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## MYTHS AND REALITIES OF COLLEGE RETIREMENT

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### ABSTRACT

This paper will discuss the present difficulties being experienced by American college professors with respect to their planning and preparing for retirement. Current macroeconomic conditions are forcing state and institutional budget and program cuts at colleges and universities across the country, increasing job insecurity for many academics. Simultaneously, stock market losses, reductions in the values of real estate, the erosion of the value of personal pensions, and other related challenges are forcing many seasoned American college professors to rethink their retirement plans. Relatively new options exist for today's academic instructors as well, including not retiring at all, whether for financial or other reasons. How individuals should deal with these new and changing pressures is the focus of this paper.

### INTRODUCTION<sup>1</sup>

The effects of the 2008 U.S. economic meltdown have touched all but a few companies and individuals. It looms globally on the collective consciousness like a bubble ready to pop. Not a day goes by without the U.S. president, Congress, investment bankers, or corporate giants commenting on the dire situation Americans now face (Puzzanghera, 2009). Foreclosures, job cuts, investment losses, and atrophied retirement accounts and home values are all faces of this new economic landscape. The devastation is not only tangible, as reflected in the numbers on Wall Street, but also emotional, as it cuts into the body of confidence that once enabled our capitalist system to flourish (Abate and Colliver, 2009). Lawmakers, when scrambling to pass an economic stimulus package to address some of the problems plaguing the nation, warned that without government action the current crisis will become a catastrophe reminiscent of the Great Depression (Taylor, 2009).

Already feeling the pinch as they review the third quarter reports of their retirement portfolios, university professors approaching retirement are not only asking "when" they will be able to sever their university ties, but also "whether" it will be possible at all.

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<sup>1</sup> Much of the information contained herein was presented in panel format at the 2008 Mountain Plains Management Conference at Idaho State University.

At an October 2008 conference addressing contemporary management issues, business professors from a variety of disciplines convened to discuss the impact of the financial crisis on the retirement decisions of college faculty. Among the topics discussed were myths about retirement, the realities surrounding that event, and prudent approaches to deal with leaving the work force amid economic turbulence. This paper summarizes those discussions and is organized into four sections. The first section presents six myths people have about leaving their jobs as they reflect on retirement. The second discusses the realities of retiring in today's economic crisis. The third section addresses some planning concerns, which can help make the transition into retirement more comfortable. The fourth section presents arguments for not retiring along with a case illustration. The paper closes with a few concluding remarks.

### **1. MYTHS OF RETIREMENT**

A myth is defined as an imaginary story or theme. It is also defined as a false belief. As individuals, we choose to believe in myths, or fictions, because they help explain some natural phenomenon or because they give us hope. A myth is a form of cultural artifact that provides a function known as "system maintenance" (Dandridge, Mitroff, and Joyce, 1980). As such, we believe in mythological stories or ideas that might not necessarily be true because they help us maintain our psychological composure, at least in the short term. They give us hope for living and help us make sense of the uncertainties that surround us. They keep us from despair. In the context of this paper, the myths of retirement help university professors deal with the phenomenon of living comfortably after they retire – after giving up their employment-related incomes. They also help people make sense of how they will deal with the uncertainties of life as senior citizens in a turbulent economic environment. Several of the myths associated with retirement and an explanation of why they are false are discussed below.

#### **Myth #1: I can live on a fraction of my current income.**

If one retires depending only on Social Security for income, the income will probably not be enough to live on. Some costs of health insurance are covered, but supplemental insurance is often needed. Those premiums must be paid out of pocket. Any procedures not covered by Medicare must be paid out of pocket. The retiree must also think about co-pay costs that also must be paid out of pocket. As retirees age, medical costs may increase. If both husband and wife have medical problems, the out of pocket costs may be overwhelming. One of the major causes of personal bankruptcy is medical costs that are more than the retirees can pay. Medical insurance may be one of the reasons professors postpone retirement. Further, most analysts state that retirees need about 70% of their pre-retirement income level to maintain their standard of living after leaving work (Money.com, 2009). Social Security does not accomplish that alone. Pensions and personal savings are required to make up the difference.

#### **Myth #2: My living costs will be much less when I retire.**

If the retiree's house is not fully paid for, the mortgage payments continue. Other housing costs also continue, such as utilities, taxes and repairs. Likewise food, clothing,

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insurance, travel and entertainment expenses usually do not drop after retirement, and may in fact increase. Medical care is usually much higher in older age. Attention to these budget details is important, and is dealt with in another section in this paper.

**Myth #3: I can refinance my home if I need extra money.**

This was largely true until 2008. High stock values and increasing home equity allowed Americans to avoid actually saving from their paychecks and continue to spend using their home as their checkbook. That is no longer the case. Refinancing usually requires that the loan be no more than 80% of the value of the collateral (house), and with house prices sinking an average of 18% in the last year alone (USA Today, 2009), and over 30% in certain locations, access to equity money has been severely restricted. Further, over 2.6 million persons have been laid off since early 2008, further reducing their ability to qualify for higher mortgage payments (Kells, 2009). Lastly, the recent credit crunch has dramatically reduced the amount of money available for home equity lines of credit (HELOC) loans.

**Myth #4: My other property and assets will last forever.**

The most expensive non-real property most people own is an automobile or truck. These often last for about 100,000 miles before needing major maintenance and repairs. Trading in for a new automobile saves on such costs but requires the purchase price in cash or a loan. Likewise all other durable goods, including washers, dryers, dishwashers, refrigerators, stoves, televisions, and furniture require replacement every few years, placing demands on limited retiree budgets.

**Myth #5: I will be able to do in old age what I did at 40.**

Many people who think they can save money in retirement by doing things they did when younger are disappointed when they find out otherwise. Many retirees think they will live long and be perennially healthy. However, they don't heal as fast as they did when younger. They often hire others to mow grass, remove snow, fix plumbing or move furniture that was easily done by themselves when younger. These cost money that they did not have to pay in earlier years.

Medicines take a larger chunk of the monthly income. They buy pills for arthritis and other health conditions. They take more supplements. They are more concerned with health than before. They check cholesterol, triglycerides, and blood pressure, and eat healthier foods, which cost more. Health becomes of the utmost importance, and so many jobs they did at 40 are now left to others to perform –at a price.

**Myth #6: Relationships and family structures will never change.**

The only thing for certain is change. Today's generation of young people is possibly NOT going to have a higher standard of living than the current group of retirees. They may have graduated from college and be self-sufficient, but due to global commercial threats and offshoring, they may not be working tomorrow. Many older

Americans are experiencing the unthinkable- having their kids and their families move back home. In the US, over 4 million people aged 25-34 live with their parents (Parker, 2009). Some are even raising their own grandchildren. These cultural shifts require greater financial resources for today's retirees.

### **WHERE MYTH MEETS REALITY – FEELINGS OF UNCERTAINTY**

The financial crisis in the U.S. credit market is fueling great uncertainty in our already fractured retirement system. *Newsweek* magazine asserts that corporate pension plans are fundamentally broken (Adams, 2005). While these plans have been around since the nineteenth century (Fox, 2006), pensions funded wholly or partially by companies are undergoing major structural change. Worker pensions have become such an enormous burden on companies that they are no longer able to sustain them.

The elimination of employee pensions is not just occurring in struggling companies. Financially sound ones like Lockheed, Motorola, and NCR no longer provide retirement plans. Even major companies are no longer offering pensions to new hires. IBM, for example, told its employees that their pension benefits would be frozen in 2008 (Porter and Nash, 2006).

The pension situation in some of America's largest companies, coupled with the financial meltdown plaguing Wall Street and global markets, is having a chilling effect on the professoriate. Like their corporate counterparts, universities typically have their pension plans tied to the now struggling financial markets. Faculty members receiving their quarterly pension fund statements have seen their portfolios lose as much as 40% of their value, paralleling the overall market performance. Additional losses are predicted before the market rebounds. Needless to say, this has had a paralyzing effect on faculty members who have worked to build up the value of their retirement accounts, only to see them diminish in worth within a matter of months.

While the effects on the stock and credit markets are most visible now, a number of factors have put employees into a more uncertain economic future. The events of September 11, 2001 and the dot-com bust in the early 2000s that triggered a recessionary slide are among a few (Schramm and Burke, 2004). Other concerns having a negative impact on the economy and contributing to workers' feelings of uncertainty include the war in Iraq, global competition, the movement to a service-based economy, and an increase in the number of corporate mergers and acquisitions.

As instability across the globe increases, fueled by political unrest, the global economy becomes more uncertain. According to a workplace survey by the Society for Human Resource Management, the two most important trends in the U.S. that are affecting the country's ability to globally compete are the rising cost of health care and the economic implications of increasing retiree benefit costs (SHRM Workplace Forecast, 2006). This affects investment decisions in human capital as companies invest more in global and domestic security. To effectively compete, companies are attempting to increase employee productivity to alleviate the spiraling costs of health care. They are

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also reducing retiree health care benefits and pension contributions and at the same time increasing the worker contributions required for health care benefits.

From a human resource management perspective, this situation requires thoughtful action. It is not fruitful to focus on the negative and see only the worst. A negative orientation to market conditions or to life “destroys our capacity to do something” in an effort to improve (Zinn, 2004). In discussing the importance of being hopeful in bad times, Zinn also states that we must “remember those times and places – and there are so many – where people have behaved magnificently, [because] this gives us the energy to act...”(*ibid.*).

It is equally not fruitful to stand still amid the uncertainty and confusion caused by chaos in the mortgage, investment, and banking sectors. Faculty members seeking to retire should not fall into the “inevitability trap” (Golden, 2004: 344), *i.e.*, the comfortable notion that amid negative forces in our financial future, there are larger forces directing us toward a predetermined outcome. The inevitability trap involves a relief when we hear that something is certain to occur because it relieves us from having to take positive action to affect our personal financial outcomes. This is counter-productive because it relies on the assumed effectiveness of outside forces to benefit our plans for retirement. Golden argues that “it’s just giving [us] an excuse for allowing the wrong choices to be made” (*ibid.*).

### **Income Issues**

Perhaps the most important factor affecting the retirement planning of college and university professors is the level of income they anticipate when leaving employment. As mentioned earlier, most retirement planners and advisors estimate the need for about 70% of pre-retirement income to maintain one’s standard of living once a person retires (Money.com, 2009). Much of this reduction is due to the elimination of certain expenses associated with employment, such as travel (gasoline, parking, etc.), clothing, lunches and related items. It also factors in lower taxes based on an assumed reduced level of income. As we will see, this thinking is no longer accurate: many college professors are now finding it very difficult to achieve anywhere near 70% of pre-retirement income, and inflation and taxes have largely erased any gains from annual raises for many years.

The standard historical model for income forecasting has been based on three components: pensions, personal savings, and Social Security. Among the three of these, it was common to assume that one could, with a little effort, achieve the 70% target over time. However, over the past 20 years, major changes have occurred which have made this goal much harder to accomplish. First, standard employer defined-benefit pensions have dwindled. Whereas in the 1970s over 40% of American workers were guaranteed such a pension, today only about 21% are given such coverage (AFL-CIO, 2009). The vast majority of workers now have defined-contribution plans in which the employee pays for his own retirement, with a possible match provided by the employer. College teachers do have one advantage, however, in that many of their college and university employers pay into a pension plan whether or not the teacher herself contributes.

However, much of this money is put into stock investments, which have fallen over 40% in value in 2008 as of this writing, further adversely affecting her ability to retire on her targeted date.

Second, personal savings have declined from a historical average of about 6% to near 0% today (Winnie, 2007). Until 2008, when a major recession changed their spending and saving attitudes, Americans in general, and teachers in particular, simply did not save as they used to. Prior to the year 2000, many Americans saved and invested over time. However, a major consumption trend evolved, and more of their discretionary income was spent, and therefore less saved, over time. The prevailing thinking was that their investments in stocks would do their saving for them. Then, there were major setbacks in stock values in 1999 and again in 2001. Following that, there was a sustained housing boom in which rising real estate values became the mode of saving. Today, of course, the housing market is in a severe downward spiral. Many people, including college professors, have lost their equity and are even “upside down”-owing more than their home is worth (Carter, 2008). Further, those who do have savings or money market accounts, CDs or other savings vehicles are seeing their interest income drop due to the efforts by the Federal Reserve to stimulate the economy by reducing interest rates. Still others are alarmed by the drop of nearly half in the value of their stock portfolios in 2008. This has had a very damaging and immediate effect on retirement planning by college teachers.

Third, Social Security income remains one predictable and reliable source of retirement planning. Though estimates vary, even with current spending and income patterns and assuming no changes, Social Security is predicted to have positive net inflows until at least 2017, and will begin to lose money but still pay current levels of benefits through 2042 (see Social Security Administration website at <http://www.ssa.gov/>). However, the level of income from this source depends on the amount contributed, the number of years in the system, and other factors. College professors should not depend entirely on this source for their retirement planning.

Lastly, one other area of concern related to income planning is the increasing length of life for today’s retirees. For example, a white male college professor who is currently 50 years old, and looking to retire at 62, is expected to live until age 83; a white female will live until an average age of 86. Other races and ethnic groups have higher and lower expectancies (Baker and Seck, 2003). Many of these future retirees will outlive their pensions and savings if they do not plan correctly.

### **Budgeting Issues**

Two steps are involved in the assessment and projection of financial affairs. The first is to prepare a current budget which estimates monthly income and expenses. This helps in developing an effective retirement strategy. Monthly income to be included in the budget would include employment, dividends and interest, royalties, rental income, and money derived from other sources. Next, monthly expenses should be itemized for household expenditures such as mortgages/rent, groceries, utilities, maintenance costs, and home improvements. In addition, other expenses should be itemized for personal

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care, medical claims, charitable contributions, transportation, insurance (life, auto, health, homeowner's, and long term care), taxes, leisure activities, and debts related to credit cards and other loans. These monthly expenses should be combined to arrive at a total. The total expenses should be subtracted from the monthly income to determine the surplus (or deficit) amount. Multiplying by 12 will yield the total yearly surplus (or deficit).

The second step in the assessment and projection of financial affairs is to use the information from the current budget analysis to determine one's income and expenses anticipated during retirement. On the income side this involves factoring into the retirement budget the amounts related to pensions and individual retirement accounts, which is generally summarized on one's yearly summary statement. It also involves factoring in one's social security income, which can be obtained from the annual statements furnished by the Social Security Administration, and income from the sale of other assets such as stocks, bonds, and real estate. Employment income, of course, will likely be reduced. On the expense side, this step involves removing from the current budget any items that are no longer relevant or reduced in amount. These items may include a lesser amount for mortgage payments if one's home is paid, a lesser amount for transportation expenses associated with travel to one's college, or a lesser credit card payment because of the elimination of this debt. Once the retirement income and expenses have been calculated it becomes easier to see whether adjustments are necessary in lifestyle to live within a balanced budget.

### **Cost of Living Issues**

There are two important factors to consider when planning one's standard of living for retirement: income levels, and cost of living. A small gain in income for someone living in a rural area will be more than offset by a move to an urban area. For example, a college teacher living in Twin Falls, Idaho making \$50,000 annually would need a 30% raise (after taxes), or an income of \$65,000, to keep the same standard of living if she moved to Seattle, Washington. That same teacher would need \$93,500 in San Francisco and \$117,700 in New York City (American Chamber of Commerce Researcher's Association, 2008). Of course, the reverse is also true – professors in urban areas can increase their standard of living by moving to a more rural area in retirement.

In addition to looking at the composite indices for the cost of living in different locales, one must also consider various individual items and their relative costs. For example, housing represents about 30% of the overall budget of average Americans. It is the single highest cost category. While New York City is rated as 219% of the national average 100% cost to live, it is even higher in housing (405%). San Francisco is 293% in the cost of housing. Other cities have higher utility costs (Stamford, CT is 137%); health care (Providence, RI is 126%); and food prices (Honolulu is 164%). Individual persons who have specific needs in these or other areas should thoroughly research the costs in these areas before deciding where to retire.

Lastly, tax planning is essential. Some states have no state income tax, others have no sales tax, yet others do not tax food. Gasoline taxes vary heavily between states. Likewise, property taxes differ. There are various sources which can be utilized that provide valuable tax and other information for prospective retirees to consider (for example, see [Retirement Living](#)).

### **Best Places to Retire**

Many magazines publish annual surveys of the best places for people to retire. For example, Money Magazine has its "[Best Places To Retire- 2008](#)"; [US News and World Report](#) allows readers to screen retirement alternatives by category at; [Kiplinger](#) offers a study based on safety, outdoor recreation and low cost of living; and [Retirementplacesreport.com](#) gives advice on affordable places to retire in the U.S. Obviously, selecting a permanent home for retirement is a very individualistic decision, and will depend on each person's perception of the importance of many variables, including cost, crime rates, education, weather, proximity to outdoor recreation, health care, and a host of other factors. The point here is to encourage research and objective thinking before deciding on a location.

### **COPING WITH THE UNCERTAIN REALITIES**

The reality of retirement for college professors is complicated because the current economic environment is turbulent. Effectively coping with it requires action. The specific action required to be successful entails assessing one's present financial affairs and then projecting, as much as possible, where one wants to be. This simple action provides future retirees with a sense of confidence and security that comes from knowing oneself. It can be thought of as a type of self-awareness that gives one strength and independence.

### **Planning for Retirement**

Since retirement in general is a major lifestyle change, it is important to effectively plan for it. Many colleges provide financial planning services or retirement counseling for their faculty. According to a recent survey conducted by the American Association of University Professors (AAUP), 88% of 567 higher education institutions reported making retirement counseling or financial planning services available to members of their faculty (Conley, 2007). A substantial number of institutions provided lifestyle planning to help faculty members understand how to effectively cope and what to do in retirement.

Retirement counseling may reveal that one's university offers retirement incentive programs, sometimes called "buy-outs." An incentive program encourages faculty members to retire prior to a certain age, generally seventy. These programs became more popular since the end of mandatory retirement. According to the AAUP survey, more than 38% of institutions reported that they offered one or more financial-incentive programs for retirement. Among those programs, 25% reported that the minimum age at which faculty could participate was 50; 34% reported that the

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minimum age was 55; and 25% reported that the minimum age was 60. Most plans are available only for a specified time, and at most institutions faculty are automatically eligible to participate once they have satisfied the age or years of service requirement (Conley, 2007).

Retirement counseling may also reveal that one's university offers an option for phased retirement, which is "a formal program that permits tenured faculty members to phase into retirement by working fractional-time (for pro-rated pay) on the condition that they waive tenure at a specified time" (Conley, 2007). Thirty-two percent of institutions in the AAUP survey indicated that they had a phased-retirement program. The two most frequently cited minimum ages for eligibility were 55 (reported by 42% of the institutions) and 60 (reported by 27% of the institutions). Phased retirement programs are viewed positively by compensation administration officers who feel that they make it easier for faculty members to ease their way out of a career in which they were heavily engaged in scholarly work and teaching (Majmudar, 2003).

A number of institutions provide other benefits for retired faculty related to part-time teaching, health-insurance coverage, and other opportunities. Forty-eight percent of the institutions responding to the AAUP survey (Conley, 2007) indicated that all their faculty members could teach part-time and 33% indicated that teaching was negotiable. On the matter of health insurance, 82% of the institutions reported that faculty retirees were eligible for group health insurance. Almost the same percentage (80 percent) reported that spouses continued to be eligible. Forty-five percent of the institutions reported that health benefits were the same for both active and retired faculty members. Twenty six percent reported that they were being reduced for both groups equally. On the negative side, 20% of the institutions did not respond to the survey question on health insurance, refused to answer it, or indicated they did not know. Although the percentage of institutions providing them vary, other benefits available to retired faculty members include library privileges, use of fitness facilities, reduced prices for university events, parking, access to the college's computer network, an e-mail address, tuition remission, a campus telephone, and office space.

### **Additional Concerns**

As a college faculty member plans for retirement, it is important to look at money, work, health, housing, and lifestyle. Whether the thought of retirement is on the distant horizon or on the front doorstep, the decision about when to retire is very personal. The best step is to prepare for this important change in lifestyle. This essay began with a discussion of the financial crisis affecting Wall Street and the world. Retirement is closely connected to the performance of Wall Street in that the decision concerning when to retire is driven by money and the lifestyle one desires. By knowing how much money is available in your retirement budget and how much you expect to spend, you can decide if you can afford to retire. According to financial experts, a retiree needs at least 70% of one's pre-retirement income to live comfortably. However, if one replaces work-related expenses with travel and a great deal of entertainment, it is likely that more money is needed. It is expected that with good health, retirement could last 30 years or more (National Endowment for Financial Education, 2005).

Another retirement concern related to age is the inflation factor. While predicting the inflation rate over the next 20-40 years is not an exact science, it is important to consider because of its effect on income and savings. If inflation increases at 3% per year, a \$40,000 yearly income at age 60 must increase to \$72,000 at age 80 for a retiree to maintain the same standard of living. At age 85, he/she will need \$83,800. The point is that a sizable retirement account now may shrink substantially in the future as a result of inflation (National Endowment for Financial Education, 2005). This effect, coupled with the current economic downturns, may bring delays in faculty retirements. Because the long term picture of the economy remains uncertain, the general pattern of retirements will most probably change with more professors likely to stay in their jobs (Jaschik, 2008).

As one completes the planning for retirement, some thought should be given to working with an attorney to develop a last will and testament. Another alternative to consider is developing a revocable living trust or a testamentary trust. Having current beneficiary designations is another concern. Future retirees should verify that the beneficiary designations on their life insurance, retirement, and bank accounts are accurate and reflect their intents. Lastly, it is prudent to reassess one's tolerance for risk. This is important for faculty members who may, because of the current market crisis, decide to work a longer period of time and change the way they invest in their retirement accounts. As one's tolerance for risk decreases, risky investments into stocks may change into more secure investments into bonds and money market accounts. The tolerance for risk and one's consequent investment decisions may change with age and the time horizon prior to retirement.

In summary, the economic uncertainties in the U.S. have created a stark reality for many college professors thinking about retirement. Many may feel uneasy. Some may delay their decisions to retire hoping that an extra year or two could result in a significantly larger retirement fund, assuming that the market will recover. However one feels, it is important to take assertive action and actively plan for retirement – the earlier, the better. Part of the planning entails the development of a realistic financial picture. Using current income and expenses as a basis, future retirees can anticipate the amount of money they will need to sustain their lifestyles. Further planning may reveal that faculty members have programs such as retirement incentives, phased retirement, or other benefits to facilitate the transition out of their current positions. Knowing when to retire, discovering the options and opportunities available, and engaging in appropriate planning will help individuals navigate the maze we know as retirement.

### **ARGUMENTS FOR NOT RETIRING**

Thus far we have considered the need for adequate economic and personal planning before reaching retirement age in order to have a productive and prosperous life when professors reach their “golden years.” Today, there are other options for older professors which were not available just a few decades ago. In 1967 the [\*Age Discrimination in Employment Act\*](#) was passed, which among other things, made it unlawful for any employer “to fail or refuse to hire or to discharge any individual or

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otherwise discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's age". This has enabled qualified older employees, including college professors, to work well beyond the prior established common retirement age of 65. Thus those in academia who are either not in a financial position to retire, or who wish to continue employment for other reasons, may do so as long as they continue to meet the minimum teaching, publishing and other criteria established by their employers.

At this point, we wish to consider another option – deferring retirement either temporarily or for the long term. Increasingly, the workplace will require older workers, many of whom will be well beyond normal retirement, to fill the void created when our economy eventually rebounds. According to one source “In the next few years, the oldest of the Baby Boomers, now 61, are going to start retiring by the millions, and thoughtful executives are wondering how businesses can replace all these people. If most of them do retire, then some economists forecast that the country could have a labor shortage of 35 million jobs by the year 2030” (Yager, 2008): This is especially true with those workers who possess sophisticated technical skills and extensive employment experience (Erickson, 2008). What significantly increases this demand for older workers, and more importantly, the ability of older workers to satisfy that demand is the fact that more jobs today require more knowledge and experience and less hard physical labor. Today people have a much longer life expectancy. With longer life comes the ability to be productive for many years more than was possible a generation ago. The age of the worker does not matter if the worker is healthy and is able to continue employment. Therefore, the worker who is considering retirement should seriously ponder whether he or she truly wants to become retired.

### **A Personal Case Illustration**

One of the authors entered the field of academia in his mid-fifty's and still remains employed today, approximately twenty years later- well beyond normal retirement. Why? When this author first began his professional work career, he was in the United States Air Force. Almost everyone with whom he worked talked about how many years they had remaining until retirement. They were counting the months, days and sometimes even hours until retirement. “I only have seven years, two months and five days until I can retire,” commented one colleague. The author decided that is not how someone should live their life so he looked for a profession where he would be the one to decide IF he wanted to retire, and when. This author then entered the practice of law.

During his legal career this author observed many of his former clients who waited for the day when they could leave the farm, move to town, retire from work and enjoy the good life. Unfortunately, most of those farmers didn't plan ahead. They were usually hard driven individuals who had worked from dawn to dusk almost every day of their life. Now they expected to be content with just sitting on the front porch and watching the world pass them by. Well, the world did just that, and many of them soon died. It might have been because they had no purpose. They had not planned ahead.

“The key to success is to determine what it is that you most enjoy doing, and then find a way to make a good living doing it” (Tracy, 2008). After close to thirty years in the legal profession, this author decided to become a college professor. He is now a tenured professor and he has no present plans to retire. He is excited about going to work every morning and standing in front of a group of students with impressionable minds who want nothing more than to learn what he is so excited about teaching. In short, this author loves his job – a love that is shared with many coworkers (Brooks, 2007). That is absolutely a key to continuing your employment beyond normal retirement – do what you love. It will keep you busy, happy and productive, and you will avoid sitting on that front porch, watching the world go by. College professors have a unique opportunity to do this. As Dr. Barczyk mentioned in the panel presentation by the authors at Idaho State University, “The young empower the old with new life.” In other words, we give knowledge, and we guide young lives. What could be more fulfilling and rewarding than that?

### **CONCLUDING COMMENTS**

This paper comes at a time when economic uncertainties in the U.S. have created a stark reality for many college professors thinking about retirement. Many may feel uneasy. Some may delay their decisions to retire hoping that an extra year or two could result in a significantly larger retirement fund, assuming that the market recovers. Still others may opt to not retire at all. However one feels, it is important to take assertive action and actively plan for retirement – the earlier, the better. Part of the planning entails the development of a realistic financial picture. Using current income and expenses as a basis, future retirees can anticipate the amount of money they will need to sustain their lifestyles. Further planning may reveal that faculty members have programs such as retirement incentives, phased retirement, or other benefits to facilitate the transition out of their current positions. Knowing when to retire, discovering the options and opportunities available, and engaging in appropriate planning will help individuals navigate the maze we know as retirement.

Persons who are fortunate enough to be college professors are in a unique position to determine their future. Those who plan and execute carefully can enjoy a retirement that is both financially secure and personally rewarding. Those who wish to remain in employment for financial or other reasons have the opportunity to do so, continuing to have a positive effect on future generations while doing something they truly enjoy.

The only “fly in the ointment” to this scenario would be inadequate individual preparation and/or belief in “the myths” mentioned earlier, which could cause problems later on and result in a negative experience in old age. Hopefully this article has helped explode those myths, and has encouraged readers to seriously ponder the need to effectively plan a course of action which will result in a more prosperous and fulfilling future, whether that includes a formal retirement or not.

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