

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

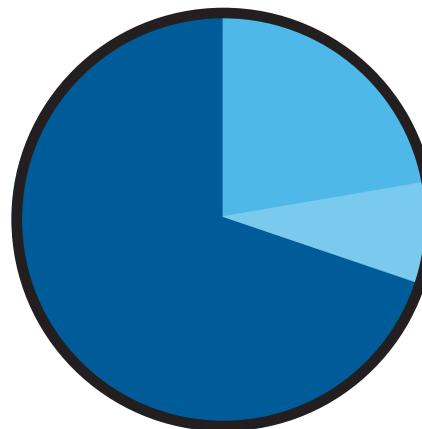
Investing

- 📊 **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.

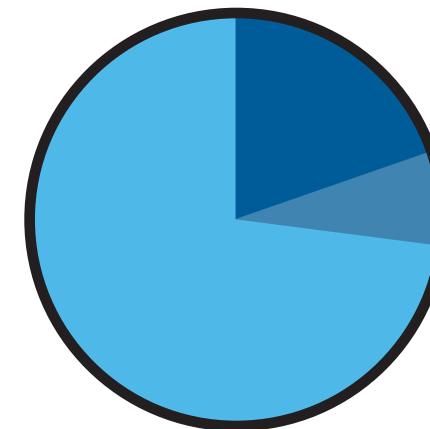
Saving



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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