

THE IMPACT OF COVID-19

# Moving forward to a financially well future

In the third TIAA Institute-CUPA HR report, Financial Wellness among Higher Ed Faculty, survey results show while the pandemic affected financial security for some, many remain optimistic about the future.\*

## Multi-dimensional impact felt in higher ed

Salary reductions and furloughs created some faculty insecurity during the pandemic, with **27%** reporting a worsened financial condition since its onset.

However, **25%** reported financial improvement—most likely due to decreased discretionary spending—and expressed more positive sentiments about finances.



**61%** were satisfied with their financial condition, including **35%** of those who said their condition had worsened.

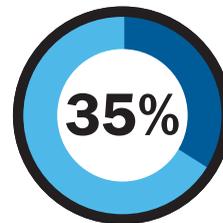


**40%** expect improvement in their financial condition in the next year, with only **13%** expecting a worsening.

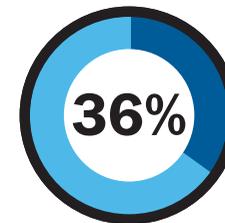
And among those reporting a weakened financial condition, future expectations were nearly evenly divided:



Expect further worsening



Expect improvement



Expect their condition to stay about the same

## What is financial wellness?

A growing focus among employers is financial wellness, or when a person:

- ✓ is in control of day-to-day and monthly finances
- ✓ can absorb a financial shock
- ✓ is on track to meet financial goals
- ✓ has the financial freedom to enjoy life\*

\*Consumer Financial Protection Bureau (2015)

\*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.

## Debt deepens for some

Among those in higher education, **83%** carry some form of debt. But the pandemic's financial impact created more debt for some.



More than **one-fourth** of faculty took on new debt.



**25%** missed or made late payments due to financial hardship.

Increased debt makes achieving financial wellness more difficult, as repayment lessens the ability to save for the future.

## Emergency funds were key

Essential to financial wellness, the emergency fund proved popular among academics, and helped soften the financial blow for many.

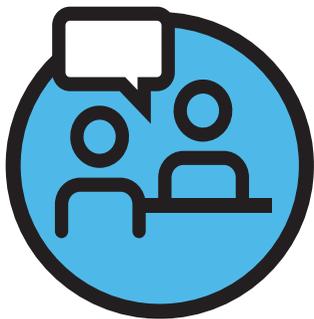


Pre-COVID, **78%** had savings they could use for emergencies.



More than one-third (**37%**) had to tap those funds during the pandemic.

Again, having immediately available funds proved essential to absorbing the shock for those who had them.



## Improve financial wellness with professional advice

**One-third** of higher education employees have received non-retirement financial advice within the past two years, with **21%** receiving during the pandemic. And survey results indicate an appetite for more, as **nearly half** of those questioned expressed interest in receiving advice.

Clearly, offering professional advice could serve faculty well at this time, increasing financial wellness for many while guiding others through important first steps toward security.

## Read the full report

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