



USC Emeriti Center

2007 Situation and Circumstances Survey Report

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*Survey Report, Appendices, and additional statistical analysis are available at:
www.usc.edu/emeriticenter*

APPENDICES

Selected Tables from Survey Data
Situation and Circumstances Survey—Preliminary Statistical Analyses

ACKNOWLEDGEMENTS

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2007 USC RETIREE SITUATION AND CIRCUMSTANCES SURVEY

EXECUTIVE SUMMARY

The USC Emeriti Center Retiree Situation and Circumstances Survey was undertaken out of concern about how University of Southern California faculty and staff retirees have fared regarding their pensions and health benefits in a climate of general economic uncertainties and changes. In addition, the survey aspired to discover ways to support present USC retirees and help facilitate those in the transition to retirement.

In spring of 2007, the USC Emeriti Center distributed the survey to 1,897 USC retirees and surviving spouses. The survey centered on how the individual's USC pensions and health benefits after retirement from USC impacted factors encountered in their daily lives. Nearly 27% of the survey population responded, representing faculty and staff who collectively provided more than 12,000 years of service to USC from 1940 to 2007.

KEY FINDINGS

Survey questions targeting health and financial confidence before and after retirement from USC resulted in significant insights and recommendations as noted below.

- **Three quarters (75%) of USC retirees report no financial stress in retirement.**
- Married retirees, whether men or women, faculty or staff, tended to fare better than unmarried retirees.
- **Those in most financial stress are single, female, staff retirees (includes widowed, divorced, separated, never married).**
- More staff retirees (60%) than faculty (40%) declared they would have planned and prepared differently.
- The most noted difficulties in retirement related to cost of living, personal health care, and household maintenance.
- More than half (53%) of respondents indicated no surprises yet in retirement.
- Older respondents and those who retired from USC at an older age (over 65) were more comfortable about their retirement planning.
- Among those retired longer, the level of confidence in their financial security was higher than had been anticipated before retirement.
- Among those retired longer, the level of confidence regarding present healthcare arrangements was higher than those retired for a shorter period of time.

RECOMMENDATIONS

For both current and future retirees:

1. Provide enhanced financial education on daily money management and retirement investments.
2. Accentuate the resources and programs already in place at the University (Center for Work and Family Life, Emeriti Center, Los Angeles Caregiver Resource Center, Office of Benefits Administration, Retirement Plans Administration, USC Credit Union, USC Health Plans, etc.).
3. Develop a plan for regular dissemination of relevant information/advice and resources about wellness, financial management and investments, caregiving, and opportunities for volunteerism in retirement.

Current retirees need help to better deal with unexpected circumstances and a mechanism where they can obtain answers to their general or specific questions (e.g. web resources, column in EC Retiree Community Newsletter, website blogs, etc.). There needs to be a mechanism developed to understand and possibly assist those retirees who identify themselves as experiencing "a lot" of financial stress (4%).

Future retirees need earlier and more comprehensive preparation for retirement through clearer explanations of the range of USC benefits available at retirement, especially health and wellness resources and how to use them. Additionally, a mechanism needs to be developed for informing near-future retirees about such matters as post-retirement work options with community or University involvement.

THE 2007 SITUATION AND CIRCUMSTANCES SURVEY REPORT

PURPOSE

The USC Emeriti Center Retiree Situation and Circumstances Survey was undertaken out of concern about how University of Southern California faculty and staff retirees have fared regarding their pensions and health benefits in a climate of general economic uncertainty and change. Over many years at USC, voluntary or mandatory pension or health benefits varied according to employee classification, salary level, or other factors. Although coverage under the Social Security Act existed for all employees, there were periods when either employer-participating health or pension benefits were not available, or available only in selected instances. The Survey Task Force, which designed the survey document, included representatives from the Emeriti Center's staff, Retired Faculty Association and Staff Retirement Association, USC Benefits office, Center for Work and Family Life, and the Staff Assembly. The survey task force wanted to know if these variations had a noticeable effect on the retirees' present circumstances.

The survey questions targeted health and financial confidence before and after retirement from USC and resulted in significant insights and suggestions. At no time did the survey planners consider learning about the retiree's overall income, holdings, or other financial resources. The focus was confined to the individual's USC *pensions and health benefits* since retirement from USC employment and how these might have impacted factors encountered in their daily lives.

In the spring of 2007, the survey was distributed to 1,897 USC retirees and surviving spouses; nearly 27% responded. It should be noted some numerical results vary over the various issues because some responders did not answer all questions.

RETIREE'S USC SERVICE

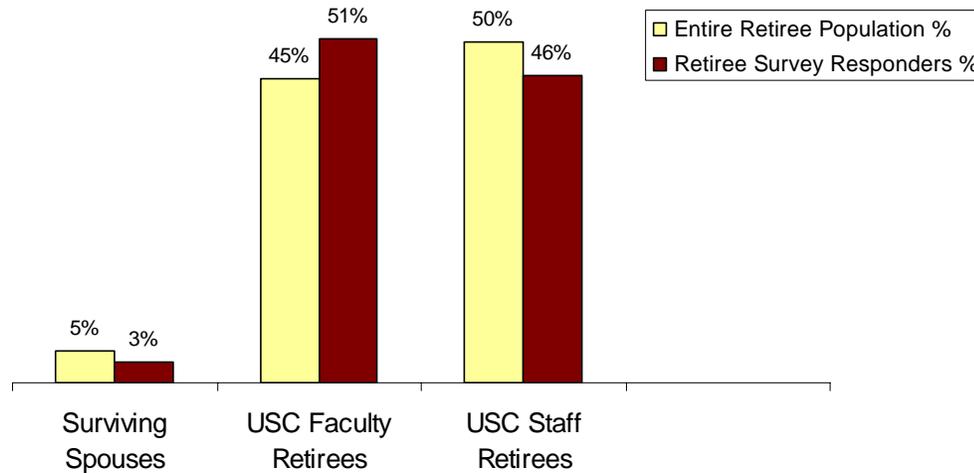
The survey responders represent faculty and staff who collectively provided more than 12,000 years of service to USC from 1940 to 2007.

THE RETIREES

Classification. Of the 1,897 persons included in the entire Emeriti Center population, 50% are staff, 45% are faculty, and five percent are surviving spouses. Among the survey responders, 51% were faculty and 46% were staff, indicating a close proportional relationship between the entire Emeriti Center population and the survey respondent population. Twenty-four responders had retired prior to 1983. This group was of special interest because until that year retirement was mandatory at age 65 and tenure

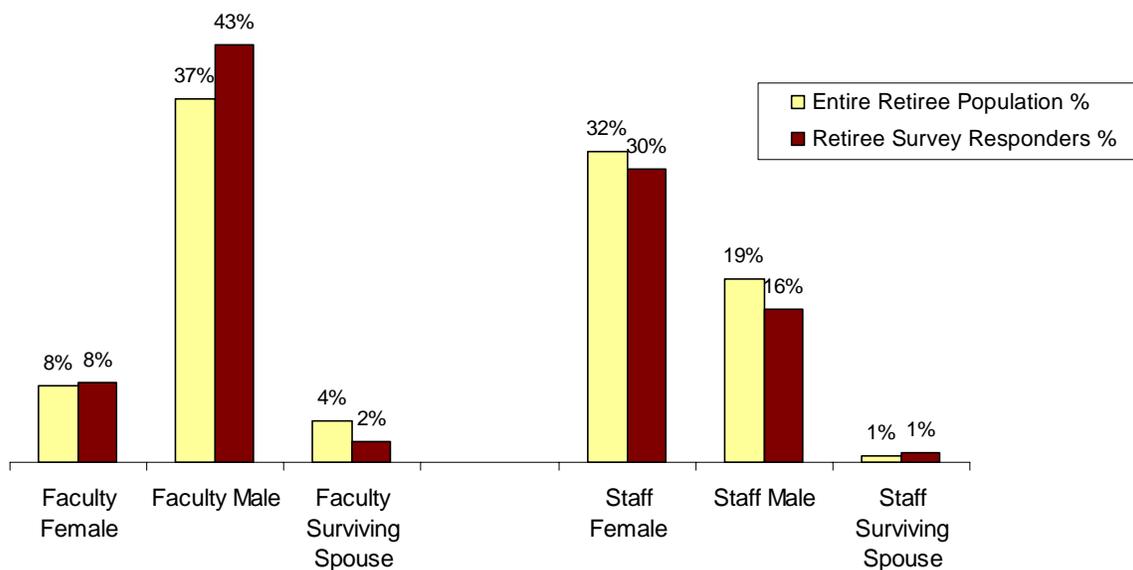
and benefits were no longer available after age 65. The survey task force sought to discover any differences between this earlier retiree group and those with no mandatory retirement age.

USC Retiree Population Compared to Survey Responders



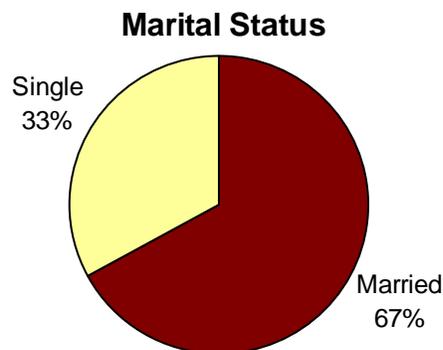
Gender and Age. Corresponding to the entire Emeriti Center population, the proportion of female staff responders (30%) was nearly twice that of male staff (16%), whereas five times the number of faculty men (43%) than faculty women (8%) responded to the survey. This reflects the numerical disparity between male and female staff and faculty positions and corresponds closely to the entire retiree population percentages.

Detail Comparison of Survey Responders



Further comparison of all male and female responders disclosed that on the average men were two and a half years older than women retirees and had retired later than women—the men at 66, the women at 62. Faculty retirees (age 78) tended to be more than four years older than staff respondents (age 74), and they were employed by USC longer— 27 years compared to 22 years for staff. The length of time since retirement differed only slightly among all 493 respondents reporting this: 12 years for retired men, and 11 years for retired women.

Household Composition. Of the 474 retirees who responded to the marital status query, 315 were married, 91 single, eleven reported being divorced, some indicated partner or shared situation, and 57 were widowed. It is not known how many of those who checked the *single* category were in fact widowed, divorced, or separated.



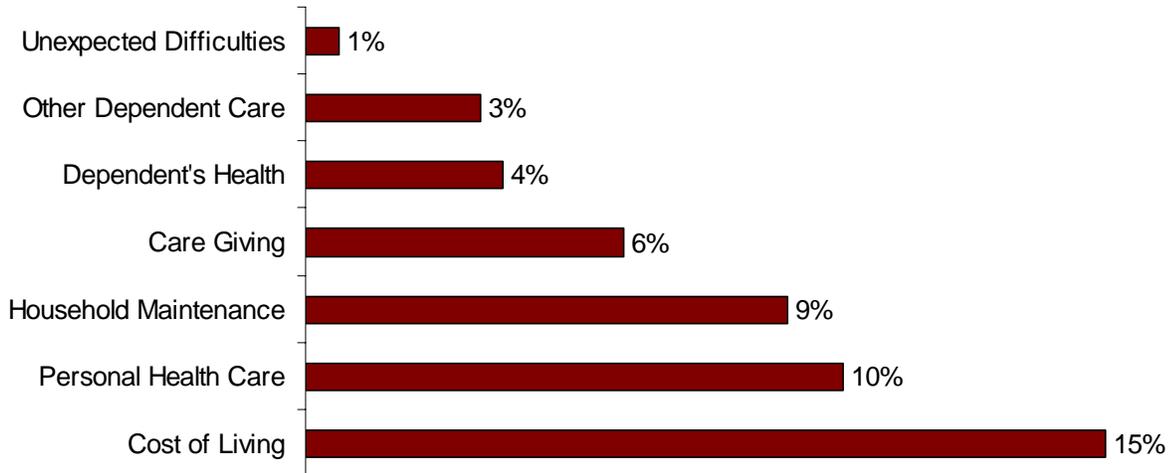
In general, married respondents were younger (age 76) than their unmarried counterparts (age 78). Married responders had retired more recently, 11 in contrast to 13 years ago, and had had slightly longer careers at USC, 25 years in contrast to 23 years for singles. Both married and single respondents retired at the average of 65 years of age.

WELL-BEING OF THE RESPONDENTS

It is noteworthy that a high proportion of the retirees either stated or implied that they are comfortable with their retirement planning and outcomes; some even expressed enthusiasm, offering explanations such as joy of traveling, freedom to engage in voluntarism and enjoying part-time work. A little more than 75% of all survey responders considered their financial planning adequate to meet their current financial needs. In contrast, only 58% of those who retired prior to 1983 reported a level of comfort in financial planning adequacy.

Nearly 21% of all responders identified situations, circumstances or events that led to financial difficulties. Several responders experienced more than one difficulty and death of a spouse was noted as one of the unexpected difficulties.

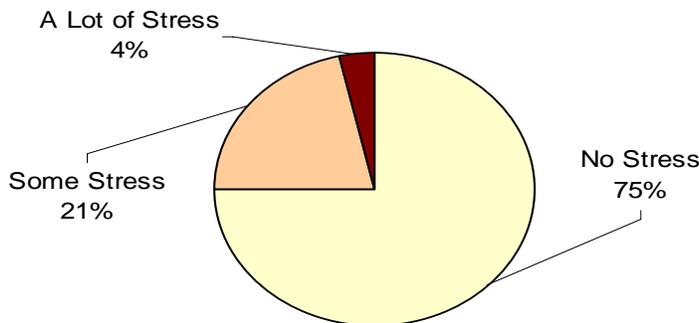
Most Noted Difficulties in Retirement



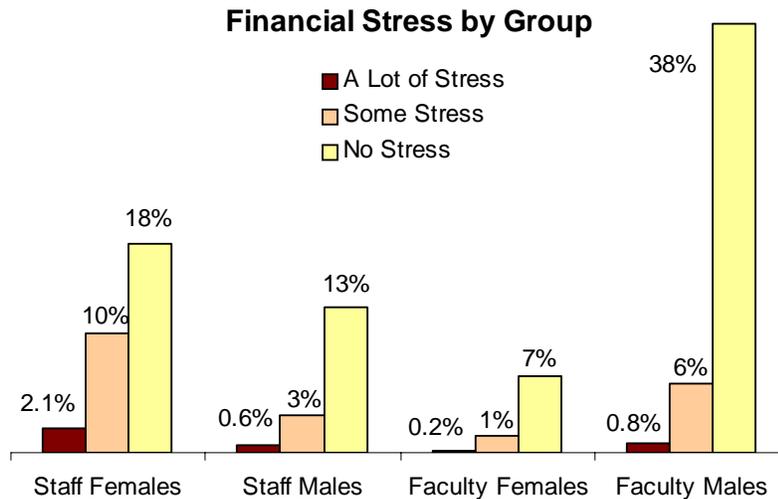
RETIREES: FINANCIAL STRESS and CONFIDENCE

Respondents were asked to select *None, Some, or A Lot* to indicate the degree of financial stress they were currently experiencing; 75% of the responders indicated no stress in retirement.

Responders Experiencing Financial Stress



It is noteworthy that of the 25% of the retirees who reported experiencing any financial distress, almost twice as many were retired staff (16%) as faculty (9%). This ratio was similar by gender: 14% of women acknowledged financial stress, and only 11% of the men. Moreover, only 22% of married responders, while 30% of single, divorced, or widowed expressed experiencing some financial stress.



The retirees were queried first about how confident they had been before retirement about their financial future and healthcare, and then about their confidence in the reality of retirement. They were asked to assess each of these on a scale of **ONE** reflecting *not at all confident* to **FIVE** *highly confident*.

Financial Planning Confidence

Scale	Confidence Before Retirement	%	Confidence in 2007	%	Confidence Change
1	14	3%	20	4%	6
2	22	5%	31	6%	9
3	104	22%	68	14%	-36
4	159	33%	122	25%	-37
5	183	38%	241	50%	58
Totals	482	100%	482	100%	
Mean Scale	3.99		4.11		0.12

On this scale, the mean pre-retirement confidence in financial security was 3.99, while the mean financial security score was a little higher: 4.11. To what extent does this increased rate of confidence, similar among the pre-1983 retirees, reflect the replacement by reality and experience of anticipatory anxiety about the unknown? Of interest are the findings that those who had been retired longer tended to feel more financially secure than they had anticipated before retirement.

RETIREES: HEALTH CARE CONFIDENCE

As with financial matters, retirees were asked to assess how confident they had been about the healthcare arrangements that would follow in retirement and how confident they are now about their

health care arrangements. Responders were only slightly more confident about their healthcare arrangements in retirement than they recalled feeling before retirement. (Scale indicates **ONE not at all confident** to **FIVE highly confident**).

Health Care Confidence

Scale	Confidence Before Retirement	%		Confidence in 2007	%		Confidence Change
1	24	5%		20	4%		-4
2	43	9%		60	13%		17
3	103	22%		89	19%		-14
4	153	32%		131	27%		-22
5	156	33%		179	37%		23
Totals	479	100%		479	100%		
	Confidence Before Retirement			Confidence in 2007			Confidence Change
Mean Scale	3.77			3.80			0.03

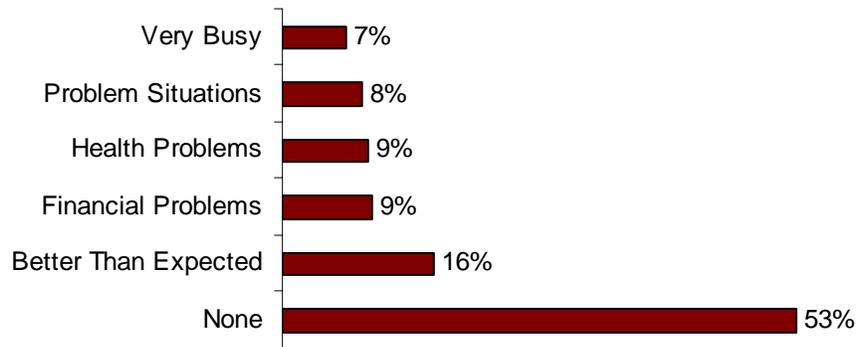
Interestingly, more of the pre-1983 retirees were now more confident about their healthcare situation than were the post-1983 retirees; furthermore, the longer the respondents had been retired, the greater was the increase in reported confidence about their present healthcare arrangements. It might be speculated with advancing age and concurrent awareness of the nature and extent of health needs and actual resources available, their apprehension may be realistically diminished. Another might be the actual availability of health benefits—like Medicare, USC Senior Care and other supplemental health insurance plans that were not necessarily accessible to them either before age 65.

Even with a general optimism about healthcare, several were concerned about prescription insurance coverage and the gap between Medicare and other coverage costs. Another anxiety was the cost of care-giving to un-well spouses or to either totally or partially economically dependent older relatives in or out of the home.

HINDSIGHT

When asked about circumstances that had turned out differently than they anticipated, 53% of the respondents reported that nothing yet had been a surprise. Another 16% declared that retirement was better than they had expected. Surprises from being busier than expected to having unforeseen problems were reported.

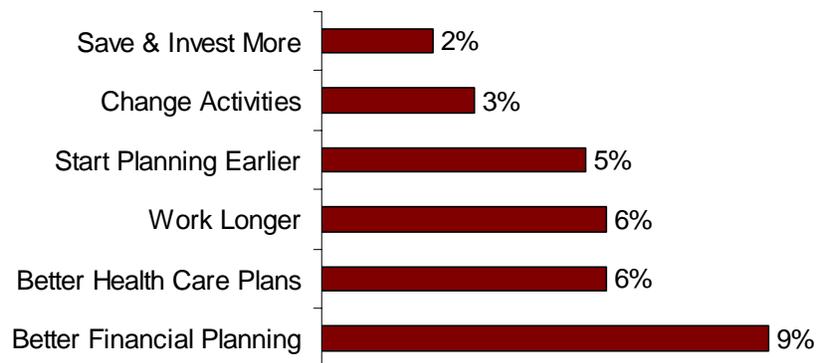
Surprises in Retirement



Other surprises noted by at least one percent of the responders was 1) astonishment at how much they missed the University environment, 2) unexpected death of the spouse, 3) being unprepared or not fully aware of available benefits and 4) moving from one location to another turned out differently than they had planned or expected.

Findings suggest considerable self-satisfaction about how retirement has worked out for the retirees, whether by plan or fortuity. However, 30% of all respondents did wish they had done something different as they moved into the retirement phase. Earlier and more thorough financial planning was of most concern for those who would have done something different.

Would Have Done Differently

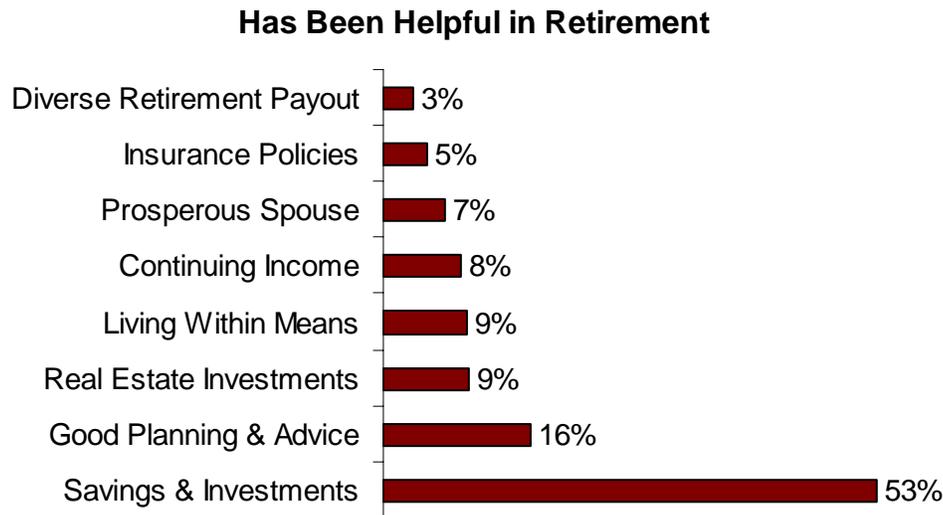


Although there was little difference among the actual responses of men and women to this question, more staff retirees (60%) than faculty (40%) declared they would have planned and prepared differently.

Respondents who are older and also had been older when they retired from USC were more comfortable about the planning they did for retirement. Further, it was evident that married retirees, whether men or women, faculty or staff retirees, tended to fare better than the unmarried retirees.

Retirees often differed sharply from each other about how they or others might have prepared for retirement, for instance, 2% wished they had retired sooner while 6% regretted not having worked longer.

To the question about what responders deemed helpful in retirement, a range of factors, sometimes only one, but more often several were identified. All helpful elements noted by more than 2% of the responders had to do with financial saving and investments being at the top.



A few responders referred to their continuing good health, having “good luck,” or moving to a less expensive location as having been particularly helpful.

THE PAST AS PROLOGUE

The Prologue: This survey of USC retirees’ “situation and circumstances” yielded a gratifyingly rich harvest of information that offers useful guidelines to the Emeriti Center as it considers the past experiences and current and future needs of retirees. Despite some variations about reasons and timing of their retirement, the ages of the responders ranged from 56 to 107 years—the median was 79.

Retiree Recommendations for the Future: To the Survey’s solicitation for advice from the responders that might help others in their planning for retirement, 416 offered more than 550 suggestions. These included variations on saving and investing (222); knowing one’s financial status and resources, decreasing expenses and debts (53); engaging in satisfying activities in retirement (53), earning some income or just keep working at something (41); staying healthy (24); consulting a retirement adviser (22); planning where to reside in retirement (8) and having an understanding with one’s heirs (7), etc.

Recommendations for Emeriti Center Action: The purpose of this survey, as well as finding out how the USC faculty and staff are doing, was to discover ways to address the expressed and/or implied needs of present retirees and to help in facilitating the transition to retirement of employed USC faculty and staff. The following are some suggestions for setting this survey knowledge into action.

I. For Retirees:

- A. Tackle the often-delicate subject of day to day money management as well as retirement financial investments.*
- B. Establish a regular column in the Retiree Community Newsletter available to retirees where general or specific retiree questions can be answered by experts.*
- C. Explore developing an emergency fund for exceptional needs of retirees.*
- D. Develop a plan for regular dissemination of relevant information/advice and resources about wellness, financial management and investments, care giving, opportunities for voluntarism—and other avenues for improving the quality of a retiree's life.*

II. For Future Retirees

- A. Encourage employees to think early about planning for future retirement.*
- B. Develop and implement a plan for regular dissemination of relevant information/advice about financial and wellness planning in addition to website postings.*
- C. Transitions programs should include: 1) Pre-retirement financial planning that incorporates not just resources available for investment options and opportunities, but also normal money management and anticipation of special needs that may arise in terms of future financial and health needs; 2) planning for future life styles (and locales) suited to the needs and personalities and interests of the future retiree; 3) clear explanations of the range of USC benefits available at retirement, especially including health and wellness resources and how to use them.*
- D. Create a panel of experts who can: 1) counsel employees about handling investments and 2) suggest resources for obtaining such information in addition to USC vendors already available to USC employees.*
- E. Develop a mechanism for advising and keeping informed near-future retirees about such matters as post-retirement work options with community or University involvement.*

For years, the health and financial well-being of all USC faculty and staff have been high priorities of the University. Efforts in these two areas continue to improve as evidenced by the current programs offered by USC Benefits Administration, Retirement Plans Administration, the Center for Work and Family Life, Staff Assembly, Academic Senate, the Provost's Office, USC Credit Union and others. The USC Emeriti Center supports these efforts and works in partnership with them whenever possible, especially in collaboration with USC Benefits Administration for the annual Transitions Sessions. Acknowledging that 64% of USC retiree respondents expressed confidence in health care and 75% noted financial confidence in retirement underscore USC's ongoing efforts to support the well-being of USC faculty and staff during their working years and into retirement.