

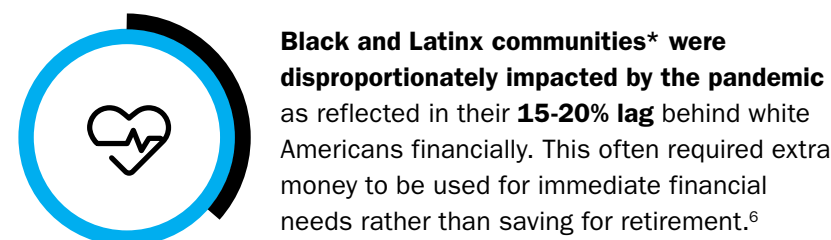
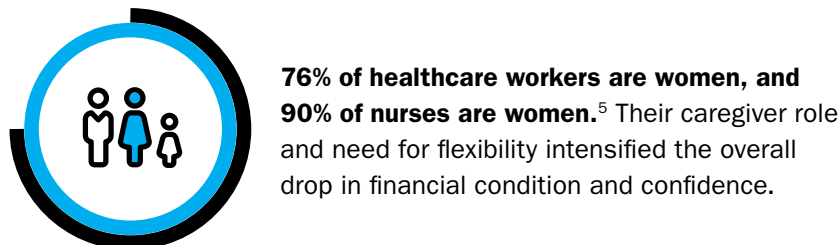
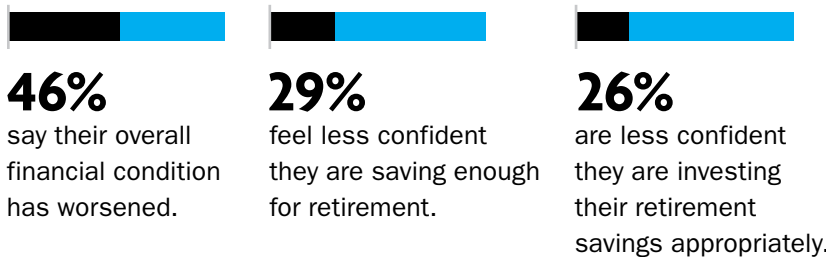
Understanding the pandemic's impact on the workforce, financial wellness, and retirement income-focused plan design

Trends accelerated by the pandemic

Engaging a multidimensional workforce

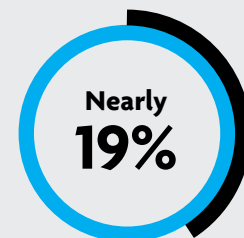
Providing a retirement plan that engages a multidimensional workforce is an even greater priority given the growing emphasis on inclusion, diversity and equity. Although the pandemic has financially affected the entire workforce, some groups have had a tougher go.

Financial impacts of COVID-19 affecting all employees¹



Recruiting and retaining healthcare staff

Caregiving during the pandemic has been an **overwhelming experience** for healthcare professionals, hurting retention and contributing to higher costs.



the **turnover rate for staff RNs** now²



219 days

to recruit a family medicine physician³



\$370k

avg. annual savings for a hospital for every **% point improvement** in employee retention⁴

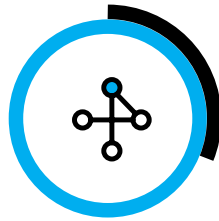
*Note: It's important to consider the historical/systemic obstacles and their impact even today on financial resiliency.

Enabling lifetime income



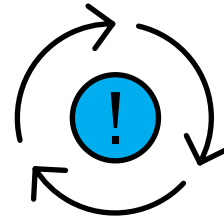
72% of healthcare organizations say **providing lifetime income** is the main purpose of their retirement program.⁷ This access to a guaranteed lifetime income stream can increase confidence.

Addressing growing complexity



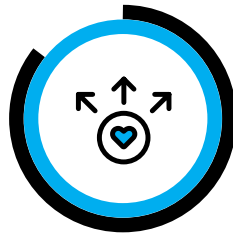
31% of healthcare organizations face **greater structural complexity** related to their retirement plan, as plan sponsors comply with the CARES Act provisions and heightened oversight.⁸

Mitigating risks from mergers and acquisitions



Managing risks and cultural impact **during retirement plan consolidation** becomes more challenging with the backdrop of a pandemic.

Reducing the use of defined benefit (DB) plans and shifting to defined contribution (DC) plans as part of an overall cost-reduction strategy



To compensate, many employers are **including DB-like “personal pension” benefits** in their DC plans.

86% of plan sponsors who offer in-plan guaranteed lifetime income options consider them highly valuable for employees.⁹

Pandemic-driven challenges



Reducing costs while protecting retirement plan benefits

Contributions **once suspended have been restored in many cases**, often on a retroactive basis.



Responding to the impact of changing roles

50% of healthcare plan sponsors say that **changing roles** have **exacerbated retention concerns**.¹⁰



Engaging new hires

42% of healthcare organizations cite an increased **desire for better new hire engagement** due to COVID-based health and safety issues.¹¹

Solutions

Automatic features that increase participation and savings

Auto enroll

70% vs. 43%

the mean participation rate for organizations that implement automatic enrollment in their 403(b) plans and those that do not¹²

Providing a retirement plan with a purpose

88% 

of healthcare employers say a retirement program should allow for both wealth accumulation and secure income through retirement.¹³

Default Investments

30%

of plan sponsors offer target date funds as preferred **qualified default investment alternatives**.¹⁴



78%

believe they help participants meet income needs in retirement, but **that's not necessarily true**.¹⁵



77%

of plan sponsors would be interested in offering a **lifetime income option** in a custom default fund.¹⁶

Robust education and engagement for a multidimensional workforce



70% of employees say they **need their employer's help** to make sure they are financially secure.¹⁷

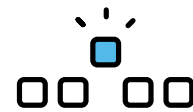


53% of plan sponsors say it's very important when looking for a plan provider that **they offer advice, not just guidance**.¹⁸



And, **89%** of plan sponsors say it's important to look for a **provider that offers retirement readiness tools and services**.¹⁹

Financial wellness



69% of healthcare employers increased their focus on **improving the financial wellness** of employees in 2020.²⁰ **Many are expanding the components of financial wellness** to create a more holistic approach.

TIAA was founded to help educators retire with dignity. Today, 100+ years later, we've evolved into a Fortune 100 organization, managing \$62B in retirement assets from healthcare institutions alone. With a specialized practice in healthcare, TIAA helps clients contain costs, reduce complexities, and provide their employees with a clear and confident path to retirement. Imagine the possibilities.

- ¹ Healthcare Sector Financial Wellness Survey, TIAA Institute (2020)
- ² 2021 NSI National Health Care Retention & RN Staffing Report
- ³ Stajduhar T. "On the lookout: A tight physician market in a post-COVID-19 world calls for competitive compensation." MGMA Connection. Sept. 11, 2020.
- ⁴ 2020 research report published by NSI, Nursing Solutions, Inc.
- ⁵ TIAA Profession Insight Series: Nurses (2020)
- ⁶ TIAA Institute-GFLEC Personal Finance Index (2021)
- ⁷ Spectrem Group Not-for-Profit Healthcare Sector Report (December 2020)
- ⁸ Spectrem Group Not-for-Profit Healthcare Sector Report (December 2020)
- ⁹ TIAA Retirement Insights Survey (2021)
- ¹⁰ Spectrem Group Not-for-Profit Healthcare Sector Report (December 2020)
- ¹¹ Spectrem Group Not-for-Profit Healthcare Sector Report (December 2020)
- ¹² Spectrem Group Not-for-Profit Healthcare Sector Report (December 2020)
- ¹³ TIAA Retirement Insights Survey (2021)
- ¹⁴ Spectrem Group Not-for-Profit Healthcare Sector Report (December 2020)
- ¹⁵ TIAA Retirement Insights Survey (2021)
- ¹⁶ TIAA Retirement Insights Survey (2021)
- ¹⁷ 2020 EBRI/Greenwalk Research Workplace Wellness Survey (www.ebri.org/docs/default-source/web/wws-2020/2020-workplace-wellness-short-report.pdf?sfvrsn=d60b3a2f_2)
- ¹⁸ Spectrem Group Not-for-Profit Healthcare Sector Report (December 2020)
- ¹⁹ Spectrem Group Not-for-Profit Healthcare Sector Report (December 2020)
- ²⁰ TIAA Retirement Insights Survey (2021)



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