

Where TIAA's Profits Go

Our client-conscious approach to building revenue

TIAA-CREF's primary goal is to help our clients achieve financial well-being. TIAA was established in 1918 to provide a retirement platform for America's teachers and was the pioneer of the portable retirement annuity. CREF, our companion company, was organized in 1952 and created the variable annuity. Today, TIAA-CREF serves the diverse needs of individuals, plan sponsors, institutions and financial professionals.

When we make money,
our customers are top of mind.



Financial Services

Investment products, insurance and annuity products: are not FDIC insured, are not bank guaranteed, are not deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.

Annuity products are issued by TIAA (Teachers Insurance and Annuity Association of America), New York, NY.
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TIAA has no outside shareholders, other than our Board of Overseers, which is a not-for-profit entity. Importantly, according to TIAA's corporate charter, TIAA functions without profit to the corporation or its shareholders. That means that TIAA can use operating earnings to fortify the overall organization. As a result, our corporate interests are directly in line with those of our clients.

It is the responsibility of the TIAA Board of Trustees (the “Board”) to determine what happens with the operating earnings. Historically, the Board has used earnings—at its sole discretion—in the following manner:

- Declare an additional amount to participants in our guaranteed TIAA Traditional Annuity.*
- Increase surplus to ensure sustainability and financial strength of TIAA. The level of TIAA’s surplus is a factor in TIAA’s financial-strength ratings, ensuring we can meet our future obligations through challenging market or economic conditions.
- Invest in TIAA’s growth and in its subsidiaries, which are for-profit entities that may issue dividends to TIAA.

In fact, the method of handling operating earnings is one of the most important decisions the Board has to make. That is, the Board must balance the benefits of declaring an additional amount to TIAA Traditional participants with the longer-term need for financial strength and our ability to offer a broader suite of financial products and services to our clients.

Going forward, we will continue to uphold our mission to serve those who serve others — a commitment validated by the trust that millions of clients have placed in our organization for nearly 100 years.

*Guarantees under TIAA Traditional are based upon TIAA’s claims-paying ability.

TIAA-CREF Individual & Institutional Services, LLC, and Teachers Personal Investors Services, Inc., Members FINRA, distribute securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY.

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