Faculty Benefits And Retirement

"Save Young, Live Long, and Prosper"

by William Dale Crist

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"When I was thirty five, it was a very good year," sang Frank Sinatra. He lamented the short days of autumn, but described his life "as vintage wine from fine old kegs, from the brim to the dregs, it poured sweet and clear." No regrets, especially about youthful behavior.

The song may have described a full life for Sinatra, but it offers bad advice for young higher education faculty members who live in an era of Internet-based distance learning, increased life expectancy, and dramatic change in the financial markets. To ensure their autumn years remain golden, young faculty must work proactively, even militantly, to accumulate needed financial resources.

The *NEA Almanac* has reported on faculty benefits and retirement since 1994.[1] These contributions are intended to help individuals plan for their personal financial security and to help unions negotiate with their employers for better benefits across the board. But change is needed to ensure improved benefits and retirement plans at a time when new technological, demographic, and political conditions are changing the higher education labor market. The uncertainty of the "dot-coms"—and the certainty of longer life expectancy—requires aggressive faculty involvement in devising new tactics relating to benefits and retirement. This involvement includes even NEA's youngest higher education faculty members. Employers must likewise recognize the institutional value of subsidizing retirement and long-term care plans at the highest possible level.

Nor may senior faculty remain on the sidelines. An age distribution—often showing high percentages of senior and junior faculty-and few mid-career colleagues—has created the potential for intergenerational conflict. Senior faculty members cannot make up for benefits they did not receive throughout their career, but they can persuade their junior colleagues to advocate for changes that benefit everyone. Changes in benefits and retirement plans need not come at the expense of increased wages. With a long-term view and a large dose of political activism, higher education faculty can improve their benefits *and* their salaries.[2]

DATA FROM THE PAST

The annual surveys published by the American Association of University Professors reveal key trends in benefits over the last four years. The data allows some time-series comparisons, though the institutions reporting in each survey differ somewhat. Tables 1–4 compare the amount of specific benefits received by faculty as a percentage of salary for public, private-independent, and church-related schools.[3] The average total dollar increase in benefits for faculty receiving benefits in all schools combined was only $854. Most of this increase came from increased medical insurance costs ($385) and increased Social Security contributions ($270). Taking mild inflation into account, benefits for higher education faculty have been flat.

Retirement benefits for all schools combined showed slight growth: from $5,403 in 1996–97 to $5,669 in 1999–2000. The amount going into retirement programs as a percentage of salary remained flat (9.7 percent). At public colleges, the total percentage for all types of benefits received *declined* by 2.0 percent. Church-related schools showed a 4.2 percent increase in benefits as a percentage of salary; all benefit categories except tuition stayed the same or increased slightly. Employer contributions to faculty benefits—including basic retirement plans, health insurance, and social security—have not improved during the last five years (Tables 1–4).

Another database, reporting change in benefits received as a percentage of salary over a longer period, reports slightly greater, but still modest results. From 1990–91 to 1998–99, note the IPEDS salary surveys conducted by the National Center for Education Statistics, the average faculty salary grew by 3 percent; average benefits increased by 5 percent (Table 5). The level of benefits as a percentage of salary remained almost constant (25 percent).[4]

DATA FROM THE PRESENT: THE COST OF FACULTY BENEFITS

What is the present status of faculty benefits? The annual average benefits for faculty on 9/10 month contracts for all higher education institutional types showed only a slight increase from $12,838 in 1997–98[5] to $12,966 in 1998–99 (Table 6). Total benefits for faculty on 11/12 month contracts at all institutional types also increased slightly (from $13,585 in 1997–98 to $13,896 in 1998–99) (Table 7).

Table 1

Average Institutional Cost of Benefits for Faculty Members Receiving Specific Benefits, In Dollars and as a Percentage of Average Salary, by Affiliation and Benefit, 1999–2000 (all ranks)

Benefit	All Combined		Public		Private-Independent		Church-Related	
Retirement	$5,669	9.7%	$5,728	9.9%	$6,369	9.6%	$4,390	8.6%
Medical Insurance	3,792	6.5	3,849	6.7	3,913	5.9	3,302	6.4
Disability	245	0.4	249	0.4	246	0.4	228	0.4
Tuition	3,106	5.3	955	1.7	6,367	9.6	6,916	13.5
Dental Insurance	456	0.8	482	0.8	400	0.6	372	0.7
Social Security	3,932	6.7	3,830	6.6	4,511	6.8	3,676	7.2
Unemployment	159	0.3	145	0.3	197	0.3	190	0.4
Group Life	197	0.3	189	0.3	237	0.4	174	0.3
Worker's Comp.	343	0.6	344	0.6	381	0.6	289	0.6
Benefits in Kind	922	1.6	673	1.2	1283	1.9	1730	3.4
All Combined	**$18,821**	**32.3%**	**$16,445**	**28.5%**	**$23,904**	**36.1%**	**$21,268**	**41.4%**

Source: American Association of University Professors, "AAUP Salary Survey Report." Academe *(March–April 2000), table 10*

Table 2

Average Institutional Cost of Fringe Benefits for Faculty Members Receiving Specific Benefits, in Dollars And as a Percentage of Average Salary, by Affiliation and Itemized Benefits, 1998–1999 (all ranks)

Benefit	All Combined		Public		Private-Independent		Church-Related	
Retirement	$5,551	9.9%	$5,667	10.1%	$6,060	9.6%	$4,219	8.5%
Medical Insurance	3,440	6.1	3,414	6.1	3,860	6.1	3,071	6.2
Disability	222	0.4	211	0.4	260	0.4	214	0.4
Tuition	3,038	5.4	975	1.7	6,510	10.3	6,693	13.5
Dental Insurance	439	0.8	461	0.8	403	0.6	346	0.7
Social Security	3,669	6.5	3,517	6.3	4,399	6.9	3,568	7.2
Unemployment	155	0.3	135	0.2	220	0.3	192	0.4
Group Life	188	0.3	180	0.3	235	0.4	168	0.3
Worker's Comp.	346	0.6	341	0.6	388	0.6	322	0.7
Benefits in Kind	966	1.7	753	1.3	1229	1.9	1706	3.5
All Combined	**$18,014**	**32.0%**	**$15,652**	**28.0%**	**$23,563**	**37.1%**	**$20,500**	**41.5%**

Source: American Association of University Professors, "AAUP Salary Survey Report." Academe *(March–April 1999), table 10*

Table 3

Average Institutional Cost of Benefits for Faculty Members Receiving Specific Benefits, in Dollars And as a Percentage of Average Salary, by Affiliation and Itemized Benefits, 1997–1998 (all ranks)

Benefits	All Combined		Public		Private-Independent		Church-Related	
Retirement	$5,459	10.1%	$5,583	10.4%	$5,849	9.5%	$4,124	8.6%
Medical Insurance	3,344	6.2	3,369	6.3	3,581	5.8	2,854	6.2
Disability	222	0.4	211	0.4	260	0.4	214	0.4
Tuition	2,800	5.2	837	1.6	6,849	11.1	6,273	13.1
Dental Insurance	413	0.8	437	0.8	353	0.6	337	0.7
Social Security	3,603	6.6	3,504	6.5	4,081	6.6	3,478	7.3
Unemployment	160	0.3	135	0.3	236	0.4	209	0.4
Group Life	190	0.3	183	0.3	228	0.4	167	0.3
Worker's Comp.	337	0.6	325	0.6	388	0.6	329	0.7
Benefits in Kind	874	1.6	634	1.2	1325	2.2	1696	3.5
All Combined	**$17,398**	**32.1%**	**$15,226**	**28.4%**	**$23,118**	**37.6%**	**$19,670**	**41.1%**

Source: American Association of University Professors, "AAUP Salary Survey Report" Academe *(March–April 1998), table 10*

Table 4

Average Institutional Cost of Benefits for Faculty Members Recieving Specific Benefits, in Dollars And as a Percentage of Average Salary, by Affiliation and Itemized Benefits, 1996–1997 (all ranks)

Benefit	All Combined		Public		Private-Independent		Church-Related	
Retirement	$5,403	10.3%	$5,583	10.6%	$5,610	10.7%	$4,030	7.7%
Medical Insurance	3,407	6.5	3,467	6.6	3,489	6.6	2,949	5.6
Disability	220	0.4	226	0.4	217	0.4	200	0.4
Tuition	3,078	5.9	1,006	1.9	6,266	11.9	6,396	12.2
Dental Insurance	447	0.9	494	0.9	316	0.6	323	0.6
Social Security	3,662	7.0	3,696	7.0	3,820	7.3	3,279	6.2
Unemployment	164	0.3	135	0.3	230	0.4	234	0.4
Group Life	191	0.4	185	0.4	225	0.4	172	0.3
Worker's Comp.	372	0.7	377	0.7	383	0.7	332	0.6
Benefits in Kind	1024	1.9	889	1.7	1113	2.1	1,625	3.1
All Combined	**$17,967**	**34.2%**	**$16,057**	**30.6%**	**$21,669**	**41.2%**	**$19,540**	**37.2%**

Source: American Association of University Professors, "Faculty Salary Survey Report." Academe *(March–April 1998), table 10*

Salaries and benefits for faculty members are low compared to the rest of the economy. During the 1990s, benefits increased only slightly and retirement plans, medical insurance, and Social Security make up the lion's share of total benefits received.[6] No surprises here.

A closer look at the data yields only four stand-out observations. First, tuition benefits are significant only at "private-independent" and "church-related" schools. That's to be expected, given the lower tuition charged at public institutions. Second, housing benefits are almost non-existent, even at doctoral-granting institutions. Again, no surprise. Third, doctoral-granting institutions generally pay higher salaries and provide more benefits than other colleges.[7] No surprise here, either. Fourth, long-term care does not show up as a benefit category anywhere. This is not a surprise, but our increased awareness of the high cost of growing old should spur us to include this benefit in our research—and at our workplaces.[8]

AUTUMN IS TOO LATE TO PLAN

When should we worry about the increasing costs of a fulfilling, care-free retirement? During the "good years" of course. How do we prepare? By saving that extra bit; paying for life insurance as long as we have dependents, and seeking vested access to supplemental health insurance and to good long-term care protection we hope never to use. Most important, we join in collective efforts to convince administrators that supporting and subsidizing our long-term financial needs serves the best interests of the college. Our job acceptance decisions depended more on current wages when we were less likely to live so long and when the prospects for affordable health care were so much better. Now, subsidizing benefits that guarantee a safe and deluxe pension and assure us that old age will not destroy our life savings affect an institution's ability to attract and retain full- and part-time faculty members.

Convincing employers that improved benefits are good investments requires faculty organization and education. Why organization? The ever-decreasing number of faculty members kept out of policy determination and budget-creating loops reduces the ability of the best-intentioned administrators to obtain needed financial support. Without organization, increased pressure on political leaders to produce improved K-12 test scores will keep the cost of higher education at a bare-bones minimum. Without collective action, the high front-end cost of relying on dot-coms for distance/convenience learning

Table 5

Average Salary, Average Benefit and Benefits as a Percent of Average Salary For Faculty on 9/10 Month Contracts by Type of Institution 1991–1991 to 1998–1999

	Current Dollars			Constant 1998/1999 Dollars		
Institutional Type	Average Salary	Average Benefits	Benefits (% of Salary)	Average Salary	Average Benefits	Benefits (% of Salary)
1990–1991						
Public	$40,672	$9,837	24.2%	$49,973	$12,087	24.2%
Private	37,287	8,884	23.8	45,813	10,915	23.8
Average	38,979	9,361	24.0	47,893	11,501	24.0
1991–1992						
Public	$41,801	$10,313	24.7%	$49,765	$12,278	24.7%
Private	38,711	9,416	24.3	46,086	11,211	24.3
Average	40,256	9,865	24.5	47,925	11,744	24.5
1992–1993						
Public	$42,527	$10,639	25.0%	$49,096	$12,282	25.0%
Private	40,132	10,002	24.9	46,331	11,547	24.9
Average	41,329	10,321	25.0	47,713	11,915	25.0
1993–1994						
Public	$43,325	$11,086	25.6%	$48,755	$12,475	25.6%
Private	41,456	10,378	25.0	46,651	11,679	25.0
Average	42,390	10,732	25.3	47,703	12,077	25.3
1994–1995						
Public	$44,823	$11,294	25.2%	$49,035	$12,355	25.2%
Private	42,839	10,656	24.9	46,864	11,657	24.9
Average	43,831	10,975	25.0	47,950	12,006	25.0
1995–1996						
Public	$45,937	$11,531	25.1%	$48,922	$12,281	25.1%
Private	44,167	10,825	24.5	47,037	11,529	24.5
Average	45,052	11,178	24.8	47,980	11,905	24.8
1996–1997						
Public	$47,241	$11,709	24.8%	$48,915	$12,124	24.8%
Private	45,411	11,240	24.8	47,020	11,638	24.8
Average	46,326	11,474	24.8	47,968	11,881	24.8
1997–1998						
Public	$48,641	$12,032	24.7%	$49,495	$12,244	24.7%
Private	47,233	11,648	24.7	48,063	11,853	24.7
Average	47,937	11,840	24.7	48,779	12,048	24.7
1998–1999						
Public	$50,592	$12,364	24.4%	$50,592	$12,364	24.4%
Private	48,443	11,857	24.5	48,443	11,857	24.5
Average	49,518	12,111	24.5	49,518	12,111	24.5

Summary: Percentage Change, 1990–1991 to 1998–1999

	Current Dollars		Constant 1998/1999 Dollars	
	Average Salary	Average Benefits	Average Salary	Average Benefits
Public	24%	26%	1%	2%
Private	30	33	6	9
Average	27	29	3	5

Source: NCES, IPEDS Salary Surveys, 1990–91 through 1997–98

** Based on 2,754 institutions (88.04 percent) of the NEA National Faculty Salary universe reporting data in all years.*

Table 6

**Average Annual Benefits for Faculty Members on 9/10 Month Contracts*
By Institutional Type and Benefit, 1998–1999 (Current Dollars)**

Institutional Type	Benefit	Public	Independent	Average
AA	Retirement Plans	$4,157	$2,425	$4,127
	Medical/Dental Plans	3,662	1,658	3,628
	Group Life Insurance	150	92	149
	Other Insurance Benefits	168	1,791	196
	Disability Income Protection	100	119	100
	Tuition Plan	45	354	50
	Housing Plan	0	15	0
	Social Security Taxes	2,385	2,767	2,391
	Unemployment Compensation	104	257	106
	Worker's Compensation	288	198	286
	Other Benefits in Kind	53	53	53
	Total	$11,111	$9,730	$11,088
BA	Retirement Plans	$4,489	$3,644	$3,824
	Medical/Dental Plans	3,288	2,575	2,726
	Group Life Insurance	81	176	156
	Other Insurance Benefits	25	79	68
	Disability Income Protection	81	186	164
	Tuition Plan	128	828	679
	Housing Plan	9	88	71
	Social Security Taxes	2,910	3,384	3,283
	Unemployment Compensation	68	163	143
	Worker's Compensation	257	290	283
	Other Benefits in Kind	35	86	75
	Total	$11,371	$11,498	$11,471
BA+	Retirement Plans	$4,908	$3,650	$4,406
	Medical/Dental Plans	3,634	2,763	3,286
	Group Life Insurance	106	176	134
	Other Insurance Benefits	108	108	108
	Disability Income Protection	87	174	122
	Tuition Plan	87	860	396
	Housing Plan	0	35	14
	Social Security Taxes	3,359	3,432	3,388
	Unemployment Compensation	71	144	100
	Worker's Compensation	282	311	293
	Other Benefits in Kind	12	58	30
	Total	$12,654	$11,711	$12,278

Table 6 (continued)

Doctoral	Retirement Plans	$5,699	$6,085	$5,807
	Medical/Dental Plans	3,375	3,580	3,433
	Group Life Insurance	138	185	151
	Other Insurance Benefits	190	148	178
	Disability Income Protection	117	210	143
	Tuition Plan	108	1,169	407
	Housing Plan	2	27	9
	Social Security Taxes	3,467	4,356	3,717
	Unemployment Compensation	99	137	110
	Worker's Compensation	281	332	295
	Other Benefits in Kind	66	211	107
	Total	$13,543	$16,441	$14,359
Average		$12,610	$13,836	$12,966

Source: NCES, IPEDS Salary Survey, 1998–1999

** Based on 91.6 percent of faculty universe (2,837 institutions) reporting benefits data.*

technology reduces the amounts available to buy benefits. Without unions, colleges will continue to expand the use of part-time faculty who are denied adequate health-care and full retirement benefits.

Why education? Young academics—worried about surviving the tenure scramble, or perhaps just converting their position to a full-time job—rarely think about preparing for their autumn years.[9] But without good vested employee benefits—including savings beyond their planned pension, and a dependable long-term care program—they may not be able to go anywhere when they get very old, except in a pine box. Worse, it will be a cheap, simple pine box because they may have spent their life savings on long-term care, if they are lucky enough to become one of the "old old."[10] And more of us are likely to become "old old."[11]

THE NEW PRESIDENT: NO SOCIAL SECURITY SALVATION

Social Security reform—a key issue in the recent presidential election—promises a good news-bad news scenario. Four prominent Social Security reform plans, noted a recent analysis, "would maintain the program in the black for the next 75 years but at a cost of lower lifetime benefits for workers."[12] This scenario is the best that can be expected. The safety net remains—older faculty need not despair. But the safety net is not likely to grow—younger faculty must take heed.

How might Social Security reform proposals offered by the presidential candidates affect current pension plans? The plan offered by George W. Bush, according to press reports, allows workers to divert two percentage points from the current 12.4 percent Social Security tax into private retirement savings accounts. This 16 percent reduction would exacerbate projected long-term financing problems. Assuming the program will be insolvent by 2033 if the current system remains the same, this proposal would raise pressure to reduce minimum benefits. Bush denied he would decrease benefits or raise taxes, and he opposed requiring newly hired state and local employees to pay into the system. But his stance makes mandatory Social Security more appealing to many observers.

Conclusion: Younger faculty should seek the help of older faculty members to improve funding of defined benefit systems and employer participation in defined contribution plans.

Albert Gore focused on long-term financing and on creating supplemental retirement accounts. He would use the non-Social Security surplus to pay down the national debt and use the interest savings from this debt reduction to fortify the current Social

Table 7

**Average Annual Benefits for Faculty Members on 11/12 Month Contracts*
By Institutional Type and Benefit, 1998–1999 (current dollars)**

Institutional Type	Benefit	Public	Independent	Average
AA	Retirement Plans	$4,425	$1,387	$4,222
	Medical/Dental Plans	2,973	2,669	2,952
	Group Life Insurance	102	85	101
	Other Insurance Benefits	101	143	104
	Disability Income Protection	80	103	81
	Tuition Plan	26	146	34
	Housing Plan	1	0	1
	Social Security Taxes	2,594	2,516	2,589
	Unemployment Compensation	72	121	75
	Worker's Compensation	178	210	180
	Other Benefits in Kind	98	255	109
	Total	$10,650	$7,635	$10,449
BA	Retirement Plans	$5,849	$2,334	$3,120
	Medical/Dental Plans	2,862	2,680	2,720
	Group Life Insurance	170	163	165
	Other Insurance Benefits	17	56	48
	Disability Income Protection	149	279	250
	Tuition Plan	65	214	181
	Housing Plan	0	54	42
	Social Security Taxes	3,162	2,908	2,965
	Unemployment Compensation	140	377	324
	Worker's Compensation	214	281	266
	Other Benefits in Kind	25	45	40
	Total	$12,652	$9,392	$10,122
BA+	Retirement Plans	$6,290	$3,267	$4,531
	Medical/Dental Plans	2,970	2,711	2,820
	Group Life Insurance	197	182	188
	Other Insurance Benefits	98	116	108
	Disability Income Protection	151	165	159
	Tuition Plan	86	550	356
	Housing Plan	0	102	59
	Social Security Taxes	3,726	3,370	3,519
	Unemployment Compensation	70	276	190
	Worker's Compensation	274	448	375
	Other Benefits in Kind	38	41	40
	Total	$13,900	$11,228	$12,345

Table 7 (continued)

Doctoral	Retirement Plans	$6,907	$5,747	$6,611
	Medical/Dental Plans	3,192	3,103	3,169
	Group Life Insurance	139	197	154
	Other Insurance Benefits	389	327	373
	Disability Income Protection	127	148	132
	Tuition Plan	122	799	294
	Housing Plan	2	69	19
	Social Security Taxes	4,348	3,977	4,253
	Unemployment Compensation	204	92	176
	Worker's Compensation	348	370	353
	Other Benefits in Kind	158	280	189
	Total	$15,935	$15,107	$15,724
Average		$14,210	$13,058	$13,896

Source: NCES, IPEDS Salary Survey, 1998–1999

** Based on 91.6 percent of faculty salary universe (2,837 institutions) reporting benefits data*

Security program. Using debt interest savings to shore up Social Security does little to solve the underlying problems, critics note. No real trust fund holds Social Security revenues, so the interest-savings funds would be transferred via Treasury Bonds dedicated to the program that taxpayers would be obligated to repay. Gore's supplemental account proposal allowed workers to dedicate additional funds to government-held personal Retirement Savings Accounts (RSAs). These accounts would not adversely affect existing pension plans. But improving these plans, while allowing non-covered workers to put more into their RSAs, would have the same effect.

Conclusion: The same as Bush.

Conclusion on the conclusions. Don't count on the federal government to solve your retirement security problems.

CONFLICTS: YOUNG AND LESS-YOUNG FACULTY

"Keeping what you have and try to get more" requires educating younger faculty about their long-term financial security and getting them involved in collective efforts to increase employer participation. But natural conflicts between age groups may arise in this effort, especially when using collective bargaining or the persuasive powers—such as they are—of academic senates. Dealing effectively with these conflicts requires candor and honesty. Consider two examples.

- Early retirement incentive programs that allow faculty to retire early, but then continue in their positions for multi-year periods as a contractual right: their cost and their impact on junior faculty work loads and status. The "flexibility" argument—formerly used to defend mandatory retirement—also applies to these programs.[13] Depending on the age distribution of the faculty, an early retirement program allowing partial retirement for a substantial numbers of colleagues may require administrators to hire more part-time faculty.

  Some observers justifiably criticize these plans as disruptive to the academic program. Part-time claims by seniors on full-time positions helps to explain the expanded role of part-time junior faculty, who usually work with inadequate benefits. The Faculty Early Retirement Program (FERP) at California State University allowed senior faculty to retire partially so that more junior faculty could be hired and phased into the system smoothly. Entry into FERP was manageable during the initial stages; the total number of FERP faculty was only 241 through 1991 (Table 8). But beginning in 1992, the long early retirement periods

permitted by the labor contracts meant that few participants actually retired each year (Table 8). The mid-1990s saw struggles between senior faculty wishing to maintain the program and younger faculty who blamed the program for reducing access to full-time tenure track positions efforts. Administrators wanted to reduce the length of time a faculty member could be in FERP or to eliminate the program entirely. But by 1997, the number of retirements of FERP faculty reached equilibrium with new requests to enter the program. Internal faculty strife lessened, and the administration and union compromised on the time allowed for participation in FERP. The program now appears to be a stable, acceptable part of the faculty's retirement benefits.[14]

The volatility of financial markets and the increased emphasis on pre-tax savings, coupled with the slow growth in faculty salaries (Table 5) during the 1990s, led some colleagues to take early retirement with a view to continue teaching on a part-time basis—a common practice.[15, 16] But the reasons for faculty members to take partial or early retirement changed dramatically after mandatory retirement ended in 1994.[17] The costs of retirement incentive plans often offset any presupposed benefits to faculty size and quality.[18] Unions must assure that a negotiated plan does not increase the number of part-time faculty without any benefits at all.

- The desperate situation of young faculty trying to purchase a house on a beginning salary—an impossibility in some parts of the

Table 8

Faculty Early Retirement: Faculty in the California State University By Campus and Year of Retirement, as of June 2000*

Campus	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
Bakersfield	—	—	—	—	—	2	2	3	2	2	11
Chico	3	—	—	—	9	2	5	21	9	20	69
Dominguez Hills	2	—	1	2	3	3	3	4	4	1	23
Fresno	12	—	—	—	1	8	15	15	8	22	81
Fullerton	15	—	—	1	4	8	16	11	10	13	78
Hayward	16	—	—	—	—	1	9	18	5	1	50
Humboldt	—	—	—	1	—	5	6	17	5	7	41
Long Beach	31	1	1	4	6	14	15	31	16	8	127
Los Angeles	11	1	—	2	3	11	16	10	8	1	63
Northridge	44	—	—	3	9	12	22	34	10	21	155
Pomona	1	—	—	—	10	14	18	5	23	80	9
Sacramento	9	—	1	3	4	12	28	40	9	21	127
San Bernardino	6	—	—	1	—	1	5	4	1	—	18
San Diego	15	1	—	1	3	8	10	22	13	9	82
San Francisco	29	—	1	—	3	12	15	31	4	16	111
San Jose	1	—	1	3	4	3	13	16	8	14	63
San Luis Obispo	37	—	—	—	1	4	7	11	8	2	70
San Marcos	—	—	—	—	—	—	—	—	—	1	1
Sonoma	1	—	—	—	—	1	1	4	2	14	23
Stanislaus	—	—	—	—	1	1	2	—	3	7	14
Totals	**241**	**4**	**5**	**21**	**50**	**118**	**203**	**312**	**127**	**199**	**1280**

Source: California State University Administrative Records

Note: 1991 values include participants who entered in FERP program in prior years.

country. Most senior faculty who bought housing in a more affordable real estate economy are sympathetic, but unwilling to sacrifice top-end salary or cost of living adjustments to provide housing subsidy benefits. Where employer-provided housing subsidies are impossible, employers and employees should join to convince retirement system administrators to use pension fund assets to develop efficient member home loan programs.[19]

Academic unions, faculty senates, and retiree organizations must balance the retirement needs of senior faculty with the immediate benefits desired by junior faculty. Employers and employees jointly support programs promoting equitable, effective methods of obtaining housing, early participation in long-term care protection programs, and saving throughout life.

LONG-TERM CARE

Prospects for living longer get better every year. This seems like good news, but avoiding expensive long-term care is a matter of luck. A lengthy retirement marked by chronic illness or serious disability—a prospect faced by an increasing number of people over 80—destroys good years of saving and planning. Ironically, government programs for long-term care do not subsidize citizens who prudently accumulated savings in well-balanced retirement programs until their life savings are expended.[20]

"The increased life expectancy of the American population, especially college and university personnel," observed the *NEA 2000 Almanac*, "makes long-term care a key part of retirement planning."[21] Rapid increases in life expectancy and in the cost of medical care led many large retirement plans to focus on the need for insurance.[22] The California Public Employees' Retirement System (CalPERS) began to develop a long-term care plan (LTCP) for its more than 1 million members a decade ago, and began accepting enrollees in 1995. More than 132,000 lives are now covered. Long-term care is usually a family-based problem, so LTCP covers all members of CalPERS and the California State Teachers Retirement System (CalSTRS), *and* their spouses, parents, parents-in-law, and retirees.[23] Extensive efforts to educate CalPERS members to assure assistance for daily living activities has paid dividends as the number of LTCP members—especially younger participants—expanded. In turn, the excellent experience of LTCP led to improved benefits.

Medicare and Medicaid do not provide long-term care for employees and retirees. Congress, observers agree, is not likely to add this coverage. But employers could sponsor new savings and insurance group plans that guarantee enrollment for employees "actively at work" and that help workers purchase this protection economically.[24] But unions face a vicious cycle. They must convince employers that prospective employees will seek jobs where long-term care protection is available. But they must first convince today's faculty member of the future value of the benefit.[25] Right now, most young employees would rather have the cash. Breaking this cycle is difficult but necessary, since obtaining the benefit as a term of employment requires collective action.

CONCLUSION: THE IMPORTANCE OF EMPLOYEE EDUCATION

Unions sometimes refer to employee education as "organizing;" they sometimes identify organizing as "educational work." For the worthy work of unions to be successful, a great deal of organizing is required.

But we must not confuse employee education with organizing in this context. Faculty can quickly learn about employer-funded benefits by exploring the web sites of pension systems and by reading publications directed by colleges to their employees.[26] These efforts to communicate may contain some helpful tips, but they have minimal value if they are promoting products that encourage faculty members to "simply save and invest" their money, to "plan" for retirement, and to "protect" families from the ravages of old age. Without pressure from university employees on their employers to provide better, more reliable information regarding retirement and benefit options, faculty members will remain dependent on publications and communications from profit-seeking companies trying to market their products.

All these communications are not as useful as a single observation: we are living longer, but a longer life may not be enjoyable. Unions must excite faculty and staff to acquire more knowledge and dedication than competing forces, and to band together to advocate for their common interest. Possessing data on past and present salaries and benefits paid may allow us to explore new ways of packaging old separate objectives. But perhaps most important is the unbiased, unabridged, and understandable education needed to enlist our colleagues in the call to action.

Senior and junior faculty members: it is in your common interest to convince your employers that the seemingly high cost of providing for the future is a bargain. Such a task is never easy.

NOTES

[1] Chronister, 1994, 1995, 1996, 1997, 1998, 1999, 2000. Chronister's analyses are recommended reading. These basic research resources provide valuable historical perspective to faculty benefits advocates. The accompanying extensive references are relevant to any discussion of faculty benefits and retirement.

[2] New pre-tax saving opportunities relying on defined benefit *and* defined contribution systems are improving post-retirement possibilities. The financial planning and investor education offered by these plans are making retirement planning easier. Web sites offering retirement planning options include: www.agfundgroup.com, www.calpers.ca.gov, and www.ucop.edu/bencom.

[3] American Association of University Professors, 1997, 1998, 1999, 2000. Disability coverage has always been included, but no research singles out long-term care insurance as a benefit class. This omission merits rectification, given the increased interest in long-term care.

[4] National Center for Education Statistics, 1998–99.

[5] Chronister, 2000, Table 7.

[6] Benefit levels remain stable whether the data is broken into ten (AAUP data) or 11 (IPEDS data) components.

[7] No study includes data for private, for-profit, dot.com higher education providers.

[8] Chronister, 2000, 86. "About 40 percent of leadership 'family friendly campuses' provided long-term care insurance," Chronister notes. He referred to the "leadership campuses" identified in Chronister, 1998, 104.

[9] Clark and Pitts, 10. "Faculty members actually based their pension decision on relatively little information or advice," concluded the authors. "They didn't view it as a difficult financial decision, and they devoted relatively limited time to making the decision." My experience when emphasizing the importance of benefits, pension planning, and long-term health care needs indicates that faculty members don't like to think about such needs until they are well past the midpoint of their career.

[10] Warshawsky, 2000. Warshawsky's review and analysis of issues related to long-term care is the most current and thorough paper on the subject. He indicates, "The need for long-term care services is particularly great among the elderly, especially the 'old old' (those age 85 or above), a segment of the population that is projected to grow dramatically as the baby-boom generation ages" (1).

[11] Friedland, 1999 discusses the actuarial work documenting the conclusion that "very old" means living beyond age 95.

[12] Congel, 2000, 5517.

[13] During the 1980s, early and phased retirement programs attempted to smooth the transition for faculty while paying for themselves (Crist, 1989). The California State University collective bargaining agreement contained a Faculty Early Retirement Program (FERP) since 1983. But continuing the FERP provision became controversial as many again faculty members saw early retirement schemes as an entitlement (http://calfac.org/contracts.html, http://www.calstate.edu/tier3/PubAffairs/news/CFAFSmarch.html, and http://www.calstate.edu/tier3/PubAffairs/stateline/stateline11.html).

[14] See the labor contract provisions in the CSU Faculty Early Retirement Program (http://calfac.org/contracts.html).

[15] Taylor, 1999. Retired faculty generally do well because of generous pensions resulting from career paths that "typically provided almost continuous employment in the same field, often with the same employer" (12).

[16] Taylor, 1999, 5.

[17] Clark and Hammond, 1998, summarizes the proceedings of "Examining Life After the End of Mandatory Retirement," a symposium on transitions in retirement planning during the 1990s.

[18] Kim, 1995, reviews faculty responsiveness to an early retirement program and the effect of that program on instructional quality at the University of California.

[19] Some pension funds developed member home loan programs to help the first-time buyer where no employer-provided benefits were likely. See www.calpers.ca.gov.

[20] Warshawsky, 2000.

[21] Chronister, 2000, 86.

[22] Friedman, Rimsky and Johnson, 1996; Employee Benefit Research Institute, 1997.

[23] CalSTRS is a separate retirement system, but the CalPERS plan was designed and underwritten by the CalPERS Board of Administration to include CalSTRS members as eligible. See www.calpers.ca.gov.

[24] Warshawsky, 2000, 10, discusses the possibility of integrating an immediate life annuity and a long-term care insurance policy into one product that could be made available to pension plan participants.

[25] Several research groups are addressing the problem of financing long-term care. See Warshawsky, 2000; Cohen, 1998; Mulvey and Stucki, 1998, and Health Insurance Association of America, 1998.

[26] See the reference list.

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