

Will You Be Ready for the "Tenure of a Lifetime"?

A Comprehensive Strategic Roadmap
for Faculty Approaching Retirement

A Narrative Guide Featuring

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Professors Serving Professors

Updated for the 2026 Legal and Market Landscape

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Part I: The Questions That Keep Professors Awake at Night

What if everything you thought you knew about retirement planning was only half the story?

Professor Margaret Chen sat in her corner office at State University, surrounded by three decades of accumulated books, journal articles, and memories. At sixty-two, she had achieved everything academia promised: tenure, endowed chair status, doctoral students who had become colleagues, and a body of research that had genuinely moved her field forward. Yet as she stared at the retirement planning documents spread across her desk, she felt something she rarely experienced in her scholarly work: profound uncertainty.

"I've spent my entire career solving complex problems," Margaret told her husband that evening. "But this - figuring out whether we can actually afford to retire, whether my TIAA accounts should stay where they are, whether I should take Social Security now or later - I feel completely lost."

Margaret's uncertainty represents a paradox that haunts thousands of retiring academics. Research confirms that **retirement represents one of life's most significant transitions, requiring psychological adjustment as profound as any career milestone.**¹ Unlike corporate executives who may view retirement as a clean break from institutional obligations, professors must navigate shifts in intellectual engagement, professional community, and personal identity that are uniquely intertwined with their sense of self.²

It was in this state of uncertainty that Margaret discovered Scholar Financial, and the two advisors who would help her - and eventually several of her colleagues - transform anxiety into clarity.

The First Conversation: Meeting Chris and Ron

Chris Brown and Ron Rhoades met Margaret in Scholar Financial's conference room, a space designed more like a faculty lounge than a typical financial office. Books lined the walls - not just financial texts, but philosophy, literature, and history. The message was clear: these were advisors who understood the academic mind.

"Margaret," Chris began, his voice warm but direct, "before we discuss any numbers, I want to understand something. What keeps you up at night when you think about retirement?"

¹ Wang, Henkens, & van Solinge, 2011

² Kim & Moen, 2002

Margaret took a breath. "Everything, honestly. If I retire before 65, how do I pay for health insurance without draining my savings? My TIAA account has decades of contributions - should I roll it over, or am I giving up benefits I don't understand? And with the new Social Security Fairness Act everyone's talking about, does that change when I should claim benefits? I don't even know if I have 'enough' to retire, let alone how to actually spend it without running out."

Ron nodded thoughtfully. "Those are exactly the right questions, Margaret. And the fact that you're asking them tells us you're approaching this with the intellectual rigor you've brought to your research. Let me share something that might actually make you feel better about the complexity you're sensing."

He leaned forward. "William Sharpe - the Nobel laureate who developed the Sharpe ratio used to measure investment performance - has spent years studying retirement income planning. Do you know what he calls it?"

Margaret shook her head.

"The nastiest, hardest problem in finance."³ If you are feeling overwhelmed by this challenge, you're in good company. Even Nobel laureates find it daunting."

Margaret actually laughed - the first time she'd felt anything resembling relief in weeks. "Well, that's oddly comforting."

Part II: The Unique Challenges of Academic Retirement

Why do standard financial planning approaches so often fail professors - and what makes academic retirement fundamentally different from corporate retirement?

"Let me explain why we created Scholar Financial," Chris said. "Standard financial advice - the kind you get from most advisors - assumes a fairly predictable career trajectory. Start working at 22, earn steadily increasing income, retire at 65 with a 401(k) and Social Security. That model works reasonably well for many professions."

Chris paused. "But academia doesn't work that way, does it?"

Margaret thought about her own trajectory: four years of undergraduate study, six years in graduate school, three years of postdoctoral work, then assistant professor,

³ Sharpe, 2017

associate professor, and finally full professor. She hadn't started earning a competitive salary until her mid-thirties.

"Exactly," Ron confirmed. "Research on academic careers confirms that extended graduate studies and postdoctoral positions compress the savings window for most academics.⁴ You've had perhaps twenty-five good earning years instead of forty. That's a fundamentally different planning challenge."

The Account Clutter Problem

"And then there's what we call the 'account clutter' problem," Chris added. "Margaret, how many institutions have you worked for during your career?"

Margaret counted mentally. "Four, if you include my postdoc."

"And at each institution, you likely had a different retirement plan - maybe a 403(b), perhaps a 401(a), possibly participation in a state pension system. Do you know exactly what is in each account, how they're invested, and how they work together?"

Margaret admitted she didn't. Like many academics, she had accumulated retirement accounts the way she accumulated books - with enthusiasm but without systematic organization. The retirement landscape for university faculty has evolved significantly over decades, and understanding these multiple systems is crucial for optimal planning.⁵

The TIAA Factor: A Critical Warning

"Now I need to ask you something important," Ron said, his tone becoming more serious. "Have you ever considered rolling your TIAA accounts into an IRA?"

"Actually, yes," Margaret admitted. "A broker contacted me last year suggesting exactly that. He said I could get better investment options."

Ron and Chris exchanged a knowing glance.

"Margaret," Ron said carefully, "I'm very glad you didn't take that advice. Let me explain why. TIAA Traditional is not a typical fixed annuity. It's a pooled account with features that have accrued over decades - features that cannot be replicated anywhere else in the market."

He pulled out a document. "Vintage TIAA contracts - like yours, accumulated since the early 1990s - may carry guaranteed minimum interest rates of 3%, 4%, or even 4.5%,"

⁴ Conley & Onder, 2014

⁵ Clark, Hammond, Reifschneider, & Morrill, 2019

substantially higher than any current market annuity can offer.⁶ Beyond that, TIAA declares additional interest credits annually based on investment performance, historically adding 1-2% above the guaranteed rate.⁷ And there's a loyalty bonus for long-term participants that can increase lifetime income by 10-20% compared to standard immediate annuities."

Margaret felt her stomach drop. "If I had rolled that money over..."

"You would have permanently forfeited benefits that could be worth tens of thousands of dollars over your retirement," Chris finished. "This is precisely why we advise extreme caution before any TIAA rollover. The broker who contacted you likely didn't even understand what he was asking you to give up."

"That's not to say that all of TIAA's investment products are exceptional," Ron added. "Some are good. But others make it difficult to implement an evidence-based investment strategy, designed for today's market environment, especially as to their stock mutual funds. Better choices are available, in our view."

Part III: Understanding Your Retirement Landscape

Before you can solve the retirement puzzle, you must first understand all the pieces on the board. What sources of income will actually support you - and how do they fit together?

Over the following weeks, Chris and Ron helped Margaret understand what they called "the three-legged stool" of academic retirement:

Defined Contribution Plans (403(b), 401(a)): These plans place both risk and control in the retiree's hands. Margaret's benefit would be determined by her contributions and market performance over time.

Defined Benefit Plans (Pensions): Common in state university systems, these plans promise lifetime income based on years of service and final average salary. Margaret's state pension would provide predictable income, though she needed to understand its cost-of-living adjustment provisions for inflation protection.

Social Security: The 2025 repeal of the Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) through the Social Security Fairness Act

⁶ TIAA, 2025; Stoltz, 2023

⁷ TIAA, 2024

dramatically changed claiming strategies for faculty like Margaret who had worked in both covered and non-covered employment.⁸

The Rule of 55: A Critical Planning Tool

"Now," Ron continued, "there's a crucial feature many professors don't know about. It's called the Rule of 55, and it could be essential for some professors who desire to retire prior to age 59½."

He explained that under Internal Revenue Code § 72(t), many defined contribution plans allow penalty-free distributions upon "separation from service" if the employee separates in or after the year they turn 55.⁹ "This is critical for early retirees who need liquidity before age 59½," Ron said. "But here's the catch: if you roll those funds into an IRA before you need them, you permanently lose this advantage. IRA withdrawals before 59½ generally incur a 10% penalty unless you use a different strategy that is not as flexible – an arrangement involving 'substantially equal periodic payments'."

Margaret made careful notes. She had a colleague, age 56, who was considering retiring early, and wanted to pass along the information. Margaret was beginning to understand why standard financial advice so often failed academics: the nuances of their situation required specialized knowledge that many financial advisors simply didn't possess.

Part IV: The Social Security Transformation

The 2025 Social Security Fairness Act changed everything for educators who split careers between public and private employment. But does the new law mean you should change your claiming strategy?

Three weeks into her planning process, Margaret received an unexpected phone call from her colleague, Dr. Thomas Williams. Tom was sixty-seven, had retired two years earlier, and was distressed.

"Margaret, I think I made a terrible mistake with my Social Security," he said. "I claimed benefits right when I retired because my advisor said the WEP reduction made waiting pointless. But now with this new Fairness Act, I'm hearing I could have received much more if I'd waited. Is it too late to fix this?"

Margaret suggested he contact Scholar Financial. When Tom met with Chris and Ron the following week, they explained the full impact of the legislative change.

⁸ Social Security Fairness Act, 2025

⁹ Internal Revenue Code § 72(t), 26 U.S.C. § 72(t) (2024).

"The Social Security Fairness Act of 2025 repealed the Windfall Elimination Provision for individuals with 20 or more years of substantial earnings under Social Security," Ron explained. "It also eliminated the Government Pension Offset for spousal and survivor benefits, restoring access to benefits that were previously reduced by up to two-thirds of non-covered pension amounts. For many educators, this represents a substantial increase in lifetime benefits."

The strategic implications were profound. Research has consistently shown that each year of delay beyond Full Retirement Age increases benefits by 8% plus inflation adjustments - a guaranteed real return unmatched by any other investment.¹⁰

For Tom, the news was mixed. While his past decision couldn't be undone, the Act did provide for retroactive benefit adjustments, meaning his going-forward payments would increase. But for Margaret, still planning her retirement, the lesson was clear: the Social Security claiming decision was now more valuable than ever, and required careful analysis.

Part V: The Nastiest, Hardest Problem in Finance

*You've spent decades accumulating wealth for retirement. But how do you actually turn that wealth into income that lasts a lifetime - without running out, without leaving too much behind, and without constant anxiety about market volatility? This is what Nobel laureate William Sharpe calls "the nastiest, hardest problem in finance."*¹¹

It was during Margaret's fourth meeting with Chris and Ron that the conversation turned to what they called "the decumulation challenge."

"Margaret," Chris began, "you've been remarkably disciplined during your accumulation years - saving consistently, investing wisely, building a substantial retirement portfolio. But here's what most people don't realize: **everything changes when you start withdrawing.**"

He pulled out a chart showing two hypothetical portfolios, both starting with \$1 million.

"During accumulation, if markets drop 20% in year one but recover over the next few years, you end up roughly where you started - maybe even ahead, because you kept buying at lower prices. But during retirement, when you're withdrawing money every month..."

¹⁰ Shoven & Slavov, 2014

¹¹ Sharpe, 2017.

"The math becomes treacherous," Ron finished. "This is what researchers call *sequence of returns risk*. It's not just about average returns over your retirement - it's about *when* those returns occur. Poor returns early in retirement, combined with withdrawals, can permanently impair a portfolio in ways that later recovery cannot fix."

Nobel laureate Richard Thaler has observed that "decumulation is a more difficult challenge than accumulation," echoing Sharpe's assessment of the problem's fundamental complexity.¹² The uncertainty stems from two major sources: *investment uncertainty* - the unpredictability of market returns - and *mortality uncertainty* - not knowing how long one will live.¹³

"The good news," Chris added, "is that while there's no perfect solution, there are several well-researched approaches that can help manage these risks. Let us walk you through four strategies that have merit."

Strategy One: Strategic Asset Allocation with Fixed Real Withdrawals

"The first approach builds on William Bengen's foundational research," Ron explained. "In 1994, Bengen analyzed historical data to determine what withdrawal rate could safely sustain a portfolio over a 30-year retirement. His conclusion - the famous '4% rule' - suggested that retirees could withdraw 4% of their portfolio in year one, then adjust that dollar amount annually for inflation, with a high probability the portfolio would last three decades."¹⁴

The strategy works like this: establish a diversified portfolio allocation appropriate for your risk tolerance - perhaps 60% stocks and 40% bonds. Rebalance periodically to maintain that allocation, selling assets that have appreciated and buying those that have declined. Withdraw a fixed real amount each year, regardless of market conditions.

"The advantage," Chris noted, "is simplicity and predictability. You know exactly what your income will be each year in real terms. The disadvantage is rigidity - you might leave substantial money on the table in good markets, or face anxiety in bad markets even though you're maintaining the strategy."

Research has shown that while the 4% rule provides a useful starting point, it has significant limitations, including assumptions based on historical data that may not repeat in future market environments.¹⁵ However, current valuations of various asset

¹² Thaler, 2019

¹³ Sharpe, 2017

¹⁴ Bengen, 1994

¹⁵ Finke, Pfau, & Blanchett, 2013

classes, and expected long-term returns for the chosen asset classes, can be modeled in order to determine an appropriate withdrawal rate.

Strategy Two: Dynamic Withdrawals with Guardrails

"The second approach acknowledges that rigid withdrawal rules may not be optimal," Ron continued. "In 2006, financial planner Jonathan Guyton and computer scientist William Klinger developed a more flexible framework they called 'guardrails'."¹⁶

Margaret leaned forward. "How does it work?"

"Imagine driving on a mountain road," Chris said. "The guardrails don't prevent you from steering - they just prevent you from going over the cliff. In the Guyton-Klinger system, you set an initial withdrawal rate - say 5%. Then you establish guardrails at 20% above and below that rate. If strong market returns cause your withdrawal rate to fall below the lower guardrail, you give yourself a 10% raise. If poor returns push your rate above the upper guardrail, you take a 10% pay cut."

Research from Morningstar confirmed that the guardrails approach offered the highest starting withdrawal rate among dynamic strategies tested, while also providing one of the highest lifetime withdrawal rates.¹⁷ The trade-off, however, is variability in year-to-year cash flows.

"However," Ron cautioned, "recent analysis suggests that traditional Guyton-Klinger guardrails may require deeper spending cuts than many retirees anticipate during severe downturns. Risk-based guardrails - which focus on total portfolio risk rather than withdrawal rates - may provide better protection against extreme income volatility."¹⁸

Strategy Three: The Bucket Approach

"The third strategy takes a completely different approach," Chris explained. "Rather than managing one portfolio with withdrawal rules, you divide your assets into separate 'buckets' based on when you'll need them."

The bucket approach, pioneered by financial planning expert Harold Evensky in 1985, resonates intuitively with many retirees.¹⁹ The basic concept involves three buckets:

- **Bucket One (Short-term, 1-2 years):** Cash and cash equivalents to cover immediate living expenses, providing a buffer against market volatility.
- **Bucket Two (Medium-term, 3-7 years):** High-quality bonds and conservative investments to replenish Bucket One as needed.

¹⁶ Guyton & Klinger, 2006

¹⁷ Benz, Ptak, & Rekenhaller, 2023

¹⁸ Tharp, 2025

¹⁹ Evensky & Katz, 2006

- **Bucket Three (Long-term, 8+ years):** Growth-oriented investments like stocks that have time to recover from volatility.

"The psychological benefit is significant," Ron added. "When markets crash, you don't panic because you know your short-term needs are covered by safe assets. You can let your stock bucket recover without being forced to sell at the worst possible time."

Christine Benz, director of personal finance at Morningstar and a prominent advocate of bucketing, emphasizes that the approach keeps retirees from making emotionally-driven decisions during market turmoil.²⁰ However, academic research from IESE Business School suggests that bucket strategies, when back-tested rigorously, may not outperform simple static allocation strategies with periodic rebalancing.²¹ The primary benefit may be behavioral rather than mathematical.

Strategy Four: The Floor-and-Ceiling Approach

"The fourth approach," Chris said, "offers a middle ground between rigid fixed withdrawals and fully dynamic strategies. It was actually developed by William Bengen himself in 2001, after his original 4% rule research."

The floor-and-ceiling method begins by applying a percentage-of-portfolio withdrawal rule, which naturally allows greater spending when markets rise and reduces spending when they fall. However, hard dollar limits constrain how far spending can drift in either direction. Bengen's original approach set a ceiling at 20% above the initial withdrawal amount (adjusted for inflation) and a floor at 15% below.²²

"For someone starting with a \$40,000 annual withdrawal from a million-dollar portfolio," Ron explained, "the ceiling would be \$48,000 and the floor would be \$34,000 in real terms. No matter how well or poorly markets perform, your spending stays within that band."

The research supporting this approach is compelling. Bengen determined that the floor-and-ceiling rule increased the historical worst-case initial spending rate by approximately 10%, thanks to its allowance to reduce spending when markets perform poorly.²³ Wade Pfau's analysis confirms that the floor-and-ceiling approach can support higher initial withdrawal rates while providing substantial downside protection compared to rigid strategies.²⁴

²⁰ Benz, 2025

²¹ Estrada, 2018

²² Bengen, 2001

²³ Bengen, 2001

²⁴ Pfau, 2022

"I should mention," Chris added, "that Vanguard later developed a percentage-based variation of this concept, though Bengen's dollar-based floors and ceilings tend to produce more stable real spending over time".²⁵

The Legacy Question: Leaving Money to Children

Margaret had been listening intently, but now raised a concern that had been weighing on her. "Everything you've described focuses on making my money last. But my husband and I want to leave something substantial for our children. Does that change the calculus?"

Chris nodded. "It absolutely does, and you've identified something many retirees struggle with. The standard retirement research typically assumes you want to spend your last dollar on your last day - what economists call 'consumption smoothing to zero.' But that's not how most families think."

Australian research has shown that retirees with bequest motives often dramatically under-spend, with estates at death nearly as large as initial retirement portfolios.²⁶ "The fear of not leaving enough combines with the fear of running out, creating a paralysis where people don't spend at all," Ron explained.

"Our approach is to explicitly model your bequest goals alongside your spending needs. If you want to leave \$500,000 to your children, we treat that as a liability that the portfolio must fund, just like your living expenses. It changes the sustainable withdrawal calculation, but it also gives you permission to actually spend the rest without guilt."

Part VI: Finding Purpose After the Lecture Ends

Financial security is necessary but not sufficient for a fulfilling retirement. What happens when the identity you've built over decades - professor, researcher, mentor - suddenly has no institutional home? And how do you find new purpose when the purpose that defined you is gone?

Six months after beginning her work with Scholar Financial, Margaret had developed a comprehensive financial plan. Her TIAA accounts were optimized, her Social Security claiming strategy was set, and her withdrawal approach was designed to balance current spending with her legacy goals. She should have felt relieved.

Instead, she felt increasingly anxious as her retirement date approached.

²⁵ Jaconetti, Kinniry, & Zilbering, 2013

²⁶ Retirement Income Review, 2020

"I've been thinking about this constantly," she told Chris and Ron at what was supposed to be their final planning meeting. "The money side makes sense now. But I keep wondering - who am I if I'm not Professor Chen? What do I actually do with my days?"

Ron's expression was understanding. "Margaret, you've just articulated something that researchers have been studying for decades. For academics especially, the transition to retirement involves profound identity shifts that go far beyond financial concerns."

The Identity Crisis of Academic Retirement

Research has consistently shown that retirement marks a significant life change bringing a complex mix of emotional experiences, with many retirees encountering feelings of loss, particularly of identity and purpose that were closely tied to their careers.²⁷ For professors, this challenge is especially acute.

Robert Stebbins, a sociologist who has studied academic retirement extensively, describes the loss of "a valued social world" when retiring from university life - including the loss of "locally recognized organizational entity, source of livelihood, set of like-minded friends and colleagues," and other "prized features of everyday living".²⁸

"The professoriate," Chris explained, "tends to have a deeply embedded identity associated with their work role, making the transition to retirement more challenging than for most other professions".²⁹ Unlike someone who works to live, many academics have built their entire sense of self around their scholarly identity.

Research from the University of Toronto examining academic physicians' retirement found that identity threats manifested in "apprehensions about self-esteem after retirement, practice continuity, and clinical competence, as well as in a loss of meaning and belonging".³⁰ These challenges are not unique to physicians - they apply across academic disciplines.

Ancient Wisdom for Modern Transitions

"You know," Ron said, "sometimes the best guidance for modern challenges comes from ancient philosophy. Have you ever studied Stoicism?"

²⁷ Wang, Henkens, & van Solinge, 2011

²⁸ Stebbins, 2019, p. 446

²⁹ Cahill, Pettigrew, Robinson, & Galvin, 2019

³⁰ Onyura et al., 2015

Margaret had, in fact, assigned Marcus Aurelius's *Meditations* in her Ethics and Society seminar. "But I never thought of it as relevant to retirement planning."

"Consider this," Ron said. "Marcus Aurelius spent his youth not chasing power but preparing for responsibility - reading, writing, and thinking about what it meant to live well. When he became emperor and faced constant crises, his philosophical preparation allowed him to remain 'disciplined, steady, and unusually unpretentious for a man with absolute authority'."³¹

The Stoic principle most relevant to retirement, Chris explained, is the distinction between what we can and cannot control. "A Stoic doesn't control what happens but focuses on how they respond to what happens," as bestselling author Ryan Holiday has observed.³² You cannot control whether your former colleagues continue to seek your advice, or whether your department maintains your office space, or whether the scholarly community remembers your contributions. What you can control is how you respond to these changes - and more importantly, how you construct a meaningful life going forward.

The Surprising Research on Purpose in Retirement

"Here's something that might surprise you," Chris said. "The research on retirement and sense of purpose isn't as negative as you might expect."

A rigorous study published in *Psychological Science* used sophisticated quasi-experimental techniques to examine the causal impact of retirement on purpose in life. The findings challenged conventional wisdom: retirement actually led to a "sizable increase in purpose in life," particularly for individuals who had been in dissatisfying work situations.³³

"The key insight," Ron emphasized, "is that retirement can foster well-being through improved psychological resources from leaving work, even when people have fewer financial resources available afterward".³⁴ "But this positive outcome doesn't happen automatically. It requires what researchers call 'intentional reshaping' of how retirees spend their days."

Eudaimonia: Building a Life of Meaning

³¹ Schroeder, 2025

³²

³³ Froidevaux et al., 2022

³⁴ Wang & Shi, 2014

"The ancient Greeks distinguished between two types of happiness," Ron continued. "Hedonia - fleeting pleasure - and eudaimonia - a life of meaning, contribution, and character. Retirement presents a choice between these paths."

Financial adviser Katrina Soelter's approach, as reported in Kiplinger, captures this well: "What's most important to them? Where have they long wanted to spend more time but weren't able to? What will they look back on in 15 years and be grateful they did? And what would they not want to see?" From these questions, advisors "work backwards to sort out the money, structure, family needs and sense of purpose".³⁵

Research published in the *Proceedings of the National Academy of Sciences* confirms this approach: people who feel their lives are "filled with worthwhile activities" experience healthier aging, stronger social relationships, and better use of their time.³⁶

Practical Strategies for Finding New Purpose

Chris pulled out a notebook. "Margaret, let me share what we've learned from working with dozens of retiring professors. There are several pathways that have helped academics find renewed purpose after retirement."

Continue scholarly engagement in new forms: Many professors find satisfaction in mentoring younger scholars, serving on dissertation committees, or contributing to professional organizations without the administrative burdens of full-time employment. One retired professor described finding ways to "exercise these roles by adapting them to non-work contexts".³⁷

Explore teaching in new contexts: Teaching at community colleges, offering lifelong learning courses, or developing online content can satisfy the pedagogical calling without the pressures of tenure-track evaluation.

Write the book you never had time for: Many academics have projects they set aside during their peak professional years. Retirement offers time for ambitious scholarly or creative work without grant deadlines or committee meetings.

Develop expertise-based consulting: For professors with specialized knowledge in areas like policy analysis, technical fields, or professional practice, consulting can provide income, intellectual engagement, and flexible scheduling.

³⁵ Schroeder, 2025

³⁶ Steptoe & Fancourt, 2019

³⁷ Earl, Gerrans, & Asher, 2015

Engage in community service: Serving on nonprofit boards, participating in local government, or volunteering with organizations aligned with your values can provide the sense of contribution that academic service once offered.

The Stoic Practice of Premeditation

"There's one more Stoic concept that might help you," Ron said. "It's called *premeditatio malorum* - the premeditation of adversity. The idea is that imagining potential hardships reduces their emotional sting and increases our sense of agency."

Today's retirees face predictable challenges: health changes, potential cognitive decline, the loss of spouse or friends, the need for care assistance. Financial adviser Mitchell Kraus recommends that retirees "prepare for aging with confidence rather than denial," planning around "health, caregiving and mobility scenarios before you're forced into quick decisions".³⁸

"The U.S. Department of Health and Human Services estimates roughly 70% of Americans aged 65 and older will need some form of long-term care," Chris noted. "Yet few talk openly about what that would look like or how they want those decisions handled. Confronting these possibilities now, while you're healthy and clear-thinking, is actually an act of empowerment, not pessimism."

Memento Mori: The Gift of Impermanence

"Finally," Ron said, "the Stoics practiced what they called *memento mori* - 'remember, you will die.' This wasn't morbid fascination; it was a reminder that life is finite and that clarity often comes from recognizing its limits."

Modern research echoes this ancient insight. Studies show that contemplating mortality in measured and healthy ways can increase gratitude,³⁹ promote prosocial behavior,⁴⁰ and even improve psychological well-being.⁴¹

Marcus Aurelius returned to this theme throughout his life, writing: "You could leave life right now. Let that determine what you do and say and think".⁴²

³⁸ Kraus, as cited in Schroeder, 2025

³⁹ Frias et al., 2011

⁴⁰ Cozzolino et al., 2004

⁴¹ Vail et al., 2012

⁴² Aurelius, trans. 2002

Margaret was quiet for a moment. Then she smiled. "You know, I've spent my career helping students find meaning in complex texts. I suppose this next chapter is just another text to interpret - this time, the text of my own life."

Part VII: Two Paths Through Retirement

Every professor's retirement is unique - shaped by decades of decisions, institutional circumstances, and personal goals. Here are two case studies illustrating how the principles in this guide apply to real planning challenges.

Case Study A: Professor Emily Miller, The Early Retiree (Age 58)

Professor Emily Miller taught economics at a state university for twenty-five years. At 58, she had \$1.5 million in her 403(b) account, a state pension that would provide \$35,000 annually at age 65, and Social Security eligibility of \$2,400 monthly at her Full Retirement Age of 67. Emily wanted to retire immediately to care for her aging parents, while continuing to maintain and update the textbook for which she was a co-author.

When Emily met with Chris and Ron, they developed a comprehensive strategy:

Delay Guaranteed Income: After completing a life expectancy analysis recommended by Scholar Financial, Emily decided to defer both her state pension and Social Security, allowing both income streams to grow to their maximum values.

Leverage the Rule of 55: Because Emily was separating from service after age 55, she could access her 403(b) funds penalty-free immediately, providing living expenses during the gap years before pension and Social Security commenced.

Health Insurance via ACA Marketplace: By carefully managing her taxable income through strategic withdrawals, Emily qualified for substantial premium subsidies through the Affordable Care Act marketplace - a critical consideration given that pre-Medicare health insurance for a couple can exceed \$36,000 annually.⁴³

Optimize Textbook Business Income: Chris and Ron helped Emily structure her textbook royalties for maximum tax efficiency, including aggressive deductions for home office expenses, professional development, research materials, conference travel, and software. They evaluated her eligibility for the Qualified Business Income (QBI) deduction and considered retirement account contributions through a SIMPLE IRA to lower modified adjusted gross income while preserving ACA subsidies.

⁴³ Johnson & Mommaerts, 2011

Strategic Roth Conversions: After Emily enrolled in Medicare at 65, eliminating ACA subsidy concerns, she would begin annual Roth conversions during her low-income window, converting portions of her pre-tax accounts to Roth to reduce future Required Minimum Distributions and provide tax-free income.

Preserve TIAA Traditional: Emily's vintage TIAA Traditional account would remain in place for superior future annuitization options, while the non-TIAA Traditional assets were moved to an IRA in order to take better advantage of factor-based investment strategies, which possessed very strong academic support, while keeping investment product costs quite low.

Portfolio Withdrawal Staging: Using a modified bucket approach, Chris and Ron structured Emily's withdrawals in three stages: higher withdrawals until her pension began, moderate withdrawals until Social Security kicked in, and lower portfolio withdrawals thereafter as guaranteed income covered more of her expenses.

Case Study B: Professor James Davis, The Vintage TIAA Holder (Age 70)

Professor James Davis retired after 35 years at a private research university. At 70, he had \$1,200,000 in TIAA - \$300,000 in TIAA Traditional accumulated since 1990, and \$900,000 in equity funds. A local advisor had recommended rolling everything into an IRA for "better investment options."

When James brought this recommendation to Chris and Ron for a second opinion, they conducted a detailed analysis that changed his entire approach:

TIAA's annuitization quote showed that James's \$300,000 TIAA Traditional balance could provide \$21,900 annually - a 7.3% payout rate including loyalty enhancements, plus possible annual bonuses. Market alternatives offered only 5.8% (\$17,400 annually). The difference of \$4,500 per year, compounded over a 20-year retirement, represented potentially \$90,000 or more in additional lifetime income.

The Scholar Financial strategy for James:

Annuitize TIAA Traditional: Convert the \$300,000 TIAA Traditional balance into lifetime income of \$21,900 annually, providing a guaranteed floor of income that could not be outlived.

Roll Over Equity Funds to IRA: Transfer the \$900,000 in TIAA equity funds to an IRA, providing access to a globally diversified portfolio using factor-based investing -

targeting small-cap, value, and profitability factors shown by academic research to provide long-term premiums.⁴⁴

Establish Goal-Based Reserves: Set aside a specific amount from the portfolio in a separate account to fund James's lifetime goals over the succeeding five years - including a planned trip to visit his children abroad, home renovations, and a charitable gift to his alma mater.

Implement Floor-and-Ceiling Withdrawals: For ongoing portfolio withdrawals, establish a floor-and-ceiling approach with floors at 15% below and ceilings at 20% above the initial withdrawal rate, providing flexibility to adjust spending while maintaining guardrails against over- or under-spending.

Part VIII: How to Choose a Financial Advisor

Not all financial advisors are created equal - and the differences matter enormously for your retirement security. How do you find someone worthy of your trust?

Throughout this guide, you've seen how specialized knowledge - of TIAA contracts, academic career patterns, and the psychological challenges of leaving the professoriate - shapes effective retirement planning. But how do you find an advisor with this expertise?

Scholar Financial has developed a framework of “[Ten Questions to Ask Any Financial Advisor](#).” Additional questions professors may desire to ask include:

- What specific experience do you have with academic retirement systems like TIAA?
- How do you approach Social Security claiming optimization, especially post-WEP/GPO repeal?
- What is your investment philosophy - passive indexing, factor-based, or active management, and why?
- How do you address the psychological aspects of retirement transition?
- What credentials and continuing education do you maintain?
- How often will we meet, and what ongoing services do you provide?
- What happens if something happens to you - is there succession planning?

The fiduciary standard is particularly important. While many advisors may claim to act in clients' interests, only a small percentage operate as fee-only fiduciaries. As explained by the National Association of Personal Financial Advisors (NAPFA):

⁴⁴ Fama & French, 2015

"Fee-Only planners are compensated directly by their clients for advice, plan implementation and for the ongoing management of assets. All NAPFA members are required to work only within the Fee-Only structure, accepting no commissions for their work".⁴⁵

This compensation model minimizes conflicts of interest and ensures advice is truly aligned with client interests.⁴⁶

Part IX: Your Next Steps

The journey of a thousand miles begins with a single step - and the journey to a fulfilling retirement begins with a conversation.

Retirement is the tenure of a lifetime - a transition that requires the same intellectual rigor, careful planning, and thorough research you've applied throughout your academic career.

Your financial future is too important to leave to chance, which is why Scholar Financial begins every potential relationship with a complimentary Discovery Conference. This no-obligation consultation provides an opportunity for us to get to know each other and explore whether we're a good mutual fit.

During this conversation, we'll listen carefully to understand your unique situation - your goals, retirement timeline, current financial landscape, questions about TIAA contracts or state pensions, concerns about market volatility or healthcare costs, and the deeper questions about identity and purpose that so many academics carry into retirement.

You'll also have the opportunity to ask questions about our fiduciary commitment, fee-only compensation structure, evidence-based investment philosophy, and specialized expertise with university faculty retirement systems, as well as any other questions you may possess.

Most importantly, this meeting allows both of us to discern whether our values, communication style, and planning philosophy align with your needs and expectations. There's no pressure, no sales pitch - just an honest conversation between academics about whether Scholar Financial can add meaningful value to your retirement planning journey.

⁴⁵ NAPFA, 2025

⁴⁶ Rhoades, 2013

If we're a good fit, we'll outline clear next steps; if not, we'll happily point you toward resources or other advisors who might better serve your needs.

Schedule your Discovery Conference with Chris and Ron today.

Take the first step toward confident retirement planning.

Call our Client Services Director, Cathy Rhoades, at 270-904-2728 or email cathy@scholarfinancial.com

This article is for educational purposes only. Scenarios and references to client experiences are used solely to illustrate financial planning concepts. These examples may not apply to your individual circumstances. It should not be construed as financial, legal, tax, or investment advice, nor as a recommendation to implement any specific strategy, product, or investment. As a fiduciary, we provide advice tailored to each client's goals and financial situation. Consult with a qualified financial professional before making investment decisions.

Prices, values, and other data are obtained from sources deemed reliable at the time of use, but accuracy is not guaranteed.

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