

Retirement counseling services and employee assistance programs

Maximizing institutional performance through personalized guidance



A way forward

The aging of the U.S. population is gaining national attention, especially within higher education where the trend is particularly pronounced.¹ Between 2000 and 2010 the proportion of all professors age 65 and older nearly doubled, and their median age now surpasses all other occupational groups.² Many faculty and staff are reluctant to retire from positions that provide significant financial and psychological rewards.³ Unfortunately, as they age, their productivity appears to decline.⁴ The types of programs discussed here can help institutions maintain productivity among aging employees who want to keep on working.

In the first paper of the Aging Workforce Series we reviewed important research undertaken by the University of Iowa (UI) Center on Aging. Its survey of nearly 200 American universities and colleges explored how institutions are addressing the financial and productivity challenges created by a rapidly aging campus workforce. The UI researchers found that most institutions lack a cohesive, strategic approach for dealing with these challenges. The researchers presented four tactical pillars to build a strategic plan: health and fitness programs, workplace and scheduling accommodations, retirement counseling and employee assistance programs, and retirement pathways. This paper examines retirement counseling and employee assistance programs. Additional papers explore the other pillars, with a similar focus on helping leaders take a strategic approach to managing their aging workforces and the financial challenges they present.

Counseling and employee assistance programs can improve performance

It is no secret that impending retirement can be stressful for employees. This is particularly true if they have not carefully considered the financial and emotional implications of retirement — or such practical implications as where they will live or how they will spend their time. Even for those who have planned carefully, the prospect can be intimidating. In either scenario, retirement worries can easily distract employees and make them less productive at work. A lack of planning might also compel employees to remain on the job longer than they would like — or perhaps should. Continuing to work may affect the employee's productivity and complicate the institution's succession planning.

That's why retirement counseling services — both financial and nonfinancial — can be so valuable. Financial counseling focuses on basic savings and spending plans, benefit contribution schedules, payout projections, and when to start collecting Social Security. Nonfinancial counseling addresses a range of psychological and practical issues surrounding retirement, such as coping with the loss of identity, pursuing “bridge” jobs, exploring volunteer possibilities, and discussing housing issues. For aging employees who resist retiring, other employee assistance programs can help workers cope with unique workplace challenges to keep them productive and happy in their jobs.

The UI study identified a variety of retirement counseling services and employee assistance programs that benefit aging employees and can aid administrators in planning succession strategies.⁵



Retirement Counseling

Start with the basics. Retirement classes are a great way to offer basic financial and nonfinancial counseling to large groups of employees. Popular venues include daytime meetings led by financial experts; workshops led by someone from the academic institution; evening seminars for employees and their spouses; and online classes such as videotaped seminars, podcasts and webinars. For instance, the University of Michigan Benefits Service Center conducts sessions designed to prepare people to manage retirement benefits, and offers a workshop, “Successful Retirement: What Does It Take Besides Money?”. Attending one of these retirement classes often prompts employees to seek more personalized information.

Get personal. Individual retirement counseling is the most effective way to improve savings behavior and retirement preparation.⁶ Staff members can offer counseling services or the school can hire retirement experts to visit the campus regularly. For instance, the University of Michigan Benefits Service Center offers short-term counseling services and referrals, offering employees a personalized experience.

Go big. By organizing large-scale, annual or semi-annual conferences with several financial vendors covering multiple aspects of retirement, an institution can reach many people at once. Universities and colleges can consider hosting such a fair on campus or, to achieve economies of scale, approach other local institutions to create an off-campus event. Employees may even prefer an off-campus gathering, where they might be more comfortable asking questions and collecting information anonymously.

Case in Point: Duke University

Duke University makes a point of integrating nonfinancial retirement counseling into its Personal Assistance Program, recognizing that retirement frequently raises questions with psychological, social, domestic, and financial implications. Employees can find answers to many questions online, but they also can schedule an appointment with one of seven full-time, on-campus counselors. One frequently raised issue, for example, is learning how to balance pleasure and potential work or volunteer opportunities in retirement. The University aims to create a supportive environment for employees to explore these questions and, in fact, use of this service has increased in recent years as more individuals seek part-time employment in retirement.

Employee Assistance Programs

Technology tutorials. Keeping up with technology is critical to success at work. Classes that focus on improving computer proficiency, for instance, teach skills and give confidence to employees who might otherwise think they are becoming “too old” for their jobs. Giving employees an easy way to stay abreast of new technologies and even leading-edge teaching techniques will go a long way toward keeping them engaged and productive.⁷

Encourage new roles. Promoting opportunities to expand or change roles within the institution is a great way to keep aging employees engaged and contributing to the institution. For example, a long-time faculty member might want to try something new, such as an administrative role, which could require learning new skills. Institutions could help aging employees develop skills to pursue “second acts” outside the school by providing access to specialized classes or by sponsoring a résumé-writing workshop.⁸

Focus on aging. An institution should tailor generic employee assistance programs to the needs of aging employees. For instance, many institutions offer substance abuse programs for all employees. But substance abuse by a 30-year-old employee often differs from that of

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someone twice the age. Studies show that a 30-year-old employee is more likely to cope with job stress by turning to alcohol, while someone 60 will be more likely to abuse prescription drugs.⁹ Counselors who are aware of such distinctions may likely be able to recognize and address problems more quickly.

Case in Point: Metropolitan State College of Denver

As people age and move closer to retirement, they may change their interests or preferences about work and retirement, says Judith Zewe, Executive Director of Human Resources at the Metropolitan State College of Denver. What's critical is to recognize and value the strengths — current and evolving — that each person brings to the campus.

For example, one employee who worked in the school's grants office for 37 years developed an interest in fitness and strength conditioning late in his career. He earned a related degree at the college, and then volunteered his time to teach strength-conditioning classes. No sooner had he retired, than he was approached with an offer to teach part time. He jumped at the chance and has since built a strength facility where he also teaches. He now says he works harder and longer than ever, but loves what he does.

Get off to a fast start

To achieve broad adoption of retirement counseling services and employee assistance programs, an institution needs to develop a well-crafted implementation strategy. Researchers at UI found that the most successful implementation strategies share three common traits: a campus environment in which employees are encouraged to discuss retirement issues; a wide-ranging menu of counseling services; and access to a dedicated staff, including peers, who can speak about aging issues from personal experience.

Encourage top-down commitment and dialogue

It's not enough to create all these services; an institution must promote them internally to encourage open discussions about retirement. Leadership endorsements starting from the president should aggressively encourage employees to use retirement counseling services and employee assistance programs. Importantly, these initiatives must also be sensitive to that fact that employees do not want to feel like their employer is pushing them out the door.

As part of this commitment, leaders should make it clear to aging employees that it's never too late to begin planning for their retirement — but sooner is better. In addition to offering periodic overviews of retirement plan options, plan sponsors should encourage employees to see a financial counselor from a plan vendor for an annual review.

Counselors should specifically tailor their material to different ages and career stages. Institutions need to be careful when offering such information that they do not violate the Age Discrimination in Employment Act (ADEA, 2011). Everyone within a certain demographic must receive the same information, and it is critical that employees would not construe the counsel as coercive or discriminatory.¹⁰

Expand and diversify the counseling menu

It's important that the institution provide a broad range of comprehensive resources so individuals can prepare for their own unique retirement challenges. For some employees, financial issues will be the major problem; others may face nonfinancial issues, such as anxiety about losing the identity they have built over decades in their jobs. The UI study found that nonfinancial counseling was available on fewer than half of the campuses in its sample.

Retirement counseling services

One way an institution can design its retirement counseling services is by creating a menu of services structured along an incremental “count-down” timeline before the conventional retirement age of 66. For example, at 10 years out, counseling may encourage employees to focus on where they will live. Five years before retirement, counselors might advise employees to start shifting their investment mix from a focus on asset accumulation to income generation.

Establish a dedicated staff and promote guidance from peers

A retirement counseling program benefits from dedicated, well-trained staff. They should have training in issues specific to aging employees in addition to basic instruction in counseling employees of all ages. This helps staff gain a mental picture and empathy for the issues and needs important to an aging workforce. The UI study also found that peer-based retirement counseling is very popular with employees; indeed, it has become an essential element of several institutions’ counseling programs. Peer-based counseling offers employees the opportunity to get information from people they trust. It’s also a way for aging employees to balance formal, “textbook” information about retirement with real-life anecdotal experiences to understand better what retirement will be like. What’s more, it costs the institutions little or nothing to create a peer network for aging employees.

A Checklist for Getting Started

Creating or improving retirement counseling and employee assistance programs geared toward an aging workforce can seem like a daunting challenge, but done right it is quite manageable. Here’s a checklist for getting started.

- Share with institutional leadership — including administration, faculty and staff councils, campus health officials, and human resources specialists — the many benefits that flow from creating retirement counseling and employee assistance programs for aging workers.
- Form a working group to assess gaps in the current retirement counseling and employee assistance programs, and gather ideas and information about what improvements can be made. Consider how different needs manifest themselves over the course of a person’s career.
- Survey your institution and estimate retirement counseling and employee assistance program needs for aging employees.
- Appoint a program manager and staff to design retirement counseling and employee assistance programs for aging employees, including a direct communications strategy targeting campus leaders as well as individual employees.
- Develop an implementation strategy that features several retirement counseling resources and allows adequate time to foster awareness and engagement across campus.
- Create measurement and evaluation processes that demonstrate how retirement counseling services produce benefits that may outweigh the costs at both the institutional and campus levels.
- Given the expected growth in the number of aging employees, continue to think about future counseling needs.

Wise counsel is a smart choice

Today, employees can expect to spend up to 20 years of their lives in retirement, making counseling services and assistance programs more important than ever before.^{11,12} As we've seen in this paper, some of these programs appear especially effective for aging employees. In addition to responding to the challenges of an aging workforce, well-crafted counseling and assistance programs can help advance the mission of the institution as a whole. Such programs can help maintain productivity and performance, improve morale, and enhance succession planning. Driven by the commitment of university leaders and supported by a dedicated staff that cares about the university community, retirement counseling and aging-specific employee assistance programs can have a significant impact. They can improve the quality of life for employees and help ensure a successful future for them and for the institution itself.

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