

# TRENDS AND ISSUES

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## MANAGING RISKS IN A MARKET MELTDOWN

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### EXECUTIVE SUMMARY

The current economic downturn and dramatic drops in financial markets over the past year-plus have created an extremely challenging environment in higher education, both for individuals and for campus leaders. Among various outcomes, the current environment has the potential to wreak havoc with an individual's retirement savings and thus their plans for retirement. A recent TIAA-CREF Institute survey of TIAA-CREF participants age 50 and older found that a substantial minority have delayed their planned date of retirement and changed how they plan to live once retired as a result of developments in the financial markets. This in turn means that managing retirement patterns on campus, already a challenge for many colleges and universities, only becomes more challenging.

On April 24, 2009, the TIAA-CREF Institute brought together senior administrators in higher education, leading researchers on both financial security and higher education issues, and the senior leadership of TIAA-CREF to discuss addressing the challenges raised by the dramatic drops in financial markets for both individuals and colleges and universities; in particular, issues related to risk management in individuals' retirement portfolios and managing and facilitating employee retirements. The symposium featured presentations on issues such as the

impact of the financial markets downturn on retirement savings adequacy, long-horizon predictability of financial markets and the implications for tactical asset allocation, understanding and communicating investment risk in the context of investing to reach a target accumulation, the development and evolution of retirement incentive programs in higher education, the need for and use of institutional data for effective management of retirement patterns in higher education, and addressing the non-financial barriers to retirement by incorporating life planning into retirement planning.

A common theme running through the symposium's discussions was the importance of framing the decisions that individuals make regarding their retirement, be they decisions regarding investment allocations, whether and



when to retire, or how to convert savings into income during retirement. In this sense framing means presenting options and information in ways so that individuals have a fuller understanding of their choices and the potential outcomes and implications of those choices including the likelihood of those outcomes. A complementary theme was the value to colleges and universities of full information when deciding changes to campus retirement policies and plans so that those changes achieve the intended objectives.

**INTRODUCTION**

The current economic downturn and dramatic drops in financial markets over the past year-plus have created an extremely challenging environment in higher education, both for individuals and for campus leaders. Among various outcomes, the current environment has the potential to wreak havoc with an individual’s retirement savings and thus their plans for retirement. This in turn means that managing retirement patterns on campus, already a challenge for many colleges and universities, only becomes more challenging.

Anecdotal evidence abounds regarding individuals who have lost large percentages of their retirement savings, who have stopped saving for retirement altogether, and who have rescinded announced plans to retire. For the six-month period, October 2008 through March 2009, the TIAA-CREF Institute surveyed TIAA-CREF participants age 50 and older about the impact of financial market developments on their retirement plans<sup>1</sup> and found the following:

- A substantial minority have delayed their planned date of retirement (this figure hovered in the one-third range the first three months of 2009 and stood at 38% in March.)
- Approximately the same percentages have changed how they plan to live once retired (37% in March.)
- Finally, some are changing their retirement savings behavior in response to the markets; in March, 38% reported changing their asset allocations and 19% increased their contribution level while 9% decreased it.

**REACTIONS TO THE FINANCIAL MARKETS—CHANGES IN RETIREMENT SAVING AND PLANNING AMONG TIAA-CREF PARTICIPANTS (AGE 50 AND OLDER)**

	2008			2009		
	OCT	NOV	DEC	JAN	FEB	MAR
Changed investment allocations	19%	29%	23%	31%	28%	38%
Increased contributions	17	13	16	20	15	19
Decreased contributions	3	7	11	7	12	9
Delayed planned date of retirement	28	29	21	35	33	37
Changed plans for how to live in retirement	25	24	29	28	29	37

Source: TIAA-CREF Institute

1. Question wording: Next, have you made any of the following changes in your retirement savings or retirement planning due to recent events in the financial markets (yes/no/refused)? Have you...

1. Decreased contribution amounts?
2. (ONLY if 1="no") Increased contribution amounts?
3. Changed your investment allocations?
4. Delayed your planned retirement date?
5. Changed how you plan to live once you retire?

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- John Karl Scholz, Professor of Economics, University of Wisconsin-Madison, on the impact of the financial markets downturn on retirement savings adequacy
- William Reichenstein, Professor of Finance and Pat and Thomas R. Powers Chair in Investment Management, Baylor University, on long-horizon predictability of financial markets and the implications for tactical asset allocation
- Thomas Rietz, Associate Professor of Finance and Hershberger Faculty Research Fellow, The University of Iowa, on understanding and communicating investment risk in the context of investing to reach a target accumulation
- Valerie Martin Conley, Director, Center for Higher Education and Associate Professor of Counseling and Higher Education, Ohio University, on the development and evolution of retirement incentive programs in higher education
- Robert Clark, Professor of Management, Innovation, and Entrepreneurship and Professor of Economics, North Carolina State University, on the need for and use of institutional data for effective management of retirement patterns in higher education
- Elizabeth Jetton, Principal, RTD Financial Advisors, on addressing the non-financial barriers to retirement by incorporating life planning into retirement planning.

### **RETIREMENT SAVINGS ADEQUACY IN THE MARKET MELTDOWN**

Karl Scholz discussed his work with Ananth Seshadri on Americans' financial preparedness for retirement. Contrary to conventional wisdom, he maintained that there is not in general a retirement savings crisis, though the current market downturn has worsened the existing state of affairs. He noted that replacement rates are a commonly used financial planning tool, but they are problematic when used to assess whether people are saving enough.

He argued that rule-of-thumb replacement rate targets can yield an inappropriately high standard for households to meet. One reason is that the naïve use of replacement rates fails to account for the consumption requirements of children. Scholz argued that the standard of living for adults with children is typically lower relative to otherwise identical adults without children, simply because children are costly. The implication is that adults with children will need fewer financial resources in retirement to maintain their standard of living, once children are out of the house, since they consumed a smaller share of total household resources during the years children were in the household.

Scholz maintained that a superior framework to replacement rates for evaluating retirement savings adequacy is the lifecycle model, which assumes, given resources and preferences, that a household maximizes its lifetime well being by smoothing the discounted marginal utility of consumption across periods of time. Scholz uses a lifecycle model to conclude that savings is adequate for maintaining the living standards in retirement for most American families, accounting for taxes and Social Security, factoring in uncertain earnings, health and longevity, and the arrival and departure of children.

Specifically, Scholz and Seshadri found that 84% of households with a member born between 1931 and 1941 had accumulated more than their optimal wealth target in 1992, and of those who were under-saving, the amounts were very small. Updated calculations for 2004 using a broader sample, representative of those born before 1954, yielded results that were even more striking, with over 90% of households at or above target savings levels. Adjusting the 2004 calculations for the recent financial market events by reducing the value of total net worth to 60% of its 2004 value,<sup>2</sup> he finds that the majority of Americans born before 1954 remain in good shape, but now approximately 40% are not. And the degree to which some households are missing their optimal targets is now quite substantial.

Scholz advocated more useful, practical, and therefore effective financial planning advice. A goal should be to develop rigorous yet tractable financial planning rules-of-thumb.

### **LEVERAGING THE LONG-TERM PREDICTABILITY OF EQUITY RETURNS**

Bill Reichenstein addressed the question of whether long horizon stock returns are partially predictable, and if so how can that predictability be leveraged in saving for retirement? He began by explaining that it's believed that the equity risk premium, i.e., the additional return investors demand for investing in stocks compared to treasury bonds, varies through time. If true, then when the equity risk premium is at historically high (low) levels the long horizon prospects for equity returns moving forward will generally be above (below) average relative to treasury bonds.

The equity risk premium is unobservable, however. But the earnings yield (earnings divided by price) is simply the inverse of the price-earnings ratio, and Reichenstein explained that theory suggests that the earnings yield should move directly with the equity risk premium. Thus these variables may foretell long horizon stock returns.

Reichenstein argued that research indicates that there is some ability, less than perfect, to predict long horizon equity returns in this fashion. Citing his research and that of Robert Shiller, he maintained that there is some ability to predict returns in the six to ten year range. This is opposed to the random walk theory which says there would be no such predictive ability. He emphasized that the predictability is not total, but that it exists to a degree.

Applying the theory, Reichenstein says that current long horizon prospects for relative equity returns look average. He noted that since at least the early 1990s, and especially in the mid-90s, long horizon prospects have looked below average. So, on a relative scale one would tend to be a bit optimistic today.

Reichenstein next explained how this could be applied in the case of an individual investor. Assuming an individual has a target asset allocation that calls for 60% stocks and 40% bonds, he or she would want to rebalance periodically to retain this allocation. Long-horizon predictability implies that such rebalancing may not be optimal and the investor would benefit from a more tactical strategy that nuances this fixed-weight rebalancing strategy. For example, at the end of the 1990s as stocks were going up, the investor would want to sell stocks and buy bonds to restore the 60/40 allocation mix. But long horizon predictability would have suggested reallocating down to 55 or 50% equity as opposed to the strategic target of 60% since long horizon stock prospects looked below average at that point in time. And as long as prospects remained below average, the investor would continue to rebalance to 50 or 55% equity. Once prospects returned to normal, the investor would want to begin rebalancing to 60% equity.

Given that long term prospects for equities currently appear normal, there would be no reason to deviate from the fixed-weight rebalancing strategy allocation (60/40 in the example.) If equities long term prospects were to improve to above normal, then it would be appropriate to begin rebalancing to say 65 or 70% equities.

2 Relative to the market's peak in 2004, the S&P 500 had fallen roughly 40% by late February and the Case-Shiller Composite 20 Home Price Index had fallen by about 27% from its July 2006 peak.

Reichenstein explained that following such a strategy can be difficult because it involves leaning against the wind. For example, in the last half of the 1990s this strategy would have implied rebalancing to below the 60% equity target while the equity markets continued to rise. This would have meant four or five years' worth of reduced equity returns compared to a fixed-weight strategy. But this would have been the desired position to hold (less exposure to equities than the target allocation) when the bubble burst during that time period and stocks fell dramatically.

Reichenstein noted that such tactical adjustments make sense in the investment management of lifecycle funds. Depending on equity prospects over the next 5 to 10 years, allocations within the lifecycle fund would be adjusted above or below what the target allocation would otherwise have been for a given age range.

Zvi Bodie, Professor of Management at Boston University, took a contrary view and argued that it would be a mistake to make any kind of recommendation regarding asset allocation based solely on risk premium without considering return variance because it's the reward-to-risk ratio that matters. He maintained that equity volatility has gone up in the markets and that an investor should not increase exposure to equities without taking account of this increased volatility. Reichenstein observed that there is no empirical estimate of long horizon volatility.

### **UNDERSTANDING AND COMMUNICATING INVESTMENT RISK**

Tom Rietz explained that individuals will evaluate the success of their investment strategies relative to their goals and targets for that saving. Some behavioral economists postulate the existence of both a "security level" of wealth below which investors do not wish to fall and an "aspiration level" that they aspire to achieve, and "rational" individuals will invest accordingly.

But investors are not necessarily rational. Rietz explained that evidence suggests investors are biased, have limited attention and have limited computational ability. A body of research demonstrates that individuals focus on expected returns of available options and essentially ignore risk, i.e. the variance of those returns. They do not understand and consider the correlation of returns across investment options and the resulting impact on risk. And they have difficulty aggregating returns across time. Even if it is understood by an investor that diversification decreases investment risk, this does not automatically translate into understanding the impact of risk and diversification on the probability of achieving a savings goal.

In the portfolio theory marketplace, rational investors equipped with expected returns, variances and correlations will choose the optimal portfolio. But given the above, Rietz posed the question of how we should be presenting the risk that individuals face when they invest for their retirement. Rietz asked whether we need to start laying out the entire distribution of investment outcomes (not investment returns) for people, aggregated across investment in the portfolio and aggregated across time.

Rietz used a stylized example to demonstrate that it is extremely difficult for even a well educated individual to translate information on expected returns and risk into an answer for questions such as—What is the likelihood of achieving a retirement savings goal in 30 years given a specific investment allocation? How does that compare with the likelihood of alternative allocations?

Rietz argued that people do seem to understand the idea of investment risk and to care about it, but they need an environment that makes the risk they face more salient to the outcome they will achieve. Experimental economics indicates that the right information presented the right way has the ability to create such an environment and improve the choices made by investors.

Elizabeth Jetton added the element of the timing of returns to the discussion, emphasizing that it is particularly important for individuals entering retirement and drawing down assets. Individuals need to understand that there is very little, if any, predictability regarding the timing of returns or timing of events in their lives. So the challenge in planning is segregating what can be controlled versus what cannot be. She emphasized that what an individual saves and very often how long he or she works is controllable. She maintained that too little emphasis has been given to that in the planning process, instead relying too much on investment returns which are something that cannot be controlled. She said this would be a much more dynamic and powerful conversation that motivates the individual to plan and execute on the plan.

### **MANAGING AND FACILITATING EMPLOYEE RETIREMENTS**

Valerie Martin Conley discussed the evolution of retirement incentive programs in higher education, and specifically addressed what is known regarding best practices and suggested ways to improve upon these practices. She acknowledged that while retirement incentive programs can be powerful personnel management tools, they are not a panacea and noted much remains unknown about the results of these programs.

Conley emphasized that there should be a clear management goal or goals (with specific targets and objectives as appropriate) for establishing the program, such as addressing budget deficits, reducing size of staff, faculty renewal, and institutional flexibility. If an institution has multiple objectives, she said, it might be desirable to weight or prioritize goals so that the overall success of the program can be evaluated based on the relative importance of each goal.

Conley maintained that institutions must allow sufficient time to adequately plan and should involve faculty and staff (and union representation if applicable) in program design and implementation. She noted that it is also important to check with legal counsel from two perspectives—to protect the institution and to develop a clear understanding of any related tax issues so that they can be clearly communicated to eligible employees. During the planning phase, she advised consideration of the underlying, if not explicit, relationship to performance, even if the goal is not directly tied to quality enhancement or faculty renewal.

#### **Key variables to be decided during planning include:**

- type of incentive offered—financial, non-financial, both
- types of distribution options made available
- eligibility criteria
- cost and tax liabilities
- benchmarks for program evaluation
- provision of retiree health care benefits

As part of the decision-making process, Conley recommended empirical modeling of take-up rates among employee groups of interest as a function of the various program designs under consideration. Variables to incorporate in such modeling include age of faculty by program, tenure ratios, total compensation and past incentive programs.

Conley pointed out that various institutions have acknowledged that past experience with offering early retirement incentives has not matched expectations and some have been reluctant to offer such a program because of the degree of uncertainty surrounding expected outcomes. She maintained that institutions need to recognize the need to evaluate the cost of incentives in light of their need to replace senior faculty with new faculty. Salary compression adds another layer of complexity to the decision-making process.

Conley closed by observing that she does not believe that higher education has fully adapted to the elimination of mandatory retirement and that institutional behavior tends toward responses targeting short-term problems. Furthermore, colleges and universities tend to focus on retirement as the termination of employment. Ideally, the development of formal policies would recognize retirement as a natural part of the staffing process and strive to embed this mindset within the culture of the institution.

Terri Sullivan, Provost and Executive Vice President for Academic Affairs, University of Michigan, commented on involving faculty in the process of designing a retirement incentive program. Michigan leveraged faculty experts to lead two committees, one addressing retirement benefits and the other health benefits, in the process of program redesign. The committees were comprised of administrators, faculty and staff members. The resulting reports were circulated widely to avoid any sense of secret deal making with the end result of relatively little resistance to the changes implemented. Sullivan attributed this to the inclusive nature of the process.

Herman Berliner, Provost and Senior Vice President for Academic Affairs, Hofstra University, discussed the voluntary retirement incentive system at Hofstra University. He noted that faculty members have a tendency to keep pushing back their plans “to retire in five years.” Now at Hofstra, if a faculty member makes an irrevocable declaration to retire in five years, he or she receives a 5% increase in base salary or a one course reduction in his or her annual teaching load. He noted that this has been remarkably successful for planning purposes by bringing people to commit to a specific retirement date; though the degree of interest and take-up has dropped dramatically in the current recession.

### **USING DATA TO MANAGE RETIREMENT PATTERNS**

Bob Clark addressed developing more effective human resource and compensation policies at colleges and universities by using demographic and economic models with institution-specific data. He noted that some institutions have good information about themselves, but many do not. Rather they have non-systematic observations, and making policy decisions based on such observations can lead to unintended negative consequences according to Clark.

Clark noted that such modeling and analysis must be preceded by identification of the primary human resource concerns of academic administrators. Such concerns could include:

- the size for the institution’s labor force or faculty
- the distribution of faculty by various characteristics, such as discipline and age
- the optimal age distribution of the faculty.

For example, Clark commented on provosts or presidents often saying that their institutions have too many older faculty. Clark proposes stepping back and thinking through what an institution really cares about regarding the age distribution of its faculty. This involves consideration of the relative strengths and weaknesses among faculty at different points in the career spectrum, and consideration of the mix of skills and abilities needed by the institution. Once there is some consensus around a desired age distribution, modeling can be used to determine alternative human resource and compensation strategies for achieving it and then maintaining it.

Clark maintained that with some effort, institutions can move beyond basic demographic data regarding their workforce, e.g., the current number of people at various ages, to information on age-specific turnover rates among faculty. Such data could then be used to project the labor force into the future. Clark noted that such turnover rates tend to be fairly stable over fairly long periods of time. He attributed this stability to the relative stability of compensation and human resource policies; but data do demonstrate changes in these age-specific rates when policies change.

Such conceptualization and modeling would allow an institution to determine whether a current state of “too many older faculty” was a short-term or a long-term condition. For example, “too many older faculty” now may be the result of an unusually large number of hires at a particular point in time; a state that will work itself out over the course of the next several years with no change in policy. Alternatively, it could be that work patterns fundamentally changed over time; for example, faculty may be working longer with the end of mandatory retirement. In this case it's more a long-term issue that should be viewed differently.

Clark noted that doing this type of institution-specific research requires the willingness to provide the historic administrative data so that the researcher can use the appropriate statistical techniques with the appropriate variables to conduct analysis that is meaningful and useful, i.e. it is capable of generating implications regarding age-specific turnover rates for specific changes in institutional human resource and compensation policies.

### **INCORPORATING LIFE-PLANNING IN FINANCIAL PLANNING**

Elizabeth Jetton discussed the experience of the potential retiree from a life planning perspective, and in particular examined non-financial barriers to retirement and non-financial issues that arise when contemplating retirement. Her starting point was the notion of retirement. She observed that it's not a popular notion and does not seem to reflect how future generations beyond the baby boomers will frame their life. To that end, Jetton said that she does not talk about retirement planning, but rather about planning for a third age of life. This shifts a conversation with an individual to be more about the end of something and the beginning of something. She noted that this type of conversation challenges some of the assumptions that have existed in the financial planning community, assumptions that she maintained have contributed to problems that advisors and clients face.

Jetton compared financial planning to building a jigsaw puzzle. The pieces really have no meaning until you know what you're trying to create with the pieces by looking at the picture on the box. The role of financial planner in this analogy is to motivate the client to picture his or her retirement first, and then they can work together in putting together the pieces of a plan consistent with that picture. Jetton maintained that without a clear understanding of where an individual currently stands and where he or she wants to be at certain ages, there is a lack of clarity that inhibits planning and creates inherent tension in any effort to plan. It's therefore essential to start the planning process with conversations leading to such clarity.

For example, parts of a third stage picture include where the individual plans to live, what he or she plans to do (travel, hobbies, continued work in some fashion, etc.), lifestyle and financial obligations that are known or expected (children's education, older parents' care, weddings, etc.) Pieces to create that picture include retirement savings, a pension plan, Social Security, health insurance, other financial assets (life insurance, home equity, etc.) and non-financial resources (family, friends, community resources, etc.)

Key points that Jetton emphasized was that the planning profession needs to focus more intently on the picture on the box and consider potential resources in a much broader sense. She next discussed a framework helpful for considering both the financial and non-financial issues that enter creating a thriving life or an expectation of a thriving retirement. The elements of this framework are psycho-social (happiness), bio-medical (health), and geo-financial (money).

Jetton observed that geo-financial issues have typically been the focus of planner interactions with clients and planners are typically viewed as limiting themselves to financial assets, the economic environment, etc. Such conversations have often revolved around the notion that individuals will need to replace a specific percentage of their working income once they retire. Jetton explained that bringing life planning together with “traditional” financial planning highlights why such rule-of-thumb replacement targets often have no connection to what

someone will actually need or want in their retirement (or third stage.) Depending on the picture and available pieces, someone may need to replace more or less than 100% of their working income.

Jetton explained that holistic planning is an integrated process to create this sense of someone who feels ready and sees an image of themselves able to thrive. This requires a level of understanding by planners regarding the emotional and behavioral concepts around how people define “enough,” whether they can define “enough,” their beliefs and behaviors and their own internal confidence. It’s not just the financial assets but also the other aspects that suddenly have significance when considered. Consider the puzzle piece of where to live. Can they afford to live where they’ve always lived or do they need to go somewhere else? Is their current home conducive to the typical physical needs and capabilities of older individuals? Can their current community (family, church, neighbors, and public services) replace what money would have to pay for otherwise? How do they view their current home; as wealth to be utilized for living or as savings for an emergency?

In discussing the bio-medical, Jetton explained that with comprehensive holistic planning it's not enough to simply ask how old an individual’s parents were when they died. Planning should consider current state of health, any existing medical conditions, current habits impacting health, and how individuals make healthcare decisions. She noted that health is a huge issue, but not only because of the cost of healthcare, but also the cost of not being very healthy or the cost of longevity. Such issues must factor into planning and the weighing of the probability of success for a plan. The plan should consider non-financial resources that could help provide for likely health-related needs.

Jetton closed with the psycho-social elements. She noted that with traditional retirement there's a great fear of losing a social connection as well as losing an identity. This is a critical reason that people are nervous about retirement. A sudden lack of boundaries and meaning that comes with retirement (suddenly being isolated, having no set schedule, having no one to communicate with or to profess to) can be a devastating challenge. She argued that financial planners must take ownership of this with their clients during the planning process. Even the act of asking a client when he or she wants to retire is a flawed approach because it implies an ending as opposed to asking what the individual would like a third age of life to look like.

A fundamental takeaway for Jetton was that at different stages of life, including the third stage, individuals will have varying relative levels of human, social and financial capital. This must factor into the life planning process. To that end the creation and development of assessments that consider a much broader range of resources would be valuable for the planning process.

She observed that in the wake of the economic meltdown, there are ways that non-financial resources are stepping up in people’s lives so that they continue doing quite well in many cases. Individuals are drawing on their creativity and their community connections. In the process, individuals are discovering that they are more resilient than they realized and Jetton expressed the view that the ability to be resilient and flexible is critical to thriving and realizing a life plan. She further commented that she did not believe, however, that these traits are well nurtured in every environment, with higher education and its tenure system being a potential case in point. She hypothesized that there may be a certain sense of being protected, taken care of and not needing to make choices and decisions in this environment. Therefore when individuals are retired out of such a community where there's been a great deal of meaning in their work, it could cause huge symptoms of depression in Jetton’s view. She also commented on the potential value of giving people who are considering retirement an opportunity to interact with each other in addition to a planner.

## CONCLUSION

The imperative for both individuals and colleges and universities to manage risks wisely and efficiently has never been more important than it is in today's environment. Particularly germane, given the dramatic drops in financial markets, are risk management in individuals' retirement portfolios and managing and facilitating employee retirements.

This paper presented the views of a distinguished group of higher education and financial security thought leaders on the challenges faced by colleges and universities and their employees today regarding these issues, as well as potential responses in policy and practice. It summarized the presentations and dialogue from a symposium hosted by the TIAA-CREF Institute in April 2009. A common theme running through the symposium's discussions was the importance of framing the decisions that individuals make regarding their retirement, be they decisions regarding investment allocations, whether and when to retire, or how to convert savings into income during retirement. In this sense framing means presenting options and information in ways so that individuals have a fuller understanding of their choices and the potential outcomes and implications of those choices including the likelihood of those outcomes. A complementary theme was the value to colleges and universities of full information when deciding changes to campus retirement policies and plans so that those changes achieve the intended objectives.

## **ABOUT THE AUTHOR**

Paul Yakoboski is a Principal Research Fellow with the TIAA-CREF Institute. He conducts, manages and communicates research on issues such as income and asset management in retirement, defined contribution plan design, the preparation of higher education faculty for retirement, managing faculty retirement patterns, options for funding retiree health care, and research on issues related to strategic management in higher education. He is also responsible for the development and execution of Institute symposiums on such issues. In addition, Yakoboski serves as director of the Institute's Fellows Program and editor of the Institute's *Trends and Issues* and *Advancing Higher Education* publication series.

Prior to joining the Institute, he held positions as Director of Research for the American Council of Life Insurers (2000 to 2004), Senior Research Associate with the Employee Benefit Research Institute (1991 to 2000) and Senior Economist with the U.S. Government Accountability Office (1989 to 1991.) He is a member of the American Economic Association and serves on the editorial advisory board of *Benefits Quarterly*. He previously served as Director of Research for the American Savings Education Council (1995 to 2000.) Between 1986 and 1988 he served as an adjunct faculty member at Nazareth College. Yakoboski earned his Ph.D. (1990) and M.A. (1987) in economics from the University of Rochester and his B.S. (1984) in economics from Virginia Tech.