

Retirement Options In Higher Education For Tenured Faculty

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ABSTRACT

A survey of Vice Chancellors of Academic Affairs in research universities was designed, reviewed for content validity, and disseminated. The survey was designed to identify their institutions' policies and benefits for retired faculty. Although all institution had emeritus status as a benefit, other retirement benefits varied across institutions and accreditation

regions. Institutional policies on financial incentives, teaching and research options, and health care benefits also varied among the responding institutions.

Mandatory retirement for faculty in higher education has been phased out under the Age Discrimination in Employment Act of 1986 (P.L. 4154). As of January 1, 1994, universities and colleges could no longer require tenured faculty members to retire at age 70. This change has led to research on what effect such a law would have on college and university costs. There is some concern that faculty members incapable of carrying out their university teaching and research assignments would continue to be carried on the payrolls and health-care benefits programs.

From 1966-1985, higher education literature contained issues of *unisex* mortality tables, declining faculty vigor, long-term disability, income coverage, and proposals for creating innovative policies regarding retirement were discussed in higher education literature. From 1986 to 1995, increased attention has been paid to productivity and accountability. In many state legislatures, tenure is being reexamined as legislators see tenure not as an issue of academic freedom, but rather as an economic benefit (Van Patten, 1996). Tenure is being analyzed not only in terms of accountability, productivity and assessment, but also as an unwarranted life-time employment benefit not given to those in other occupations. Consequently higher education administrators are seeking to find ways to encourage early retirement. Lee (1995) reported on a survey of 900,000 faculty, of whom 595,348 were full-time faculty members. One-third (36%) of all faculty members surveyed had tenure whereas just over half of the full-time faculty members (53%) had tenure. South Carolina, like other states, is tightening yearly evaluation of faculty to assure continued productivity (Loope, 1995). The South Carolina legislature had a bill to eliminate the granting of tenure to faculty at all public senior institutions in the state. Bennett (1994) found that although some college administrators and state governments find that the practice of tenure reduces flexibility and protects the unproductive, 97% of all four-year colleges offer tenure. Bennett found that university administrators seek tenure in an academic department prior to being hired, and competition for top-flight professors is so keen at large universities that tenure cannot be abolished. In interviewing John Silber on the question of tenure, Bennett found that all top-flight candidates insist on tenure so one cannot be competitive without it. Magner (1995) found that colleges and universities are increasingly instituting periodic evaluations of tenured faculty with the objective of encouraging faculty development. Some faculty question the need for post-tenure review while others believe that the trend may strengthen tenure by providing evidence in its defense. Students, parents, state legislators, and the public are demanding reexamination of all aspects of faculty employment, including tenure.

Morrell (1993) noted that uncapping college faculty retirement age has implications for tenure and age-discrimination litigation. He suggested that higher education administrators should carefully examine the probable impact of the change on the quality of their academic programs and financial situations. Morrell called for the development of contingency plans to handle the challenges that may result from elimination of retirement age caps in colleges and universities. Gustman and Steinmeier (1992) analyzed retirement incentives at 26 private colleges and universities using data for tenured male faculty employed in the 1970s. Their simulations suggested that raising the retirement age would substantially delay retirement by faculty members at the surveyed institutions. Friedman (1992), however, found in his analysis of the national demographics of medical school faculty that there was a substantial drop in the growth rate of full-time faculty since 1972 and little change in retirement patterns after the 1982 rise in mandatory retirement age. Friedman concluded that the uncapping of mandatory retirement age would have little effect in medical education.

Heim (1991) surveyed a nationwide cross section of 130 colleges and universities receiving responses from 19,126 retirees or 40% of the retired faculty. Results showed that 90% of the respondents were satisfied with retirement, 76% retired by choice, 16% not by choice, and nearly half retired before age 65. The survey results showed that faculty retirement age patterns are changing, with more faculty staying to age 70 or later and that 37% of the retirees had prepared thoroughly for retirement. Most of the respondents expressed the view that their institutions had not helped them plan for retirement and listed social security

and their final employer's retirement plan as their sources of retirement income. Heim found that the median household income was \$30,000 and that there was a close relation between financial status and level of general satisfaction in retirement. She also found that 40% had worked for pay since retiring, 31% had moved and 45% reported excellent health with 54% noting they were generally "very happy" with life. This study was supported by one of the largest college and university retirement funds, TIAA-CREF.

Mauch (1990) surveyed higher education institutions in Pennsylvania to determine what policies and practices were in effect regarding rights and privileges connected with retirement in higher education. The most frequently awarded privileges related to campus social, organizational, and recreational life. Emeriti received more rights and privileges than retirees in general. The most desirable privileges were related to retaining insurance, opportunities to teach, pre-retirement counseling and office space. Least desirable rights and privileges included having their own center on campus, having an association of retired faculty, and having representation of retired faculty on senate and faculty councils. Mauch found that Pennsylvania provided fewer privileges than do other American Association of Universities institutions. Hammond and Morgan (1991) examined the issue of whether special circumstances of tenured faculty in higher education justify a continued exception to the national policy prohibiting age discrimination in employment, and suggested a number of steps that either are or could be made available to address problems raised by the elimination of mandatory retirement. Hammond and Morgan found that at most colleges and universities, few tenured faculty continued working past age 70; but a high proportion of faculty might choose to work past age 70 in some research universities.

Method

In an effort to update the information on retirement benefits offered by research universities, a survey instrument was designed, reviewed for content validity and disseminated. Of the 112 survey instruments mailed to Vice Chancellors of Academic Affairs in major research (Research I) universities, 78 surveys (70%) were returned. The survey form consisted of a series of benefits offered to retirees, along with open-ended questions soliciting written comments. In some instances a massive amount of retirement benefit material was provided. An overview of the results follows. We also report regional breakdowns when benefits differed significantly ($p < .05$) by region.

Results

The results were ranked in order of the frequency with which each item was offered by surveyed institutions. Emeritus rank, teaching opportunities, parking permits, invitation to events, and computer access were the five benefits most frequently offered at the 78 responding institutions. The benefits least frequently provided were research facilities, continued rank, off-campus teaching, advising opportunities, and library study space. Some institutions provided special opportunities to teach, engage in research and publication for a set number of years after retirement, varying from two to five years.

Regional Differences

We also broke down responses by accreditation region of the country (Directory of Higher Education, 1995). These regions include: Middle States (DE, DC, MD, NJ, NY, PA, PR, VI); New England (CT, ME, MA, NH, RI, VT); North Central (AZ, AR, CO, IL, IN, IA, KS, MI, MN, MO, NE, NM, ND, OH, OK, SD, WV, WI, WY); Northwest (AK, ID, MT, NV, OR, UT, WA); Southern (AL, FL, GA, KY, LA, MS, NC, SC, TN, TX, VA); Western (CA, HI, AS, GU, Commonwealth of the Northern Marianas, and the Trust Territory of the Pacific Islands).

Middle States. Responses from universities in the Middle States accrediting region did not differ significantly from those of other institutions on any of the retirement benefits.

New England. Although continued parking privileges and permits were available from most universities nationwide (88%), 100% of the responding New England institutions offered this benefit ($n = 6$). However,

New England institutions offered fewer opportunities for retired faculty to continue research and teaching (16%) compared to other institutions (64%). North Central. 100% of North Central institutions (n = 24) also offered parking permits, while 88% of them continued to grant athletic tickets at discounted faculty rates.

Northwest. One hundred percent of Northwestern institutions (n = 3) offer financial incentives for early retirement, invitations to campus events and activities, athletic tickets at

Table 1	
Percentage of Institutions Offering Retirement Benefits (n = 78)	
Benefit	% of Institutions
Emeritus Rank	100
Opportunity to Teach After Retirement	92
Parking Permits Available	88
Invitation to Campus Events and Activities	88
University Computer Network Access	77
Discounted Athletic Tickets	71
Health Care Benefits	71
Financial Incentive For Retirement	69
Office and Secretarial Services	65
Research or Teaching After Retirement	64
Information on Institution's Project & Prospects	64
Library Study Space	57
Advisement of Graduate Students	52
Opportunity to Teach Satellite Courses	52
Continued Rank for Publishing	44
Full Utilization of Research Facilities	41

faculty rates, and information on the institution's projects and prospects compared to 69%, 88%, 71%, 64%, respectively, available from other institutions.

Southern. The opportunity to continue teaching full-time or part-time after retirement (100%) was greater in Southern universities (n = 21).

Western. In comparison with all other responding institutions, 100% of Western institutions (n = 7) offer financial incentives for retirement, opportunities to continue teaching and research, access to university computing networks, health care benefits, parking permits, and opportunities to advise graduate students.

Open-Ended Responses

Table 2 indicates the most common types of financial incentives university faculty members are offered for early retirement. Some universities have phased retirement plans in which faculty and administrators can teach for a varying number of years after their retirement decision. Florida and Louisiana, among others, are states with such provisions. Opportunities for faculty members to continue teaching and research following retirement were restricted by time limits and salary limitations. Teaching was most often

negotiated on a part-time basis or on an as-needed basis. Although more universities are experimenting with distance education programs, retired faculty members continue to be considered for satellite teaching. These positions are still limited as programs are developed and are negotiated on a contractual basis with department chairs and deans. Faculty members were encouraged to conclude ongoing research projects. New research projects also required negotiating and outside funding, as well as being limited by space available restrictions. Overall opportunities to continue teaching and conduct research were also controlled by the retiree's institution. Fewer opportunities were available to continue teaching and research at Northwestern institutions, while retirees at Western institutions were given more opportunities. Table 3 outlines the most common limitations retired faculty members experience.

Table 2	
Financial Incentives Offered	
Financial Incentives for Retirement	No. Responses
Early Retirement Plans	21
Individually Negotiated	11
Lump Sum Bonuses	4
Formulas Based upon Salaries and Number Years in Service	4

Note: Information concerning financial incentives was the most frequent response to open-ended survey questions. Differences in retirement incentives varied by region. Faculty members in Northwest and Western institutions indicated a greater number of incentive plans.

Table 3	
Teaching Options and Research Limitations After Retirement	
Part-Time Teaching	No. Responses
Up to 49% FTE	15
As Needed	13
Individually Negotiated	11
Research Time Limit	
None	9
Up to 3-4 Years	4
Externally Funded	3

In addition to part-time teaching or research opportunities, retired faculty can also serve as graduate advisors and dissertation chairpersons. Advisement of graduate students requires invitation from

department or dean or permission of an institution's Graduate Council. Although advisement activities are available, the position remains infrequent or limited at most institutions. Retired faculty at Western universities were more likely than their colleagues to serve as advisors following retirement.

Office space was available to a majority of retired faculty members who were teaching part-time; other benefits available included library study spaces and access to university computer networking. Institutions indicated that office space for faculty was becoming increasingly difficult to accommodate. Access to computing networking, either from home or office was more prevalent in Western institutions than elsewhere.

Health care remains an issue for retirees. Continued coverage options were available to over half of all retirees, including continued or partial coverage through their universities, HMO supplements, or Medicare. Age limitations were indicated at many universities. Retired faculty were commonly guaranteed continued coverage under their current plans until age 65, sometimes until age 70. In some instances, not only did the retiree receive health care benefits, but so did his/her spouse. Although health care benefits were offered nationally, Western universities offered more health care options to their retired faculty than did other institutions. Table 4 provides a list of the most noted forms of health care options retirees can expect to receive.

Retirees have the opportunity to continue publishing and conducting research under specific titles, such as, Emeritus, Research Professor, or Professor Emeritus. Emeritus status for retired faculty in many institutions is accompanied by campus invitations and activities. This benefit appeared more prevalent in institutions in the Northwest. Parking privileges, such as special permits, faculty rates, or free-of-charge parking were common benefits nationwide, but especially at responding North Central, New England, and Western institutions. Retired faculty can also expect continued discounted rates on athletic tickets at institutions that currently have programs. Athletic discounts were common at Northwestern facilities.

Notice of campus activities and events, university projects, and institutional prospects were readily available to over half of all retired faculty across the nation. Some universities supplied their retirees with supplements such as campus newspapers and department newsletters. Regional differences were apparent, Northwestern institutions were more generous suppliers of information.

Table 4	
Retirement Health-Care Benefits	
Benefits	No. Responses
Through Retirement Programs	7
Continued Coverage	6
Medicare is Primary Provider, University Health Care is Supplementary	5
State Contributions to Insurance Premiums	5

Note: Many retirees experienced a decrease in the contribution of their employers to health plans following retirement. Reductions could range from full payment of premiums to one-half of premiums to no contributions, full expense paid for by the retiree. Not only were contributions to premiums reduced, but benefits were often reduced, including life and dental insurance.

Discussion

It is clear that university presidents under pressure from legislatures to increase productivity with reduced budgets may turn to retired faculty to carry some of the teaching load. President David Boren of the

University of Oklahoma has worked to have retired professors teach introductory undergraduate classes on a part-time and as-needed basis. Institutions can benefit from utilization of the experience of retired professors in teaching, leadership, and research. Fundraising can be enhanced through maintaining good relations with retired faculty members. Their institutional loyalty, especially those with long tenure with an institution, is often shown in financial and material support for their university or college.

Although it is difficult to predict how many senior faculty will elect to remain after age 70, preliminary evidence indicates that few will opt to continue past that age. Those who do remain add to institutional diversity. Creating a more people-centered, humane society should continue to be a priority in higher education. As our nation's longevity increases, our faculty can remain productive for many more years and by careful management of these human resources, an institutional mission is enriched.

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