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Economy Slows Colleges' Ability to Hire and Delays Retirements



Susan Tusa for The Chronicle

Ronald Stockton, a political-science professor at the U. of Michigan at Dearborn, conducts research in a local cemetery: "I intend to keep teaching as long as I can. I can't imagine myself not in the classroom and working with students."

By Kathryn Masterson

Like many deans, William A. Schwab would like to hire more new faculty members. But with a hiring freeze in place at the University of Arkansas's main campus, where Mr. Schwab leads the J. William Fulbright College of Arts and Sciences, his ability to hire full-time professors is limited, although the university's enrollment is growing.

Also complicating the hiring situation: Older faculty members are delaying retirement because the economic crisis took a bite out of their retirement portfolios. While a steady flow of retiring faculty members would free up money the college could use to hire new professors, "that's simply not happening," Mr. Schwab says. Nine percent of the college's 300 faculty members are 65 or older, and 5 percent are in their 70s and 80s.

"Until we start seeing turnover, we're limited in what we can do," he says.

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That crunch is something other colleges are feeling, too, says Ronald G. Ehrenberg, a professor of industrial and labor relations and economics at Cornell University and director of the Cornell Higher Education Research Institute. He calls the situation a "double whammy": At a time when colleges are facing budget reductions that force cutbacks on hiring, they are also seeing a slowdown in the retirements that would free up money to hire.

Speculation about waves of retirements has gone on for years, as the faculty members brought in to teach the baby boomers, and now the baby boomers themselves, hit their 60s. The American professoriate is aging. Six years ago, the last time the National Study of Postsecondary Faculty was completed by the Education Department, the average age for full-time professors was 49.6 (54 for tenured faculty members). In 1993, the average age was 48 (51.9 for tenured professors). Today it's not unusual for colleges to have faculty members teaching and working in their 70s, or even 80s. At Cornell, where Mr. Ehrenberg works, 86 members of its 1,605-person faculty, or 5 percent, are 70 or older—twice as many as 10 years before, according to university statistics. Some 177 faculty members, meanwhile, are between the ages of 65 and 69.

For certain, the decision to retire from a tenured position is a complex one that is not solely determined by money or the state of the economy. Many faculty members enjoy their teaching and research, and ever since mandatory retirement at age 70 for tenured professors was abolished in 1994, many see no reason to give up their work or university affiliation once they reach their 60s. In a TIAA-CREF faculty survey released last month, nearly one-third of those polled said that they expected to work until at least 70, compared with about a quarter of American employees in all fields. Of those who said they expected to retire after age 67, more than two-thirds chose personal preference, not financial necessity, as the main reason they planned to work later.

Evidence that the most recent economic downturn is having a noticeable effect on the retirements of older professors is still largely anecdotal. Not every college reports seeing a significant change in the age of retiring faculty members, but the issue is very much on the minds of administrators and individuals. Another TIAA-CREF survey, from last year, found that almost a quarter of faculty members ages 50 to 70 who were saving for retirement expected to retire later than they had planned, with an average delay of three years.

What does it mean if tenured professors are retiring later? People are living longer, and professors in their 60s and 70s may be doing the best work of their careers. Colleges don't want to lose those teachers and researchers at the top of their game. (Mr. Ehrenberg, for example, is a well-known, sought-after expert in higher education at age 64. He loves his work and teaching students, and says retirement would be "very, very hard.") And there's no guarantee that colleges will replace a retiring tenured professor with another tenure-track faculty member. In fact, the proportion of tenured and tenure-track jobs in the professoriate has continued to shrink over the last three decades. But colleges also need to bring in junior faculty members at the beginning of their careers. New professors bring fresh energy to a college, can rejuvenate a department, and may be doing work in the forefront of their fields, especially in rapidly changing areas.

And hiring new professors is one way colleges can improve the diversity of their faculty. Mr. Schwab, of Arkansas, points to his college's most recent group of new hires: 11 men and 10 women (which would have been an equal number of women and men, for the first time in the college's history, if one female candidate hadn't declined Arkansas's offer), one-third of whom are minority-group members. "Our goal as a college and university is to have a faculty and student body that reflects the diversity of society," he says.

Some universities have taken action to make retirement more attractive to those who might have been considering it before the downturn. Duke University, for example, created a central fund from which deans could borrow to add to the retirement packages of faculty members who may have been hesitant to leave because they lost some of their savings during the recession.

Since the downturn, the number of people retiring or leaving Duke for another institution has dropped by about half, says Peter Lange, Duke's provost. The university wanted to free up more money for hiring and take advantage of a tight job market in which competitors had slashed their hiring. Between 15 and 20 people took advantage of the added financial incentive, which requires them to retire by next June. Mr. Lange estimates that the program cost the university between \$1.5- and \$2-million; individual colleges will have five years to repay the central fund.

While Duke has slowed its hiring somewhat, it was able to run about 80 percent as many searches as it had in recent years. Another benefit, Mr. Lange says, has been that more faculty members have started conversations with their deans about retirement.

"Turnover is important for the constant renewal of your faculty," he says.

More colleges are looking at possible incentives to increase the number of people retiring, says Valerie Martin Conley, an associate professor of education at Ohio University who studies faculty-retirement trends. Not all have the money to offer early-retirement packages or incentives, such as allowing senior faculty members to work part time, and there aren't much data on such incentives that colleges can use to compare programs or adapt existing ones to their needs.

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Ralph W. Kuncl, provost of the University of Rochester, says there are ways to facilitate retirement that can be a win for both the individual and institution. He believes the best strategy is to provide access to free, impartial financial advice. He also believes institutions can offer phased retirement that allows retiring professors to remain involved in the life of the university rather than go away entirely, because money isn't the primary reason older faculty members stay on the job.

"Their entire identity is tied up in being a scholar," Mr. Kuncl says. "To go from 100 to zero is unthinkable."

Mr. Kuncl, who hasn't seen a noticeable change in retirement age at Rochester during the recession (the average age is 67), cautions that institutions considering retirement incentives need to treat senior faculty members as individuals, and with dignity. A sense that there is a set number of people a college wants to retire to hit financial or diversity goals can create a toxic environment, he says.

Ronald Stockton, a professor of political science at the University of Michigan at Dearborn, says a bad economy isn't the main reason that professors like himself are still working. At 69, he's a productive researcher who just won a department award and loves teaching. He recently gave a lecture series on graveyards (a personal interest, in addition to his primary work on Middle East conflict and Arab-Americans) and led a three-hour tour of local cemeteries. He is now helping

undergraduates create a guidebook to Muslim graveyards in the Detroit area, home to one of the oldest Arab-American communities.

"I intend to keep teaching as long as I can," Mr. Stockton says. "I can't imagine myself not in the classroom and working with students."

He believes universities should offer step-down retirement plans that would allow faculty members who wanted to keep teaching to stay on campus and teach part time, which would keep them in the classroom while freeing up part of their salaries to hire younger scholars. He made a proposal to that effect to his university several years ago when he was on his college's executive committee, he says, but it never went anywhere.

"The way you make it possible for people to leave is to find a way for people to stay," he says.

Not all universities are looking to hurry retirement of their faculty members. They believe age will take care of any bottlenecks in the coming decade or so, as the baby boomers grow older. Also, it can be expensive to replace them.

Jamshed Bharucha, provost at Tufts University, believes universities will see a substantial increase in the rate of retirements in the next 10 years, regardless of the state of the economy. He's been telling graduate students at Tufts to "hold tight."

But the wave of retirements, if it happens, could be a double-edged sword, Mr. Bharucha says. While it will be an opportunity to hire many new faculty members, Tufts doesn't yet have the up-to-date facilities that new faculty members in the sciences, technology, engineering, and math expect when they are hired. Tufts estimates the upgrades and renovations it will need to attract top candidates once the wave of retirements starts will cost hundreds of millions of dollars. The university is planning to make the upgrades in stages.

Tufts has talked about offering retirement incentives (the medical school offered buyouts before the financial crisis hit), but Mr. Bharucha says the university is not looking to hurry people through retirement.

"It's something we talk about, but I don't feel the sense of urgency," he says. "It gives us time to put in place the kind of facilities and infrastructure we're going to need to replace those retiring faculty members."