

National Survey on Teachers' Retirement Perspectives

The shortfall in funding for teacher pension systems has grown to around \$700 billion nationwide. Those same pension funds are projecting that only 20% of new teachers will work long enough to collect a full pension. It is clear that action is needed to improve both the financial sustainability of these systems and retirement security for teachers.

But what do teachers want?

Equable Institute recently conducted a nationally representative survey to better understand the ways that teachers value their retirement benefits, as well as their awareness of challenges facing public sector pensions.

Discussions about the future of teacher pensions often take place without a clear understanding of the perspective of teachers themselves. Gaining a deeper understanding about what teachers think — including where there are diverging points of view — was the goal of the National Teacher Retirement Perspective Survey. In this overview, we highlight key findings from that opportunity to hear teacher voices.



Teachers see their current retirement plan as central to their future retirement security, but they aren't very satisfied with the pension plans they have. Putting importance on the dollar amount of retirement savings an individual might have is to be expected, but it was unexpected that teachers would rate their satisfaction with their plan relatively lower. One reason for this lack of satisfaction might be that the majority of teachers are not very confident that they will receive their full retirement benefits; other reasons could be related to the size of benefits, lack of retirement plan options, or perceived fiscal challenges.

Importance

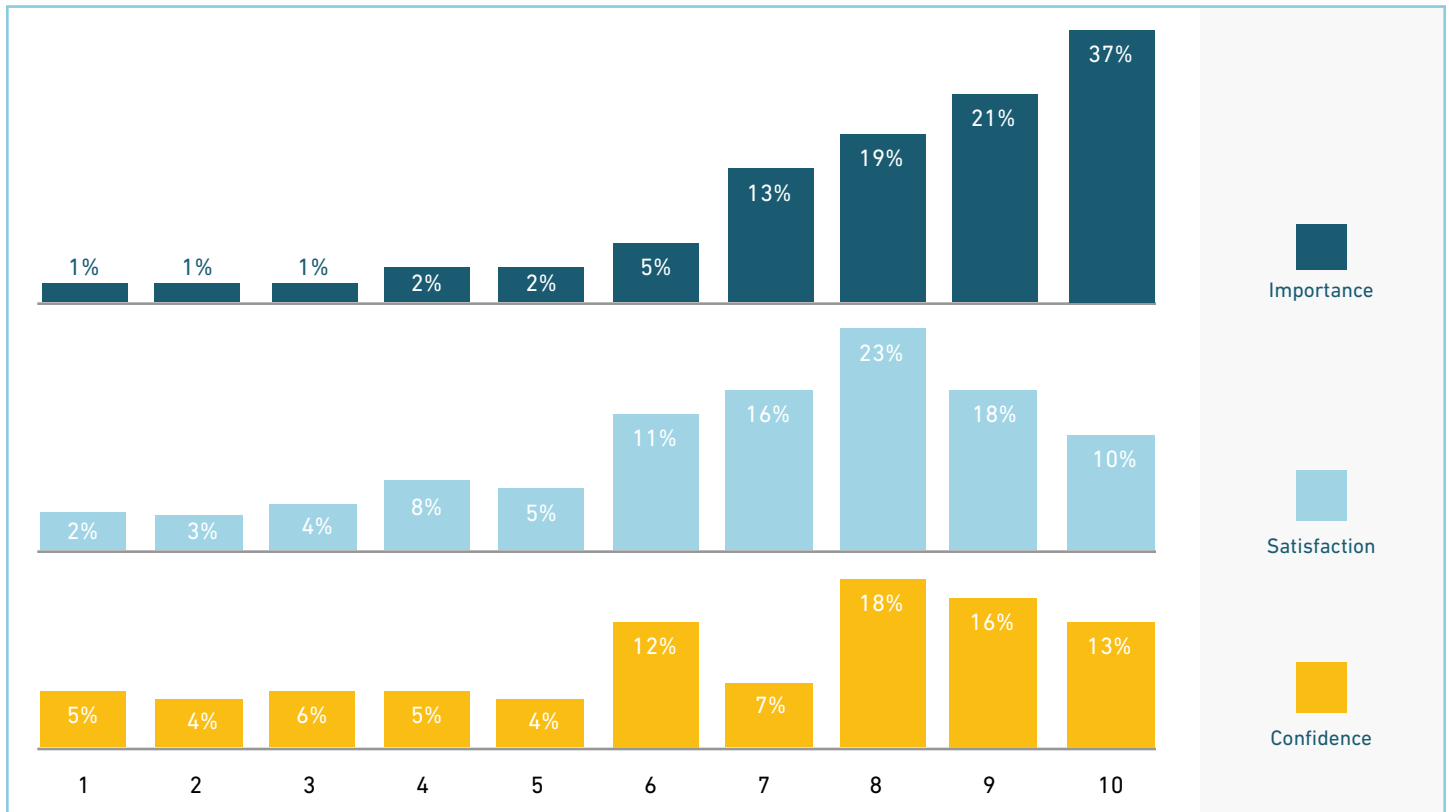
How important is your pension plan to overall retirement security? Rate 0-10.

Satisfaction

How satisfied do you feel with your current retirement plan? Rate 0-10.

Confidence

How confident are you that you will receive the full amount that you're entitled to in your current pension plan when you retire?



About the Survey

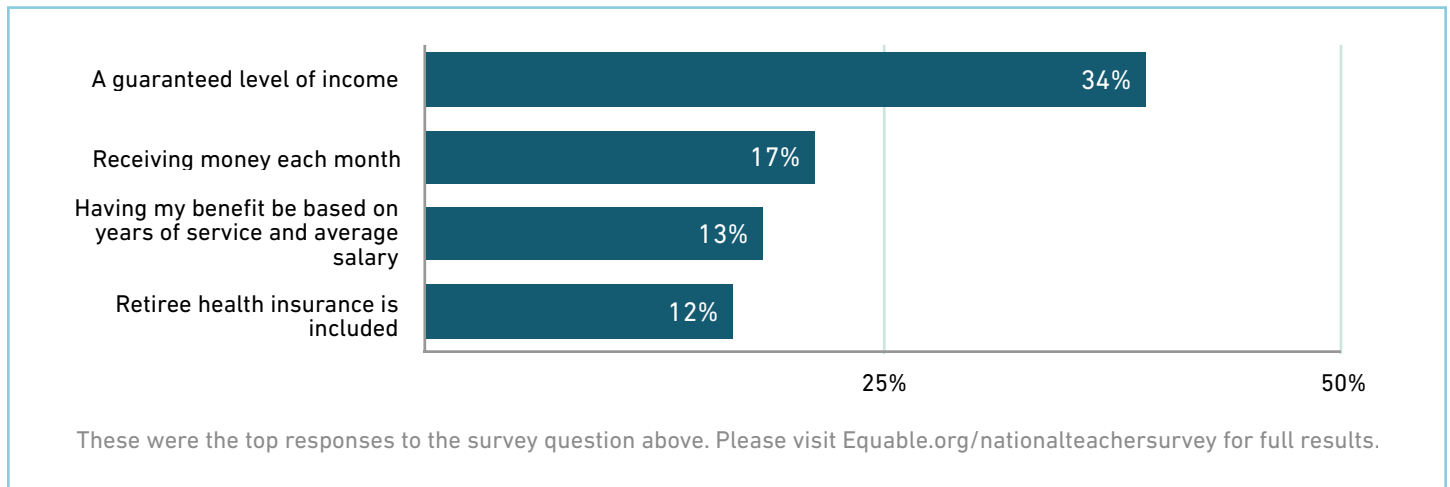
Equable Institute, EducationCounsel, and Hattaway Communications conducted a nationally-representative survey of 1,210 public school teachers currently enrolled in a public pension plan. The survey took place between May and June 2019. The full report and more details on the methodology can be found at: www.equable.org/nationalteachersurvey

About Equable Institute

Equable Institute is a non-profit that educates and informs employees, retirees, labor, and taxpayers about how to create real retirement plan sustainability and affordability without sacrificing future income security. We are radically bipartisan, intensely analytical, and unapologetically direct. Equable exists to support public sector workers in understanding how their retirement systems can be improved, and to help state and local governments find ways to both fix threats to municipal finance stability and ensure the retirement security of all public servants.

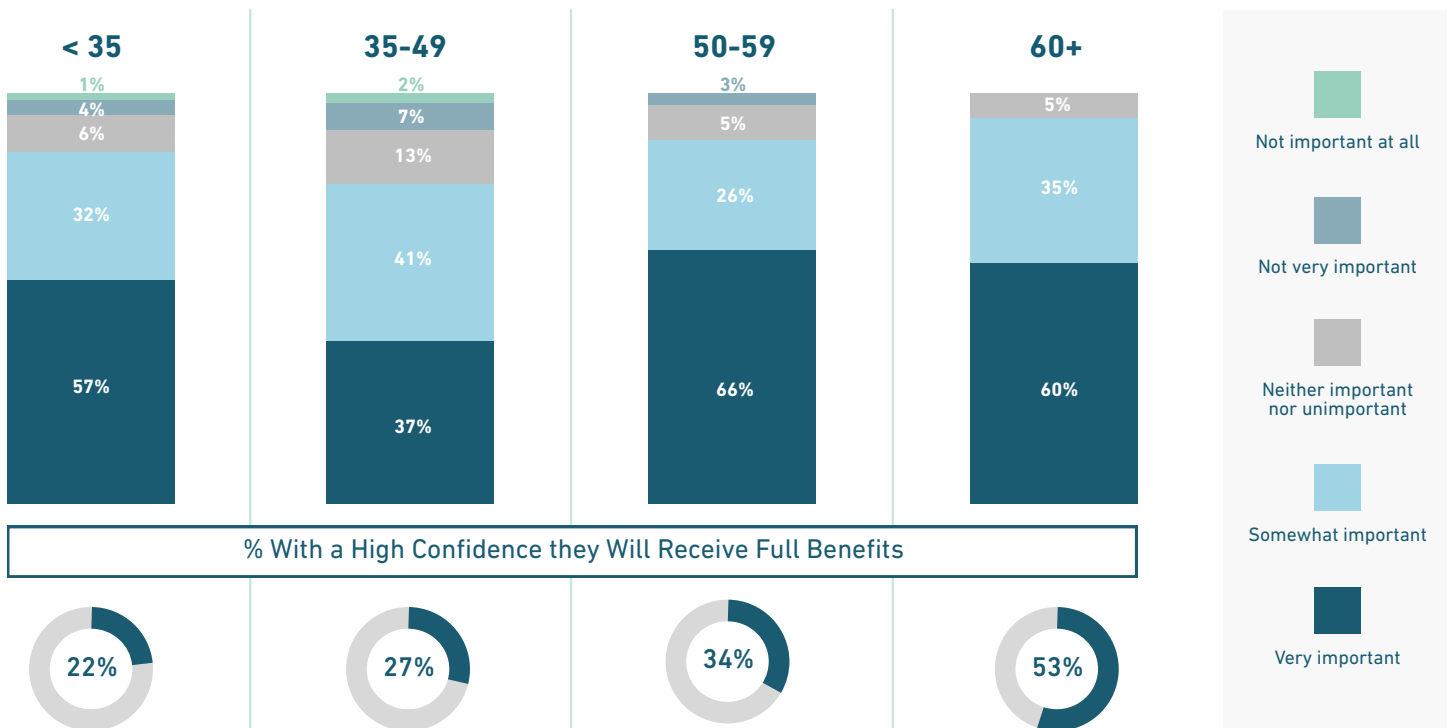
Across age groups, the overwhelming preference from teachers is that their retirement plan provide a sense of income security. They care about monthly, minimum, guaranteed forms of retirement income. They care much less about how those benefits are provided. Pensions are a traditional way to offer guaranteed income, and other kinds of retirement plan designs can provide monthly secure income too.

Q. Which aspects of your current pension system are most important to you?



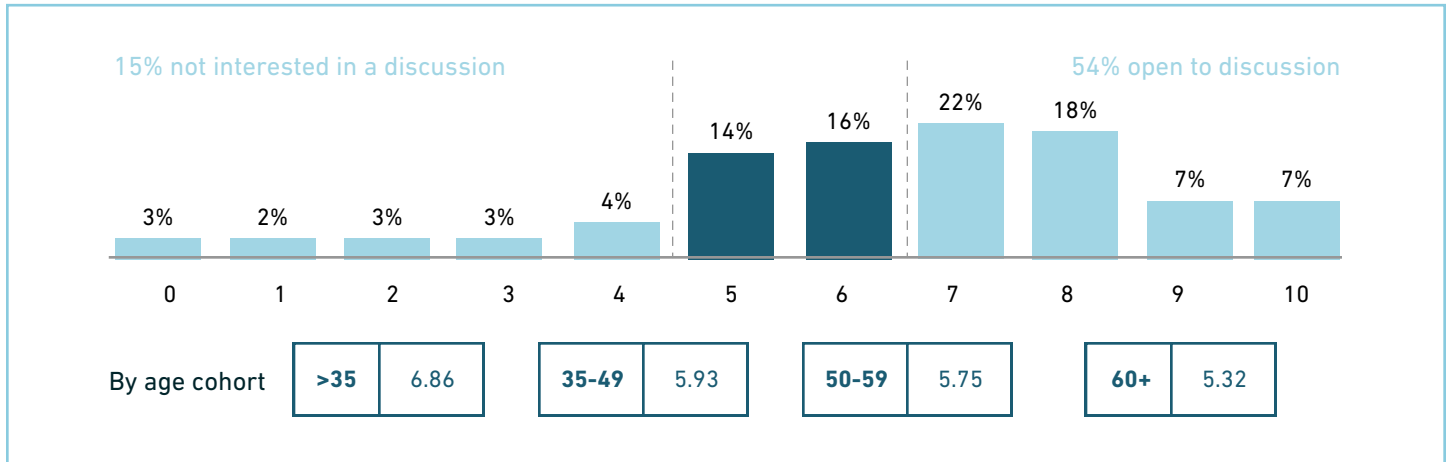
As teachers progress through the profession, they increasingly value their retirement benefits; however, not all teachers are confident that they will receive their full pension benefit when they retire. Younger teachers are much less confident in the promises of their current pension plan.

Q. How important is your retirement plan in your decision to continue teaching? (By age cohort)



When asked about openness to a conversation about changes to the status quo for existing pension plans, teachers reflected a range of perspectives. **There is no single “teacher” perspective on pension plans:** 54% expressed openness to a discussion (as measured by a 7 or higher) and 15% were not interested in a conversation about change (a 4 or lower).

Q. How open are you to modifying the pension system in your state? (On a scale from 1-10)



Teacher pension funds nationally have a \$700 billion shortfall in assets, based on the accounting used by each state. Those shortfalls are in nearly every state; only seven states have saved at least 90% of the money that they need to pay for teachers’ retirement benefits. Teachers generally aren’t aware of these problems, but those who are think they are serious and worry they will be personally affected.

Q. Have you heard about any problems with the teacher pension system in your state?



Q. How familiar are you with those problems? Of Respondents who said yes to the question above.



Q. How much do you think the problems you’ve heard about will affect the pension benefits you personally receive in retirement?



Please visit Equable.org/nationalteachersurvey to learn more.