Responding to job hunting among higher ed employees

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Executive summary

Twenty percent of individuals employed full-time by U.S. colleges and universities are likely to search for new employment before the end of 2022. The intent to job hunt is most common among employees under age 40, with 12% who will definitely do so in 2022 and 14% who probably will. This is not surprising since only 14% of employees under age 40 are very satisfied in their current job, a figure that is 8, 7 and 14 percentage points lower than among employees in their 40s, 50s, and 60s or older, respectively.

One-half of likely job hunters say there's nothing their employer could do to make them significantly less likely to look, but personal finances are clearly an underlying issue for many. This is particularly true among younger employees. Salary is the most prominent source of job dissatisfaction among those under age 40 who are likely to look for new employment in 2022—38% are dissatisfied with their current salary. In comparison, 21% are dissatisfied with their work/life balance and working conditions and 13% are dissatisfied with their employee benefits. Salary dissatisfaction is likely a manifestation of challenges faced in attaining financial well-being. Among this group, 27% typically find it difficult to make ends meet, 22% are not saving for retirement, 33% are significantly debt constrained, and only 28% have non-retirement savings that would cover one month of living expenses.

How can colleges and universities respond? In addition to considering salary increases, institutions can focus on helping employees, particularly younger ones, better manage their personal finances. While not the same as increased pay, improved money management capability can provide some of the same benefits by enabling individuals to better address wants and needs with the same level of financial resources.

Introduction

Employee retention has become an institutional priority as the Great Resignation takes root in higher education. Median voluntary employee turnover among U.S. colleges and universities was 13% between 2021 and 2022, the highest level since CUPA-HR began collecting turnover data in 2018.[1] Beyond the costs of hiring and training new employees, turnover can significantly impact colleges and universities in ways difficult to measure, such as the loss of key talent, future leaders, departmental and interdepartmental rapport, and institutional knowledge.

1 CUPA-HR Workforce Surveys (2018 through 2022).

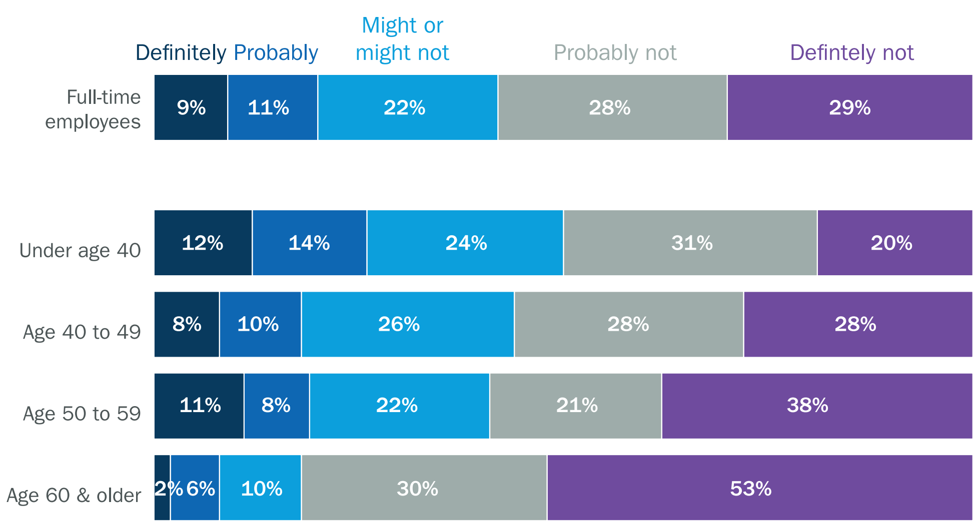
This report provides data and insights to inform institutional strategy development. Specifically, it quantifies potential turnover among the full-time higher education workforce in 2022 and relates this to employment satisfaction along various job dimensions.[2] It then discusses implications for initiatives focused on employee retention.

Looming turnover?

Twenty percent of individuals employed full-time by U.S. colleges and universities are likely to search for new employment before the end of 2022 (Figure 1). While the majority (57%) are not likely to job hunt in 2022, 9% will definitely look for new employment and 11% will probably do so. An additional 22% might look. It's thus possible that approximately one-third of the full-time higher ed workforce could job hunt at some point this year.

Figure 1. Job hunting among the higher ed workforce

Will look for new employment in 2022



Source: *Higher Education Financial Wellness Survey*, CUPA-HR and TIAA Institute (2022).

The potential for job hunting is most common among employees under age 40—one-quarter are likely to seek new employment in 2022 (12% definitely and 14% probably), while one-half are unlikely to do so (Figure 1). By comparison, less than 20% of employees between ages 40 and 59 are likely to job hunt. Fewer than 10% of employees age 60 and older are likely to seek new employment before year-end, as would be expected among those approaching retirement age.[3]

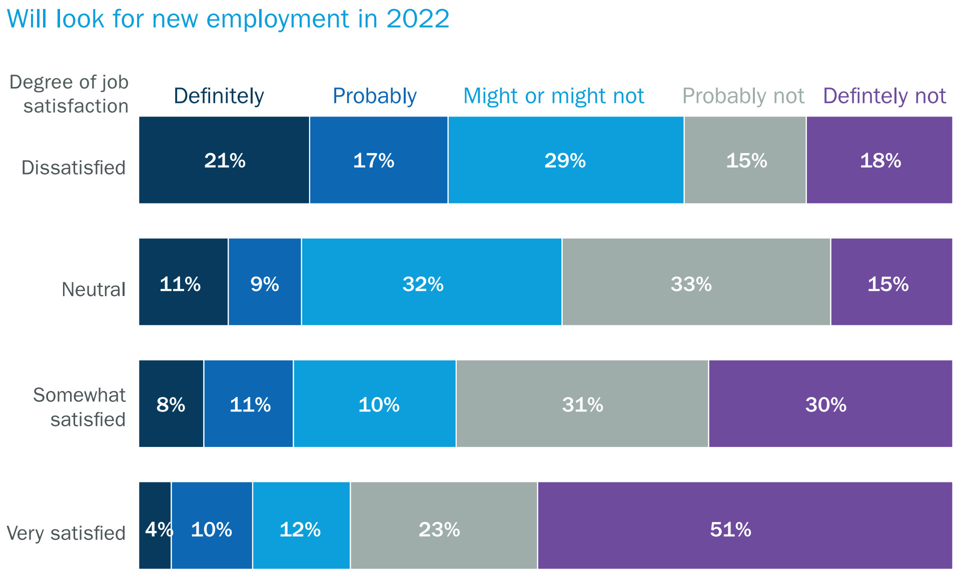
2 The College and University Professional Association for Human Resources (CUPA-HR) and the TIAA Institute surveyed the higher education workforce in early 2022. Specifically, a sample of 1,327 faculty, staff, and administrators employed full time by a public or private nonprofit college or university completed the online survey between March 1 and April 11, 2022. Survey respondents were selected from members of the Dynata and OpinionRoute online research panels. Responses were weighted to be representative of the full-time higher education workforce.

3 There is little variation in the likelihood of looking for new employment across occupations in higher education. Twenty-two percent of those in executive or administration positions will definitely or probably do so in 2022. The analogous figure among faculty is 21%; among professionals and other staff it is 20%.

Why look?

Not surprisingly, likelihood of job hunting is correlated with job (dis)satisfaction (Figure 2). Among full-time college and university employees dissatisfied in their current job, more are likely to look for new employment in 2022 (38% definitely or probably) than are likely not to do so (33% definitely not or probably not). By comparison, only 14% of those very satisfied in their current job are likely to job hunt, whereas 74% are not likely to do so.

Figure 2. Job hunting and job satisfaction



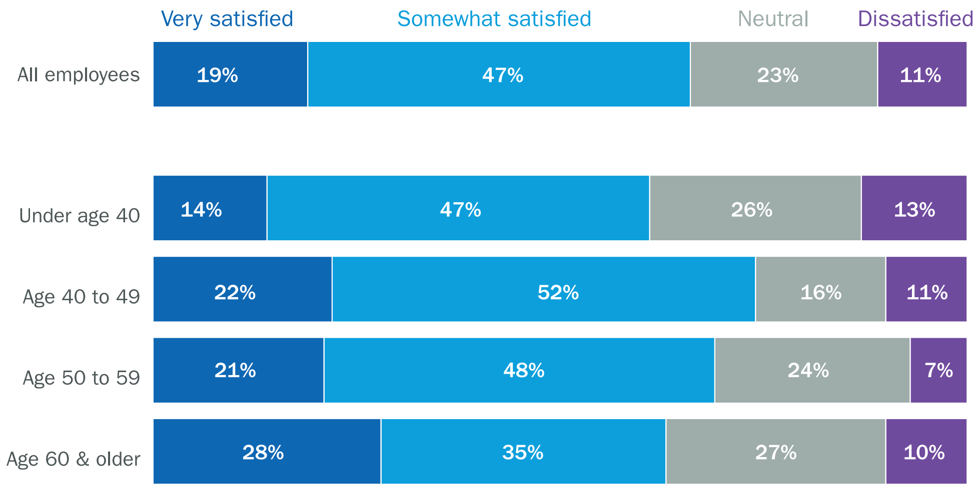
Source: *Higher Education Financial Wellness Survey*, CUPA-HR and TIAA Institute (2022).

Greater likelihood of job hunting is, therefore, to be expected among employees under age 40 since only 14% are very satisfied in their current job (Figure 3). This figure is 8, 7 and 14 percentage points lower than among employees in their 40s, 50s, and 60s or older, respectively.[4] Along with this, job dissatisfaction is most common among those under 40 (13%).

4 Overall job satisfaction tended to be lower among professionals and other staff, 62% of whom were somewhat or very satisfied, than other employees. The analogous figure was 68% for those in executive or administration positions and 71% for faculty.

Figure 3. Degree of overall job satisfaction

Among full-time higher ed employees



Source: *Higher Education Financial Wellness Survey*, CUPA-HR and TIAA Institute (2022).

Evaluating job satisfaction

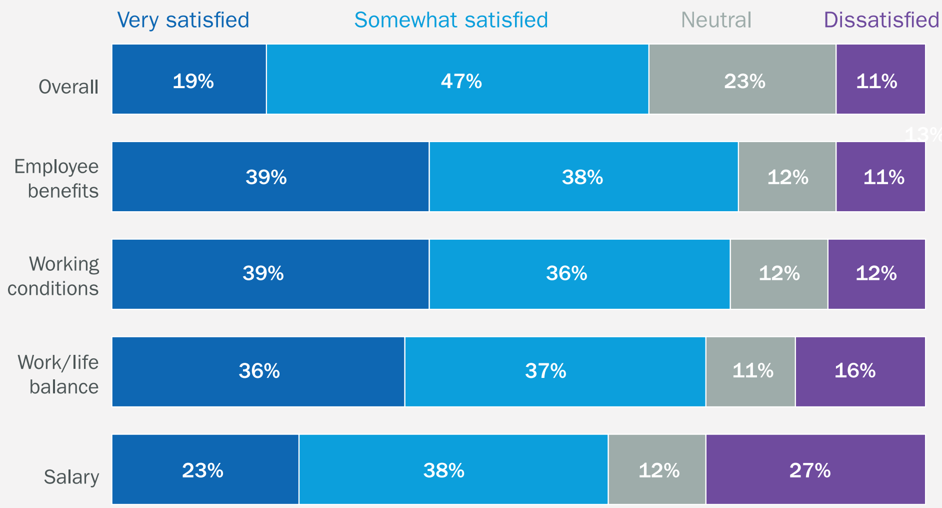
Survey participants were asked whether they are satisfied or dissatisfied with four aspects of their current employment—salary, employee benefits, work/life balance, and working conditions. Respondents rated each on a five-point scale: very satisfied (5), somewhat satisfied (4), neither satisfied or dissatisfied (3), somewhat dissatisfied (2), and very dissatisfied (1). These ratings were then aggregated producing a composite indicator of overall job satisfaction/dissatisfaction for each participant: very satisfied (19-20), somewhat satisfied (15-18), neutral (11-14), somewhat dissatisfied (7-10), and very dissatisfied (4-6).

Salary is clearly the job dimension where satisfaction is lowest (Figure 4). Only 23% of full-time college and university employees are very satisfied with their salary while 27% are dissatisfied (18% somewhat and 9% very). Over one-third of employees are very satisfied with each of the other three job dimensions, while 11%-16% are dissatisfied with each. On net, 19% of full-time higher education employees are very satisfied with their current employment, 47% are somewhat satisfied, and 11% are dissatisfied (9% somewhat and 2% very).[5] Appendix Figure A1 provides the distribution of ratings across age groups for each job dimension and overall. Figure A2 provides the same information across occupations.

5 Tie scores were curved down. For example, if a respondent is very satisfied with two job dimensions and somewhat satisfied with two (total score of 18), their overall satisfaction is classified as "somewhat satisfied." So, three "very satisfied" ratings and a "somewhat satisfied" are necessary for a "very satisfied" overall rating.

Figure 4. Degree of job satisfaction

Among full-time higher ed employees



Source: *Higher Education Financial Wellness Survey*, CUPA-HR and TIAA Institute (2022).

Changing minds?

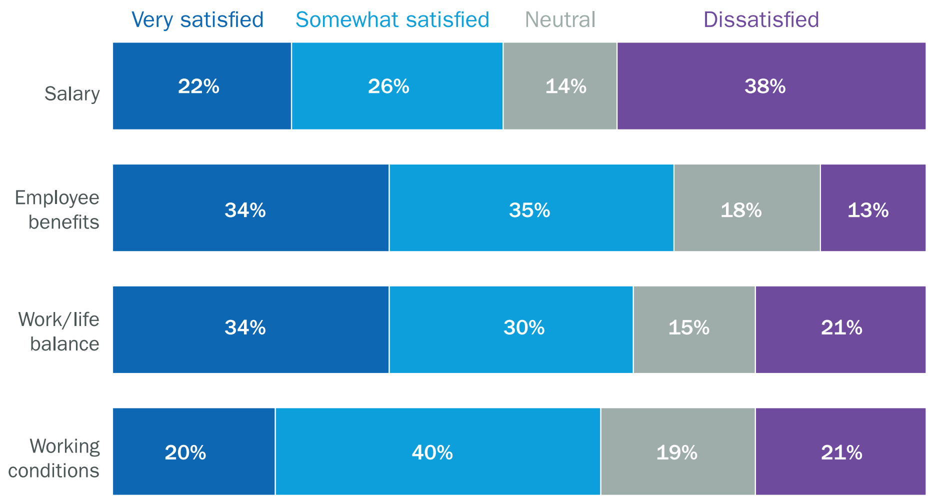
Almost one-half (46%) of those likely to look for new employment in 2022 say there is nothing their employer could do that would make them significantly less likely to do so. Among those who say there are employer actions that would significantly decrease their likelihood of looking, 47% cited increased pay.[6] This was by far the most common response. The next most common items cited were a hybrid/remote work option (23%) and increased benefits (20%).

Not only are more employees under age 40 likely to seek new employment in 2022 compared to their older peers, but a larger share (52%) says there is nothing their employer could do to change this. Among those who could be swayed not to job hunt, increased pay again appears to be a prominent factor, being cited by 52%. This figure should be viewed with some caution since the sample size of likely job hunters under age 40 who could be swayed otherwise is small. However, job satisfaction findings shed more light on the dynamics in play with younger employees (Figure 5). Salary is the most prominent source of dissatisfaction among those under age 40 who will definitely or probably look for new employment in 2022—38% are dissatisfied with their current salary, including 12% who are very dissatisfied. This is almost double the percentage who are dissatisfied with their work/life balance and with their working conditions and triple that dissatisfied with their employee benefits.

6 Survey participants responding that there was something their employer could do to decrease their likelihood of looking for new employment were asked the open-ended follow-up question “What is that?”

Figure 5. Degree of job satisfaction

Among those under age 40 likely to look for new employment in 2022



Source: *Higher Education Financial Wellness Survey*, CUPA-HR and TIAA Institute (2022).

Complementary findings regarding personal finance challenges among those under age 40 likely to look for new employment provide insights on what underlies their salary dissatisfaction. Twenty-seven percent find it very or somewhat difficult to make ends meet in a typical month. One-third are significantly debt constrained and an additional 39% are somewhat debt constrained, meaning that debt and debt payments prevent addressing other financial priorities. Twenty-two percent are not currently saving for retirement. In addition, only 28% definitely have non-retirement savings sufficient to cover one month of living expenses, suggesting that an unplanned emergency expense or a disruption to income could be disastrous.

Discussion

The Great Resignation has taken root in higher education as 1 in 5 full-time college and university employees will definitely or probably look for new employment before the end of 2022, with younger employees the most likely to do so.

How can colleges and universities respond?

While one-half of likely job hunters say there's nothing their employer could do that would stop them from looking, personal finances are clearly an underlying issue for many. This is particularly true among younger employees. Almost 40% of likely job hunters under age 40 are dissatisfied with their salary. This is likely a manifestation of challenges faced in attaining financial well-being. Among this group, 27% typically find it difficult to make ends meet, 22% are not saving for retirement, and only 28% have non-retirement savings that would cover one month of living expenses. Seventy-two percent are debt constrained to a greater or lesser degree.

In addition to considering salary increases, colleges and universities can focus on helping employees, particularly younger ones, better manage their personal finances. Such initiatives should cover fundamental skills like household budgeting and cash flow management, including strategies to “free up” money. Initiatives could also involve debt management assistance, including help for those carrying student loan debt. While not the same as increased pay, improved money management capability can provide some of the same benefits by enabling individuals to better address wants and needs with the same level of financial resources.

Demonstrating a genuine interest and commitment to an individual’s financial well-being sends employees a strong signal that they are truly valued by their institution.

Appendix

Figure A1. Degree of job satisfaction across age groups

	Very satisfied	Somewhat satisfied	Neutral	Somewhat dissatisfied	Very dissatisfied
ALL FULL-TIME EMPLOYEES					
Overall	19%	47%	23%	9%	2%
Employee benefits	39	38	12	7	3
Working conditions	39	36	12	9	3
Work/life balance	36	37	11	10	5
Salary	23	38	12	18	9
UNDER AGE 40					
Overall	14%	47%	26%	11%	2%
Employee benefits	33	38	16	9	4
Working conditions	34	36	16	9	4
Work/life balance	33	36	15	11	5
Salary	21	36	15	18	10
AGE 40 TO 49					
Overall	22%	52%	16%	7%	4%
Employee benefits	39	43	11	5	3
Working conditions	41	39	8	8	4
Work/life balance	36	42	8	8	5
Salary	28	43	10	10	9
AGE 50 TO 59					
Overall	21%	48%	24%	7%	-
Employee benefits	43	41	4	9	3
Working conditions	44	33	10	12	-
Work/life balance	43	34	10	9	5
Salary	22	40	9	20	8
AGE 60 AND OLDER					
Overall	28%	35%	27%	8%	2%
Employee benefits	54	30	8	4	4
Working conditions	46	36	11	3	4
Work/life balance	39	36	7	11	7
Salary	24	31	7	29	9

Source: *Higher Education Financial Wellness Survey*, CUPA-HR and TIAA Institute (2022).

Figure A2. Degree of job satisfaction across occupations

	Very satisfied	Somewhat satisfied	Neutral	Somewhat dissatisfied	Very dissatisfied
ALL FULL-TIME EMPLOYEES					
Overall composite	19%	47%	23%	9%	2%
Employee benefits	39	38	12	7	3
Working conditions	39	36	12	9	3
Work/life balance	36	37	11	10	5
Salary	23	38	12	18	9
FACULTY					
Overall composite	20%	51%	21%	6%	2%
Employee benefits	43	39	10	6	4
Working conditions	39	39	11	8	3
Work/life balance	35	40	10	10	5
Salary	32	38	13	12	4
PROFESSIONALS AND OTHER STAFF					
Overall composite	18%	44%	26%	10%	2%
Employee benefits	38	39	13	8	5
Working conditions	40	35	13	8	3
Work/life balance	38	35	12	10	5
Salary	17	37	11	23	12
ADMINISTRATION, EXECUTIVE					
Overall composite	20%	48%	16%	12%	4%
Employee benefits	36	36	13	11	4
Working conditions	34	32	15	13	5
Work/life balance	28	38	13	15	6
Salary	31	38	13	10	8

Source: *Higher Education Financial Wellness Survey*, CUPA-HR and TIAA Institute (2022).

About the authors

Paul Yakoboski is a senior economist with the TIAA Institute, where his research focus is lifetime financial security, including issues related to financial literacy and financial wellness, retirement saving and investing, and asset management during retirement. In addition, he researches workforce issues in the higher education and nonprofit sectors. He manages the Institute's survey research program and is director of the Institute's Fellows Program. Prior to joining the TIAA Institute, Yakoboski held positions with the American Council of Life Insurers, the Employee Benefit Research Institute and the U.S. Government Accountability Office. Yakoboski earned his Ph.D. and M.A. in economics from the University of Rochester and his B.S. in economics from Virginia Tech.

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TIAA Institute

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