

THE IMPACT OF COVID-19

# Is the higher ed workforce ready to retire?

COVID-19 created new insecurities about retirement among the higher education workforce. In the second TIAA Institute-CUPA HR report, *Retirement readiness among the higher education workforce: Impact of COVID-19*, survey findings show confidence in retirement readiness has dropped among them during the pandemic.\*

## Pandemic spurs changes in financial behavior

After the onset of COVID-19, **54%** of the higher ed workforce made changes to their retirement savings or investments.

### Saving

- ⬆️ **25%** increased the amount of their savings contribution
- ⬇️ **22%** decreased the amount

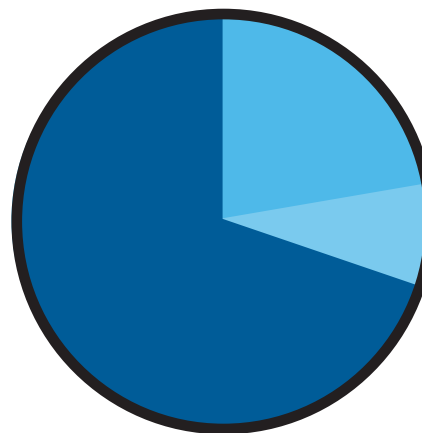
### Investing

- 📊 **40%** changed how they invest their savings, with essentially equal shares decreasing (**19%**) and increasing (**21%**) their equity exposure

## Sharper contrast seen in confidence levels

When it comes to feeling secure about their choices, the gap among the higher ed workforce who are saving for retirement widens significantly.

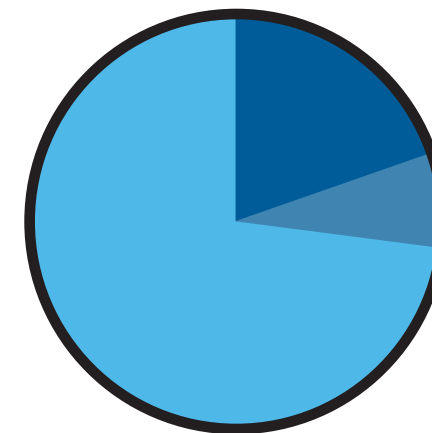
### Saving



**20%** are less confident they're saving adequately

Only **7%** have become more confident

### Investing



**17%** are less confident savings are invested appropriately

Only **8%** have become more confident

\*Source: *Higher Education Financial Wellness Survey 2020*. Based on interviews with 1,195 faculty, staff and administrators employed full time by a public or private nonprofit college or university. The faculty sample of 600 included 213 respondents age 50 or older.

## Confidence mixed on creating retirement income

Choosing the best way to create a dependable stream of income in retirement gives pause to some in the higher ed workforce.

**20%** While **20%** are very confident that they will do so...

**21%** ...an essentially identical **21%** are not too or not at all confident.

## Healthcare costs a concern

Medical needs during retirement are unpredictable, as are the associated costs—making them one of the biggest worries for potential retirees.



Close to **one-third** are concerned about meeting out-of-pocket medical expenses during retirement.



Almost **half** have no confidence in their future ability to foot the bill for long-term care if needed.

## Can advice make a difference?



More than **one-half** of those in higher ed who are saving for retirement have received planning or saving advice in the past two years—**one-third** of them since the pandemic began. As shown below, it does make a difference in confidence levels.

**36%** of those who received advice within the past two years are very confident in having enough money to retire comfortably.

**43%** of those receiving advice since the onset of COVID-19 express an equal level of confidence.

Comparatively, only **15%** of those who have not received advice within the past two years express high confidence—again, making a strong case for the effectiveness of professional advice.

## Read the full report

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