



Transforming Academic Retirement: The Performance and Potential of Retirement Organizations in Higher Education

Draft

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Contents

Executive Summary	2
Introduction:.....	4
What’s the Problem?	5
Context of the Problem	5
Emergence of the Retirement Organization (RO) in Higher Education.....	6
Our Study	7
RO Survey Findings.....	8
Attributes and Organization	8
Operations.....	11
Changes and Trends	13
Assessment.....	13
Challenges.....	14
Revenue and Long-term Financial Prospects	15
An Additional Perspective: Views of Institutional Liaisons.....	17
Potential and Promise.....	18
A Word of Caution and Encouragement:	20
References and Further Reading.....	21



Executive Summary

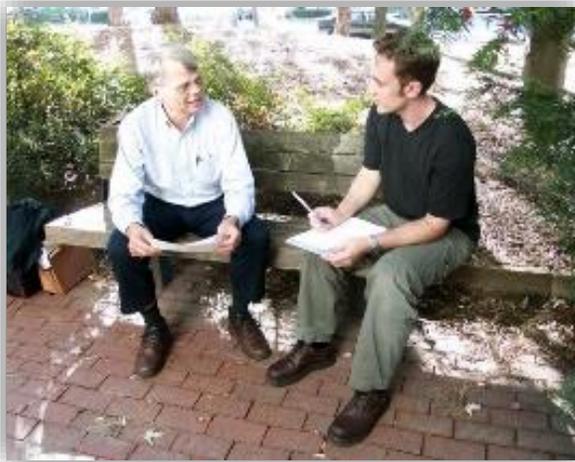
This report summarizes findings from a 2016 survey of higher education retirement organizations (ROs). These organizations are growing across the United States as members of the academic profession age and move into a new phase of their lives. There are now over 200 retirement organizations of various missions and sizes at U.S. colleges and universities. Retirement organizations help retired academics stay connected to colleagues and friends as well as the former institution that defined much of their professional life. ROs also provide opportunities for intellectual engagement and continuing service as retired faculty and administrators transition into an often ill-defined stage that follows a well-structured and fulfilling academic career.

This report takes a close look at the mission, programs and services, and outcomes and benefits of ROs. It also highlights key challenges that will shape the future and long-term sustainability of ROs. Here we highlight key findings and offer suggestions for enhancing the performance of higher education retirement organizations:

- ROs do not follow a standard pattern. They vary in mission, size, staffing, and accountability. Most have 300 or more members but many ROs are smaller. Most also have a formal affiliation with a higher education institution but almost half are entirely independent organizations. Many operate primarily with voluntary workers yet a few have paid or unpaid staff. Membership may be limited only to faculty or staff, but most ROs welcome a range of higher education retirees.
- While many ROs operate primarily as social organizations, they offer a diverse array of activities, programs, and services. The mix may include social functions, learning programs, and service opportunities. Some also support members' continued scholarship and recognize their members' post-retirement achievements.
- Survey data indicate that the primary outcomes and benefits of ROs concern maintaining relationships as well as service to one's institution. In contrast, fewer participants mentioned benefits such as making retirement a more attractive option, mentoring, or community service. These findings suggest that some ROs may not be capitalizing fully on the talents and service capacity of their members.



- Assessment of RO performance is often informal or completely absent. The lack of empirical data makes it difficult for ROs to improve their performance. ROs should implement regular systematic assessment.
- Retirement organizations have a few common and very important challenges that their leadership must address. These challenges include the interrelated topics of visibility, membership, and meeting members' needs. To fulfill their potential, many ROs must ensure they are visible and relevant to their institutional community. If ROs fail to address members' interests and needs satisfactorily, membership will very likely wane.
- While institutional liaisons to ROs generally have a favorable view of the performance and benefits of retirement organizations, some liaisons' perceptions are not as favorable as those of RO representatives. ROs may need to work more closely with liaisons to ensure these institutional representatives understand the purpose, functions, and value these organizations provide.
- ROs rely heavily on membership dues and various forms of institutional support for revenue. More diversified sources of income (e.g., endowment, fund raising campaigns, external grants) may be necessary to secure the financial future of ROs.



- While most retirement organizations are performing valuable functions, many appear not to be achieving their full potential and promise. ROs should periodically review their mission and membership as well as assess their performance. To play an influential role in transforming academic retirement, ROs may need to expand their mission and functions to serve a diverse and growing population of higher education retirees.

Introduction

Higher education is in the midst of a major transformation. Business as usual is being challenged by demographic change, globalization, economic constraints, and major developments in technology. Many higher education stakeholders are seeking new ways to use limited resources more effectively and enhance the performance of colleges and universities. Every aspect of higher education is under scrutiny. This includes conventional views of the academic career—how it begins, progresses, and transitions into the emeritus years.

At one time we thought of retirement as a quiet period of rest and relaxation, a well-deserved reward for a long and productive career. However, experts on aging warn of adverse effects on physical and mental health from long years of aimless leisureⁱ. Sociologists and economists raise concern about the waste of society's resources when talented and highly skilled retirees spend many years consuming resources without making contributions through paid employment or volunteer serviceⁱⁱ.

IN HIGHER EDUCATION, MANY HEALTHY AND VITAL SENIOR PROFESSORS RESIST CONVENTIONAL NOTIONS OF RETIREMENT, FEARING A LOSS OF IDENTITY, STIMULATION, PURPOSE, AND MEANING.

In contrast to the conventional view of retirement, many now see retirement as a new beginning full of promise and potential. In higher education, many healthy and vital senior professors resist standard notions of retirement, fearing a loss of identity, stimulation, purpose, and meaning. They search for new ways to connect, learn, and serve as they seek to structure a new phase of life that may last 15-30 years post retirement. Many people throughout society are challenging traditional ideas about retirement. Similarly, numerous academics seek to replace worn out

views of retirement with new, more appealing approaches to what UCLA gerontologist Fernando Torres-Gil calls “the fourth quarter of life” (Torres-Gil, 2016). We would not want a member of our athletic team to sit out the fourth quarter of a game. Why would we expect a seasoned academic to sit on the bench in the fourth quarter of life? Neither society nor colleges and universities can afford to discount a lifetime of experience and disregard valuable talent.

Retirement organizations in higher education (ROs) are a key element of diverse efforts across the nation to transform academic retirement. At present, more than 200 retirement organizations serve the retirees of U.S. colleges and universities. These organizations vary in mission, size, and membership. What they have in common is the intent to maintain community and collegial connections post-retirement. Many ROs provide opportunities to socialize, learn, and serve following the transition to emeritus or retired status. Some also assist senior professors and administrators preparing for retirement. At their best, retirement organizations help retired academics make a smooth transition to a new phase of life. They do this by enabling retired academics to maintain an institutional affiliation, sense of identity, and, in many cases, intellectual, social, and service engagements that provide a continuing sense of purpose and meaning. ROs also provide a structure for channeling the energy and talents of highly capable people in service to their former employer, community, or other worthy organizations. Retirement organizations are part of an evolving strategy to reform academic retirement in a way that will aid both individual retirees and the institutions they have long served.

What's the Problem?

Although retirement seems like a well-established, standardized concept, it is a relatively recent practice that is a product of the industrial age and the post-World War II economyⁱⁱⁱ. Somewhat like the life stage of adolescence, retirement emerged in response to changes in the nature of work, the economy, and the family. Like so many phenomena in a dynamic society, retirement is a fluid concept that is subject to debate and modification as conditions change.

Initially, retirement was conceived as a complete break from work, especially physical labor, for a short period before the end of life. Retirement represented an abrupt transition from full-time work to full-time leisure. This view of retirement made sense during the early 20th century, when work was physically demanding and life expectancy was somewhere in the range of 46 to 55^{iv}. By comparison, the Center for Disease Control (CDC) lists the current average U.S. life expectancy across race and gender to be 78.8^v. Now, thanks to pensions and retirement savings accounts coupled with the increasing life span, many people enter retirement facing a potentially 15-30 year phase of life in good health. A 2013 report published by the investment firm Merrill Lynch in collaboration with Age Wave, a research company and “thought leader on population aging,”^{vi} provides a valuable perspective on retirement. According to the Merrill Lynch report, people today see retirement not as an opportunity to quit work entirely, but as an opportunity to redefine one’s relationship with work, possibly downsize one’s employment, modify focus or purpose, and, in many cases, shift emphasis from earning a living to caring careers dedicated to the greater good of society. Some authorities on later life employment describe a shift in emphasis from work for profit to work for purpose^{vii}.

Context of the Problem

Vigorous discussions of retirement practices and policies have emerged in recent years throughout U.S. society and the developed world as well as within the higher education community. Many factors have triggered this spirited dialogue, especially the aging “baby boom.” This large component of the U.S. population has set trends and established precedents as its members have traveled along the life cycle. Hence, it is no surprise that the baby boom generation would stoke interest in how members of this generation will spend their retirement years, perhaps redefining what retirement means, and how it looks in practice.

“...THERE IS RISING CONCERN ABOUT THE LOSS OF INSTITUTIONAL MEMORY, WISDOM, AND SKILL AS MANY OLDER FACULTY DEPART THE ACADEMY.”

Several other factors also help to explain why “the R word” (retirement) has become an important topic for discussion in academic circles. In the academic community, retirement has largely been a private concern that individuals are usually reluctant to discuss with colleagues and department chairs. With the exception of financial planning, most professors and many administrators have tried to navigate the complexities of retirement on their own. However, higher education has an aging workforce. Increased use of short-term contingent appointments in lieu of tenure-track positions has

intensified this trend. Today, there are fewer faculty with long-term commitments to their institution and many of those are nearing traditional retirement age. Thus, there is rising concern about the loss of institutional memory, wisdom, and skill as many older faculty depart the academy.

Concurrently, people in general are living longer, healthier lives. Retirement focused primarily on leisure does not appeal to many of these people as they look to the end of their careers. Instead, many wish to remain engaged intellectually and socially as they age. In some cases, this fosters a reluctance to retire. Others seek retirement opportunities that can provide pared down, but still invigorating and meaningful, work.

A strong desire for an active and engaged later life is nourished by evidence that people who maintain social connections and do purposeful work (paid or unpaid) are likely to live longer, remain healthier, and be less likely to develop dementia^{viii}. It is no wonder that large numbers of senior professors and retired academics are seeking avenues to stay connected with colleagues, remain intellectually challenged, and identify purposeful activities that will help them maintain their professional identity and reap the benefits of participation in activities to which they feel a strong commitment.

Emergence of the Retirement Organization (RO) in Higher Education

The higher education retirement organization has emerged from many of the same forces that are calling the traditional retirement paradigm into question. One of the first retirement organizations at a university was established at the University of Southern California in 1949. However, most ROs are much newer organizations with the majority set up since 2000^{ix}.

ROs take different forms depending on the mission, traditions, and histories of the institutions with which they have an affiliation. The purpose of some retirement associations is primarily social and educational. They may sponsor luncheons, holiday parties, and golf tournaments along with field trips to museums and concerts. In contrast, some ROs maintain primarily an intellectual and scholarly focus. Emory University's Emeritus College is a prime example of a retirement organization committed to supporting an intellectual life post-retirement. It sponsors twice monthly lunch colloquiums on diverse topics such as "Divided America and the 2016 Election" and an annual interdisciplinary seminar on challenging topics such as "The University in Crisis" or "A Brief History of Humankind." The Emeritus College also awards research fellowships to help members stay active in scholarship. A third, less common type of RO is a comprehensive retirement center. Centers usually combine membership retirement organizations with an office that coordinates retiree services and benefits. Some centers also advocate for policies and programs in support of retired colleagues. For example, UCLA's Emeriti/Retirees Relations Center partners with the university's Retirees' Association and Emeriti Association to offer "a variety of programs and services to support retiree involvement in campus and community initiatives ...to help retirees to thrive..." The Center "serves the retired faculty and staff communities through advocacy, education and personalized services pre-and post-retirement," and "creates strategic partnerships between the university, emeriti and retirees..."¹



Figure 1: The Emeriti House at the University of Indiana Bloomington

Some ROs limit their membership to retired faculty or administrators/staff. Indiana University's Emeriti House, shown in Figure 1, focuses its mission and activities solely on the IU emeriti community. However, most ROs include members from both groups. For example, Michigan State University's Retiree's Association welcomes former faculty and administrative staff members. The Association sponsors social events and learning opportunities and supports the university by raising money for scholarships. The MSU Retiree's Association also facilitates members' engagement as volunteers in community organizations.

Retirement organizations are increasing in number and playing a growing role in the academic communities where they are located. At the same time, many of these organizations are little known

¹ Retrieved on 3-1-17 from <http://www.errc.ucla.edu/>

beyond their immediate membership or local campus. Higher education is evolving in response to many forces internal and external to colleges and universities. The retirement organization is one result of the powerful and dynamic forces pressuring colleges and universities today. We need to take a closer look at retirement organizations to clarify both the roles they currently play and their potential for future contributions to higher education and our larger society.



Figure 5: In addition to providing a way to maintain relationships with colleagues, the retirement organization at the University of Cincinnati advocates and provides recognition for its members.



Figure 6: Michigan State University's Retirees Association provides a community of fellowship for its members and serves as a liaison between MSU retirees and MSU administration.

Our Study

In spite of the increasing numbers of retirement organizations on college and university campuses, these organizations have not received close scrutiny on their campuses or in higher education in general. We have only limited information on their missions and performance. Much of what we know about their benefits, impact, and cost effectiveness is institution-specific or anecdotal.

To gain a fuller understanding of ROs, researchers in the College of Education at Michigan State University conducted a national survey of retirement organization representatives in the spring of 2016. Our intent was to gain information on the programs and services these organizations offer, identify the benefits they provide, uncover key challenges they are facing, and consider whether they are a good investment in a time of constrained resources in higher education.

We surveyed 90 retirement organizations in our database. Out-of-date contact information on some RO websites prevented us from surveying all 200+ ROs. We sent our electronic online survey to persons who occupied a leadership or other responsible position in their retirement organization. We assumed these individuals would be able to provide current and accurate information about their organization. Our survey yielded a 55 percent response rate from RO representatives from across the U.S.

RO Survey Findings

Attributes and Organization

Membership. Retirement organizations in higher education vary in membership. Of those organizations represented in our survey, 93%² include faculty and 68% include staff/administrators. At many institutions, both faculty and administrators are eligible for RO membership. However, at some institutions faculty and staff-administrators have separate retirement organizations. Often, membership in ROs is open also to spouses/partners (74%), retirees from other institutions (33%), and faculty/staff nearing retirement (33%). The membership composition necessarily influences the mission, services, programming, and resources of a retirement organization. For this reason, it is not surprising that ROs have different identities and personalities. Although the number of higher education retirement organizations in the United States is growing, this is not a uniform phenomenon. Different institutions develop ROs that meet institutions' distinctive missions, populations, and needs.

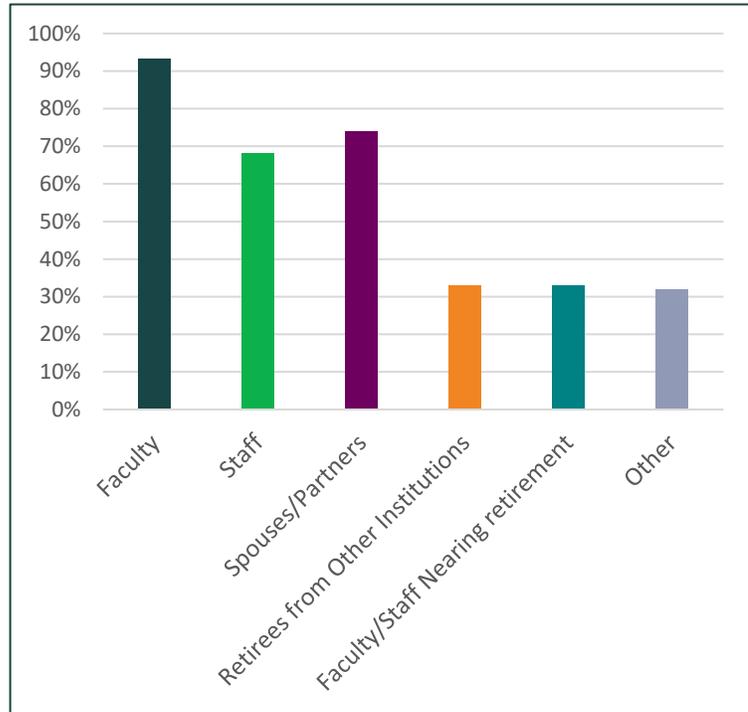


Figure 7: Percentage of Retirement Organizations Serving the Various Constituent Groups

Size. Retirement organizations vary in size as well as mission, membership, and functions. We placed the ROs into one of four categories based on size. Small ROs (25%) had up to 180 members. Medium-sized ROs (20%) ranged from 181 to 300 members. Large ROs (35%) ranged from 301 to 600 members. Very large ROs (21%) each had over 600 members. Clearly, ROs differ considerably in size. More than one third of the ROs in our sample had a membership between 300 and 600 members. However, retirement organizations did not fall into any dominant size range. They come in a wide range of sizes depending on the mission of the organization, the nature of membership, and the size of the institution affiliated with the RO. Data on RO size, like many of our survey findings, suggest that ROs do not follow any consistent pattern. Rather, the form they take and their size seems to depend on many factors that shape retirement organizations at distinctly different institutions.

Staffing. While some ROs have no staff support, others rely on paid or unpaid staff to manage their administrative workings. Utilization and compensation of staff among ROs vary considerably across organizations.

For this study we defined paid staff as any person who works with the RO and receives monetary compensation for their efforts. In some cases, paid staff may be members of the retirement organization or employees of its affiliated college or university who are assigned to support the RO. Less than half (42%) of the ROs represented in our survey had paid staff members. Paid staffing varied by RO size. However, in all cases, no more than 50% of the ROs in any size category (small, medium, large, very large) responding

² All percentages in this report have been rounded to the nearest whole number.

to our survey had paid staff. Fifty percent of Large ROs reported they had paid staff members. In contrast, less than one-third (31%) of Medium-sized ROs had paid staff.

We defined unpaid staff as members or volunteers who belong to, or work with, the RO in an administrative capacity but do not receive any form of monetary compensation for their work. Even fewer ROs had unpaid than paid staff members. Just 32% of the ROs responding to our survey indicated they had some type of unpaid staff. More than one third of Very large ROs (35%) had unpaid staff. Surprisingly, unpaid staff were least common among small ROs (22%). It appears that factors other than organizational size and resources may account for decisions about RO staffing, including whether staff members are paid or unpaid.

The limited use of staff (paid or unpaid) within ROs suggests that many of these associations see themselves primarily as volunteer organizations where members often share administrative responsibilities. The modest staff resources of many ROs may limit the organizations' ability to reach out proactively to members and develop programs and services closely aligned with members' and potential members' interests and needs.

Revenue Sources. Retirement organizations receive funding from a number of sources, ranging from membership dues to general funds of their affiliated college or university. There does, however, appear to be some consistency in the ways ROs fund their programs and activities.

Our survey identified membership dues to be the most common form of revenue generation for retirement organizations. Sixty percent cited dues as a revenue source and 61% reported dues as their largest source of funding. The second most common source of revenue we identified came from budgets tied to specific administrative units (51%) within the RO's affiliated college or university. Examples of these revenue sources include funds from the office of the provost, human resources, or university development offices. Yet while 51% of respondents identified these administrative units as a common source of funding, only 40% saw them as significant sources of funding, coming in a distant second to membership dues. Other revenue sources our survey identified include the college or university general fund (14%), annual fund raising (24%), organizational endowments (18%), external grant funding (1%), or grant funding from the university or college (2%). The latter is defined as financial support resulting from an internal, competitive proposal that was submitted to, and awarded by, a unit within the university or college.

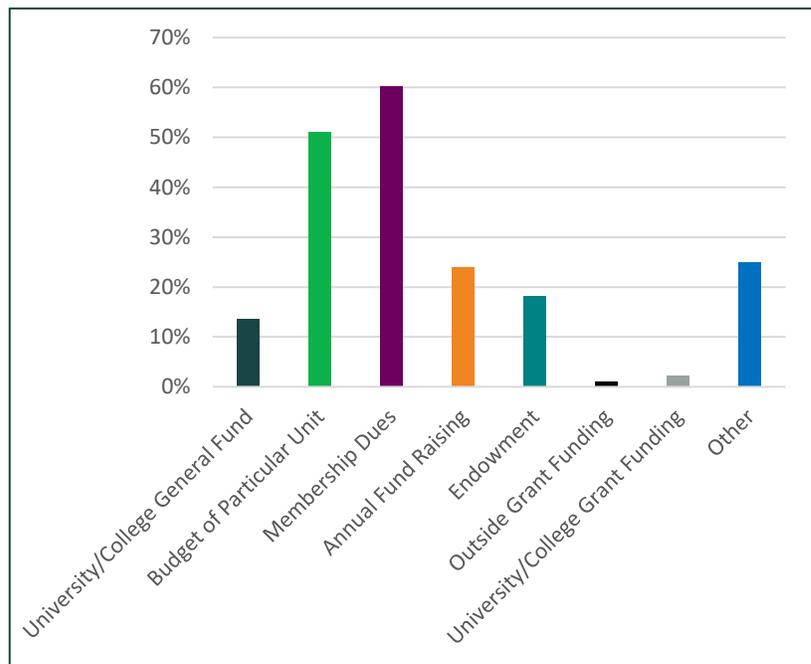


Figure 8: Percentage of Retirement Organizations Reporting Various Revenue Sources

A quarter of our respondents identified resources beyond our survey categories. These unique sources include partnerships with assisted living communities, faculty association or union support, and contributions from statewide retirement organizations. The prevalence of responses within our "other" category, as well as the low percentages related to internal or external grant funding, suggest there is

substantial opportunity for retirement organizations to pursue funding options outside of more traditional sources such as membership dues or institutional budgets.

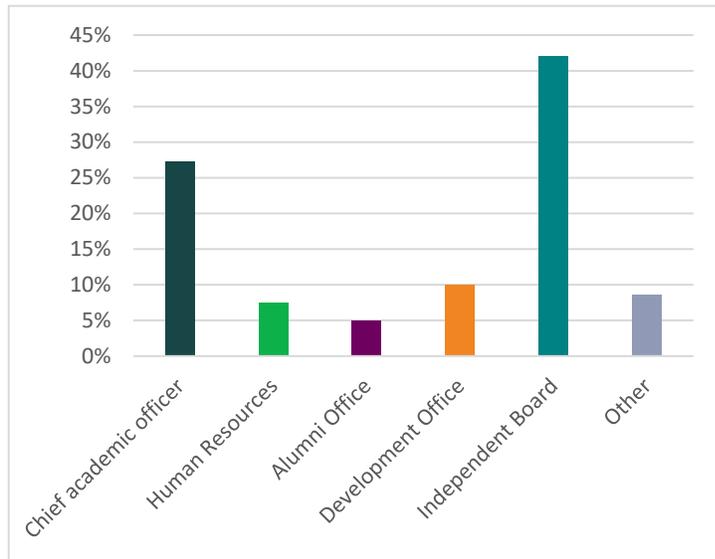


Figure 9: Percentage of Retirement Organizations Reporting to Various University/College Units or Independent RO Board

Accountability and Relationships.

Governance and accountability of retirement organizations vary and do not follow a standard pattern. Some organizations are completely autonomous, affiliated with a college or university only through the previous employment of their members. Others have direct reporting relationships with an institution that usually provides some operational resources.

The governance of ROs is almost evenly split between completely independent boards and formal affiliations with a university or college. ROs that identified as independent organizations (42%) are usually governed by elected, independent boards. The remainder of respondents reported their

RO is accountable to a department or office within their affiliated university or college. The most common of these units was the office of Chief Academic Officer (27%). Others noted their RO reports to a Development Office (10%), Department of Human Resources (7%), or Alumni Office (5%). Some ROs mentioned that they were accountable to “other” organizations (9%), such as statewide retirement organizations, or they may even be accountable to multiple departments. It is important to acknowledge that ROs with a formal institutional affiliation may still have an advisory or governing board that plans and manages RO programs and services.

Formal governance aside, the vast majority of ROs in our survey indicated they have a working relationship with one or more departments in their affiliated institutions. Many ROs reported a direct working relationship with a Central Administration office (67%), Office of Human Resources (41%), Development Office (38%), Alumni Office (26%), or Academic Department (17%). Working relationships with local community agencies, such as the Red Cross or United Way, were also noted (6%). Finally, 20% of ROs mentioned working relationships with “other” organizations, such as student groups, Osher Lifelong Learning Institutes, and Faculty Senates, to name a few.

Operations

Programs and Services. Retirement organizations offer a diverse array of activities and services (see Table 1). Nearly nine out of ten (89%) retirement organizations provide **social events and activities** for their members. These include luncheons, holiday parties, and group attendance at concerts or athletic events. Almost as many retirement organizations (88%) also sponsor **learning opportunities** for their members. Lectures, short courses, tours of museums, and field trips are among the learning opportunities many ROs host. **Advocacy** for retiree services and benefits is another common RO function. Nearly two-thirds (62%) of the retiree organizations completing our survey indicated they act as a voice supporting policies and resources to benefit the retirees they represent. A similar number of ROs (62%) likewise offer **service opportunities** to their members or help members to network with service organizations where they may volunteer.

RO Services and Activities	
Social Events and Activities	89%
Learning Opportunities	88%
Advocacy	62%
Service Opportunities	62%
Programs/Discussions on retirement issues and opportunities for those considering retirement	43%
Recognition/Awards	35%
Other	33%
Research support/funding	24%

Table 1: Services and Activities Reported by ROs

Less than half of the ROs we surveyed provide other types of activities and services for their members. Close to half (43%) host discussions or programs on retirement issues and opportunities for individuals considering retirement or recently retired. Over one-third of ROs (35%) reported providing recognition or awards for members' achievements, contributions, and services. Nearly one-quarter (24%) support members' research or scholarship with grant competitions or other forms of funding and support.

These findings suggest that most of the higher education retirement organizations surveyed view themselves primarily as some combination of social, learning, service, and advocacy associations. Fewer ROs provide services and activities specifically to ease the transition to retirement. Similarly, only about a third recognize the achievements and contributions of their retired members and just under one fourth help to support their members' ongoing scholarly work. Collectively, these findings indicate many ROs have important, yet somewhat limited, missions. This raises questions concerning the future roles of retirement organizations as the number of academic retirees grows and efforts to redefine or reimagine academic retirement increase. Will these organizations need to expand their missions to serve the varied needs of increasingly diverse retirees?



Table 2: Outcomes and benefits of retirement organizations.

RO Outcomes and Benefits	
Maintaining friendships/relationships	92%
Maintaining Institutional Connections	92%
Service to Institution	69%
Aiding faculty/staff to transition to retirement	48%
Continued/Increased financial contributions to the college/university	41%
Service to Community	38%
Making retirement a more attractive option for senior professors and staff	38%
Support for Current Faculty	19%
Mentoring junior faculty, staff, or students	18%
Other	11%

Outcomes and Benefits. Retirement organizations yield a diverse array of outcomes and benefits according to survey participants (See Table #2?). The vast majority of respondents agreed that their retirement organization helps retirees maintain connections with their institution (92%) and with colleagues and friends (92%). Sixty-nine percent also noted service to their university or college is an RO benefit. Almost half of the survey participants cited “aiding faculty and/or staff in their transition to retirement as a key benefit of their RO.

Less than half of the respondents cited other outcomes or benefits coming from their RO. Forty-one percent reported continued or increased financial contributions to their institution by RO members as a benefit. Thirty-eight percent (38%) suggested “making retirement a more attractive option” for senior faculty and staff is an outcome. Similarly, 38% viewed service to the larger community as an RO benefit. Much smaller percentages noted “support for current faculty” (19%) or “mentoring junior faculty, staff, or students” (18%) are benefits of their RO.

These survey findings indicate the most common outcomes and benefits of ROs are in maintaining social connections and providing service, especially to the institution where RO members once worked. This suggests that having an RO affiliated formally or informally with an institution can yield positive outcomes. However, these findings also suggest some opportunities for potential benefits may be overlooked. The lower number of responses for “making retirement a more attractive option,” “continued or increased financial contributions,” and supporting or mentoring faculty, staff, and/or students suggests some ROs are not capitalizing fully on the talents and service capacity of their members.

A separate question asking how the retirement organization influenced senior faculty retirement decisions yielded interesting findings also worthy of discussion. Only 14% reported their RO had a positive impact on senior faculty retirement decisions and “made retirement a more attractive option.” Forty-one percent indicated their RO had “no impact” on senior faculty retirement decisions. Nearly half of RO representatives (46%) had no knowledge of how the organization had impacted senior professors’ retirement decisions. These findings pose an important question for ROs. Should they know how they are influencing retirement decisions to justify the organization’s value and impact, especially if they are seeking or receiving institutional support?

Changes and Trends

One would expect ROs to be dynamic and growing organizations as more “baby boomers” transition into retirement. For the most part, our survey findings support this assumption. Over the past five years, the membership of more than half of the ROs in our sample (61%) has grown. Only 8% have lost members and 30% have remained essentially the same size. Nearly half of the ROs we surveyed (49%) also indicated that the number of programs and services they offer has increased in the past three years. However, half (50%) reported the number of programs and services they offer has stayed about the same. Only one RO in our study decreased the programs and services it offers. Even when the amount of programming does not grow, our findings indicate that programs and services often change to meet evolving stakeholder needs.

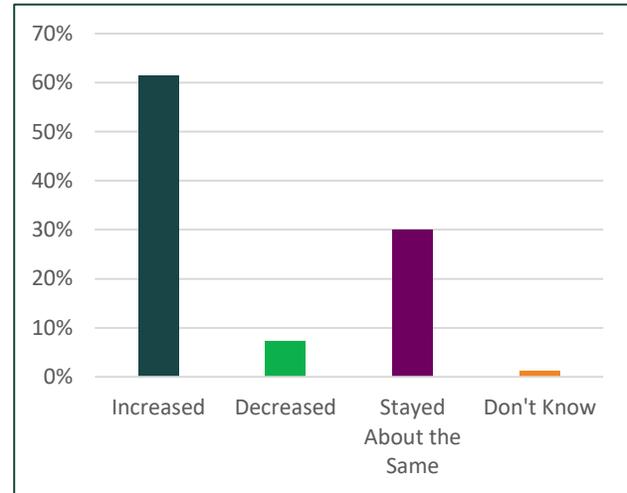


Figure 10: Trends in RO Membership Growth (Last 5 Years)

Nearly one quarter of respondents stated their RO changes its programs and services annually or on a regular basis. We learned it is more common for ROs (51%) to adjust or add new programs and services occasionally as a need arises. In contrast, more than one in five of the ROs we surveyed stated they rarely make changes and continue to offer basically the same programs and services.

Many of the ROs we surveyed appear to be dynamic organizations, growing and changing with their membership. However, this appears not to be the case for a small segment of the RO population. These organizations appear to be quite stable programmatically. This stability could be a positive attribute or a sign that these ROs are failing to adapt to their members’ shifting circumstances and emerging needs.

Assessment

Careful assessment is an important component of any strategy to keep an organization in touch with its constituents and performing effectively. Our survey findings indicate that systematic and regular assessment is not a common practice among many ROs. We learned that over one quarter of the ROs responding to our survey (26%) have no evaluation system. Also, for many other ROs, assessment practices are rather informal. Nearly half of the ROs we surveyed (46%) reported the primary way their organization is evaluated is through informal discussion with members. Another 11% stated personal observations are the main way their organization is assessed. Less than one in ten ROs (9%) reported they collected evaluation information directly through surveys or interviews. Another 9% stated they used other means to assess their organization, such as evaluation by the board of directors or bringing in external reviewers.

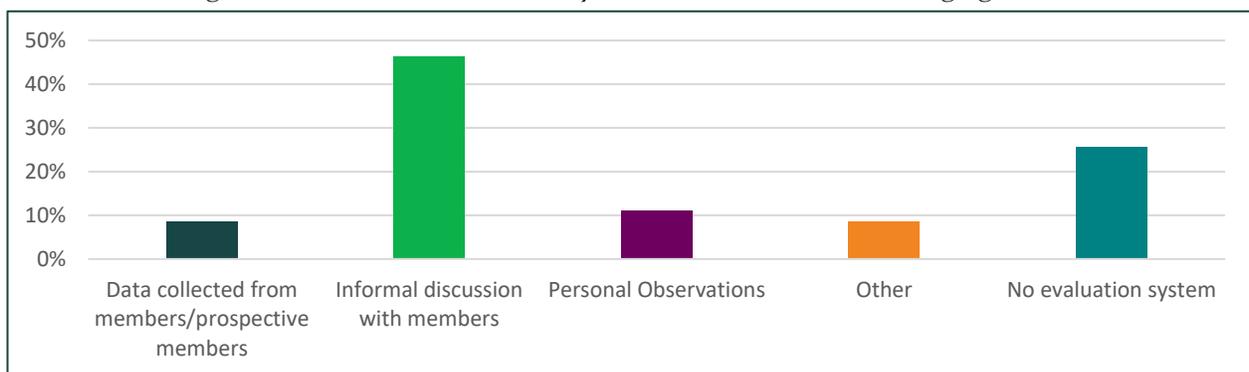


Figure 11: Primary Evaluation Methods of ROs

Many ROs report that they collect some data to monitor their performance. However, much of this data appears to be more descriptive than evaluative. More than half of the ROs we surveyed reported they collect data on member participation (58%) and maintain records of programs and services offered (57%). Less than half also monitor their membership growth over time (43%). A quarter of the ROs sampled reported they conduct member satisfaction surveys or studies (25%), but an equal number told us their RO does not collect information on its outcomes or benefits (25%).

It appears many ROs miss opportunities to document their value and improve their performance by routinely collecting assessment data on themselves. Less than one in four ROs indicated they track their revenue trends (19%), document members' service contributions (16%), or document members' aggregate financial contributions to their institution or community (14%). Lacking standard types of evaluation data, how can retirement organizations critique their performance or build strong arguments for resources or other forms of support?

In sum, we learned assessment for many retirement organizations is quite informal and rarely conducted at regular intervals. This casual approach to assessment provides limited information to guide RO decisions or stimulate enhanced operations.

Challenges

It is not surprising that retirement organizations identify challenges to their performance and long-term well-being. Most are relatively new organizations still working to build a solid foundation for success. Likewise, many ROs operate either completely autonomously or with only modest support from their affiliated university or college.

Visibility. Visibility was the most common challenge cited by the participants in our study. Nearly seven in ten respondents (69%) indicated that visibility is a concern for their organization. Apparently, many retirement organizations have a difficult time making their presence known to potential members and others who could be friends and supporters of the organization. This finding raises inevitable questions about the organizations' public relations, publicity of their events and services, and how they reach out to the community they wish to serve. Retirement organizations should take their visibility very seriously and consider ongoing strategic actions to ensure their presence is known and their mission is clear to potential members as well as others who can support and benefit from the work of a retirement organization.

Membership. Membership is closely related to an organization's visibility. For this reason, it is understandable that membership was the second most common retirement organization challenge survey respondents identified. More than half (58%) of the study participants reported membership was a key challenge their organization faces. Maintaining adequate membership requires recruiting new members and also retaining current members. Addressing both of these requirements entails ongoing recruitment and retention strategies to attract new members and also meet the needs and interests of established

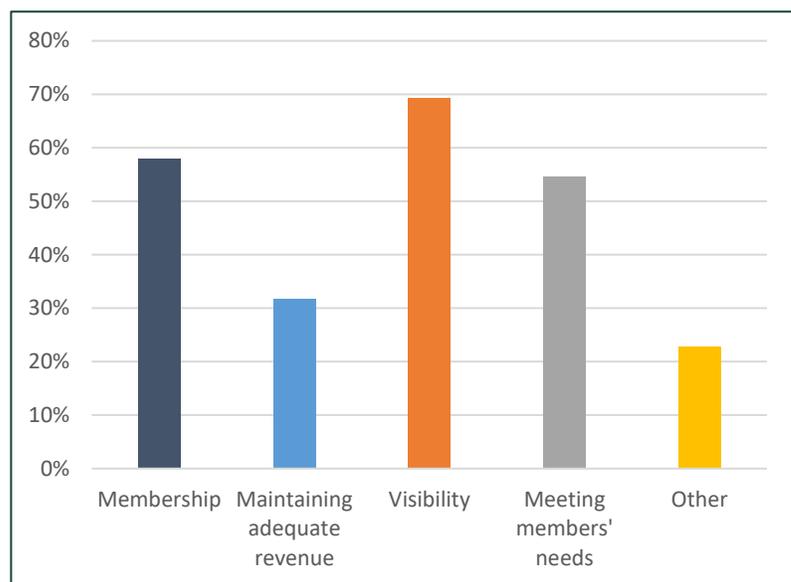


Figure 12: Percentage of ROs Citing Key Challenges

members. Both member recruitment and retention should be high priorities of retirement organizations, not just occasional concerns that emerge when membership declines.

Meeting Members' Needs. Meeting the needs of RO members was the third most common challenge study participants reported on our RO survey. More than half (54%) indicated meeting member needs was a hurdle their organization faces. Keeping members interested and engaged is a challenge volunteer organizations often confront. When participation is not mandatory or a condition of employment, engagement with the organization can suffer. Furthermore, many retirement organizations also serve quite diverse members, including varied combinations of faculty and administrators, soon-to-be, recent, and long-time retirees, and people who come from quite diverse disciplines or divisions of an institution. Staying abreast of and responding to diverse and shifting membership needs is essential if ROs wish to prosper over the long term.

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Meeting the challenges RO representatives identified may require these organizations to create committees or staff positions dedicated to addressing these noteworthy tasks. Ensuring the organization is visible, maintains adequate membership, and meets the interests and needs of a diverse group of constituents is a big undertaking for organizations that often have modest resources. However, failing to address these challenges may put an RO at risk of becoming invisible or even irrelevant to many retirees and the institution from which they retired.

Revenue and Long-term Financial Prospects

Responses to our survey show that many retirement organizations are relatively confident in their ability to secure funding that will sustain their current activities well into the future. Less than a third of respondents (32%) identified revenue sources as a major challenge for their organization. In fact, this concern was the lowest of the four primary survey response options, the others being membership, visibility, and meeting members' needs. Our analysis of other related survey items, however, leads us to believe that these organizations may not be as financially stable as organizational members believe they are.

When asked about the organization's two largest revenue sources, RO representatives resoundingly identified membership dues as a primary source of revenue (61%), with budgets of specific institutional units (e.g. Provost's or Development offices) coming in a distant second (40%). Yet when asked about the main challenges of the organization, respondents identified preserving membership numbers as a primary concern (58%), second only to the RO's visibility (69%). This raises an important question. If retirement organizations feel that they are not sufficiently visible within their communities, and that retaining membership is a primary concern, why would they view membership dues as a stable source of funding? Moreover, those who receive primary funding from institutional units should be aware that those budgets are often unpredictable at best, and reviewed annually to determine what items might be redefined as discretionary.

Membership dues or budgets of institutional units, however, should not be viewed as completely reliable revenue sources to sustain retirement organizations. Instead, ROs should consider adopting a more long-term, sustainable approach to funding. Some organizations have sought to address this concern via annual fundraisers (24%) and organizational endowments (18%). Much like a well-managed investment portfolio, ROs should consider diversifying sources of revenue when possible, and define effective recruitment strategies to support future membership. There is also opportunity for ROs to receive grant funding to support some RO activities. This funding can come from external organizations, such as

investment firms, foundations, the American Association of Retired Persons (AARP, Inc.), or other non-profits. It can also come from one-time internal grant requests to affiliated colleges or universities. Our survey showed that less than 4% of organizations pursued grant funding, and only one identified internal or external grant funding as a significant source of revenue. Identification of non-traditional revenue sources and grant funding could provide additional renewable resources for the organization, as well as build visibility through community involvement.

Sustainability. The challenges facing retirement organizations inevitably raise questions about the sustainability of these associations of retired academics. Demographic trends in our society along with some of the data we collected justify optimistic projections. The general aging trend in the U.S. population and among academics suggests a growing need for organizations designed to support retirees and engage them in productive and fulfilling activities. The need for retirement organizations in higher education is likely to increase in the coming decades as lifespans continue to lengthen and the number of retirees increases. At the same time, some findings suggest careful planning and visionary leadership may be needed to guide ROs into the future.

We learned from our survey that membership in most retirement organizations (61%) has grown in the past five years. Similarly, in the past three years, the number of programs and services has increased at nearly half (49%) of the ROs we surveyed. These findings suggest the demand for retirement organizations and the activities and services they provide is growing. Apparently, RO membership trends are following the general growth of academic retirees.

On the other hand, there is evidence that ROs are not engaging many potential members who could benefit from participation in one of these organizations. Our survey findings show that nearly half (42%) of the ROs we surveyed enroll as members less than 40% of their institution's eligible retirees. We also gathered evidence that ROs are not fully engaging their members. For example, slightly over 20% of the respondents we surveyed indicated less than 20% of their members participate in at least one RO-sponsored activity per year. Indeed, 5% did not even know what percentage of their members participate in at least one RO activity per year.

THERE IS EVIDENCE THAT ROs ARE NOT ENGAGING MANY POTENTIAL MEMBERS WHO COULD BENEFIT FROM PARTICIPATION IN ONE OF THESE ORGANIZATIONS.

Sustainability should be a continuing concern of all higher education retirement organizations. Although ample evidence suggests a growing need for organizations to support and engage retirees, failure to attend to member needs adequately or publicize the existence and value of a retirement organization can jeopardize its long-term viability.

An Additional Perspective: Views of Institutional Liaisons

We sought an additional perspective on higher education retirement organizations by also surveying individuals we call “institutional liaisons.” These are persons in some type of administrative position who act as an official point of contact between a higher education institution and its affiliated retirement organization. Liaisons occupy roles such as associate provost, director of human resources, or assistant director of alumni relations. We identified liaisons only at institutions that maintain a formal connection between the institution and its RO. Completely independent/freestanding ROs do not have an official institutional liaison. Our intent when surveying liaisons was to understand how they viewed the role, performance, and prospects of their institution’s RO. It is important to understand the perspectives reported in this section do not apply to ROs that do not have an institutional liaison. Thirty-two liaisons replied to our survey.

Most of the liaisons who responded to our survey³ had a generally favorable view of their institution’s RO. Their assessment of the RO’s outcomes and benefits were remarkably similar to the assessments of RO representatives. Liaisons cited maintaining colleague friendships/relationships (85%), maintaining retired faculty/staff connections with the institution (85%), aiding faculty and/or staff in their transition to retirement (52%), and service to the institution (58%) most frequently as RO outcomes and benefits. Although this pattern is very consistent with the views of RO representatives, fewer liaisons (58%) were positive about RO service to their university than were RO representatives (69%).

When asked how effective the retiree organization is at fulfilling its mission, liaisons and RO representative responses also followed a similar pattern. The most common response for both groups was “somewhat effective” (Liaison, 61%; RO representative, 72%). Surprisingly, more liaisons (36%) than RO representatives (18%) indicated ROs were very effective at fulfilling their mission. Most important, perhaps, substantial percentages in both groups acknowledge that the retirement organizations they know could do more to fulfill their mission. When asked if the retiree organization they work with “provides valuable service and support” to their institution, 43% of liaisons said “consistently,” and 29% said “most of the time.” In contrast, more than one-fourth of liaisons (18% “not often enough” and 11% “rarely”) had a less favorable assessment of their ROs service and support. This suggests some variation in liaisons’ views on how beneficial ROs are to their institutions.

A question concerning whether the RO they are familiar with is worth the cost revealed some interesting findings worthy of discussion. While both RO representatives (72%) and liaisons (50%) concluded the “benefits of the retirement organization outweigh its costs,” a larger proportion of liaisons (14%) than RO representatives (4%) concluded “the costs of the retirement organization outweigh the benefits it provides.” It appears fewer liaisons than RO representatives have a positive impression of the value of an RO when compared to the costs of running such an organization.

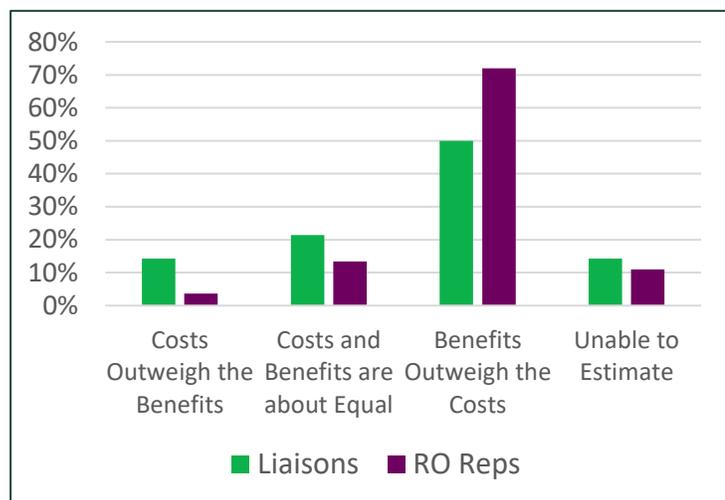


Figure 13: Cost/Benefit Perceptions - Liaisons vs RO Representatives

³ For Liaison data, percentages cited represent the number of responses to a particular question. For exact percentages and response rates per question, contact Roger Baldwin at rbaldwin@msu.edu

Liaisons and RO representatives had very similar views of the greatest challenges facing their retirement organization. The order of frequency with which challenges were mentioned were the same for both groups. Each saw visibility, membership, meeting members' needs, and maintaining adequate revenue as important challenges ranked in this order.

It would not be appropriate to draw firm conclusions from a small sample of RO liaisons. However, issues emerge in these findings that deserve discussion. While liaisons in general have a positive opinion of retirement organizations, some view ROs' service to their institution, value relative to cost, and mission fulfillment less than completely favorably. Retirement organizations should take these findings seriously and consider their implications. How can ROs improve their performance while also communicating their value more effectively to academic leaders and the larger institutional community where the RO is located? When ROs are not visible or well understood, their contributions can be overlooked and their value easily discounted.

Potential and Promise

Evidence of Overlooked Opportunities. On the whole, our survey findings paint a positive picture of retirement organizations in higher education. In their many forms, ROs are growing, engaging members in a wide range of activities and service opportunities, and using their modest financial resources quite creatively. However, we also found considerable evidence that ROs could be doing more to serve their members, reach out to potential new members, and offer more forms of service and support to their institutional and regional communities. Many ROs appear to be primarily social organizations that offer some recreational, learning, and service opportunities. ROs could expand their range of programs and services to increase their level of assistance to their affiliated institution and local community, provide more support for members' scholarship and other forms of intellectual engagement, and recognize the many contributions of their members with awards and citations. Expanding opportunities for engagement could help to make ROs attractive to a wider range of potential members as well as increase the organization's value and impact.

Many ROs appear to engage only a relatively small portion of their potential membership. Staying small limits their benefit to the growing retirement communities near many campuses. Small size also limits the resources retirement organizations have at their disposal to implement their mission fully. Many ROs should consider the merits of enhancing their recruitment of new members and also assess the value of expanding their membership criteria. Opening their doors to persons nearing retirement, retired professionals from other institutions, spouses and partners, and others may bring in added resources, ideas, and energy that can enhance the RO's vitality and enrich its mission.

Essentially, we are suggesting that ROs examine their mission periodically to see if it adequately meets the needs of current and potential members. To remain viable by aligning RO programs and services with a diverse and evolving constituency, ROs should occasionally reassess their service region and revisit their purpose.

Potential for Revenue Enhancement. ROs also need to re-examine their revenue model periodically. We found most ROs have modest revenue sources that necessarily constrain the activities the organization can sponsor. More strategic fund-raising initiatives (e.g., conducting fund raising campaigns, submitting grant proposals, developing endowments) can enable ROs to think more creatively about their programs and services. Likewise, expanding dues income by increasing membership will help ROs achieve their full potential.

Periodic Assessment to Improve Performance. Failure to conduct systematic assessment also limits the ability of ROs to improve the activities they offer and adapt to an evolving membership. Without regular feedback on RO performance and member satisfaction, ROs can fall into a dull routine and lose touch with the members and potential members they are entrusted to serve.

Communication, Publicity, and Institutional Outreach. With visibility as the number one RO challenge, we identified it is clear that higher education retirement organizations need to do a better job of communicating with their key constituents, institutional leaders, and the larger community they serve. ROs should consider how best to make their presence known, showcase their activities, services, and benefits, and promote dialogue with potential members. Strategic outreach to the institution from which their members retired seems especially important. Colleges and universities need to understand the value of having a retirement organization and the varied ways a retirement organization can support the work of an institution. RO liaisons' mixed views on whether ROs are worth the resources required to maintain them suggest ROs need to get the word out more effectively concerning their modest cost in relation to the value they provide.

What's the role of ROs in efforts to reimagine academic retirement? Higher education retirement organizations are appearing on college and university campuses at a time of rapid change both in higher education and society in general. As our society ages and lifespans grow longer, we need new structures to support and channel the talents of older citizens into fulfilling and productive activities. Likewise, as the demands on educational institutions increase while resources become increasingly limited, we need to identify more creative ways to employ the resources we have.

The retirement organization may be part of a larger movement destined to transform the later "retirement" years of life. Indeed, retirement organizations may facilitate efforts to reinvent the concept of retirement. Instead of a time of leisure without clear goals, retirement may become a time to redefine one's purpose and find new ways to learn, grow, and contribute meaningfully while enjoying more freedom to align activities with one's interests and personal priorities.

Re-inventing academic retirement may exceed the capacity of higher education retirement organizations. However, ROs can play a significant role in advancing opportunities to approach academic retirement differently and more creatively. By providing opportunities to prepare strategically for retirement, and multiple ways to engage meaningfully during the retirement years, retirement organizations can play a major role in transforming traditional approaches to academic retirement. Rather than "falling off a cliff" or "becoming invisible" as some academics describe the emeritus years, retirement (perhaps by a different name) may become an exciting new phase of life. A time of fulfilling and productive engagement with many dividends for RO members and the institutions and larger society they continue to serve.



A Word of Caution and Encouragement

The goal of this study was to gather illuminating information on the growing number of retirement organizations emerging across the United States. Our intent was to gain insights and understanding that ROs could use to enhance their operations and improve their services. The study was not meant to be an evaluation of retirement organizations individually or collectively. Due to the difficulty we had reaching representatives of many ROs in our database and our resulting small sample size, findings from our study should be generalized to any or all retirement organizations with caution. Nevertheless, we hope our findings will stimulate thought-provoking discussions among RO members, encourage ROs to assess their performance regularly, and motivate ROs to think creatively about the future role they can play in transforming academic retirement.

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Endnotes

- ⁱ Bauman, Merom, Bull, Buchner, & Fiatarone Singh, 2016; Carr, Fried, & Rowe, 2015
Poscia, Landi, & Collamati, 2015; Rowe & Kahn, 1997
- ⁱⁱ Zissimopoulos, Goldman, Olshansky, Rother, & Rowe, 2015
ⁱⁱⁱ (Myles, 1983)
- ^{iv} Tapia Granados & Diez Roux, 2009
^v “FastStats,” 2016
- ^{vi} Merrill Lynch, 2016, p. 4
- ^{vii} Bauman, et al, 2016; Butrica, Johnson, & Zedlewski, 2009; Zissimopoulos, et al., 2015
- ^{viii} Kuh & New Dynamics of Ageing (NDA) Preparatory Network, 2007; Rowe & Kahn, 1997
^{ix} Baldwin & Zeig, 2012



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