



BIG IDEAS. BETTER RETIREMENTS. | EDITION 5 | MARCH 2025 | TIAA.ORG/TMRW

TMRW



The TIAA Annuity Payout AdvantageSM
offers even more income in 2025.
That's something worth celebrating.

BIG IDEAS. BETTER RETIREMENTS.

TIAA is a leading provider of retirement plans for thousands of institutions, helping bring the promise of secure retirements to nearly 5 million people. We were founded more than 100 years ago to help teachers retire with dignity, but our mission of helping those who help others has expanded well beyond education. We stand hand-in-hand with our clients, offering them a path toward the financial stability they need for better retirements.



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Tell us what you think. Share your feedback about this publication at TMRWpublication@tiaa.org.

Eschewing the ‘syrupy mush’

Warren Buffett, a master communicator as well as a master investor, elevates letter-writing to an art form. He’s always believed shareholders deserve to hear the straight story, the bad with the good—no “syrupy mush,” as he put it recently.¹

TIAA clients and their advisors deserve the full picture too, so here it is: It’s an unstable operating environment out there for nonprofit organizations. Rising costs, a revolving door of talent and generational demographic shifts all challenge your ability to carry out your organization’s mission.

This is all on top of managing a retirement plan amid sweeping cultural, social, economic, political and policy change. People are living longer, healthier lives and, as a result, are spending more time in retirement. Traditional sources of guaranteed retirement income face tremendous uncertainty: Fully 85% of employers say workers need guaranteed income beyond Social Security.² Defined contribution (DC) plans have helped many people build wealth, but they need to adapt so more people can count on their wealth to provide guaranteed payouts for life.

TIAA was built for these uncertain times. Our nearly \$300 billion general account, the second largest in the industry, means we can invest for the long term in ways many other insurers cannot.³ Because of how we’re structured, we can return profits to our participants—not corporate stockholders or private owners—through potentially higher interest (or crediting) rates for savers and higher payouts for retirees who annuitize. That last point is key, since retirees can effectively get more income even in uncertain times. That’s at the crux of the latest TIAA Annuity Payout AdvantageSM. Read more on page 2.

This edition of TIAA TMRW also examines the differences between retirement plan annuities and those in the retail market, shares ways to protect participants from cyberthreats and discusses the economic pressures facing higher education. We understand how much goes into running a retirement plan, on top of serving the greater good. And it’s our mission to help.



JIM MULLERY
Head of Institutional Relationship Management

¹ Berkshire Hathaway annual shareholder letter, 2023.

² TIAA 2024 Building a Better Retirement survey.

³ As of December 31, 2024.



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A banner year for income

The 2025 TIAA Annuity Payout AdvantageSM shows that retirees can get more out of their savings—in some cases, a lot more. That's something to celebrate.

Recent financial news has been particularly vexing for anyone nearing or in retirement.

New economic policies (and political bluster) are stoking concerns about inflation, volatility in stocks and uncertainty in bonds. None of it inspires confidence if retirement's especially close and you're thinking about how you'll afford the lifestyle you hoped and planned for when you stop working.

But there are some guarantees amid the chaos: Converting even a modest portion of your retirement savings to a TIAA fixed annuity ensures guaranteed income and can deliver more spending power than savings alone.

Drumroll, please...

The 2025 TIAA Annuity Payout Advantage¹ is 33%—up one percentage point from a year ago.

Last year we introduced the TIAA Annuity Payout Advantage in the spirit of simplifying one of life's most daunting financial decisions—how

much to withdraw from your savings each year over a multitude of market and economic cycles without ever running out of money.

The TIAA Annuity Payout Advantage is a metric, based on real inputs and realistic assumptions, designed to illustrate the first-year retirement income benefits available through a TIAA fixed annuity. It measures, in percentage terms, the difference between what a first-year, 67-year-old retiree can withdraw (using a popular retirement spending formula known as the 4% rule) and what they could get by converting a third of their savings into lifetime income with the TIAA Traditional² fixed annuity (choosing a single-life option with a 10-year guaranteed period).

For a 67-year-old with \$1 million in total savings, 33% is the difference between being able to spend \$53,154 in their first year of retirement versus having just \$40,000 in spending money.

What it means to “annuitize.”

Quick refresher: A fixed annuity is an agreement that comes with a guaranteed minimum interest rate backed by the financial strength of the issuer. If your employer uses TIAA as part of its workplace retirement plan, you can direct a portion of your paycheck into the TIAA Traditional fixed annuity in your saving years like any other investment option in the plan, except a fixed annuity guarantees steady growth, regardless of the market. There’s never an obligation to convert this balance into guaranteed income (in other words, annuitize).

If and when you opt to annuitize and receive retirement checks, the agreement comes with certain income options or guarantees, including a lifetime income option. Other decisions involve who is covered (just you, or a spouse too?) and whether to guarantee payments to someone else for a set period if you die. Your specific payout is determined in part by these choices. Younger people typically receive

lower payouts than older people; couples get lower payouts than single people. To calculate the TIAA Annuity Payout Advantage, we assume a 67-year-old person picks a single-life annuity with payments guaranteed for a minimum of 10 years, a popular choice.

How much to annuitize is a personal decision, and every situation is different. Many people consider a range of 10% to 40% of savings depending on income needs and desire for potential growth in the rest of the investment portfolio. We chose one-third of savings as our baseline assumption because it’s a common proportion TIAA sees. It could be higher or lower depending on, for instance, whether someone has pension income or how much of their living expenses they expect Social Security to cover. Annuitizing is a big decision and, once income payments begin, you can’t change your options.

We launched the metric with a promise to update it each year, and we knew the result would fluctuate along with the economic environment. Our 2025 number is one tick higher from 32% a year ago and remains squarely within its historical range of 16% to 44% since 1994—the year research on the 4% rule was published.³

While the number will change year to year, the TIAA Annuity Payout Advantage functions as an always-on demonstration of why it pays to consider adding guaranteed income backed by TIAA as part of your retirement income plan.


More money, more spending power.

The 2025 TIAA Annuity Payout Advantage translates into real money. For a 67-year-old with \$1 million in total savings (who annuitizes in the way our baseline scenario sets out),

the income advantage amounts to \$13,154 more in the first retirement year versus withdrawals alone—fully \$1,096 more per month. That’s concert tickets, vacations or gifts for the grandkids that might otherwise be out of reach.

Haven’t managed to save a million bucks? You can still get the same 33% advantage. For a 67-year-old with \$500,000 in total savings, 33% is the annual difference between \$26,577 and \$20,000—\$548 more per month when you include annuity income. A 67-year-old with \$250,000 in savings can receive \$274 more per month.

“A ton of information gets baked into this number,” says Benny Goodman, vice president with the TIAA Institute. “Understanding that you can get more income—guaranteed income—is a huge help when planning how to fund your future lifestyle, or even when to retire.”



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Benny Goodman, TIAA Institute

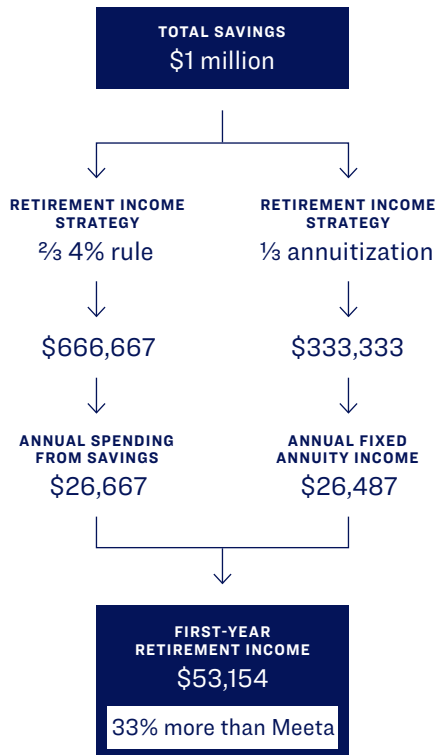
The TIAA Annuity Payout Advantage in action



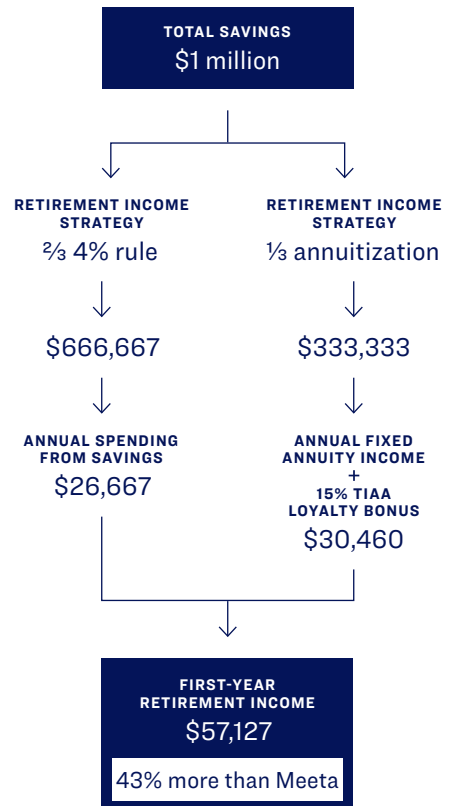
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How do we do it?

It might seem counterintuitive that the TIAA Annuity Payout Advantage would rise in 2025. After all, annuity payouts are loosely tied to prevailing interest rates, and the Federal Reserve lowered its short-term policy rate three times in the waning months of 2024.

But the payout rate we use to calculate our baseline TIAA Annuity Payout Advantage rose one-tenth of one percent, from 7.8% to 7.9%. This has everything to do with the workings of the TIAA General Account, or GA, the financial engine whose investments support interest payments we make to savers and annuitants.

TIAA's nearly \$300 billion⁴ GA portfolio is a highly diversified, global mix of mostly fixed income investments (bonds and the like). Interest rates on longer-term Treasury bonds have risen since September 2024, when the Fed cut its key short-term interest rate target for the first time in more than four years, so the GA portfolio has generally been able to invest on relatively favorable terms.⁵ And, as an extremely long-term investor with strong capital reserves, the GA can seek higher returns beyond conventional bond markets while maintaining high credit ratings.⁶ About 15% of TIAA's GA is invested in alternative investments such as private equity, real estate and real assets such as almond groves and vineyards.

But wait: there's more.

This year's 33% Annuity Payout Advantage is the baseline: It would be available to any 67-year-old retiree who transferred money into TIAA Traditional and began taking payments in March 2025, either within a workplace retirement account or an IRA offered through TIAA. This action is akin to purchasing a single premium immediate annuity (SPIA) outside your retirement plan.

But 33% is only the starting payout. For employees who have contributed to TIAA Traditional inside their retirement plan over their working years, the payout rate can be significantly higher. We call this exclusive feature the TIAA Loyalty BonusSM.

Historically, the longer someone has saved in TIAA Traditional, the larger their Loyalty Bonus, and the more income they could get when lifetime income payments begin. The Loyalty Bonus isn't guaranteed but, historically, a plan participant who contributed for the previous 30 years received a 15% larger payout upon annuitizing.⁷

This can be significant: Applying the historical long-term average Loyalty Bonus to the March 2025 payout rate, a 67-year-old annuitant with \$1 million in savings could receive \$57,127 per year compared with the \$40,000 they would get by making 4% withdrawals alone. Instead of a 33% Annuity Payout Advantage, they're getting 43% more first-year income (see page 6).

Getting a higher annuity payout in retirement through our Loyalty Bonus has major implications for savers, namely that someone could still meet an ambitious retirement income goal even if they haven't saved as much as they'd hoped.

Consider a 67-year-old targeting \$40,000 in first-year retirement income (not counting Social Security). Using the 4% rule, they'd need \$1 million in savings (since 4% of \$1 million is \$40,000). But if the same person annuitized one-third of their savings and received the historical 30-year Loyalty Bonus, they'd need only \$700,200 in savings to generate the same \$40,000 in the first year.

"It might sound like alchemy but it's simple math," says TIAA's Goodman. "Earning more retirement income means you can potentially still afford the lifestyle you wanted even if you finish working with less savings than you planned on."

TIAA Loyalty Bonus can mean more income.

The earlier you start saving with TIAA Traditional, the more your Loyalty Bonus could be. For instance, someone who began saving 30 years ago could get an initial payout 15% higher than someone who puts new money into Traditional. For someone with \$1 million, that means an additional \$3,973 in their first year of retirement, bumping their Annuity Payout Advantage up to 43%.

Average bonus if you've contributed for...

5 YEARS

3%

10 YEARS

5%

20 YEARS

9%

30 YEARS

15%

Reflects the historical income bonus available to a 67-year-old who selects a single-life annuity guaranteed for 10 years (based on averages for retirement dates from 1995 through 2024).

Hypothetical first-year retirement income for a 67-year-old

Not everyone will save a million dollars. But everyone can get an income advantage with TIAA Traditional. This table shows how it works at different savings levels.

TIAA generally recommends retirees cover two-thirds of their expenses with lifetime income sources. Social Security isn't enough for most people; the TIAA Annuity Payout Advantage not only can give retirees more money to spend, but it covers more expenses with guaranteed income.



TOTAL RETIREMENT SAVINGS	\$100,000	\$250,000	\$500,000	\$1,000,000
FIRST-YEAR INCOME WITHDRAWING 4%	\$4,000	\$10,000	\$20,000	\$40,000
TOTAL INCOME INCLUDING SOCIAL SECURITY	\$27,712	\$33,712	\$43,712	\$63,712
FIRST-YEAR INCOME FROM 1/3 ANNUITY, 4% FROM THE REST	\$5,315	\$13,289	\$26,577	\$53,154
TOTAL INCOME INCLUDING SOCIAL SECURITY	\$29,027	\$37,001	\$50,289	\$76,866
FIRST-YEAR INCOME FROM 1/3 ANNUITY, 4% FROM THE REST + 15% LOYALTY BONUS	\$5,713	\$14,282	\$28,564	\$57,127
TOTAL INCOME INCLUDING SOCIAL SECURITY	\$29,425	\$37,994	\$52,276	\$80,839

**33%
more**

**43%
more**

Table is hypothetical and for illustrative purposes only. Past performance is not a guarantee of future results. **TIAA Annuity Payout Advantage:** Calculation uses the TIAA Traditional "new money" income rate for a single-life annuity with a 10-year guarantee period at age 67 using TIAA's standard payment method beginning income on March 1, 2025 (7.9462%). Calculation assumes annuitization of 1/3 of total savings and 4% withdrawal of remaining 2/3 of total savings. **Loyalty Bonus:** In this table, TIAA Loyalty Bonus results are based on historical averages for retirement dates each month from Jan. 1, 1995, to Jan. 1, 2025, comparing "long-term contributors" vs. "new contributors" to highlight the difference in initial income. The long-term contributors in this table represent participants who have accumulated savings in TIAA Traditional for 30 years. **Social Security:** The U.S. Social Security Administration estimated the average monthly Social Security retirement benefit for January 2025 is \$1,976, or \$23,712 for the year.

What's the 4% rule?

The 4% rule, developed by a financial advisor in 1994, says a retiree has a strong chance to make their savings last 30 years if they withdraw no more than 4% in the first year they retire. For example, a couple with \$100,000 across retirement accounts shouldn't withdraw more than \$4,000 in their first year, while a couple with \$1 million shouldn't take more than \$40,000.

Then in subsequent years, retirees should withdraw the same dollar amount, adjusted for inflation. Over three decades, the 4% rule has become one popular way to estimate how much retirees can safely withdraw from savings in retirement.

But the 4% rule comes with caveats. It was created with a three-decade retirement in mind, so it's not terribly helpful for someone who wants to retire in their 50s or 70s. Market performance is hugely influential. Pulling out 4% of savings may be too optimistic when bond yields are low, as they were

for most of the 2010s. And, should the stock or bond markets fall sharply, the strategy may require withdrawing a higher percentage to deliver adequate monthly income. Doing so could increase the risk of running out of money since the retiree is effectively selling their assets after they have fallen in price and giving them no chance to rebound. For all these reasons, whether 4% is an appropriate number in any given year is a subject of much debate.

Rather than focus only on the 4% rule, TIAA generally recommends covering two-thirds of a retiree's income needs with lifetime income sources (through some combination of fixed and variable annuity payments, Social Security and pension payouts), while using withdrawals from an investment portfolio of stocks and bonds to cover the remaining third. Talk to a financial advisor about a comprehensive financial plan before annuitizing.

¹ The 2025 Annuity Payout Advantage is hypothetical and for illustrative purposes only. The Annuity Payout Advantage calculations use the TIAA Traditional "new money" income rate for a single-life annuity (SLA) with a 10-year guarantee period at age 67 using TIAA's standard payment method beginning income on March 1, 2025. Individual results may vary. Example: Participants A and B both are aged 67 and had retirement savings balances of \$1 million as of March 1, 2025. Participant A withdrew 4% (\$40,000) in year 1. Participant B made a one-time transfer to TIAA Traditional and selected an SLA with a guarantee period of 10 years, starting on March 1, 2025. Participant B received an income rate of 7.9462% (\$26,487) on \$333,333 annuitized in year 1; Participant B also withdrew 4% (\$26,667) from the \$666,667 remaining savings balance in year 1. The result (\$53,154) is initial income for Participant B in year 1 that is 33% higher than the initial income of Participant A (\$40,000). Income rates for TIAA Traditional annuitizations are subject to change monthly. TIAA Traditional Annuity income benefits include guaranteed amounts plus additional amounts as may be declared on a year-by-year basis by the TIAA Board of Trustees. The additional amounts, when declared, remain in effect through the "declaration year," which begins each January 1 for payout annuities. Additional amounts are not guaranteed beyond the period for which they are declared. TIAA has paid more total lifetime income benefits than it has guaranteed every year since 1949. Over the past 30 years, TIAA has given 18 income increases to existing annuitants (as of January 2025). **Past performance is not a guarantee of future results.**

² TIAA Traditional is issued by Teachers Insurance and Annuity Association of America (TIAA), New York, NY.

³ Bengen, William P. 1994. "Determining Withdrawal Rates Using Historical Data." *Journal of Financial Planning* 7, 4 (October): 171-180.

⁴ As of December 31, 2024.

⁵ See U.S. Department of the Treasury's listing of daily Treasury Long-Term rates: Sept. 18, 2024 long-term composite at 4.06% versus Feb. 6, 2025 at 4.68%.

⁶ For its stability, claims-paying ability and overall financial strength, TIAA is one of only three insurance groups in the United States to currently hold the highest rating available to U.S. insurers from three of the four leading insurance company rating agencies: A.M. Best (A++ as of 7/24), Fitch (AAA as of 8/24) and Standard & Poor's (AA+ as of 5/24), and the second highest possible rating from Moody's Investors Service (Aa1 as of 10/24). There is no guarantee that current ratings will be maintained. The financial strength ratings represent a company's ability to meet policyholders' obligations and do not apply to variable annuities or any other product or service not fully backed by TIAA's claims-paying ability. The ratings also do not apply to the safety or the performance of the variable accounts, which will fluctuate in value.

⁷ Results based on averages for retirement dates each month from 1/1/1995 to 1/1/2025, comparing "long-term contributors" vs. "new contributors" to highlight the difference in initial income. The long-term contributor represents a participant who has accumulated savings in TIAA Traditional. The new contributor represents a participant who has

accumulated savings outside of TIAA Traditional. The new contributor annuitizes the same dollar amount as a long-term contributor when both participants reach retirement. The new contributor deposits their savings into TIAA Traditional the day before annuity payments begin, when both the new and long-term contributors are age 67. Both select a single-life annuity with a 10-year guaranteed period. 361 individual retirement month cohorts were analyzed. The long-term contributor assumes level monthly premiums over the stated investment periods. Percentage represents the average difference in initial income over each of the time periods for a long-term contributor vs. a new contributor.



A whole different animal

Sure, all annuities have things in common, but take a closer look and you'll find in-plan annuities to be quite different from those sold retail.



Annuities are getting a glow-up.

Americans are clamoring for reliable retirement income with a pension-like guarantee. Individuals bought nearly \$115 billion of retail annuities at the end of last year, making it the fourth year of record-high sales.¹ Meanwhile, employers are adding annuities to workplace retirement plans at the fastest rate since target-date funds enjoyed their own coming-out party in the late 2000s. Next-generation target-date strategies that include fixed annuities are on the brink of becoming ubiquitous. Today, more than 1 million participant accounts use a target-date strategy that includes an annuity from TIAA—up 50% in only one year.²

For years, the conversation surrounding lifetime income has been shifting from whether guaranteed income in retirement is important (it is!) to how best to acquire it. Answering the latter is more complicated than you'd think—especially when compared with other, somewhat more-commoditized financial products. When mutual fund investors shop for, say, an S&P 500 index fund, they know what they're getting with relatively minimal due diligence. The holdings are identical, by design, regardless of the asset manager. Fees matter, but these days the price difference often amounts only to the

cost of a latte per \$10,000 invested. Where the fund is held, be it a personal brokerage account or a workplace retirement plan, hardly matters.

It's a very different story with annuities.

With both fixed and variable annuities, there are substantial differences between the retail annuities sold via financial advisors and insurance

brokers, and the in-plan annuities (such as TIAA's) available in 403(b)s, 401(k)s and similar workplace retirement plans. How an annuity is distributed affects fees, interest rates and special features. Generally speaking, in-plan annuities are less complex and less expensive, and chosen by the employer. Retail annuities offer more customizable and often more complex options and the individual needs to do their own research.





Four factors make in-plan annuities different.

EASIER TO UNDERSTAND

In the retail market, buying an annuity can be a bit like buying a new car—and not in a good way. Do I want the base trim or do I truly need the extra-durable factory-installed floor mats? Sure, they'd be nice if I go hiking every day, but am I really going hiking every day? Each option or trim package prompts another wave of introspection, and its value can be hard to discern.

The options offered by retail annuities, known as riders, are there to pique buyer interest and meet a wider range of needs. But they come with extra costs. A retail fixed annuity might come with a death benefit rider to pay for funeral expenses, or an inflation rider to protect against cost-of-living increases. A retail variable annuity might offer a guaranteed minimum withdrawal benefit (GMWB) rider, which guarantees return of 100% of premiums paid regardless of the performance of underlying stock or bond portfolios. Or it might offer a guaranteed minimum income benefit (GMIB) rider, which sets a floor or a minimum for payments to the annuitant during months when the underlying

portfolios underperform. All of these can provide peace of mind but can also leave you feeling like you paid extra for something you may not need.

Employers have a fiduciary duty to act in the best interests of participants and beneficiaries, which often means offering the best plan at the lowest possible cost—and *not* the one with the expensive floor mats. “Plan sponsors are mostly focused on value,” says Jim Mullery, TIAA executive vice president in charge of institutional relationship management. “They want value with service and value when it comes to competitive pricing.”

This is why TIAA's top variable annuity, issued by CREF, looks more like other low-cost investment options offered in a retirement plan than a typical retail variable annuity. The biggest difference is that CREF gives participants the option of annuitizing all or part of their plan balances to create retirement income for life at no cost. CREF also doesn't have the riders or commissions you'll find on most retail variable annuities.

LOWER COSTS

In-plan annuities are usually significantly less expensive than the average retail annuity. Like mutual

funds, variable annuities have expense ratios—calculated as a percentage of assets invested—that make cost comparisons between variable annuities from different companies easy. CREF's expense ratios range from 0.03% to 0.49%, whereas the average expense ratio for retail variable annuities is nearly five times higher—2.36% according to Morningstar.³ “CREF's expenses are as low as many other in-plan options,” says Bridget Bouchard, TIAA managing director for variable annuities product management. “And there are no additional fees for turning your income on at retirement.”

Comparing costs for fixed annuities, such as TIAA Traditional, is different. There are no published expense ratios with fixed annuities: The costs are taken as part of the spread, or difference, between the interest rate a fixed annuity pays participants and the rate of return annuity providers earn from investing participants' contributions. If an insurer expects to earn 6% on their general account's investments, for instance, it could guarantee a 5% rate for annuity holders, covering its expenses and maintaining the firm's financial strength with the remainder. The simplest way to compare fixed annuities is not by trying to assess how much of the spread an insurer is retaining, but by the rate they guarantee to pay annuity holders—much like how you'd compare bank certificates of deposit, which operate on the same principle.

For instance, the in-plan version of TIAA Traditional currently offers a competitive interest rate (also known as a crediting rate) in the 4.5% to 5.5% range on new money contributed through February 28, 2025. Unfortunately, there is no way to easily compare TIAA's rates with those of retail fixed annuities, since annuities sold directly to the public are quite varied. Moreover, even if a retail annuity has a comparable rate, they almost always come with a

sales charge—commissions not charged by in-plan annuities such as TIAA Traditional.⁴ Differences in rates and commissions also show up in the average payouts upon annuitization: The average monthly payout for a 65-year-old who annuitizes \$100,000 in new money is 9% higher for TIAA Traditional than for the average single premium immediate annuity (SPIA)—\$553 vs. \$506.⁵ Unlike TIAA Traditional, the rate people get on a retail annuity is based on their sex, so that average could be higher for men and lower for women.

Why are costs lower and returns higher for in-plan annuities like TIAA Traditional? At TIAA specifically, one reason involves our nonprofit heritage and structure (more on that in a moment). A more general explanation boils down to the advantage of being an institutional buyer: In-plan annuities are cheaper than retail annuities for much the same reason health insurance is cheaper through a workplace plan than buying it on your own. Groups have greater negotiating power and purchasing power. A workplace retirement plan for 10,000 employees will naturally have access to better deals and better pricing than an individual shopping on his or her own.

“TIAA is not selling these one at a time,” says Benny Goodman, a vice president and veteran actuary with TIAA Institute. “In the individual market, it can take a lot of hours for a broker to sell one annuity, and that broker has got to get paid.”

“We’re not paying wholesalers. We’re not paying outside advisors,” adds Mullery. “We have a yield that’s generally better than everybody else’s because we don’t have their distribution costs.”

BETTER RISK POOLING

Another reason in-plan annuities, TIAA Traditional in particular, have lower expenses and higher rates involves how well a company like TIAA knows its customers. Much like with



group life insurance, in-plan annuities are tied to life expectancy. This is why monthly payouts for someone who annuitizes at age 70 will generally be higher than for someone who annuitizes at 65. Sure, there are some 70-year-olds who will live another 30 years—just as there are some 65-year-olds who will only live another five. That’s where knowledge of the participants and the potential for outliers can help the annuity provider better manage risk and pass along the savings to employers and their employees.

“There are trends and tendencies, which means we can price the risk of the entire pool much better than that of one person walking down the street,” explains Tim Pitney, head of lifetime income default sales at TIAA.

POWER OF THE PLAN

Some of the benefits of in-plan annuities are universal to all in-plan investing: When plan participants save a little every month over many years in a 403(b) or 401(k)—as opposed to investing one lump sum at one time—they get exposure to many different market environments, which should smooth out their returns over time.

That said, there are annuity-specific advantages to the 403(b) and 401(k) style of saving. Because most retail annuities have minimum investments—sometimes up to \$100,000—the save-a-little-bit-every-month approach is hard to replicate in the retail market. There are also additional advantages specific to TIAA Traditional. Whether a retiree purchases a retail fixed annuity or annuitizes their plan balance, the monthly payout is based on a fairly standard formula tied to interest rates and actuarial tables. However, long-time contributors to TIAA Traditional get more than the standard payout—sometimes up to 15% more—thanks to the TIAA Loyalty BonusSM. The more years you’ve contributed, the bigger your bonus.

“TIAA has a nonprofit heritage, which means we return profits to participants,” explains Brenda St. Arnaud, TIAA’s managing director for fixed annuities product management. TIAA shares profits three ways: by adding additional amounts to the stated crediting rate while saving; by adding additional amounts to the stated payout rate after annuitizing; and via the Loyalty Bonus, which can increase the payout in the first year of retirement.

Then there are the tax advantages associated with in-plan investing. Retail annuities do allow investors to defer taxes on earnings. However, employees contributing to an annuity in a typical 403(b) or 401(k) get more bang for their buck because they are using pretax dollars. For an employee in the 32% federal tax bracket, a \$68-a-month, pretax contribution to CREF or TIAA Traditional would be the equivalent of \$100 using after-tax dollars.

The advantages of contributing within a Roth 403(b) or 401(k) are different but still substantial. While the contributions are made with after-tax dollars, any withdrawals and monthly payouts taken after age 59½ will be tax free. Says Goodman, “Owning an annuity in a Roth account is one of the few ways to generate guaranteed income in retirement that is completely tax free.”

¹ LIMRA, October 29, 2024.

² “TIAA and Nuveen’s Lifetime Income Target-Date Strategies Reach One Million Accounts,” tiaa.org, January 22, 2025.

³ Morningstar Direct, December 31, 2024.

⁴ “Annuity Fees,” Annuity Association, September 6, 2023.

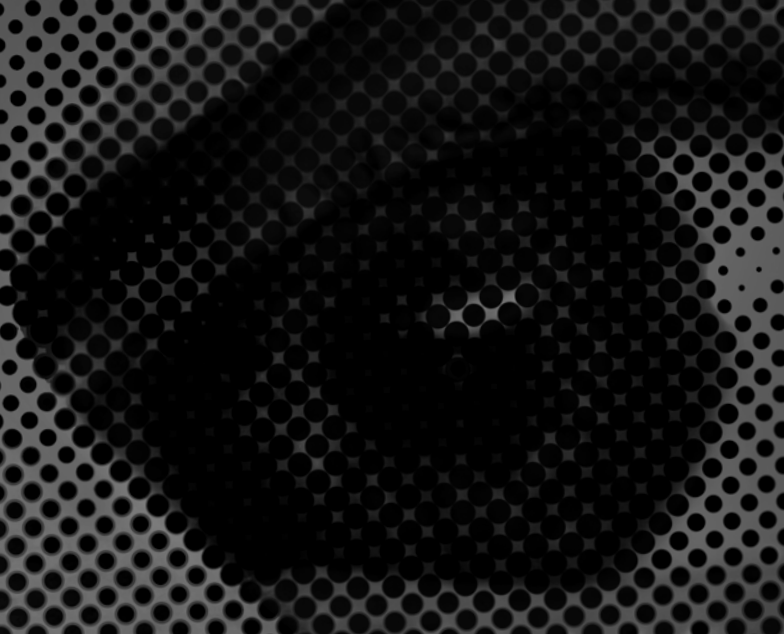
⁵ Single premium immediate annuity, joint life with 100% survivor for a male age 65 and a female age 65. Source: WINK SPIA Survey. Data as of January 28, 2025.

Please see important disclosures on the inside back cover.

AT A GLANCE: How in-plan annuities compare to ones sold on the retail market.

	IN-PLAN ANNUITIES	RETAIL ANNUITIES
WHERE TO ACCESS	Through a workplace retirement plan.	Through an independent financial advisor, a financial services firm or directly from an insurer.
FEATURES	Ability to dollar-cost-average into the annuity; convert savings into retirement income for life; additional no-fee options for joint-and-survivor benefits.	Similar to in-plan annuities but more likely to offer additional rider options for death benefits, inflation and minimum income benefits, among others.
COSTS	<p>Variable annuities: expressed as an expense ratio, similar to a mutual fund.</p> <p>Fixed annuities: no expense ratio or other fee; the stated rate reflects what the insurer guarantees, similar to a certificate of deposit from a bank.</p>	Similar to in-plan annuities though often higher due to sales charges and any additional features as listed above. Some charge fees to annuitize.
TAXES	Contributions to a workplace retirement plan are tax advantaged: Pretax or Roth contributions to an in-plan annuity follow the tax rules of any other plan contributions.	Retail annuities are generally purchased with after-tax money. Taxes on earnings are deferred.





Retirement in the age of cybercams

How to protect your employees,
your plan, and yourself.

The number of fraud complaints doubled between 2019 and 2023. Total losses rose fivefold—from \$1.9 billion to \$10 billion.

\$1.9B

2019 LOSSES

Last summer, Richard Immesberger, president and chief executive of TIAA's trust company, got the type of phone call he's come to dread.

A junior associate informed him that an elderly client wanted to transfer more than \$2 million to a man the client had never met. The woman had fallen prey to a romance scam, and everyone realized it but her. "She was about to drain every last dollar she had," says Immesberger.

Next-generation fraudsters have learned that crime pays more easily when it's aided and abetted by the victims themselves. Immesberger had no legal authority to permanently prevent the client from giving away her savings to someone trying to rob her. All he could do was delay and drag his feet and try to convince law enforcement to step in before it was too late. In cases involving those 65 and older, the Financial Industry Regulatory Authority, or FINRA, permits financial companies to put holds on suspicious transactions for up to 30 days.¹

"I was prepared to stand in front of a judge and justify what I was doing, but I knew I would lose at some point,"

Immesberger says. "In the end, it's their money."

Thankfully, this story had a happy ending. TIAA convinced law enforcement to knock on the client's door and try to set her straight. It worked. Problem is, too many such stories do not have happy endings. According to new TIAA Institute research authored by Marti DeLiema, a gerontologist and assistant professor at University of Minnesota's School of Social Work, today's scams are more frequent, more sophisticated (darn you, artificial intelligence!) and more successful than ever.²

Federal Trade Commission data show the number of fraud complaints doubled between 2019 and 2023. Total losses rose fivefold—from \$1.9 billion to \$10 billion.³ Older Americans are especially vulnerable: Median losses for those age 70 and older were \$10,000, compared to a range of \$450 to \$3,000

\$10B

2023 LOSSES

for consumers younger than age 50.⁴ Federal Bureau of Investigation data paint an even bleaker picture: According to the FBI, the average losses experienced by older victims (age 60 and above) were nearly \$34,000 in 2023—close to four times the amount reported to the FBI just three years earlier.⁵

Even those numbers may understate the problem. Due to shame and embarrassment, financial scams are “vastly underreported,” according to DeLiema. “Older adults may have more to lose socially from acknowledging they’ve been a fraud victim,” she says. “Maybe they’re worried their children will try to take more control over their financial decisions if they found out.”

What can retirement plan sponsors and recordkeepers do to fight back? A lot—and some of it boils down to protecting participants from themselves.

Two scam types are the most common:

IMPOSTER SCAMS

Someone claiming to be with the FBI or another agency convinces victims their money is not safe. The scammer conveys a false sense of urgency. He tells victims they must move their money right away. He uses low-cost

tools such as number spoofing and Voice over Internet Protocol (VoIP) to make it appear his calls are coming from the impersonated agency.

The New York Times recently told the story of a 76-year-old who lost his entire life savings to such a scam. The retired lawyer thought he was speaking with federal investigators, who warned him criminals had infiltrated the bank where he kept his retirement accounts. In fact, the real criminals were the “investigators,” who eventually convinced the man to wire his savings to “safe” accounts that were anything but.⁶

ROMANCE SCAMS

Lured by promises of love and companionship, victims are groomed by remote predators for months. Eventually, according to the TIAA Institute, the fake love interests present a series of escalating crises—an unexpected hospitalization, loss of employment, travel expenses, etc.—that are keeping the lovebirds apart. The scammers ask the victim for financial help to resolve each crisis.

One reason older adults are especially vulnerable—apart from the obvious fact they have more savings and thus more to lose—is loneliness. A University of Michigan survey found that 34% of adults aged 50 to 80 feel socially isolated.⁷ The problem is magnified when decision-making is compromised by cognitive decline. “Scam messages are intentionally

“I was prepared to stand in front of a judge and justify what I was doing, but I knew I would lose at some point... In the end, it’s their money.”

Richard Immesberger, president and chief executive of TIAA's trust company

10 INSTITUTIONAL COORDINATION 1011100010110110110

designed to exploit psychological vulnerabilities and unmet needs,” according to TIAA Institute, “and lonely individuals may be more willing to engage with scammers who provide emotional validation and companionship.”⁸

Scam prevention and intervention

One guardrail TIAA builds into its retirement plans is a ban on money transfers to outside accounts not controlled by either the client or a designated beneficiary. While this safeguard can slow scams down, a victim can still request a transfer from their TIAA account to their bank account and then from their bank to the scammer. This, says Immesberger, is why it’s so important for fraud-prevention teams at financial institutions to cooperate with one another and work together—to communicate and intervene when they believe mutual clients may be at risk of financial exploitation. Indeed,

an investment company like TIAA may be in a better position to spot scams, thanks to the close relationships that often exist between wealth advisors and clients.

In addition to employing technical solutions to identify scams and frauds, TIAA trains its client-facing associates to recognize and report suspicious transactions and interactions. A dedicated team of fraud fighters then investigates. Additionally, our public Security Center on tiaa.org helps participants and plan sponsors alike stay abreast of red flags and safety offerings.

Problem is, not all scams raise obvious red flags. When a 95-year-old suddenly wants to give \$500,000 to a stranger, that may set off alarm bells. But if the sum being transferred is \$5,000, there’s a better chance of it falling through the cracks. In these instances, the best defense is education. Plan sponsors and plan managers can educate participants about scams and how the scammers operate. In her research, DeLiema found that people who had heard about a particular

scam prior to being targeted were half as likely to become victims.⁹

Effective scam-awareness messaging should:

- Familiarize plan participants with imposter scams, romance scams and other frauds.
- Advise people to hang up on unknown callers.
- Explain why people never should allow strangers to remotely access their computers.
- Provide tips on how to practice good digital hygiene, such as recognizing phishing attempts and not clicking on suspicious links that may execute malicious software.
- Convey the importance of reporting when someone is victimized as soon as it happens. (Banks and investment companies may be able to reverse fraudulent transactions if they are informed quickly.)



- Emphasize that participants should talk to trusted family members before making large investments or transactions.
- Reinforce the importance of participants providing “trusted contact” details to their retirement plan recordkeeper.
- Get updated regularly to keep up with the latest scams.

Reminding retirement savers to share trusted contact details is critical. The information authorizes investment companies to contact the trusted individual if there is suspicious account activity or a concern about client behavior. “It’s not a miracle cure,” says Rick Swenson, TIAA managing director for fraud strategy and governance, noting that a trusted contact cannot halt withdrawals. “But it does help to have a trusted person reach out to the customer to ensure all is well.”

Sometimes, all it takes is one conversation. “Sometimes it breaks the veil of secrecy,” says DeLiema. “It can

pierce through the control the scammer has placed over the person, especially if the trusted contact has a really positive relationship with the potential victim.”

Weaponization of AI

Scammers, unfortunately, are innovators. They now use deepfake technology to digitally clone voices and likenesses of victims’ relatives and coworkers, thereby deceiving victims into transferring funds. And whereas spelling and grammatical errors used to be dead giveaways that emails were penned by scammers, AI has fixed this Achilles heel.

“Now that scammers use generative AI, we’ve had to throw out a lot of our old consumer advice,” says Brendan Purcell, TIAA senior director for enterprise fraud detection.

The good news is that fraud fighters can use AI to beat AI. TIAA, for instance, employs machine learning models that detect unusual activity in large data sets. These sophisticated models can analyze participant

interactions or financial transactions to determine if certain activity should be investigated or intercepted. Says Dale Jones, TIAA managing director for enterprise fraud management, “We are leveraging innovations and advances in technology to beat scammers at their own game.”

¹ Rule 2165: Financial Exploitation of Specified Adults, FINRA.org.

² Marti DeLiema, “Safeguarding retirement in the age of scams,” TIAA Institute, January 2025.

³ FTC Consumer Sentinel Network Data Books, 2020 and 2024.

⁴ Marti DeLiema, “Safeguarding retirement in the age of scams,” TIAA Institute, January 2025.

⁵ FBI Elder Fraud Reports, 2020 and 2023.

⁶ Tara Siegel Bernard, “Scammers Are Targeting Older Americans and Their Retirement Savings,” New York Times, July 29, 2024.

⁷ “Trends in Loneliness Among Older Adults from 2018–2023,” University of Michigan National Poll on Healthy Aging.

⁸ Marti DeLiema, “Safeguarding retirement in the age of scams,” TIAA Institute, January 2025.

⁹ Ibid.

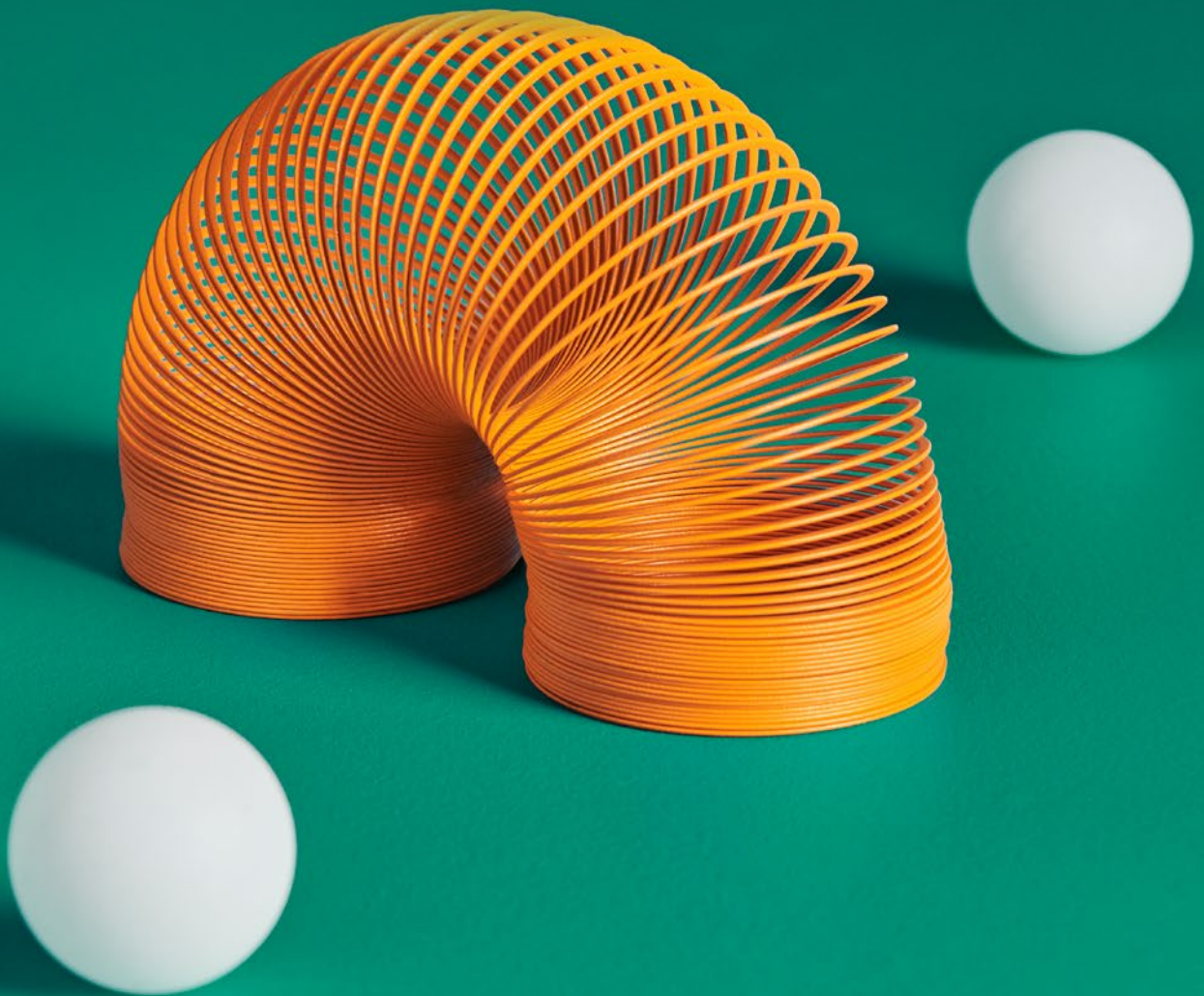
Higher education is feeling economic pressure from all directions. But with a mix of strategy and ingenuity, many are finding ways to build anew.



A BRAVENE




W MACHINE



MARKET EXPANSION

Institutions are stretching to reach students of all kinds: from career-changers to first-time undergrads, no matter what their ages.



Innovation may be the new paradigm to reverse harrowing trends and recast the future of higher ed.

FACING MOUNTING FINANCIAL PRESSURE,

Jeffrey Docking, president of Adrian College in rural southeastern Michigan, cast the lure of a college-funded varsity bass fishing program. Applications soared. Enrollment improved, too.

Aside from bass fishing, Adrian College has launched 48 new majors, minors and certificate programs over the past four years—including artificial intelligence, computer science, sales and supply chain management—all based on student demand and industry need.

Adrian College's fortunes reversed. "Our enrollment is either up a little or at the water line," Docking says. "We attracted traditional students with a better ability to pay, and many came here because of our new academic programs." And by leveraging current teachers, sharing classes among institutions and generally pooling resources, they maintained enrollment without adding much, if any, extra cost.

Bass fishing may not fit the traditional image of higher education, but innovation may be the new paradigm to not only reverse harrowing

trends but help recast the future of higher education.

At a recent TIAA Institute Fellows Symposium, "Framing the Future of Higher Education," experts and academic leaders explored the many headwinds facing higher education—declining numbers of traditional-age college students, increased labor costs, state and federal funding cuts, empty seats and increased concerns over higher ed's return on investment—and strategies to chart a way forward.

Institutions will need to get creative and infuse new energy into their machines by offering crowd-sourced curricula, accelerated degree programs and entirely reimagined institutions, just for starters. Forget the old college try: Change needs to be made with alacrity and at scale.

NEXT-GEN RECRUITMENT

To fill empty seats, institutions are taking a page from Marketing 101: Know your audience. That's fueling a different approach to curriculum. Bowling Green State University, for example, now offers a degree in pop culture—with course requirements of pop music and pop television. Merrimack College in Massachusetts joined a small cohort in exploring three-year bachelor's degrees. A growing number of institutions offer free medical school for students pursuing less lucrative but much needed specialties like internal and family medicine.

Universities and colleges are also expanding their target markets by wooing nontraditional students. For instance, Tennessee's free community college project, TN Reconnect, looks to attract older adults who haven't yet attended college. New programs include more professional coursework alongside flexible calendars that enable credentialed development—especially important for people whose

jobs are changing or being eliminated by technology.

Other institutions want to cast a wider net as the number of 18-year-olds declines, but many need to adapt in order to serve a broader age spectrum, says James Appleby, executive director of the Gerontological Society of America. By adopting an “age-inclusive” model, institutions can attract older learners seeking new skills or career changes, but that’s not all. By blending all age groups into a class, Appleby says, schools facilitate knowledge transfer between generations that helps prepare everyone for a multigenerational workforce.

VALUE’S IN THE EYE OF THE BEHOLDER

Another challenge for higher education is explaining the value of a four-year degree to students and their families. Their skepticism isn’t just about rising tuition costs. A growing number of schools—including smaller colleges like Amherst, Grinnell and Pomona—have replaced loans with grants for students seeking financial aid.

“Few people pay the ‘sticker price,’” says Richard Ekman, president emeritus of the Council of Independent Colleges.

Yet many families still face a significant financial burden with tuition bills. A frequent question is whether a four-year degree is worth the cost.

“Colleges need to do a better job of pointing out that tuition is an investment in the graduate’s long-term capability to earn more than a noncollege graduate—often as much as \$1 million more over a lifetime,” Ekman says. A 2022 study from Pew Research Center shows that while non-degreed workers were making more money compared to 10 years prior, the earnings gap between four-year college graduates and those without degrees was still more than 40%.¹ That gap has increased steadily since 1970, according to Pew.

Many schools are trying to be more responsive to marketplace demands and employer needs and find ways to better connect education to salaries. The growth of technology—and now AI—as a portion of the economy has spurred more STEM-related graduates across college campuses. From 2023 to 2033, science, technology, engineering and math jobs are expected to grow at more than three times the rate of non-STEM jobs.² Nine out of 10 of the top-paying college majors are STEM-related.³

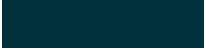
“As AI increasingly outperforms humans in predictive analytics and information processing, we need to shift our focus toward what humans do well: sense-making, creativity, empathy, critical thinking, judgment, ‘reading’ the other and navigating culture,” says Paul LeBlanc, former president of Southern New Hampshire University and author of “Students First: Equity, Access, and Opportunity in Higher Education.” “The Age of AI is an invitation for non-STEM disciplines to reinvigorate and reinvent themselves for this age in which we find ourselves.”

SMARTER TOGETHER

Schools at the greatest risk of failing are the hundreds of small liberal arts colleges competing against more-resilient large schools with massive endowments, according to Ricardo Azziz, a former president of Augusta University and founder and principal of SPH Consulting Group.

“Mergers are difficult, but preferable to closures,” Azziz says. “The problem is that leaders in higher education are generally loath to consider mergers until the absolute last minute. By then they have little to offer a merger partner.”

Nonetheless, mergers among higher education institutions are becoming more common. The number of higher ed merger and acquisition transactions increased threefold in recent years, to



Many schools are trying to be more responsive to marketplace demands and employer needs.



MERGERS

Many smart colleges aren't leaving success to chance; they're combining their cards and merging to win together.



CURRICULAR INNOVATIONS

Higher ed isn't waiting for winds of change: Institutions are circulating fresh ideas throughout their classrooms to fan enrollment growth.

31 transactions between 2016 and 2020, up from 11 in 2001 to 2005.⁴ Another 16 nonprofit colleges and universities had closed their doors.⁵

Perhaps nowhere is this trend more evident than in Vermont, where—while reeling from financial losses due to Covid-19—three struggling four-year public universities merged in 2023 into one new entity: Vermont State University. While not often the preferred path for many institutions, mergers can offer not just a lifeline but renewed viability. At the combined Vermont State University, fall 2024 enrollment rose 5% compared with the prior year. The enrollment of first-year students alone jumped 14% over the same period compared with a nationwide increase of just 3.3% for freshmen at four-year public universities.⁶

“When the merger officially began, we were building the plane while we were flying it,” says Jamia Danzy, Vermont State University dean of students. “Now our students can take classes between campuses, interact with one another through programs and intramurals at another campus or even switch campuses relatively easily to find a better fit.

“Ultimately, we serve a student population that really needs an affordable, accessible higher education,” Danzy says. “And we want to provide them with an experience that serves them and their families well and prepares them to be successful citizens.”

¹ “Is College Worth It?” Pew Research Center, May 23, 2024.

² Bureau of Labor Statistics, Table 1.11 Employment in STEM occupations, 2023 and projected 2033.

³ New York Federal Reserve, “Labor Market for Recent College Grads,” February 22, 2024.

⁴ “Strengthening higher education comes through partnership, alliances, and mergers,” McKinsey & Co., July 20, 2023.

⁵ “Looking Back on 2024 in Higher Ed,” Inside Higher Ed, December 17, 2024.

⁶ National Student Clearinghouse Research Center, January 23, 2025.

HOW TO TURN TRENDS INTO OPPORTUNITIES

No single trend dictates an institution’s destiny. Strong leadership makes it possible to spot genuine growth opportunities, or warn of potential risks. Here’s how to approach a change in thinking.

STEP 1: Start with good data.

Trends will only be as good as the data sourced. Use what’s dependable: The National Student Clearinghouse Research Center offers data cuts that drill down to local levels, and can tell many stories around enrollment trends and what interests students. The American Academy of Arts and Sciences and the State Higher Education Executive Officers Association are good sources also.

STEP 2: Then personalize it.

Trends will differ by region, institution type and even the kind of student you wish to attract. Students interested in big Southeastern universities likely want different experiences from those looking at liberal arts schools in the Pacific Northwest. Focus on what’s a logical extension of your institution.

STEP 3: Build on your strengths.

Compare your institution’s internal strengths to the trends you find. Perhaps your college or university is already part of a nascent trend you can further develop. STEM schools are bringing back liberal arts classes to help students better prepare for the working world, and liberal arts schools are leaning into their science programs as students flock to high-paying majors.

STEP 4: Plan your entrance strategy.

Being an early mover on a trend can involve a lot of work creating and piloting programs. Bass fishing, while a growing interest elsewhere, may be an unlikely fit at your institution if you don’t have the right talent to teach. Instead, consider creating a complementary program in environmental studies or look for opportunities to fill another gap in the marketplace.



Photo: Ben Alsop

ON HIGHER EDUCATION AND HEALTH CARE

Saving for retirement is only half a plan.

Few industries help workers save more than higher education and health care. But saving is just half the story. According to our recent survey, employers are turning their attention to helping people spend in retirement.

There's a big transition underway with retirement. TIAA's inaugural "Building a Better Retirement" survey demonstrates that employers have basically solved for saving—workers know how important it is and behavioral nudges steer people toward success. In particular, health care is out front in terms of using automated features, with higher education a fast follow.

What's next? Ensuring retiring workers have a withdrawal strategy that will help those savings last longer while also providing income throughout their lives. Higher ed and healthcare employers are giving this effort equal prominence while taking different approaches.



Scan the QR code to download the full report.

TIAA's Building a Better Retirement survey included 500 C-suite leaders in finance and human resources across 17 industries, including 126 employers in higher education and 50 in health care. The online survey ran between June and August 2024 and phone interviews followed in November 2024. This blind survey was conducted with Greenwald Research, and respondents did not know TIAA developed or sponsored it.

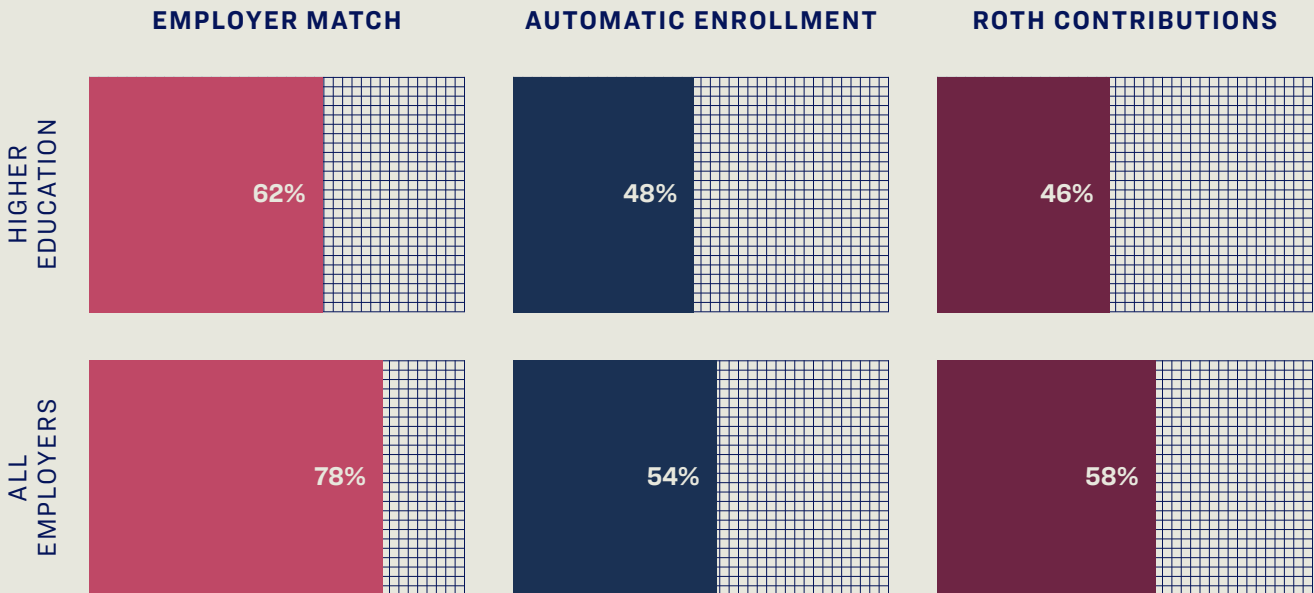
Higher education: What's old is new again.

Higher ed employers were the first to adopt annuities and emphasize the need for retirement income. In the past two decades though, the emphasis shifted toward helping employees save more by adding new features to the plan and target-date portfolios to the default.

Now that the pendulum is swinging back and other industries are adding annuities to their plans, higher ed is ahead of the curve—but they may not recognize the hidden gem in their plans. Newer leaders and younger workers especially want education.

Shoring up saving.

Higher education makes saving easier today, with room to improve.

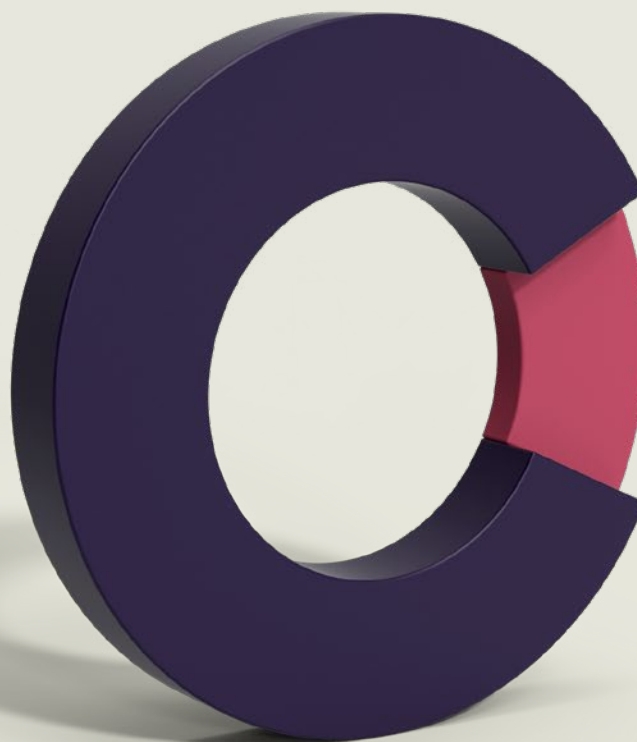


Reviving income.

Higher education has a head start on income but may not realize it.

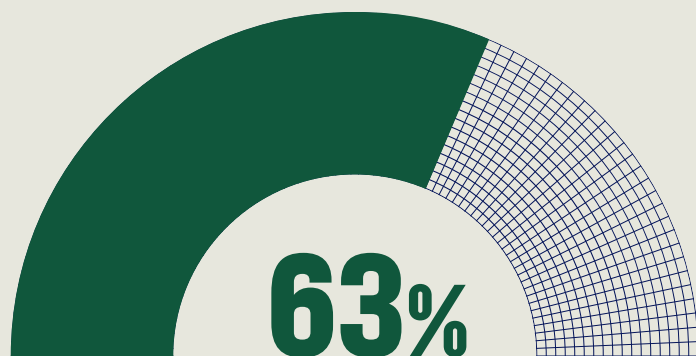
85%

of higher ed employers expect annuities to gain momentum, similar to fast adoption of target-date portfolios.



Only 30%

say they do a good job at delivering retirement income guarantees, even though **1 in 2** offer annuities today.



say they can't explain the value of an annuity. They also want more education to help their employees understand it.

Health care: Wellness is in their DNA.

Healthcare leaders say retirement benefits don't help them win on talent, but that doesn't deter them from doing what's right. In an industry with high turnover, 80% say they feel responsible for employees' retirements, and they take a hands-on approach with saving, financial well-being and retirement income.

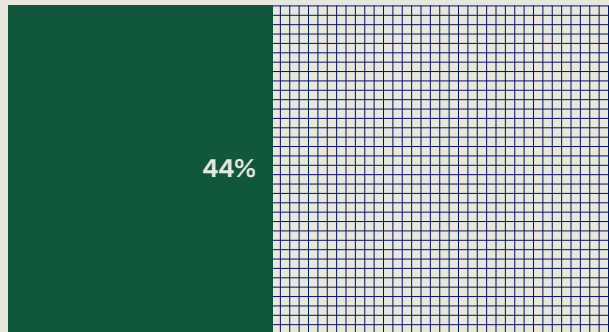
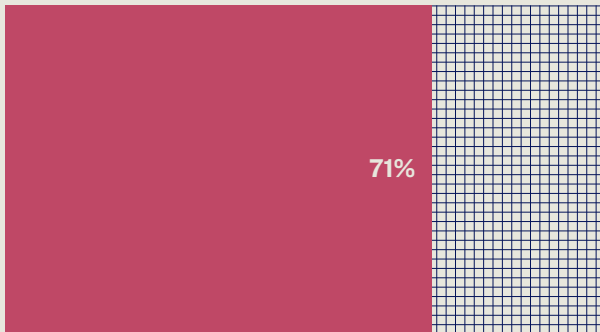
First, they take care of saving.

Healthcare employers know employees need to save, so most automate it today.

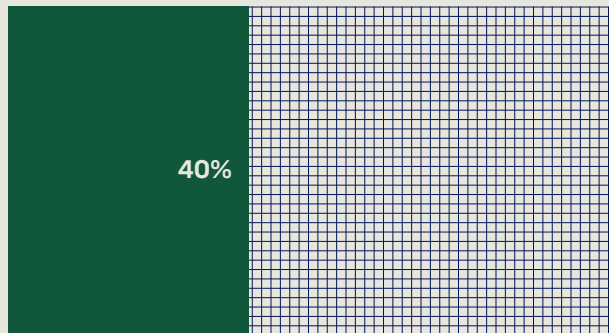
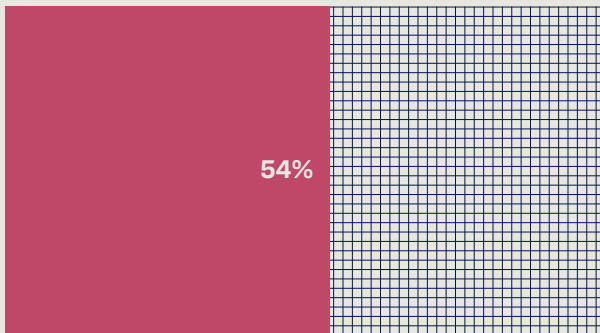
AUTOMATIC ENROLLMENT

AUTOMATIC ESCALATION

HEALTH CARE



ALL EMPLOYERS



Next, they help with near-term goals.

Two-thirds

offer financial wellness programs, well ahead of employers overall (54%).

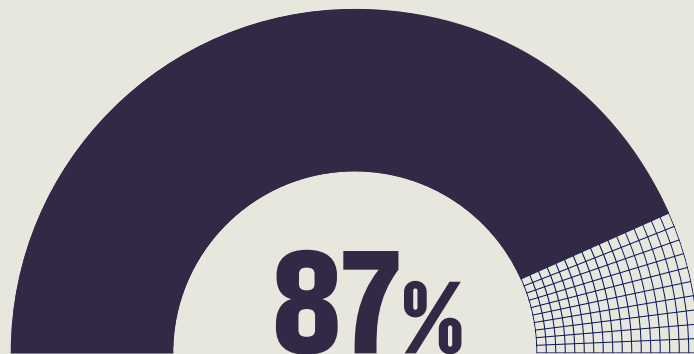
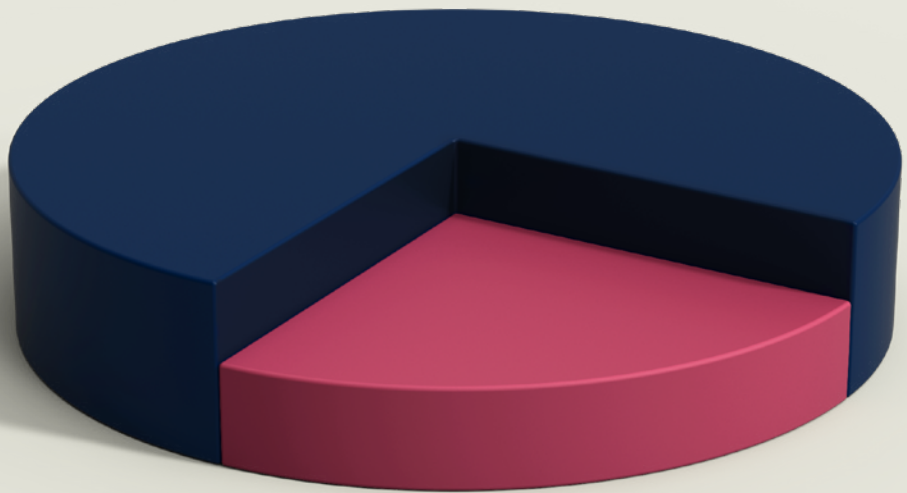
Only half

offer access to advice, but 92% say personalization can improve retirements. Adding advice can further enhance financial well-being.

But they don't lose sight of the future.

76%

offer annuities in the DC plan now or plan to offer one in two years, well ahead of other plans (57%).



say annuities are increasingly important in DC plans. With access to both financial wellness and income, healthcare workers can become financially secure.



Photo illustration: Transport NY/Getty Images

Ask a consultant

How retirement connects to the bigger picture

Employers told us in a recent survey that they want to optimize their retirement plans to help employees feel financially ready for retirement. But these plans can do so much more: When the benefits strategy combines retirement with compensation and advancement, it makes the total rewards story even more compelling to employees. Making these connections isn't easy but outside perspective can help. So we asked some consultants for their ideas.

NO QUESTION IS OFF THE TABLE

We welcome anyone involved with running a retirement plan to share what's on your mind. Send your questions to TMRWpublication@tiaa.org.

How can I use our retirement plan more effectively to recruit and retain high-potential employees?

– HEALTHCARE ORGANIZATION



TOM HEUER, CFA

Senior Advisor
NFP, an Aon Company

It's true that in today's competitive job market, a retirement plan can be a strategic tool for recruiting and retaining top talent—when it gives employees the financial security they want. In return, they're more likely to be engaged, loyal and productive, as research shows.

One of the most effective ways to enhance the plan and give employees the long-term financial security they want is by adding lifetime income. We're starting to see a wide range of income options enter the marketplace—including many custom solutions that integrate guaranteed, lifetime income right into the plan's easy-to-use default investment option. Surprisingly, "custom" doesn't necessarily mean more expensive, and many of the custom solutions available today are less costly

than the plan's existing default option, typically an off-the-shelf (i.e., not custom) target-date fund.

But simply adding lifetime income won't help recruit and retain high-potential employees if they don't understand why it matters. Employers need to educate employees as to how the plan can improve their financial well-being and security now and in the long run. Group education can work, but one-on-one advice is far and away more effective. A one-on-one meeting can make the plan relevant on a personal level, helping employees connect the plan to their financial goals while garnering employers the recognition they deserve for offering an exceptional plan.

Any tips for communicating the benefits of a gradual, multiphased retirement for long-time employees?

– HIGHER EDUCATION INSTITUTION



JAMIE McCRARY
Managing Director
SageView Advisory Group

My clients in higher education often ask this question with faculty in mind rather than staff. The very notion of retirement can create an enormous sense of loss for some tenured faculty. Their work is at the core of their identities, their social networks and their purpose. Even a phased retirement can feel unsatisfying without a clear idea of what that could mean for their lives.

My best advice: Start with empathy. Try to learn how faculty members think about retirement. Let those insights shape your strategy to segment and target your messages accordingly.

Three other recommendations:

- **Reframe the narrative.** Instead of treating retirement as a definitive endpoint, explore ways to keep faculty part of the community and retain their expertise for a time—such as thesis advising, faculty mentoring, serving on committees or lecturing without a full course load.
- **Get into the details.** There will be many questions, so get ahead of them, document the answers and make both readily accessible. Expect questions on a wide variety of concerns, such as access to research grants, medical insurance and other benefits, office space, even email access. Also consider testimonials from trusted colleagues on how they transitioned to life after campus. The financial considerations of retirement are where professional one-on-one advice can help.
- **Start early.** People rarely enjoy making big changes under pressure. Start talking informally about retirement with employees 10 to 15 years before so they can consider their options, talk to others and ask questions that might help them find their way to their next purpose.

How can employers help close the gender gap in retirement savings, aside from ensuring pay equity?

– NONPROFIT ORGANIZATION



MATT CELLINI
Partner and Practice Lead
Greenspring Advisors

Over time, we've come to realize we can't fix the gender savings gap simply by doling out financial education. In reality, women face different circumstances than men that require more thoughtful, tailored approaches.

First, start by giving women access to *real* help. Years ago, we delivered retirement education in large groups and women rarely asked questions. Some felt too far behind; others worried how their colleagues would perceive their questions. Offering individual sessions with a salaried CERTIFIED FINANCIAL PLANNER®—someone with no intention of selling a product—has been the key. Women get a safe, judgment-free zone to get the help they need.

Next, make saving not only automatic but aggressive. Research shows women disproportionately take time off during prime saving years. When they come

back to work, they need to make up for lost saving time fast. Automatic enrollment can get them started right away, but a 3% contribution isn't enough. Instead, enroll at 6% plus annual 1% increases up to 15%. It sounds aggressive, but the opt-out rates aren't significantly higher and male employees can benefit, too.

Last, let's make our communications as human as we can. Women enter and leave the workforce for many reasons that are quite different from men. Ask women to share their stories on how they navigated similar challenges while also managing to build their retirement savings and overall financial well-being.

The ultimate goal is to create an environment where women feel seen, understood and supported in moving toward a dignified retirement. When we do that, positive results will follow.

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Annuity contracts may contain terms for keeping them in force. We can provide you with costs and complete details.

TIAA Traditional is a fixed annuity issued by TIAA, New York, NY: Form series including but not limited to: 1000.24; G-1000.4; IGRS-01-84-ACC; IGRSP-01-84-ACC; 6008.8.

The TIAA General Account is an insurance company account and is not available to investors as an investment.

Annuity income options are available through contracts issued by TIAA or CREF. These contracts are designed for retirement or other long-term goals, and offer a variety of income options, including lifetime income. Payments from the variable annuity accounts are not guaranteed and will rise or fall based on investment performance.

Lifetime income payments from TIAA Traditional may include a TIAA Loyalty BonusSM which is discretionary and determined annually.

Converting some or all of your savings to income benefits (referred to as "annuitization") is a permanent decision. Once income benefit payments have begun, you are unable to change to another option.

Pension-like refers to the income received from a guaranteed-interest annuity contract, not income provided by a defined benefit pension plan.

Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability.

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