

Approaching Retirement

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The latter stages of a faculty member's career and that component which involves approaching retirement has taken on new meaning in recent years. Changes have occurred that affect not only the individual's attitude towards retirement but also those of the institution or university. Examples of these changes are:

- Elimination of a mandatory retirement age.
- Early retirement options.
- Extended longevity of individuals.
- Extension of the social security retirement age.
- Retiring faculty may not be replaced.

All of these changes and issues have resulted in an environment in which senior faculty approaching retirement have considerably more options than in the past. Universities have also responded to these changes by offering numerous options beyond the historical standard of retirement at age 65.

HISTORICAL PERSPECTIVE

For a better understanding of the current situation, a review of recent legislation affecting retirement is appropriate (Bader, 1995; Calvin, 1993; Craver, 1990). Prior to 1967, the traditional retirement age was 65 and there was no federal legislation prohibiting mandatory retirement based on age. In 1967, however, the Age Discrimination in Employment Act (ADEA) was passed by the U.S. Congress. A component of this act declared mandatory retirement before age 65 illegal in the United States, thus establishing age 65 as the youngest age at which mandatory retirement could be required. The 1967 act was followed by the 1978 ADEA amendment to raise the mandatory retirement age cap to 70. Because of concerns from universities regarding issues of tenure and lack of faculty turnover, professors were exempted from this new age cap until 1982. In 1982, the mandatory retirement age was raised to 70 for university professors. A short 4 years later, in 1986, the ADEA was again amended to eliminate mandatory retirement based on age. Universities expressed concern and professors were again exempted until 1994. The intent was to allow time for additional studies on the impact of this new legislation within universities and also to allow universities to position themselves for the elimination of a mandatory retirement age for university professors in 1994. Since 1994, universities have lived in an environment where mandatory retirement is no longer linked to an individual's age.

A significant number of studies have been carried out in recent years to investigate and predict the impact of elimination of mandatory retirement within the professoriat of American colleges and universities (Bader, 1995; Battersby, 1993; Craver, 1990; Robinson and Lee, 1993). These studies indicate a significant aging professoriat, with 35% of all faculty in the U.S. currently over 55 years old. By the year 2000, one-half of all faculty will be over 55 years old. Recent budgetary constraints in most universities have limited new hires. This, coupled with elimination of the mandatory retirement age, has raised significant concerns for the future of higher education and the infusion of new personnel and ideas.

Much of the reason for an aging professoriat is due to its rapid growth in the 1960s and 70s in response to increased numbers of students and excellent financial support for higher education. Numerous faculty were hired during these two decades of sustained growth and it is these individuals who now account for the large number of aging professors.

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RETIREMENT INCENTIVE GOALS

Universities have responded to the above issues with a myriad of incentive retirement plans designed to encourage faculty to retire sooner rather than later (Chronister, 1990, 1993). Goals of university incentive retirement plans are:

- To encourage retirement of faculty from overstaffed departments.
- To reduce the institution's overall personnel budget.
- To provide for the recruitment of new and younger faculty.
- To encourage the retirement of unproductive and less productive faculty.
- To provide for the rejuvenation and renewal of the faculty in general.
- To permit faculty to gradually disengage from full-time professional responsibilities.

Individual departments are also concerned about the impact of an aging professoriat and the elimination of a mandatory retirement age. Departmental considerations related to retirements and the need for new faculty include the following:

- The need to adjust to changing technologies.
- The need to become involved in newly emerging fields of study.
- The need to address changing student career interests.
- The department's competitive position within the school and the need to encourage retirement of unproductive and less productive faculty.

RETIREMENT INCENTIVES BEING OFFERED

Combined pressures and opportunities at the university and department level have led to numerous types of retirement incentives to encourage earlier retirement. Various creative options have been presented (Chronister, 1993; Leslie, 1993). They include:

Severance pay or lump sum payments—an option that provides the early retiree with a financial bonus for retiring, which is usually a percentage of the final year's salary.

Annuity enhancements—an option to bring the retiree's annuity payment to about what it would have reached if employment had continued until the normal retirement age. This can be achieved by a supplemental annuity.

Bridge benefit—a type of annuity enhancement: a target retirement income level is set and, through social security and a monthly cash supplement from the institution, the income level is attained without having the retiree begin to draw on the pension annuity until a specified date.

Credits for unearned years of service—an approach for employees with defined benefit pension plans that involves the awarding of years of service credit for which the employee has not worked to increase the amount of annuity, by offsetting the loss of years of service in the calculation formula.

Phased retirement—an option that permits the retiree to gradually disengage from full employment by reducing the workload over a specified number of years while retaining employee benefits.

Partial retirement—an option that requires retirement but with the opportunity for re-employment for a specified workload each year. This re-employment is for the number of courses to be taught each academic year or a specific work commitment. Benefits are not usually provided with this option, with the possible exception of continuation of the institution's health insurance plan.

The above retirement incentives outline just a few of the creative approaches being used to encourage early retirement. Faculty with inclination towards early retirement should be aware of the options and opportunities available to them at their own institution.

OLDER FACULTY PRODUCTIVITY

Concern about the increasing number of older faculty in our nation's universities and colleges and the need to encourage early retirement through incentives is based on various myths related to older faculty. Among these are the assumption that they are: 1) less productive in publications and research output, 2) less creative, 3) less innovative, 4) less willing to adapt to a changing academic environment, and 5) less effective as teachers. Many of these assumptions are not supported by evidence in recent studies (Bader, 1995; Bonzi and Day, 1991; Havighurst, 1985; Kinney and Smith, 1992; Lawrence and Blackburn, 1988; McConatha and Nassau, 1993). Most of these studies, in fact, show that individual differences vary more than age groups or career phases for either research or teaching performance. If anything, a positive correlation with age and teaching performance exists and the last few years of an individual's research career are often some of the most productive, as the individual desires to make an impact and complete ongoing work before retirement. In short, age cannot be used as a reliable indicator of the academic performance of university faculty (Battersby, 1993; Reskin, 1985). In every case, individual differences vary more than age groups regarding overall performance. It is true, however, that unproductive individuals in their early years are usually unproductive during their latter years while productive individuals generally remain so throughout their career. Thus, decisions about tenure and promotion today need to take into consideration the fact that there is no mandatory retirement age tomorrow. Such decisions are critical to the future and quality of each of our departments.

Regardless of the abilities and productivity of individual faculty, aging eventually moves one towards an inability to work. For one individual, this may be age 60 while for another it may be age 75. Aging is indeed an individual process and most of us know of examples of early aging as well as ageless faculty members. Each individual, however, does reach a point where age begins to impact on their productivity and abilities. It is at this point where retirement and retirement incentives need to be considered by the faculty member and his or her institution. Issues of productivity, or lack thereof, as well as personal inclinations towards retirement or continuation, are important to the future of every department. As senior faculty approach retirement, they fall into one of four major categories important to the future of their department. One continuum involves personal attitudes towards retirement ranging from "I can't think of retirement" to "I want to retire as soon as I can." On the other continuum is the productivity and contributions of the individual ranging from vital and active faculty to dead wood (Fig. 1). It is the placement of our senior faculty on this matrix that determines much of the future of our departments and provides the incentives for issues, such as early retirement and other initiatives, appropriate for faculty at this stage of their career. Department heads/chairs would like to encourage vital and active faculty to stay longer and not retire while they would like to encourage unproductive faculty to consider retirement at the earliest possible date. Concern on the part of universities over many aging faculty and few openings to implement new programs have encouraged various experiments in across-the-board early retirement incentives. Some of these have occurred with less than desirable results, encouraging vital and active faculty into early retirement along with less productive individuals.

THE RETIREMENT DECISION PROCESS

Before proceeding further with our discussion of approaching retirement, it is appropriate to recognize that the retirement decision is ultimately a decision of the individual faculty member. Universities and departments may provide incentives, but it is the individual who will make the decision. Recent studies by TIAA/CREF indicate that most individuals are looking forward to retirement and only 17% of those questioned dislike the idea (Chronister, 1993). Assuming similar statistics in our respective departments, it is important for the department administrator to have an idea as to where individual faculty who are approaching retirement fit in the productivity/retirement inclination matrix. Dead wood faculty who can't think of retirement

represent a problem to the department, while vital and active faculty who want to retire tomorrow represent a lost opportunity and possibly a lost position.

A recent study was also conducted by the Carnegie Foundation to ask individual faculty to speculate on their projected retirement age (Rice and Finkelstein, 1993). Results of this study indicate that over 40% of all faculty intend to retire earlier than the historic norm of 65 while about 17% plan to stay past 70. The remainder will most likely retire at an average age of 67. These statistics indicate only a minor problem associated with individual faculty remaining in the professoriate beyond age 70. Individual department administrators must evaluate professors in their department who are approaching the normal retirement age window and their relative position on the productivity/retirement inclination matrix.

It is important for university administrators and individual faculty to recognize the importance of the personal decision in the retirement process. There are several primary personal factors that affect the retirement decision. These include a satisfactory retirement income, personal health situation, and degree of satisfaction with one's job (Chronister, 1993). These are the issues that encourage or discourage individuals to consider retirement at an early or later date in their career.

There are other factors that affect an individual's decision regarding retirement (Chronister, 1993). Among these are:

- *Push variables*—job-related issues that make the current job unattractive.
- *Pull variables*—anticipated retirement activities that make retirement attractive.
- *Status quo variables*—characteristics of the current job that make continuing employment attractive.

Pull variables are generally created by the individual faculty member and their family or health situation. In contrast, push variables and status quo variables can be affected by the individual department head/chair. It is these variables that allow administrators at the department level to create situations that will encourage continued employment or early retirement. As department heads/chairs evaluate faculty members approaching the normal retirement age, placing each faculty member in the matrix of productivity vs. retirement inclinations (Fig. 1) is important. They have at their disposal push variables and status quo variables that can encourage a faculty member to move in one direction or the other along the continuum of inclination to retire. For those vital and productive faculty who may be thinking about retirement, it is important to create status quo variables that encourage them to continue employment while removing push variables that encourage them to retire. Conversely, it is just as important to maintain and possibly increase the level of push variables while applying additional pressure through a decline in status quo variables for unproductive faculty members. These variables may involve issues such as the number of courses taught, research support from within the depart-

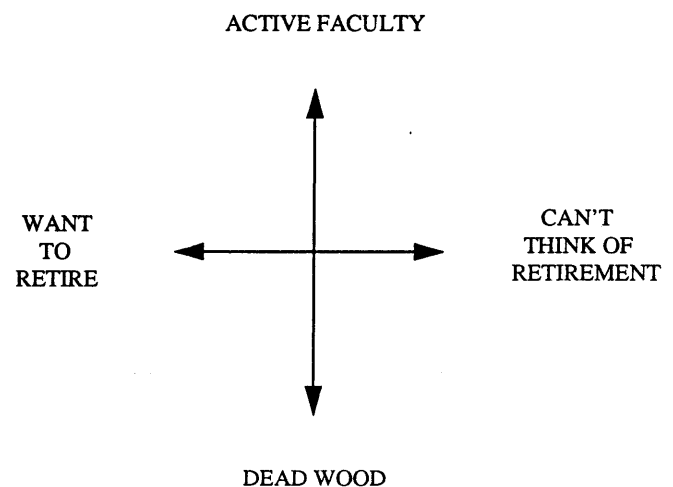


Fig. 1. Matrix of faculty productivity vs. inclination towards retirement.

ment, and facilities and resources available to the faculty member. Such variables become extremely important as each faculty member approaches retirement. They are powerful tools that, if appropriately used, can achieve desired results.

Eventually, each faculty member reaches an age and a stage in their career in which they have begun planning and making changes to accept and engage the next stage of their lives: retirement. This is the pre-retirement career stage that usually occurs 2 or 3 years before actual retirement. During this career stage, the individual has made the decision to retire and now wishes to disengage appropriately from his or her traditional responsibilities. During this final stage, faculty members do not generally accept new graduate students, multiyear grant proposals cease, and demands for laboratory, greenhouse, and field space decline. However, it is not unusual that significant writing and unique short-term projects are undertaken as an individual wraps up the career. Overall productivity does not tend to decline, but the direction of creative energies focuses more on things that can be completed in the time remaining (Rice and Finkelstein, 1993).

DEPARTMENTAL PLANNING

Current retirement laws require closer attention to productivity of aging faculty and an extension of development programs to older faculty. The elimination of a mandatory retirement age, coupled with the large percentage of faculty over age 55, do indeed result in an aging professoriat. This situation is aggravated by the fact that most departments and universities are not expanding with new positions or, for that matter, replacing a high percentage of positions that come open as the result of retirement. Because of this, fewer faculty are available to carry out a department's mission and each individual must work at or near their potential throughout his or her career. The idea that the highest paid senior faculty in a department should be allowed to ease off as retirement approaches is not appropriate. The highest paid and most thoroughly developed faculty should be expected to carry their share of the load until retirement. It is up to the department head/chair to make sure that this happens. It is particularly important for departments to have a strong faculty development program throughout the life of each faculty member with opportunities for encouragement, the learning of new techniques, and the occasions for rejuvenation. Most of our departments will have fewer faculty in the future than currently, so everyone will need to carry their share of the load even to the day before retirement.

The indiscriminate use of early retirement incentives on the part of several universities in the United States has resulted in significant problems for some horticulture departments. These incentives have unfortunately encouraged significant numbers of senior faculty to take early retirement regardless of their productivity level. The loss of large numbers of senior faculty in the span of 1 year can deplete departments of much of their essential talent pool. A more individualistic approach to retirement incentives seems appropriate. In this situation, individuals are identified by the department head/chairperson and individual packages are put together to encourage early retirement. This approach also allows the individual faculty member to propose an early retirement strategy that would be acceptable to them. The result is a more controlled downsizing of faculty with the possibility also of negotiating with the central administration for the return of individual positions before firm incentives are offered to the faculty member involved. Indiscriminate strategies accepted by many faculty members often result in the loss of positions, because the department administrator is not able to negotiate with the central administration before approaching the faculty member with an early retirement incentive package.

ALTERNATIVE TO RETIREMENT

An alternative to retirement is for the department administrator to jointly establish the needs of faculty members approaching retirement and construct a work environment that provides the type and level of satisfaction needed for the individual to remain motivated and productive (Baldwin, 1990; Finkelstein and Jemmott, 1993; Jackson and Simpson, 1993; Leslie, 1993; Schuster, 1990; Seal, 1993). Eliminating

negative push variables and creating new status quo variables can encourage a productive faculty member to put off retirement for a period of time and continue on a productive career. This strategy involves negotiation around factors such as teaching loads, facilities, and level of support and is a powerful tool to be used by the department administrator to encourage additional years of commitment to an individual's career.

NEGOTIATING THE RETIREMENT ISSUE

The department administrator needs to be aware of the plans of faculty members who are nearing normal retirement age if they are to have an appropriate transition and negotiate with the Dean for position replacements. The question from the department administrator "When do you plan to retire?" needs to be asked. Conversely, faculty members often wish to keep their options open as they approach retirement age. The answer to the above question may often be "I will give you at least a year or two notice so you can plan for it, but wish to keep my options open." This situation is appropriate in the current environment of numerous options to both approaching retirement and retirement itself. Department administrators and individual faculty members should be in a position to propose unique options appropriate for each individual faculty member. These can involve the numerous options of early retirement incentives outlined earlier in this discussion or push and status quo variables that achieve the desired outcome.

The situation has changed significantly in the last few years. Historically, there was no need for major decisions as 65 years old was the retirement age. However, today, with the abolition of a mandatory retirement age, faculty members and administrators can often negotiate a mutually agreeable and beneficial retirement option for both the individual and the department involved.

The bottom lines of this discussion on approaching retirement are good news for individual faculty members and the institutions involved. They include the following:

- Faculty now have multiple options for retirement.
- Productivity is a measure of an individual, not an individual's age.
- Most faculty will retire by age 67.
- Many faculty will retire earlier than the historic age of 65.
- Elimination of a mandatory retirement age will not present major problems for American universities and colleges.

Faculty approaching retirement can, and should, be significant contributors to their individual departments. Department administrators need to plan ahead to make sure they utilize the tools available to them, either to encourage early retirement for less productive faculty, or to create an environment that encourages later retirement for those faculty who continue to contribute significantly as they approach and pass the traditional retirement age of 65.

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