty will retire about the traditional age (Leslie and Janson, 2005) but it is also clear that academic and institutional administrators should evaluate their own circumstances and adopt the best human resource policies to achieve their desired objectives (Clark and d'Ambrosio, 2005). These objectives may change from time to time and should be adjusted accordingly. The actual age distribution of the faculty should be studied by academic and other administrators and considered over the long-term with an institutional focus.

Offering a phased retirement incentive program to faculty, even if relatively few faculty actually elect to take the program offer, may encourage faculty to begin planning for retirement (Leslie and Janson, 2005). But no single retirement program will be equally satisfying to all senior faculty (Sugar et al., 2005). While these plans make sense, they also create challenges at the departmental level that must be considered. It is important, however, that such plans be used when appropriate.

If the institution desires to permanently reduce its faculty size, early-retirement plans can be cost-effective; however, if the institution will quickly replace the retiring faculty, the university will end of paying higher retirement benefits and still must pay the salary of the new professor and in such circumstances, less costly phased-retirement plans may be more cost effective (Clark and d'Ambrosio, 2005, p. 398). It is also important that the administrator keep in mind that faculty may retire on their own without such plans.

It has been suggested that the elimination of mandatory retirement could induce some ineffective faculty members to stay on the job beyond the age of 70 and this may hinder some institutions to do their job effectively and efficiently (Bahrami and Stockrahm, 2001). The new thinking on this impending retirement wave is that, rather than encouraging older workers to retire, it may be best for the institution to encourage them to continue working (Sugar et al., 2005) assuming they are engaged and effective. Clearly institutional needs, benefits and long-term interests should be considered in the faculty retirement equation.

Peterson (2003) suggests that economic and curricular realities may move higher educational institutions to cooperate in new ways, encouraging broader cooperation and collaboration across institutions on faculty hiring and retirements. Rising enrollments and voluntary retirements of a large number of faculty can increase the demand for faculty and the small number of faculty over

the age of 65 will be welcomed (Ashenfelter and Card (2002). That is institutions may work together on coordinated retirement programs to allow benefits for the institutions and the faculty retirees.

Administrators should work to understand, monitor and make projections about the faculty retirement possibilities at their institutions. The age distribution should be clearly known. Institutions should also organize retirement seminars for faculty to keep the issue in the forefront of the faculty and to encourage appropriate planning and conversations. It is also important that department chairs and deans be brought into the conversations concerning faculty retirement given their front-line responsibilities with faculty retirement, hiring and phasing programs. It is also important to have conversations among academic leadership, with the president and human resources, and finance about the issues surrounding faculty retirement so there is a good understanding and coordinated response as it occurs. Health care is clearly a primary concern for retiring faculty and but there are many factors to be considered in this issue.

References

Allen, D.R. (1993). The Faculty Perspective. In Julius, N.B. and Krauss (Eds.), The Aging Work Force; A Guide for Higher Education Administrators (pp. 191-202). Washington D.C.: College and University Personnel Association

American Association of University Professors (AAUP (2003). Unequal Progress: The Annual Report on the Economic Status of the Profession 2002-2003. Academe 89(2): 22-33.

Anderson, H., Burkhauser, R.V. and Quinn, J.F. (1986). Do Retirement Dreams Come True? The Effect of Unanticipated Events on Retirement Plans. Industrial and Labor Relations Review 39: 518-526.

Ashenfelter, O. and Card, D. (2002). Did the Elimination of Mandatory Retirement Affect Faculty Retirement? American Economic Review, 92(4): 957-980.

Bahrami, B. (2001). Factors Affecting Faculty Retirement Decisions. The Social Science Journal 38: 297-305.

Bahrami, B. and Stockrahm, J.W. (2001). Analysis of Faculty Retirement Intention: Using a Proportional Odds Model. The Journal of Applied Business Research, 17(3): 55-60.

Carnegie Foundation (1990). Early Faculty Retireees: Who, Why, and What Impact? The Carnegie Foundation for the Advancement of Teaching. Change, 22(4): 31-34.

Christian Science Monitor (2006). From Baby Boomers to Seniors, 98 (177): 18.

Chronister, J.L. and Reed, K. (1994). Assessing the Effectiveness of Voluntary Retirement In centive Options for Faculty: A Case Study. CUPA Journal, 45(3): 29-33.

Clark, R.L. and d'Ambrosio, M.B. (2005). Recruitment, Retention, and Retirement: Compensation and Employment Policies for Higher Education. Educational Gerontology, 31: 385:403.

Clark, R.L. and Hammond, P.B. (1998). To Retire or Not? Examining Life After the End of Mandatory Retirement in Higher Education. Research Dialogues (Proceedings), No. 58, pp. 1016.

Clark, R.L., Ghent, L.L. and Kreps, J. (2001). Faculty Retirement at Three North Carolina Universities. In Clark, R.L. and Hammond (Eds.), To Retire or Not? Retirement Policy and Practice in Higher Education (pp. 21-38). Philadelphia: University of Pennsylvania Press.

Crawley, A.L. (1995). Senior Faculty renewal at Research Universities: Implications for Academic Policy Development. Innovation Higher Education, 20: 71-94.

Dorfman, L.T. (2000). Still Working After Age 70: Older Professors in Academe. Educational Gerontology, 26: 695-713.

Dorfman, L.T. (2002). Stayers and Leavers: Professors in an Era of No Mandatory Retirement. Educational Gerontology, 28: 15-33.

Durbin, N.E., Gross, E. and Borgatta, E.F. (1984). The Decision to Leave Work: The Case of Retirement from an Academic Career. Research on Aging 6:572-592.

Euster, G.L. (2004). Reflections Upon University Retirement: With Thanks and Apologies to James Joyce. Educational Gerontology, 30: 119-128.

Graebner, W. (1980). A History of Retirement. New Haven: Yale University Press.

Gustman, A.L. and Steinmeier, T.L. (1994). Employer-Provided Health Insurance and Retire ment Behavior. Industrial and Labor Relation Review 48(1): 124-139.

Henretta, J.C., Chan, C.G. and O'Rand, A.M. (1992). Retirement Reasons Versus Retirement Process: Examining the Reasons for Retirement Typology. Journal of Gerontology: Social Sciences, 47:1-7.

Holden, K.C. and Hansen, W.L. (1989). Retirement Behavior and Mandatory Retirement in Higher Education. In Holden, K.C. and Hansen, W.L. (Eds.). The End of Mandatory Retirement: Effects on Higher Education (pp. 33-49) San Francisco: Jossey-Bass.

Kim, S. and Feldman, D.C. (1997). Healthy, Wealthy, or Wise: Predicting Actual Acceptances of Early Retirement Incentives at Three Points in Time. Academy of Management Proceedings, 66-70.

Kimmel, D. C., Price, K.F., and Walker, J.W. (1978). Retirement Choice and Retirement Satisfaction. Journal of Gerontology, 33: 575-585.

Leslie, D. W. and Janson, N. (2005). Easing the Exit: An Aging Professoriate Likes Options. Change November/December: 41-47.

Lozier, G.G. and Dooris, M.J. (1991). Projecting Faculty Retirement: Factors Influencing Individual Decisions. American Economic Review, 81: 101-105.

Monaghan, D.J. and Greene, V.L. (1987). Predictors of Early Retirement Among University Faculty. The Gerontologist 29: 46-52.

Montgomery, S. (1989). Findings from the COFHE Studies. In Holden, K.C. and Hansen, W.L. (Eds.). The End of Mandatory Retirement: Effects on Higher Education, New Directions for Higher Education No. 65: 51-62.

Morrell, I.R. (1993). Retirement Incentives Plans. National Association of College and

University Business Officers 27(1): 39-43.

Over, R. (1989). Age and Scholarly Impact. Psychology and Aging, 4: 222-225.

Parnes, H.S. and Sommers, D.G. (1994). Shunning Retirement: Work Experience of Men in Their Seventies and Eighties. Journal of Gerontology: Social Sciences, 49: 117-124.

Peterson, L.M. (2003). Half-Full or Half-Empty? How Institutional Cooperation Could Turn a Wave of Faculty Retirements into an Opportunity. The Journal of the New England Board of Higher Education: Connection, Spring: 24-25.

Piper, F. (2001). Early-retirement Offers to Faculty Members Are Common. Chronicle of Higher Education, 47(48).

Shelley, S. (1998). Changing Values? Early Retirement and the New Universities. Journal of Further and Higher Education, 22(3): 343-351.

Smith, S.P. (1991). Ending Mandatory Retirement in the Arts and Sciences. The American Economic Review 81(2): 106-110.

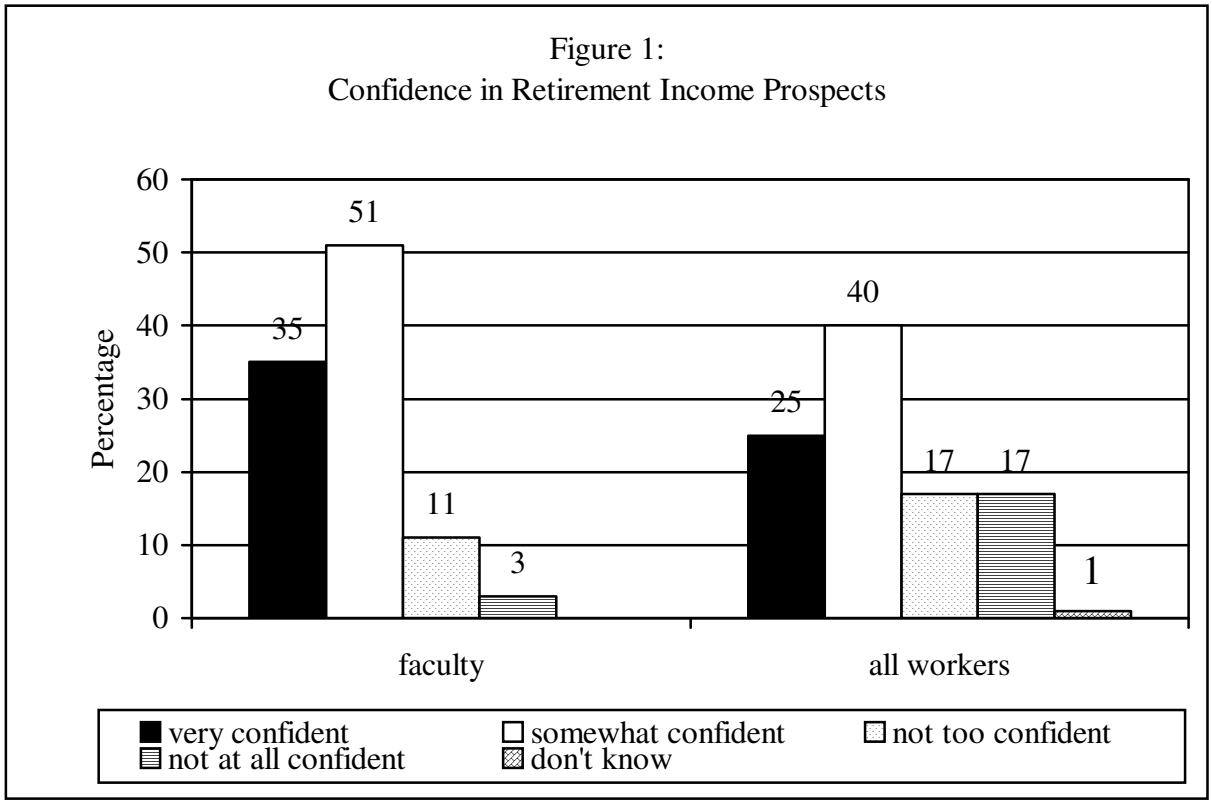
Sugar, J.A., Pruitt, K., Anstee, J.L. and Harris, S.G. (2005). Academic Administrators and Faculty Retirement in a New Era. Educational Gerontology, 31: 405-418.

Tizard, B. (2004). Support for Retired Academic Staff: University Policies and Practices. Oxford Review of Education, 30(2): 257-263.

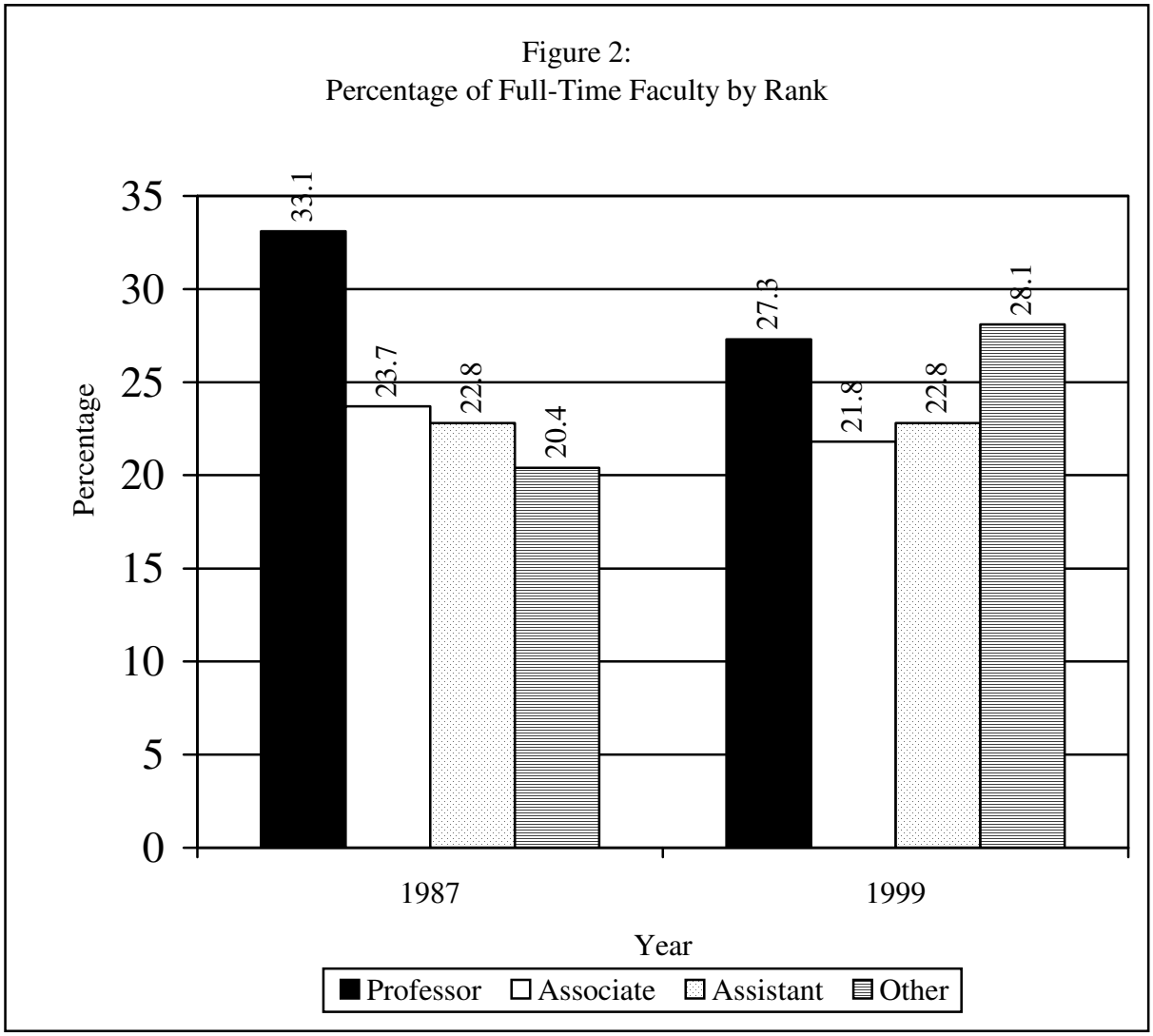
Tizard, B. and Owen, C. (2001). Activities and Attitudes of Retired University Staff. Oxford Review of Education, 27(2): 253-270.

Toossi, M. (2004). Labor Force Projections to 2012: The Graying of the U.S. Workforce. Monthly Labor Review, 127(2): 37-57.

Yakoboski, P. (2005). Trends and Issues: Findings from the Retirement Confidence Survey of College and University Faculty. TIAA-CREF Institute. www.tiaa-crefinstitute.org.

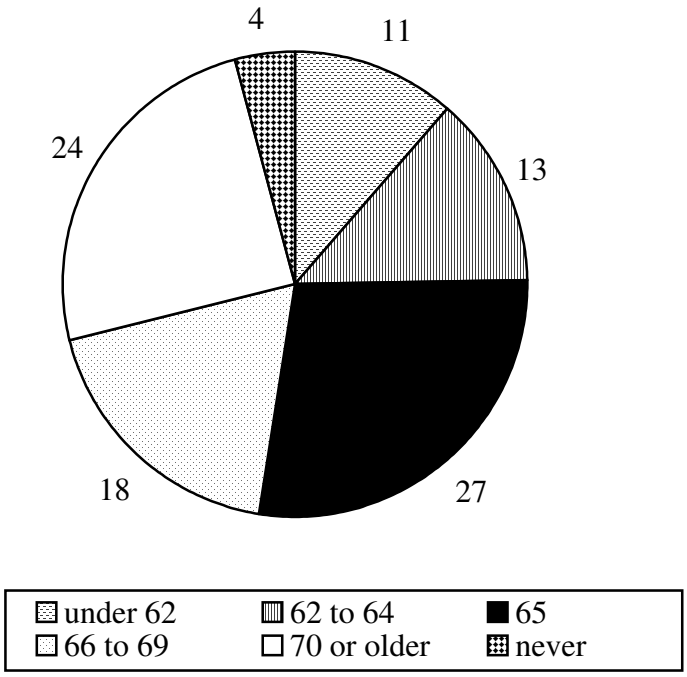


Adapted from Yakoboski, P. (2005). Trends and Issues: Findings from the Retirement Confidence Survey of College and University Faculty, TIAA-CREF Institute, www.tiaa-crefinstitute.org.



Adapted from the U.S. Department of Education, National Center for Educational Statistics, National Study of Postsecondary Faculty, 1988; U.S. Department of Education, National Center for Education Statistics, 2001.

Figure 3:
Faculty Expectations about Retirement Age



Adapted from Yakoboski, P. (2005). Trends and Issues: Findings from the Retirement Confidence Survey of College and University Faculty, TIAA-CREF Institute, www.tiaa-crefinstitute.org.