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Transamerica Survey Finds Higher Education Institutions Turn to Their Retirement Plan Service Provider to Help Address Unprecedented Challenges

Transamerica today revealed the latest report of retirement plan trends for institutions of higher education. Survey results provide an inside look into the challenges institutions face in helping faculty and staff prepare for retirement.

The COVID-19 pandemic has impacted retirement plans beyond the availability and usage of loans and COVID-19 related distributions. Nearly three out of five institutions report increased demand for investment and in-plan retirement income opportunities and one in four report an increased need for access to professionally managed accounts. More than ever, higher education institutions are relying on their retirement plan partner to offer strategies to help participants plan for a secure retirement.

Key findings include:

- Respondents say that saving for healthcare expenses is their participants' most significant concern (66%)—even higher than retirement preparedness (61%).
- Nearly half (49%) offer retirement education programs designed to provide faculty and staff with health-related tools and coaching in the interest of reducing future healthcare costs.
- Almost half (45%) of respondents indicated they are increasing spending on IT infrastructure.
- Income replacement ratios have become higher education institutions' favorite indicator of plan success, more than doubling since 2016.
- Use of an advisor/consultant increased to 85% in 2020 from 40% in 2016, and institutions are meeting virtually with their advisors more frequently—quarterly or even monthly.
- Of those surveyed, 66% offer access to a defined benefit plan (as opposed to only 17% of private-sector employers according to the 2018 National Compensation Survey by the Bureau of Labor Statistics).

Comparing levels of “extreme concern” from 2016 to 2020, higher education institutions today appear more anxious regarding faculty and staff who may be unaware of how much money they will need in retirement and offering them the right services as they near retirement. Their concern about these two subjects has doubled since 2016.

“Higher education institutions are evaluating their retirement benefits packages to address challenges and identify opportunities,” said Wendy Daniels, Vice President, Not-for-Profit Practice Leader for Transamerica. “This report gives context to how peer institutions are helping faculty and staff prepare for a secure financial future. Transamerica is focused on the connection between wealth and health, and this report highlights the importance of understanding this intersection when developing successful retirement strategies.”

This study is the fifth survey conducted by Transamerica Retirement Solutions to help plan sponsors and their financial advisors set benchmarks and evaluate opportunities for enhanced service offerings.

The report is available for download [online](#).

About the 2021 Retirement Plans in Higher Education Report

Retirement Plans in Higher Education is the fifth such study conducted by Transamerica. The study presents insight on current issues that impact defined contribution and defined benefit plans of higher education institutions. The report provides analysis to guide retirement plan sponsors of the higher education sector and their advisors as they benchmark their plan in many areas of plan design and management to critically evaluate opportunities for improvement. The survey was conducted online in the third and fourth quarters of 2020. A total of 150 institutions responded to the survey.

About Transamerica

With a history that dates back more than 100 years, Transamerica is recognized as a leading provider of life insurance, retirement and investment solutions, serving millions of customers throughout the United States. Recognizing the necessity of health and wellness during peak working life, Transamerica's dedicated professionals work to help people take the steps necessary to live better today so they can worry less about tomorrow. Transamerica serves nearly every customer segment, providing a broad range of quality life insurance and investment products, individual and group pension plans, as well as asset management services. In 2020, Transamerica fulfilled its promises to customers, paying more than \$49 billion in insurance, retirement, and annuity claims and benefits, including return of annuity premiums paid by the customer. Transamerica's corporate headquarters is located in Baltimore, Maryland, with other major operations in Cedar Rapids, Iowa and Denver, Colorado. Transamerica is part of the Aegon group of companies. Based in the Netherlands, Aegon is one of the world's largest providers of life insurance, pension solutions and asset management products, operating in more than 20 markets worldwide. For the full year of 2020, Aegon managed over \$1.1 trillion in revenue generating investments. For more information, please visit www.transamerica.com.

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