

The People Behind California Public Education



A Demographic Study of CalSTRS Members

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INTRODUCTION

Demographic information is a powerful tool for understanding the relationship between people and their socioeconomic status. For the general population, demographic variables are correlated with social and financial outcomes in life. Recently, the National Institute of Retirement Security published a report that also found strong relationships between demographic categories—such as race, gender, marital status and education—and retirement outcomes.¹

While findings about the general population support the need for demographic research, they are not universally applicable to CalSTRS membership. CalSTRS members represent a specific subgroup of the larger population. Not only does the retirement system serve just the state of California, CalSTRS members typically require five years of higher education to teach in public schools, and they work in a profession with a progressive compensation structure. These characteristics may change the influence of other demographic characteristics, such as gender or race, on financial outcomes.

CalSTRS has analyzed member data required to administer benefits—age, gender, earnings or benefit amount and years of service. Additional demographic information collected through past survey research extended available data to include variables such as marital status and household finances. In order to increase the breadth of data about CalSTRS members, research staff pursued a new survey to collect an expanded array of demographic information. This demographic survey yielded novel data about the characteristics of CalSTRS members. This comprehensive demographic data allows us to distinguish the experience of our members compared to the general population, and can offer new insight on member behavior, financial planning and retirement security.

Methodology

Prior to administering the survey, CalSTRS collaborated with stakeholder groups to help socialize the survey activities among CalSTRS members given the personal questions included. Research staff attended constituent meetings and met with key stakeholder representatives. This allowed for thoughtful input during survey development. As a result of the collaboration, survey content was refined, and there was confidence member trust would be maintained when asking for detailed personal information. CalSTRS attributes the success of this project to those efforts and extends its gratitude to stakeholder representatives who provided input and encouraged survey participation.

Beginning May 16, 2019, CalSTRS emailed the survey to every CalSTRS active or retired member with a valid email address on file. The survey closed on June 24, 2019. CalSTRS received 42,111 responses representing 11,685 active member respondents and 30,426 retired member respondents.² The survey included five sections covering topics on demographic characteristics, employment, education, finances and retirement preparedness.³

As is typical with survey data, an interval around the mean (average) was calculated. This is commonly known as a confidence interval, which is further used to calculate the margin of error for a sample. This basic diagnostic statistic provides perspective around the variation in the sample and its applicability to the total population. As of June 30, 2019, there were 656,022

active members.⁴ There were 11,685 responses from active members. With a 99% confidence interval, the margin of error is about 1%. As of June 30, 2019, there were 270,835 retired members. There were 30,426 responses from retired members. With a 99% confidence interval, the margin of error is less than 1%. This initial assessment provides confidence in the representativeness of the sample relative to the actual population. It suggests the findings represent the demographic characteristics and experiences of the membership.

Population Distributions and Benchmarking

Descriptive observations of the data combined with comparisons to other sources of data available about CalSTRS members can further validate the representativeness of the data.

Gender

As of June 30, 2019, CalSTRS’ active member population consisted of 28% males and 72% females. Active member survey respondents were represented by 31% males and 69% females. Similarly, as of June 30, 2019, retired members consisted of 31% males and 69% females. Retired member survey respondents were represented by 33% males and 67% females. In both active and retired populations, males were marginally more represented in the survey respondents than in the actual member population. Given the volume of responses and the degree of similarity in the distribution to the actual population, there is sufficient data for meaningful analysis comparing male experiences to female experiences.

Figure 1. Active Gender Comparison

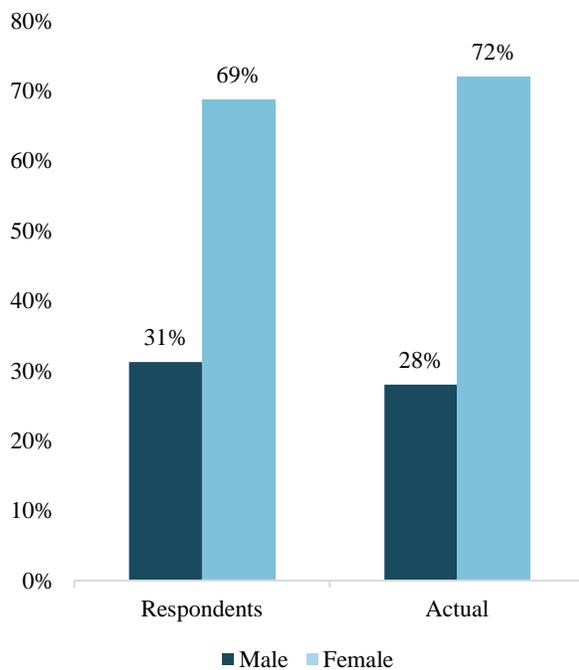
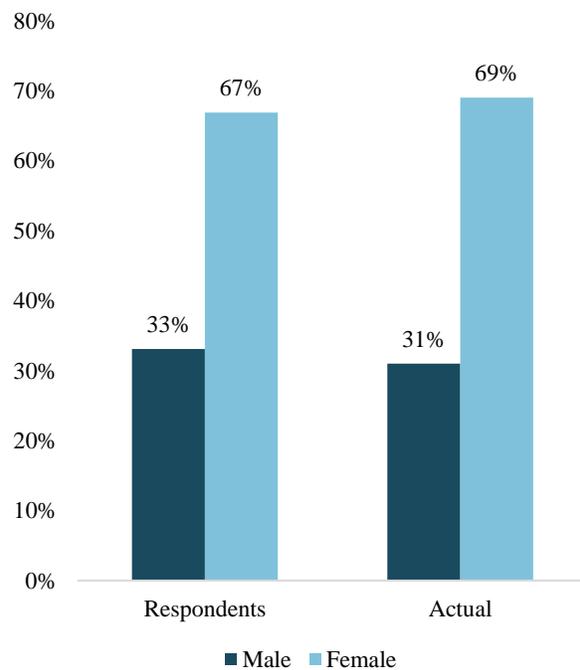


Figure 2. Retired Gender Comparison



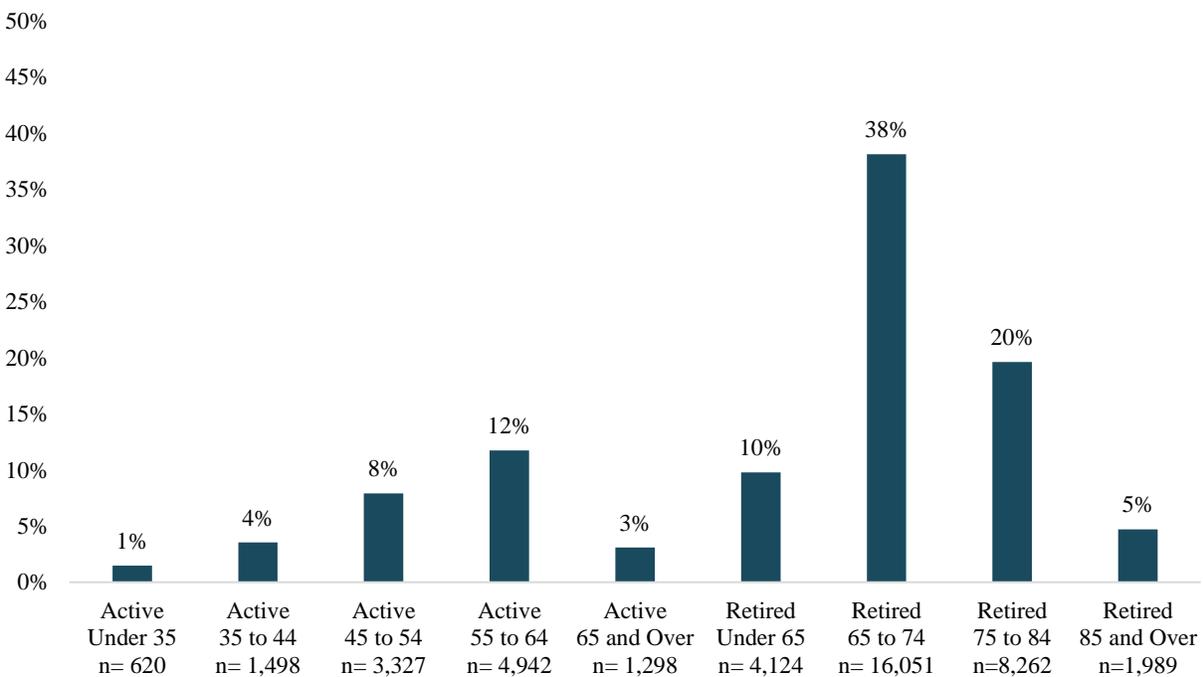
Notably, in line with California law allowing for non-binary as a legal gender designation, the survey included non-binary as a third gender option for participants. Sixty-four individuals who participated in the survey identified as non-binary. Given the small number of individuals in this

group, research staff did not conduct substantive analysis on the non-binary member experience. This data will be reserved and observed again in future iterations of demographic research.

Age

The youngest survey respondent was 22, and the oldest was 104. As with other CalSTRS surveys, older, retired members responded at a higher rate than younger, active members. To account for this, the analysis of the responses concentrates on age deciles or generational cohorts where appropriate. While older, retired members responded more, each age group studied has sufficient responses for analysis. Additionally, a compelling aspect of age-related analysis is how experiences and behaviors differ across the life course. This method is primarily how age is analyzed in this study. Figure 3 below shows the age groups used in the analysis and the distribution of all respondents according to those age groups.

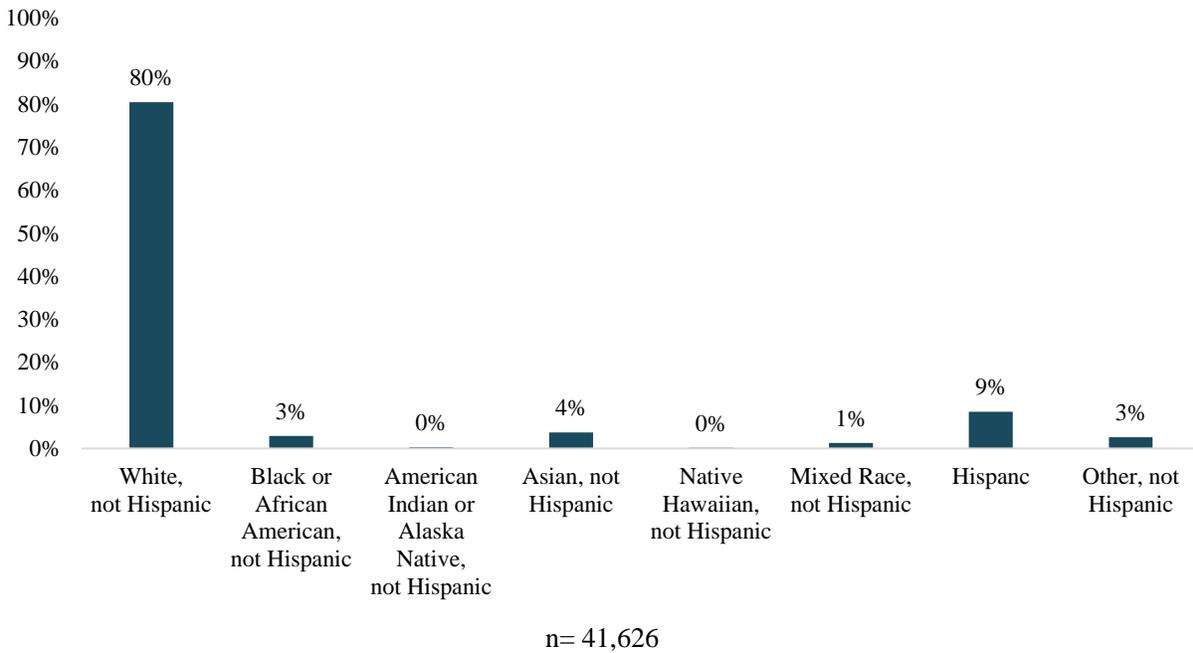
Figure 3. Respondent Age



Race

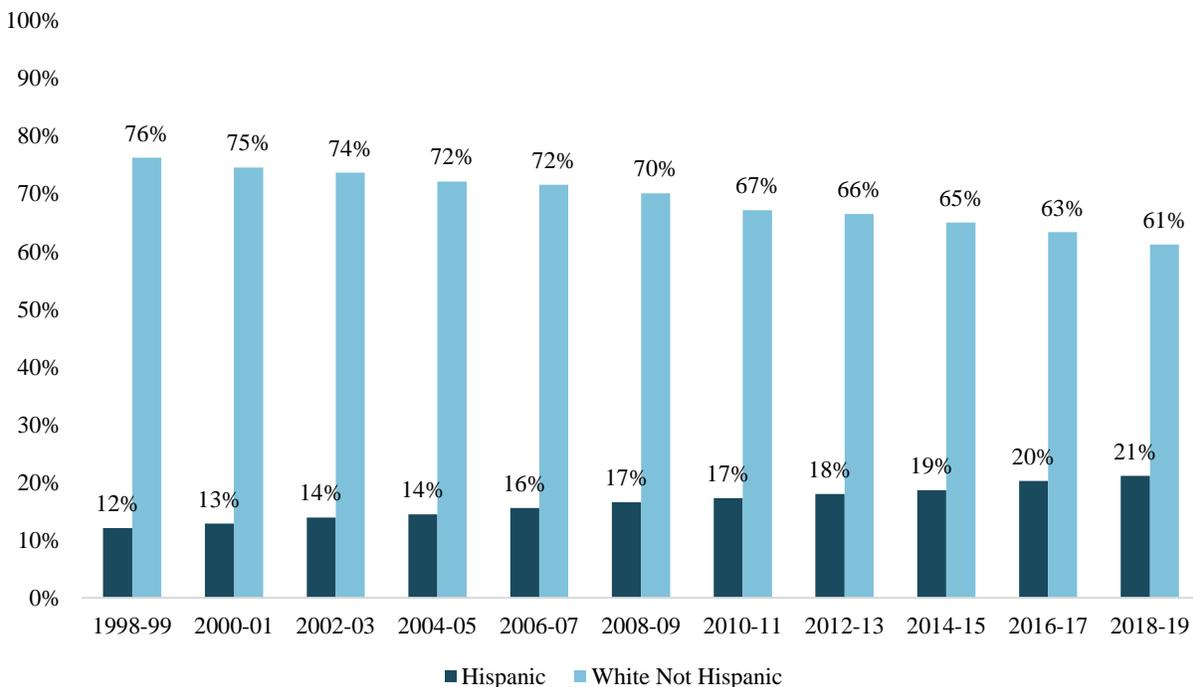
Race is a social construct that can evolve over time. As such, race can be challenging to measure. Personal identity at the time of data collection as well as the race categories used can impact an individual’s response. This study adopts categories of race from other government entities—such as the United States Census Bureau—to conform to current standards. Figure 4 below shows the distribution of race for all survey respondents according to those standards.

Figure 4. Respondent Race



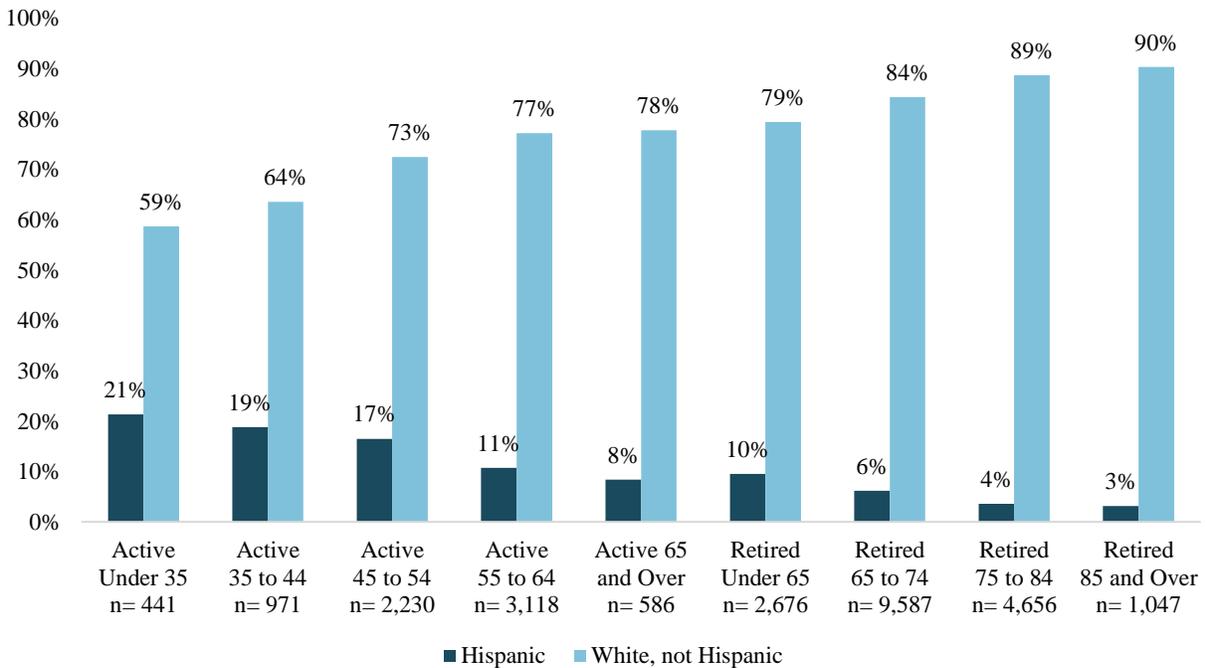
Trends can be examined between responses to this survey and other datasets to understand how similar this distribution is to other sources of information, despite individual variation. The California Department of Education collects race data for K-12 public educators. The last 20 years of data collected shows more Hispanic⁵ representation and less White representation in the most recent school years (Figure 5 below).

Figure 5. California Department of Education K-12 Teacher Race by Year



Similarly, across the age groups in the demographic survey data,⁶ there is a larger representation of Hispanic individuals in the younger age groups compared to the older age groups and a smaller representation of White individuals in the younger age groups compared to the older age groups (Figure 6 below).

Figure 6. K-12 Teacher Respondents Race by Age

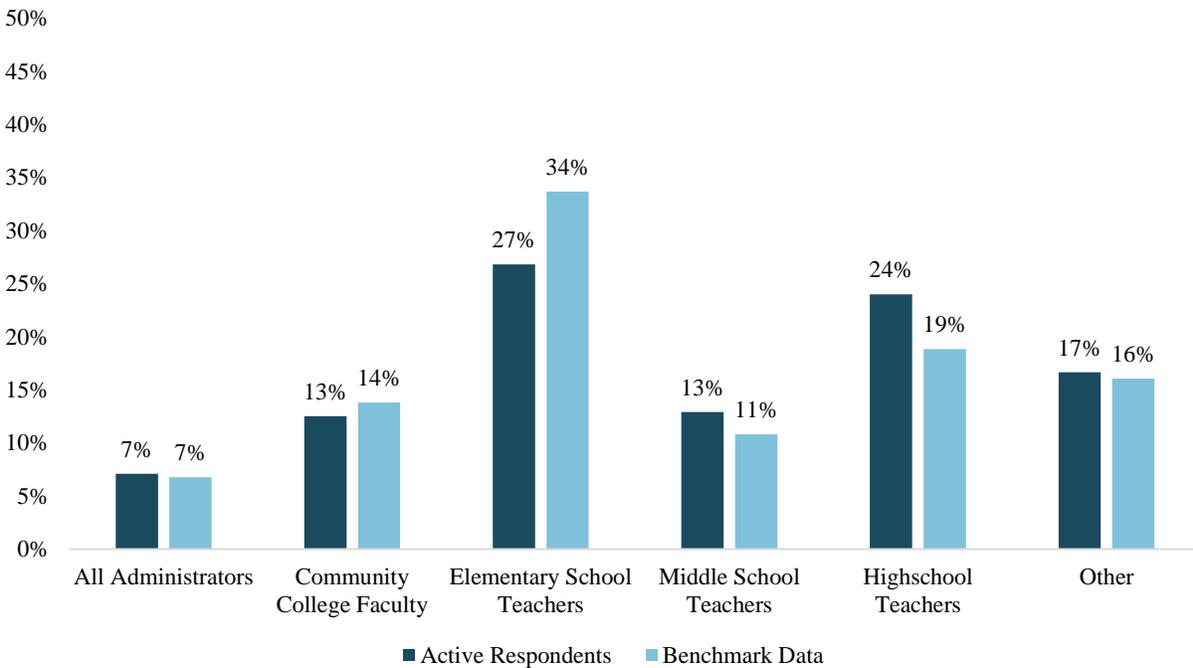


The similarity of trends in the data collected compared to the California Department of Education data, along with the volume of responses, provides confidence when examining race and conducting related demographic analysis for this study.

Position Type

The survey asked respondents to report their current or most recent position. When comparing active survey respondents to data available from the California Department of Education and the California Community Colleges Chancellor’s Office, there is a similar distribution.⁷ In both cases, K-12 teachers make up more than 60% of the population. As with other data, the relative distribution of respondents by position type—and with each group displayed in Figure 7 below being represented by thousands of survey respondents—it is possible to compare the experiences of CalSTRS members by position type.

Figure 7. Active Position Type Comparison



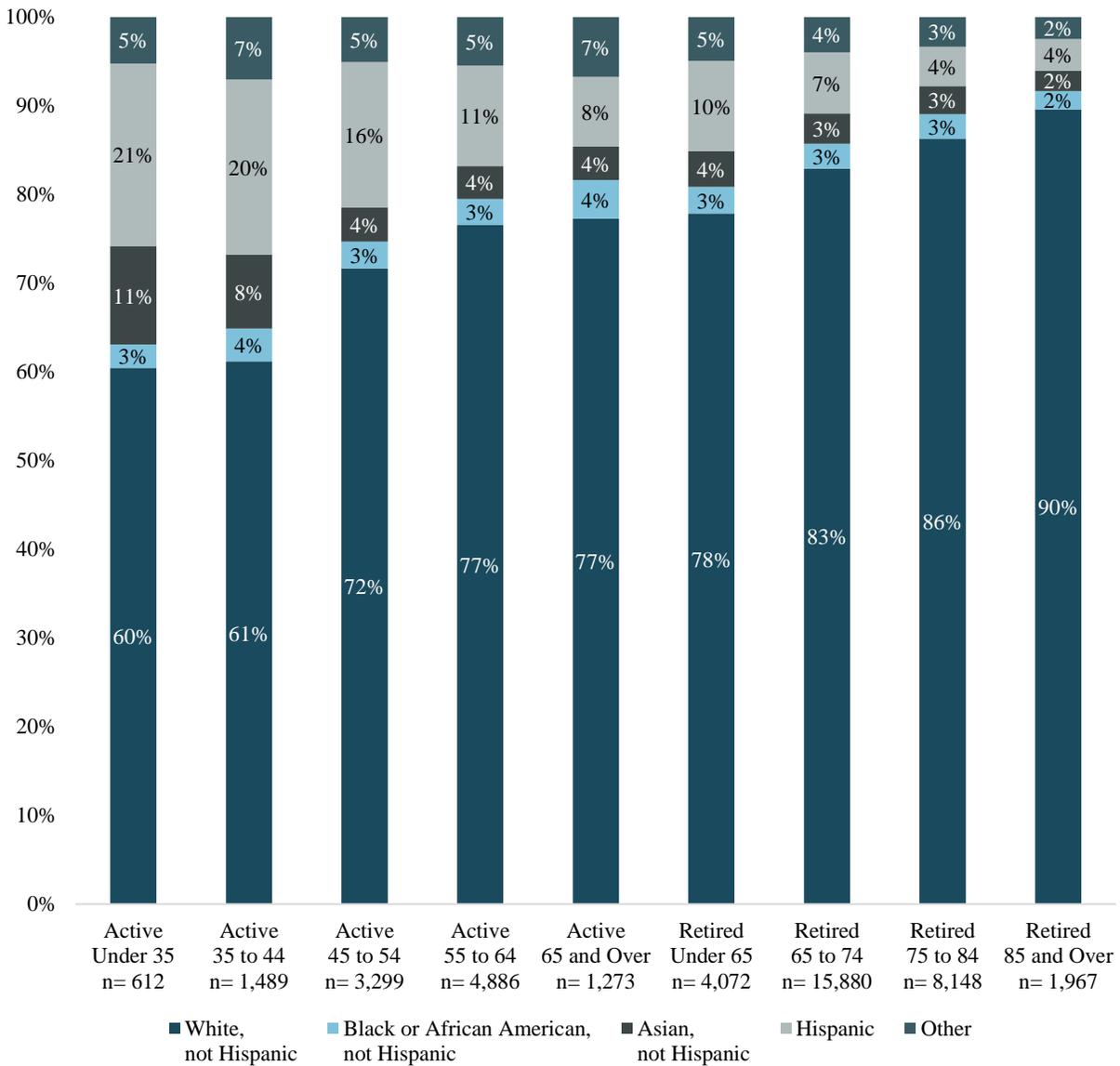
FINDINGS AND ANALYSIS

Below is a compilation of findings from the survey data. Given the vast amount of information collected, commonly reported demographic categories and others with compelling findings have been included below.

Race

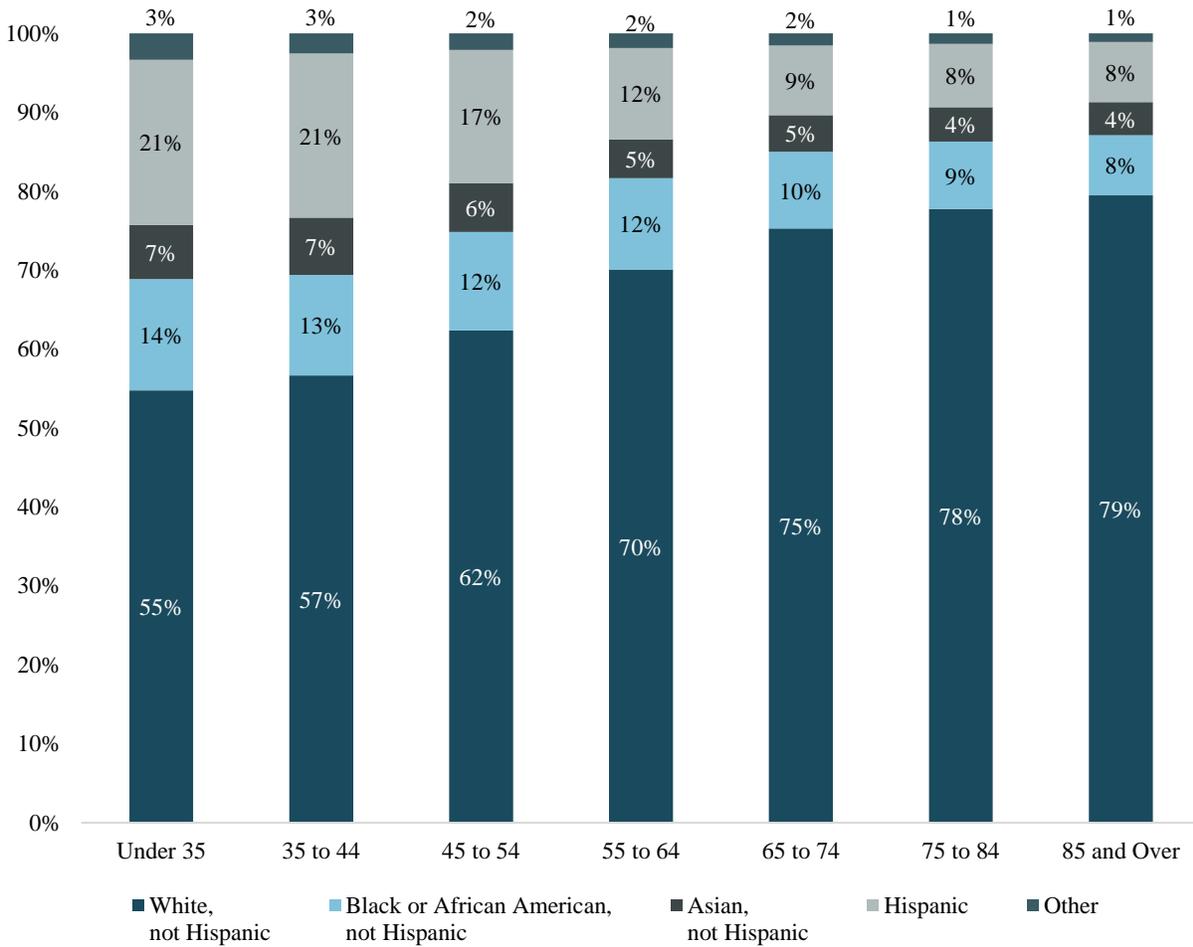
Overall, there is greater diversity in the United States general population and the California population than in the member population. However, survey respondents show evidence of increased racial diversity at younger ages. As with the K-12 data above, there is a noticeable shift in the proportions of White and Hispanic representation in younger ages compared to older ages within the entire respondent population (Figure 8 below). There is also a slight increase in Asian representation in the younger age groups. Black or African American representation remains constant across all age groups (below 5%). All other race categories combined represent less than 10% of the entire respondent population across all age groups and show little variation.

Figure 8. Respondent Race by Age



When comparing survey respondents to the general United States population there are noticeable differences. The United States overall has more Black or African American representation than in California and what was reported by survey respondents. The United States overall has less Asian and Hispanic representation than California, but similar representation reported by survey respondents (Figure 9 below).

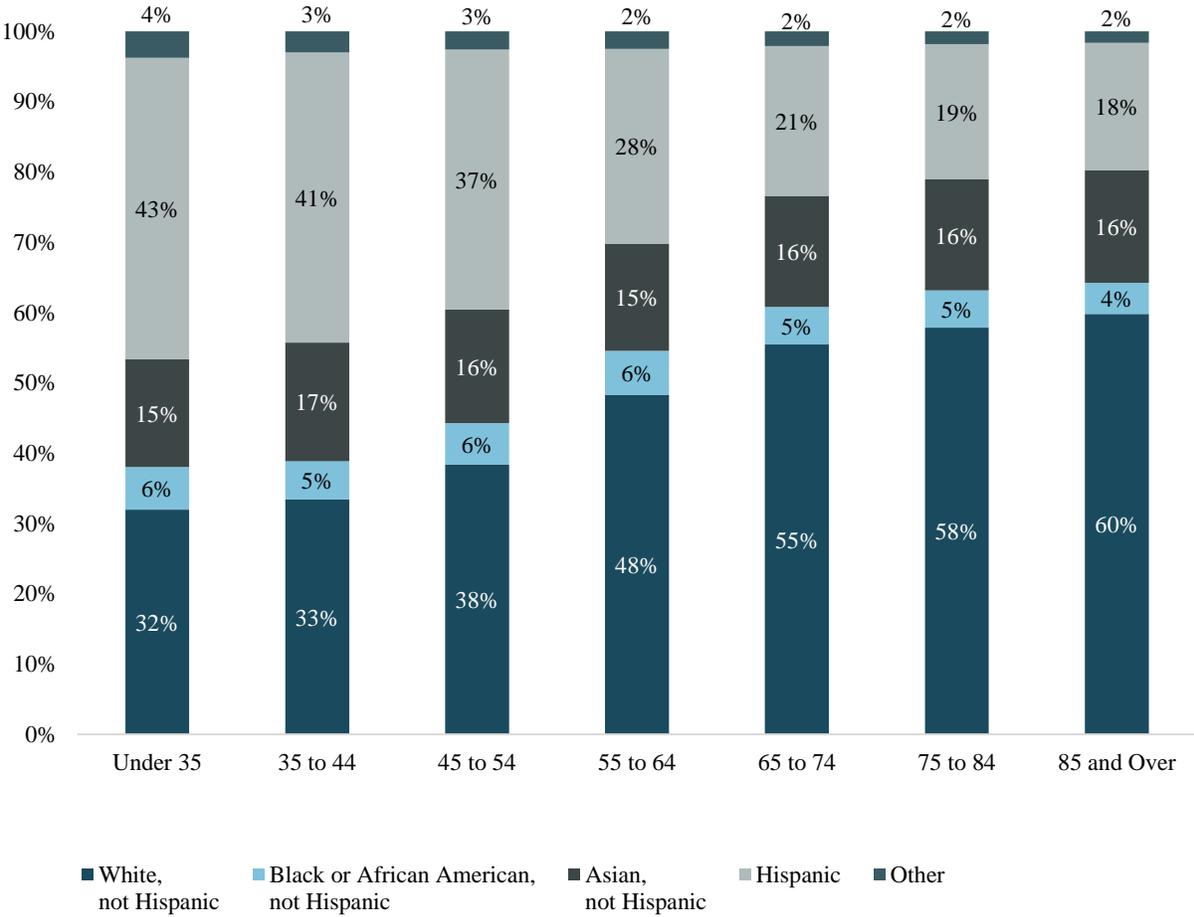
Figure 9. United States Race by Age



U.S. Census Bureau, National and State Population Estimates, 2018

When comparing survey respondents to the general California population, there are other noticeable differences. For survey respondents at younger ages, Hispanic representation increases as White representation falls, but for California overall, while displaying the same trend, Hispanic representation exceeds White representation among the younger age groups (Figure 10 below). As such, to assume United States or California data represents race for CalSTRS members would provide an inaccurate picture.

Figure 10. California Race by Age

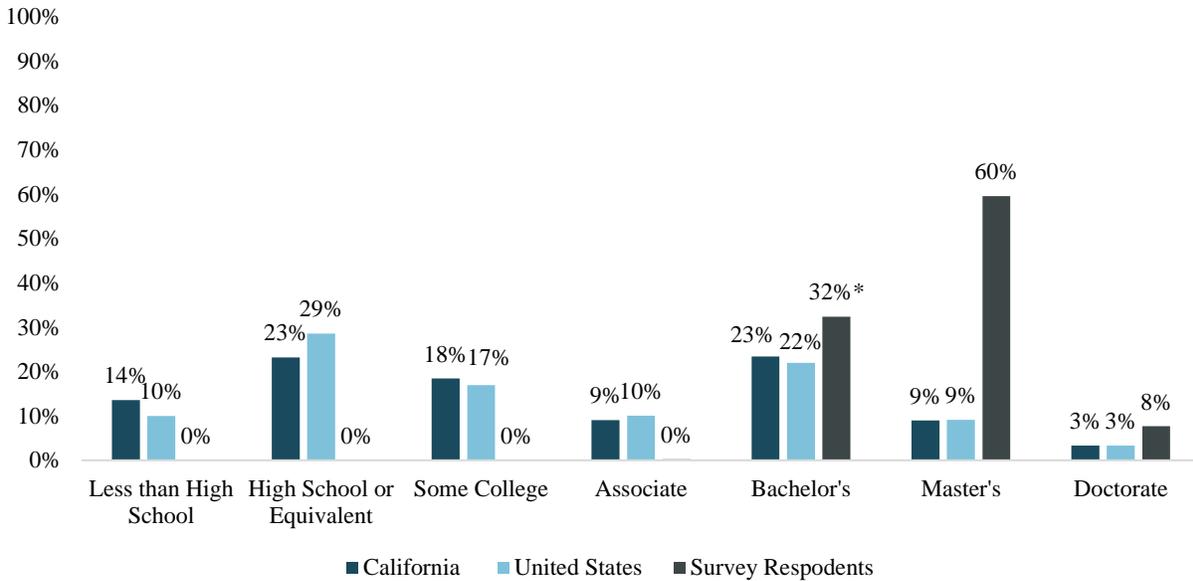


U.S. Census Bureau, National and State Population Estimates, 2018

Education

For this survey, respondents were asked to indicate which degrees they have. Their highest degree attained was then calculated. For the general California and United States populations age 22 or older,⁸ there is a broad distribution of educational attainment from less than High School through a Doctorate, with some concentration around High School or Equivalent and Bachelor's (Figure 11 below).

Figure 11. Educational Attainment Comparison

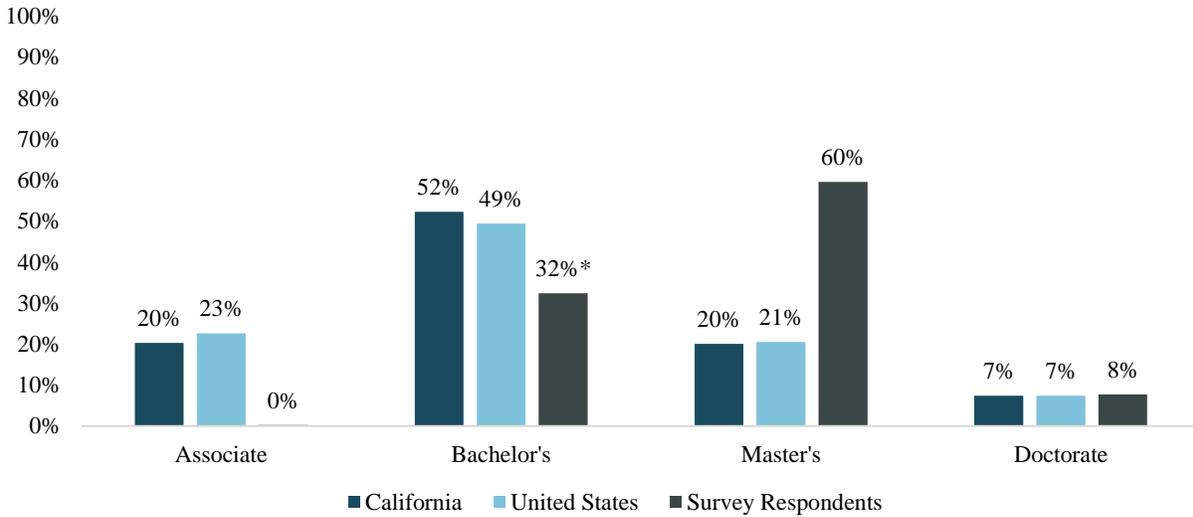


U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2018

*Includes survey respondents with a Teaching Credential.

Educational attainment is a clear area where CalSTRS members diverge from the general population. The survey data shows 68% of CalSTRS members have a Master's degree or higher, compared to 12% of both Americans and California residents, ages 22 and older. When limiting the United States and California populations to only include those with an Associate degree or higher (Figure 12 below), there is still a much larger proportion of survey respondents with a Master's degree or higher, with less than a third in both the general populations reporting a Master's degree or higher.

Figure 12. Educational Attainment Comparison-Associate and above

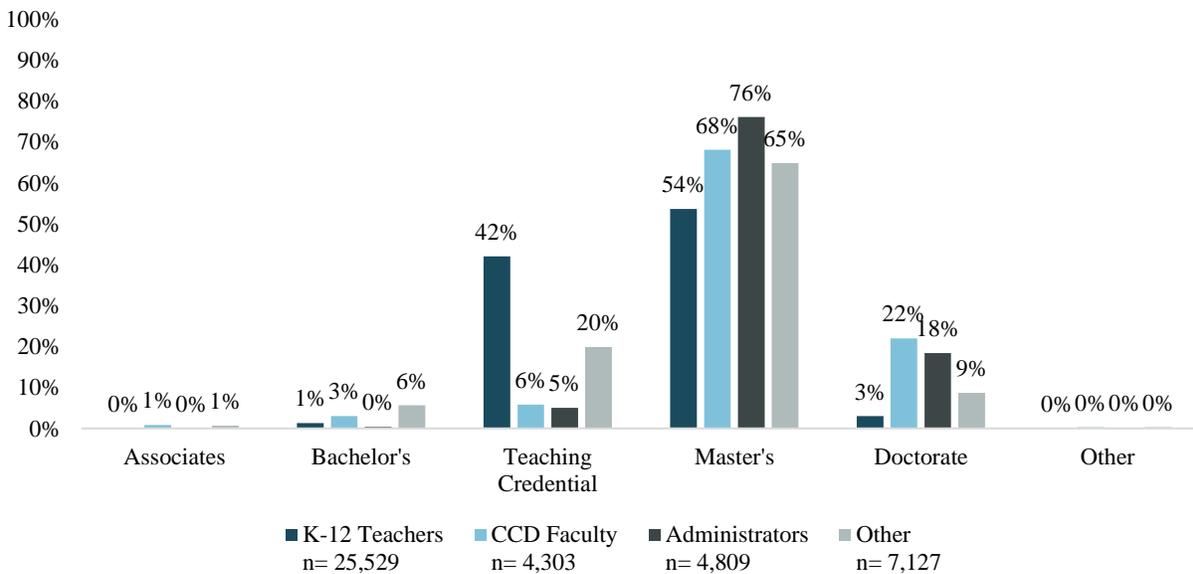


U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2018

*Includes survey respondents with a Teaching Credential.

There is some variation in educational attainment for various subgroups of survey respondents. Overall there is little variation between the educational attainment of active and retired respondents. A slightly higher proportion of males report a Doctorate degree—11%—compared to females—6%—while a larger proportion of active respondents ages 35 to 44 report having a Master’s degree or higher—76%—relative to other active age groups. More Administrators and Community College District Faculty have Master’s and Doctorate degrees than K-12 Teachers and other certificated staff (Figure 13 below).

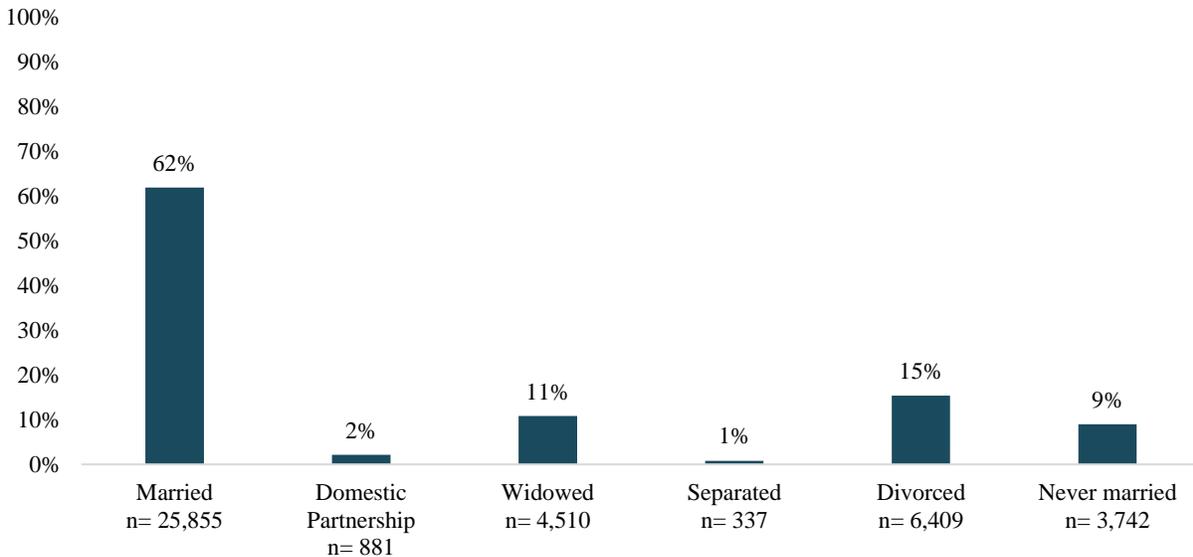
Figure 13. Respondent Highest Degree by Position Type



Marital Status

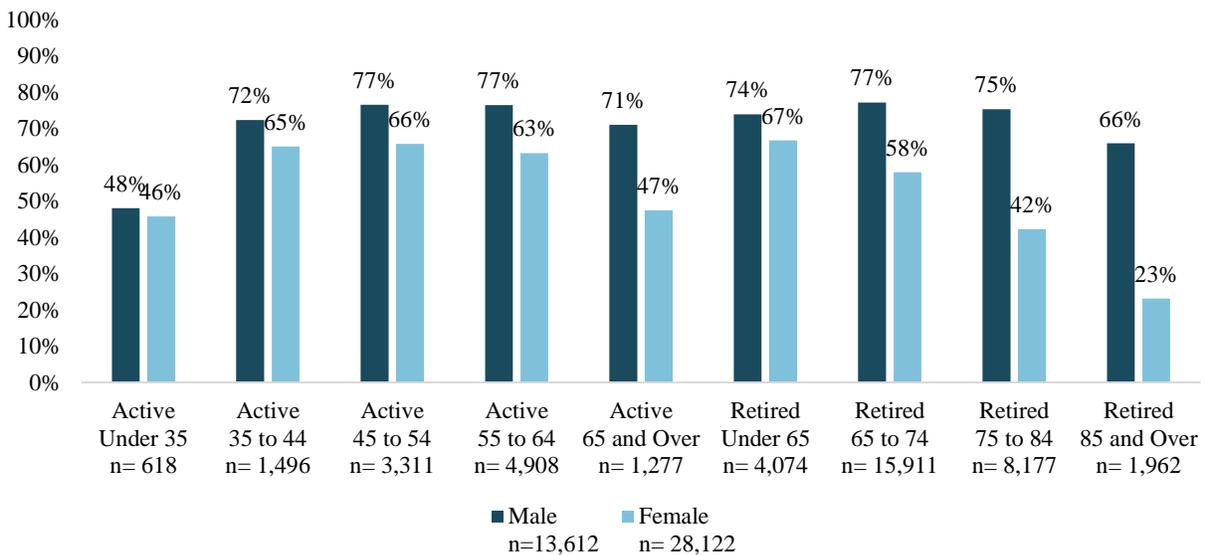
Respondents were asked to report their current marital status. Figure 14 below shows the distribution of current marital status for all respondents.

Figure 14. Respondent Current Marital Status



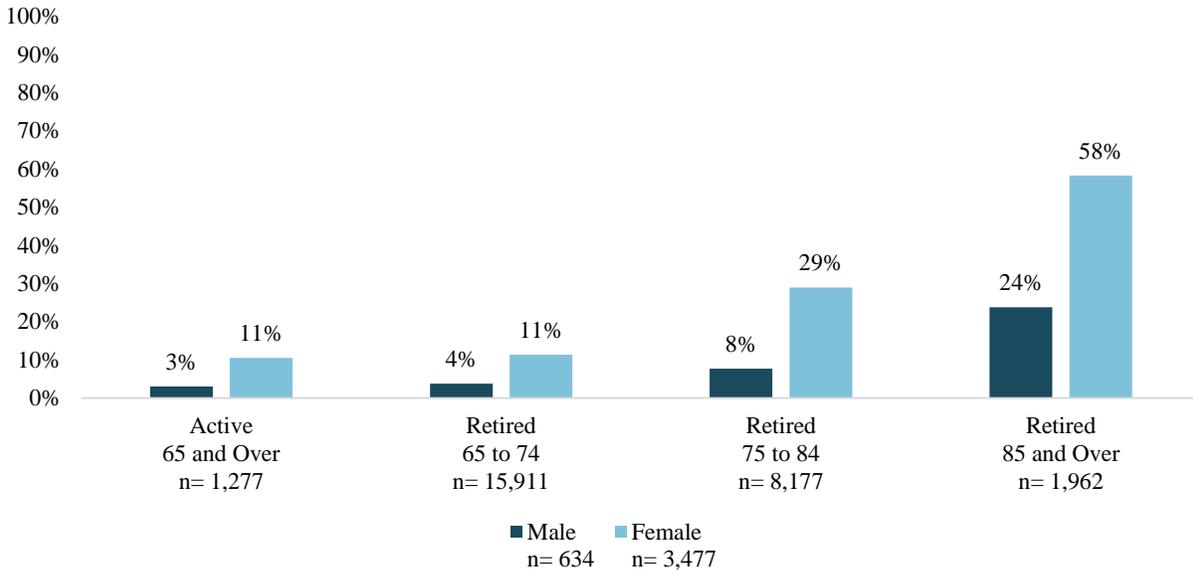
Within the respondent population, more male respondents are married at 75% than females at 56%. This trend holds true across all age groups (Figure 15 below).

Figure 15. Married Respondents by Gender and Age



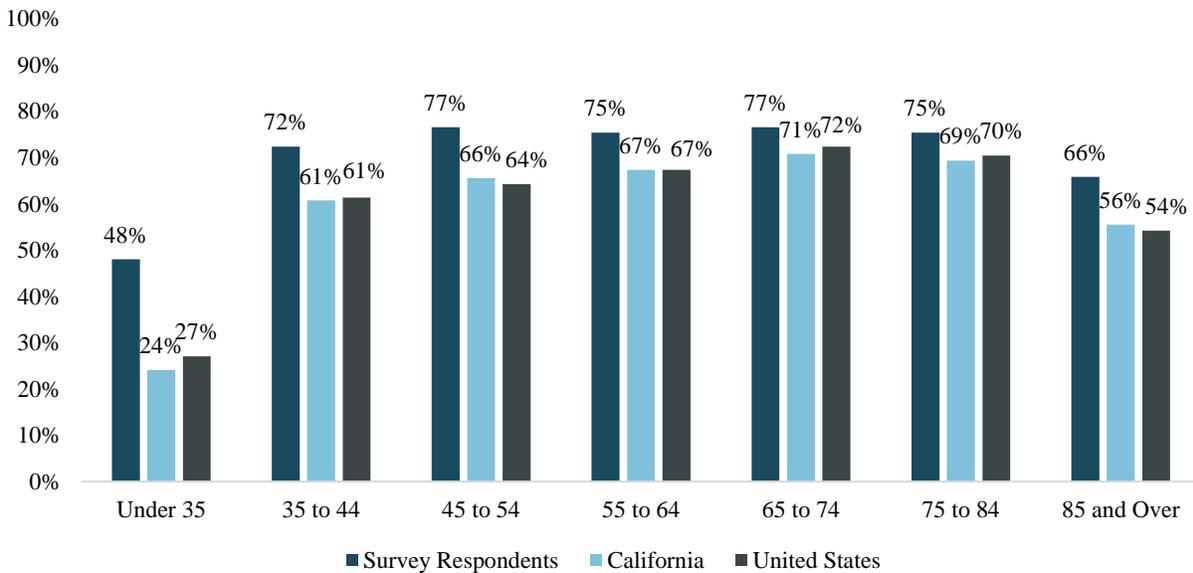
The most drastic difference between males and females is the percent of respondents married for ages 65 and over. In general, females live longer than males and are widowed at a higher rate than males at older ages. While after age 65 the number of respondents widowed increases for both males and females, more than double the percentage of women in those age groups are widowed compared to men in the same age groups (Figure 16 below).

Figure 16. Widowed Respondents by Age and Gender



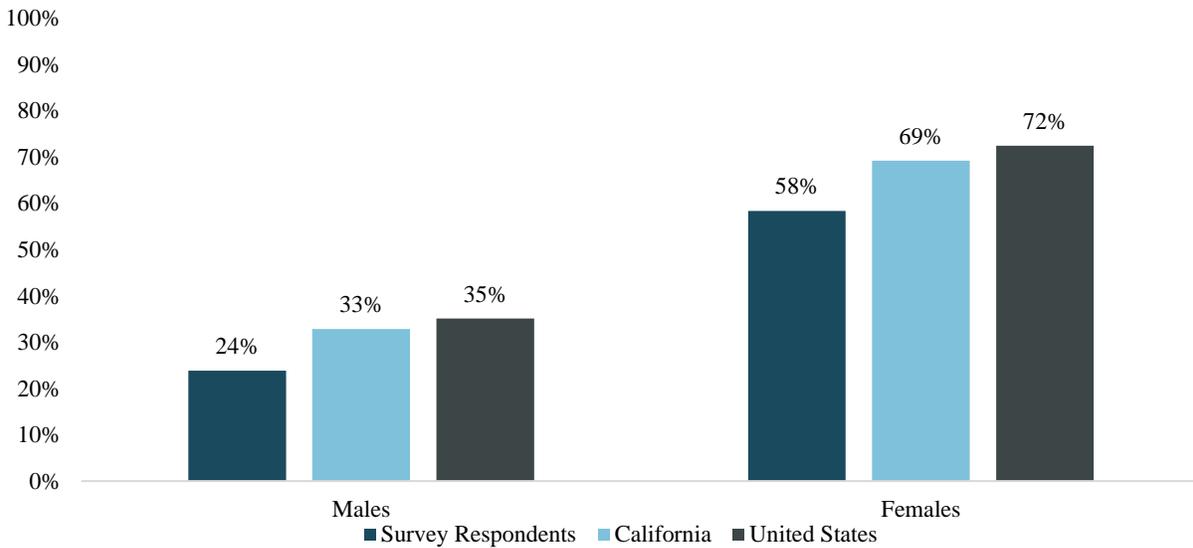
Comparing respondents to the general populations of California and the United States, more male respondents are married than the general populations (Figure 17 below).⁹

Figure 17. Married Males Comparison



Female respondents under age 35 also report being married more than the general California and United States populations—by more than 10%—while a similar percentage are married across all other age groups. However, the percentage of females widowed age 55 and over is far below the percentage of California and the United States overall. Also, among the oldest respondents, males and females are both widowed about 10% less than both the California and US populations as seen in Figure 18 below.

Figure 18. Widowed Age 85 and Over Comparison



U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

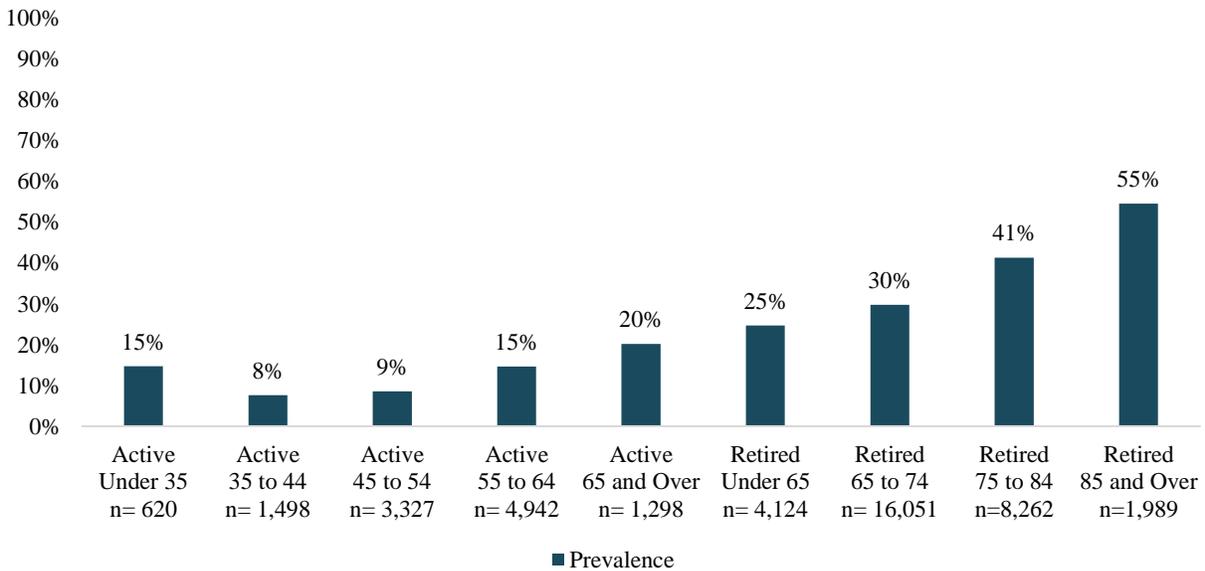
Understanding these trends for a predominantly female membership can be important. While men are more likely to remain married throughout most of their lives, women are more likely to be unmarried or have lost their partner in retirement. This can impact their financial well-being through loss of income, and it can affect their emotional well-being by adding the stress of a new financial reality.

Debt

Retirement preparedness activities concentrate on asset accumulation. Expenses in retirement dictate the rate of asset deaccumulation. Debt has relationships with both asset accumulation and deaccumulation. Analyzing member debt provides data and insight on a financial obstacle to saving for retirement and maintaining financial security in retirement.

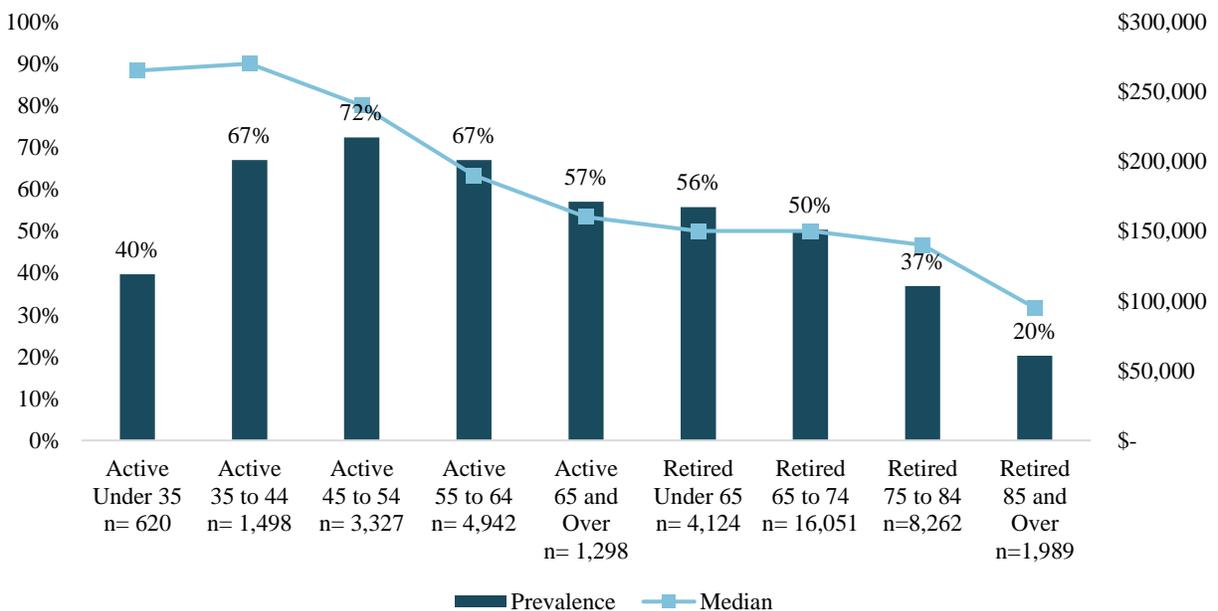
Respondents were asked to report the types and amounts of their household debt including mortgages, credit card debt, auto loans, medical bills, student loans and other. All active age groups have fewer than a quarter of respondents with no household debt. In retirement, fewer than half of respondents under age 85 have no household debt. Among the oldest retirees—age 85 and older—55% report no household debt (Figure 19 below).

Figure 19. Respondents with No Debt by Age



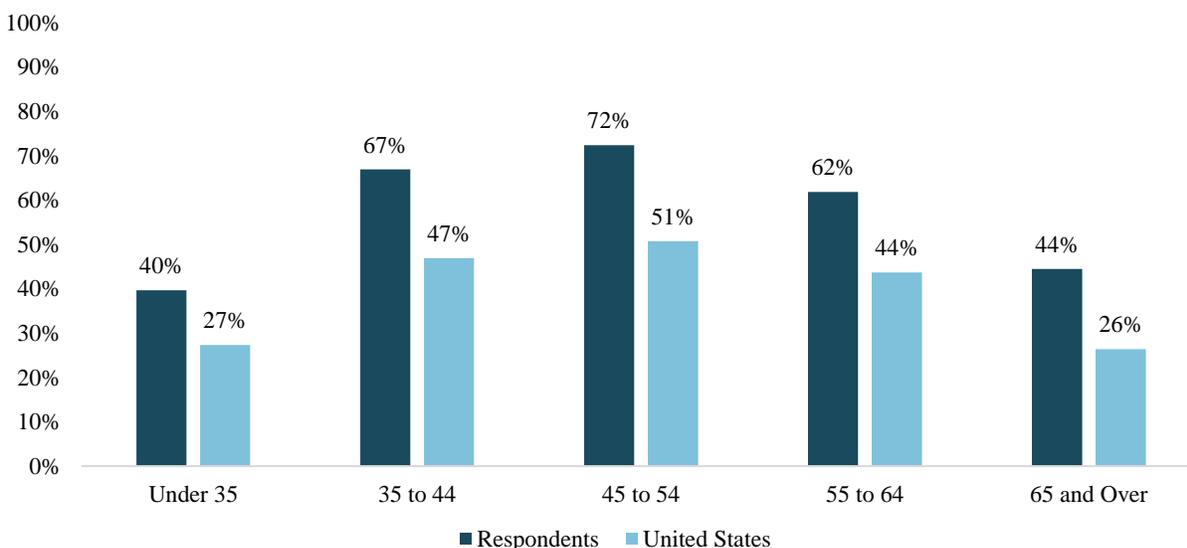
Mortgage debt is one type of debt that is long term and can be quite large. A large percentage of respondents carry mortgage debt with a decline in the number of respondents carrying mortgage debt at older ages. The median amount of mortgage debt also declines with age (Figure 20 below).

Figure 20. Respondents with Mortgage Debt by Age



When considering the mortgage debt among respondents, it is helpful to assess the rates of home ownership within the respondent population and how debt and home ownership trends compare to the United States more generally (debt rates for the California population were not publicly available).

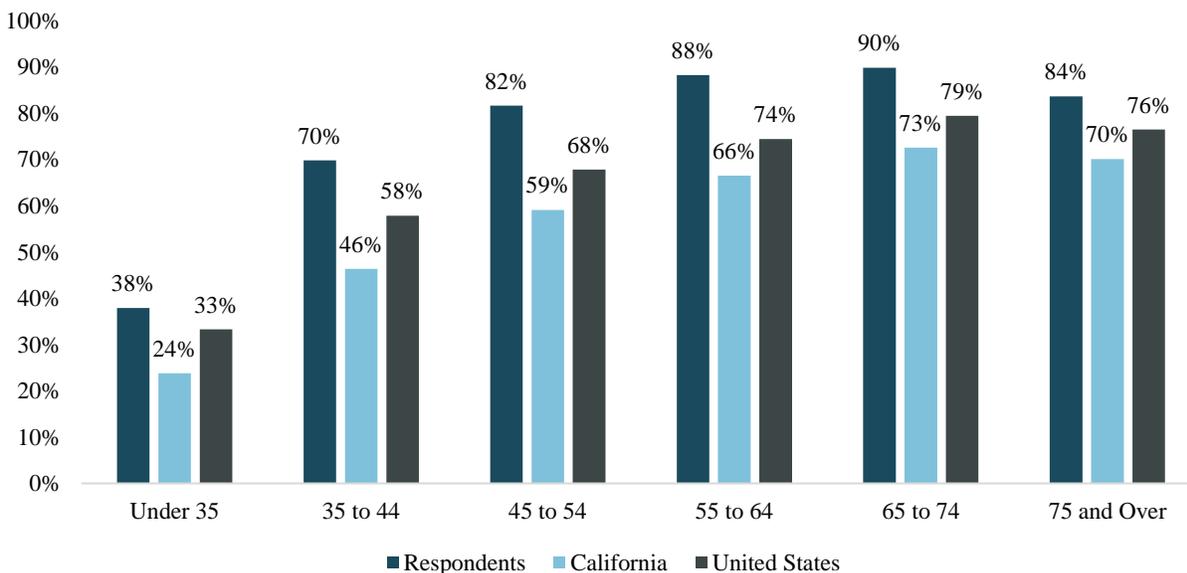
Figure 21. Mortgage Debt Comparison



U.S. Census Bureau, Wealth, Asset Ownership, & Debt of Households Detailed Tables: 2016

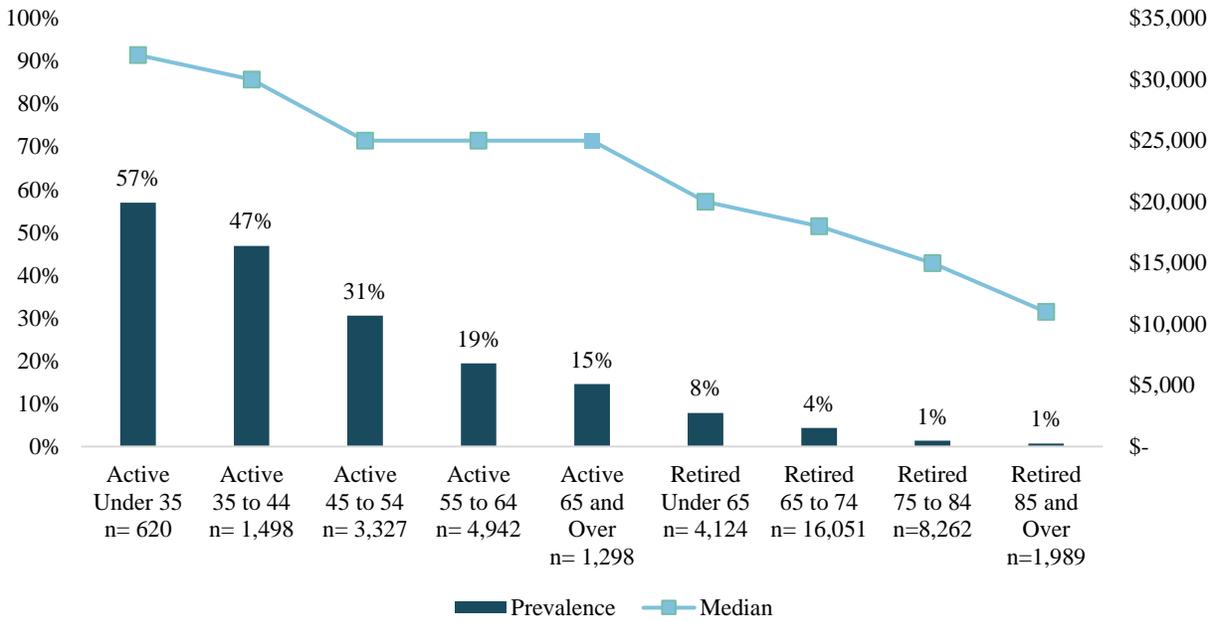
In most age groups, 15% more survey respondents have mortgage debt compared to the United States overall population (Figure 21 above). However, for both California and the United States as a whole, a larger percentage of survey respondents own homes (Figure 22 below). Some of the higher prevalence in mortgage debt may be due to these higher rates of home ownership.

Figure 22. Home Ownership Comparison



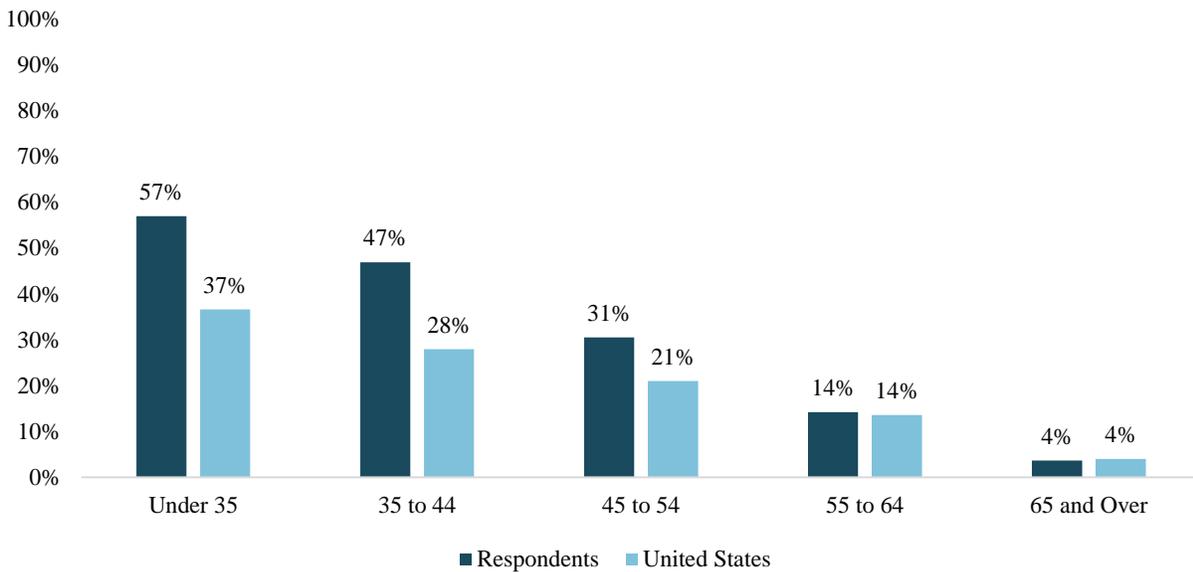
Another long-term debt is student loans. It is notable that some respondents indicated the student loan debt they reported is for their child’s education. Still, under age 35, more than half of survey respondents report student loan debt with a steady decline in prevalence with age. The median amount of debt also declines with age (Figure 23 below).

Figure 23. Respondents with Student Loan Debt by Age



When comparing student loan debt for respondents to the general United States population, ages 45 to 54 show 10% more survey respondents have student loan debt and about 20% more for ages 35 to 45 and 35 and under.

Figure 24. Student Loan Debt Comparison



U.S. Census Bureau, Wealth, Asset Ownership, & Debt of Households Detailed Tables: 2016

Two more types of debt with high prevalence were auto debt (Figure 25 below) and credit card debt (Figure 26 below). The prevalence and median amount of debt peak from 35 to 64 and decline steadily throughout the older age groups.

Figure 25. Respondents with Auto Debt by Age

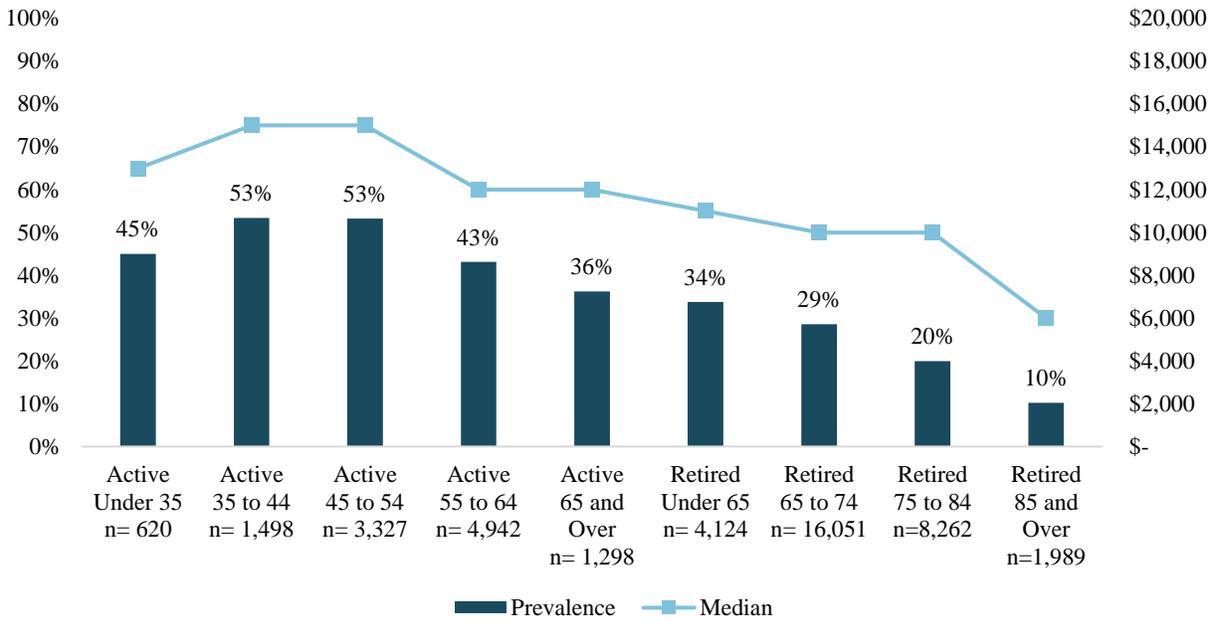
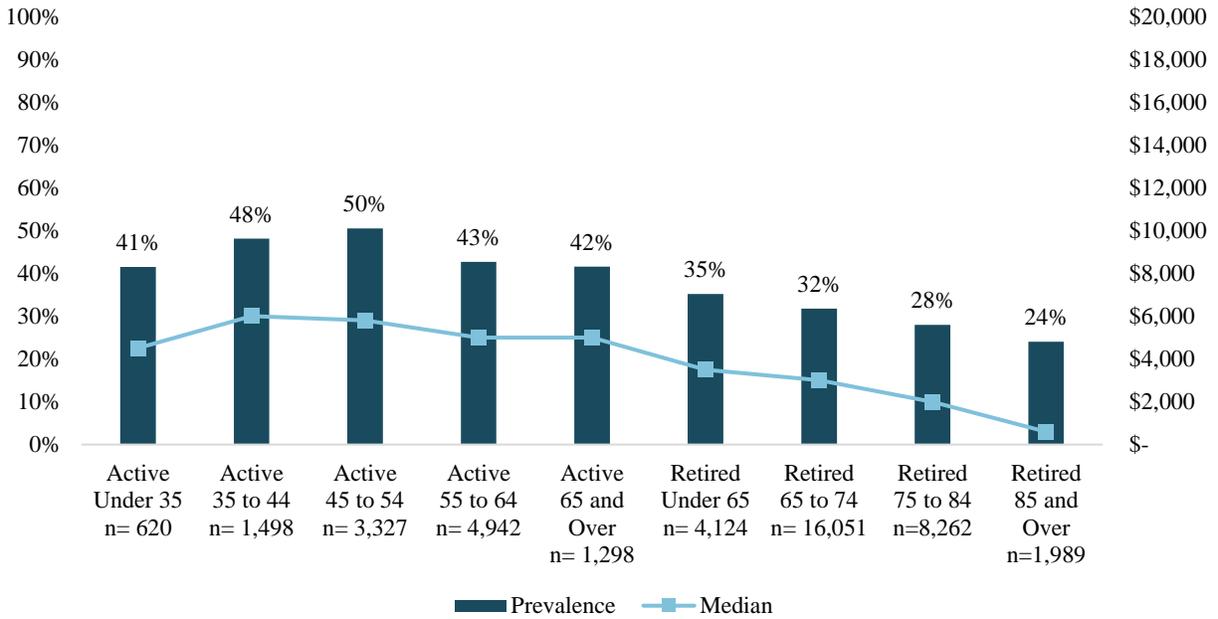
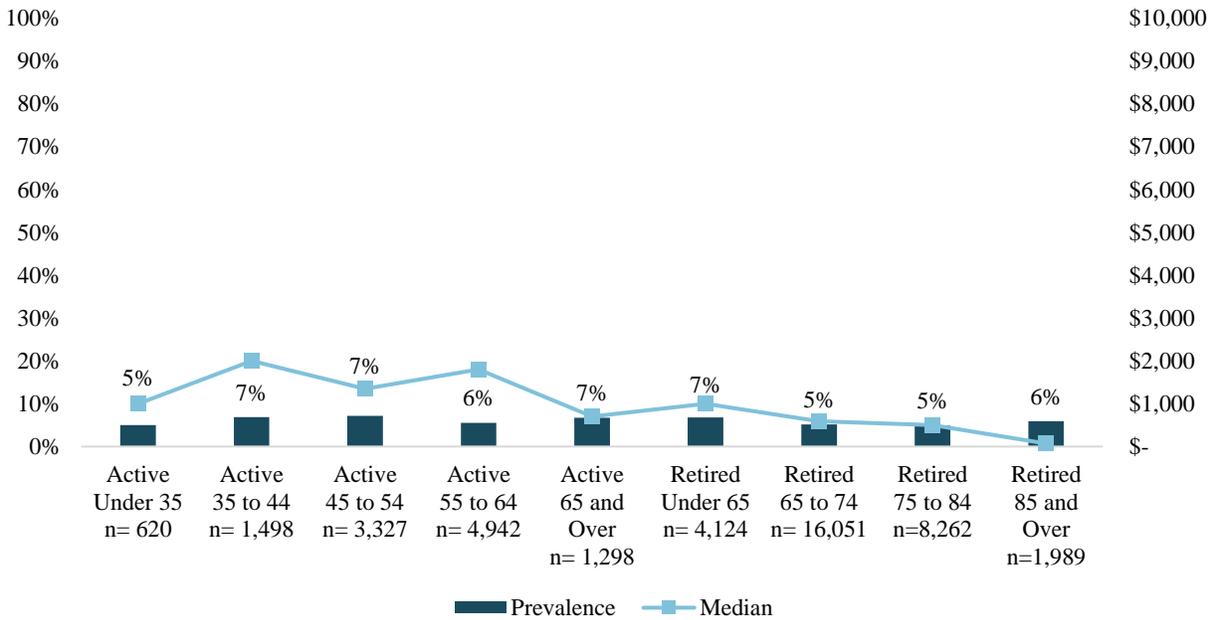


Figure 26. Respondents with Credit Debt by Age



One final type of debt that could be more prevalent for retirees as they begin to experience more health care needs is medical debt. However, fewer than 10% of respondents across all age groups have medical debt, and the median debt across all age groups is \$2,000 or less (Figure 27 below).

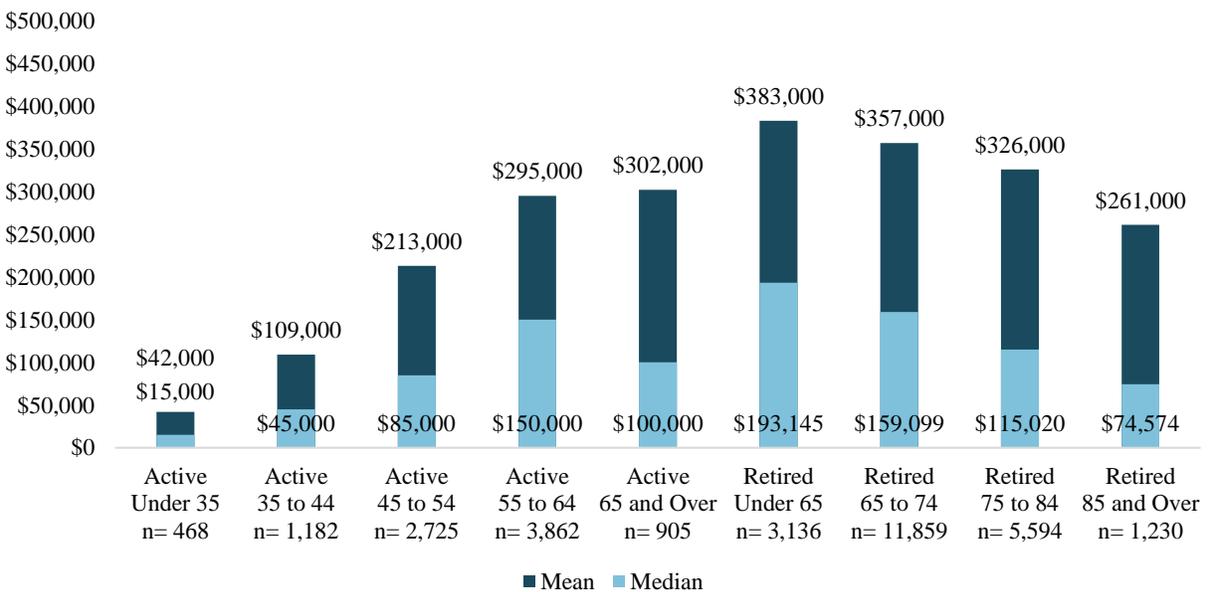
Figure 27. Respondents with Medical Debt by Age



Savings

While CalSTRS members have a defined benefit for retirement, supplemental savings can help ensure retirement income is sufficient to meet the lifestyle retirees envision. Active respondents were asked to report their current household balance of all 403(b)/457(b)/401(k) plans, IRAs and Roth IRAs. Retired respondents were asked to report the household balance of those accounts at retirement.¹⁰ Figure 28 below shows the mean and median savings balances for active and retired age groups.

Figure 28. Respondent Savings by Age



It follows that as retirement approaches, savings balance increases. These figures show *household* savings, so the relationship between savings balance and marital status was examined (Figure 29 and Figure 30 below). Indeed, both active and retired¹¹ married respondents have higher household savings balances than other marital statuses. Separated and divorced respondents also have the least amount of savings on average.

Figure 29. Active Respondents Savings by Marital Status

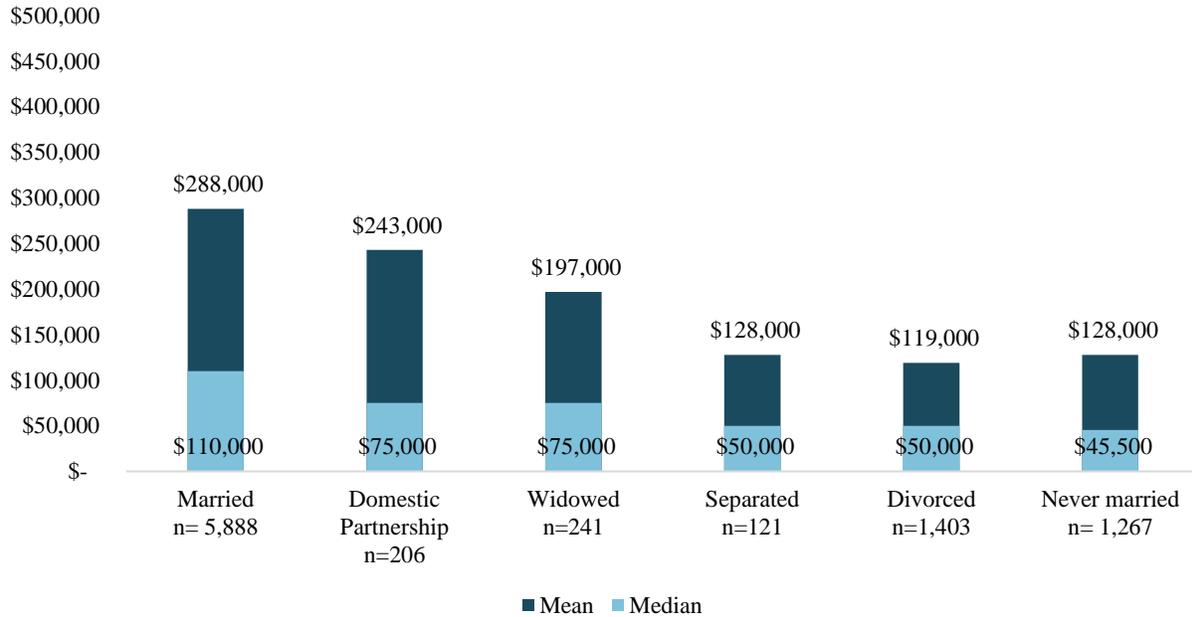
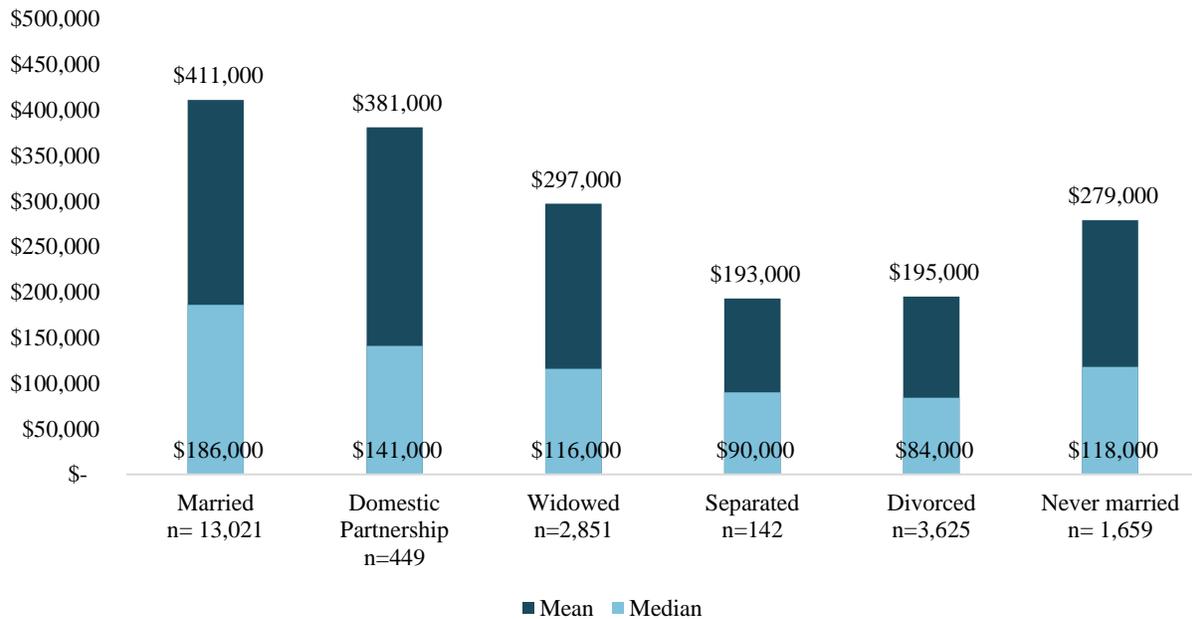


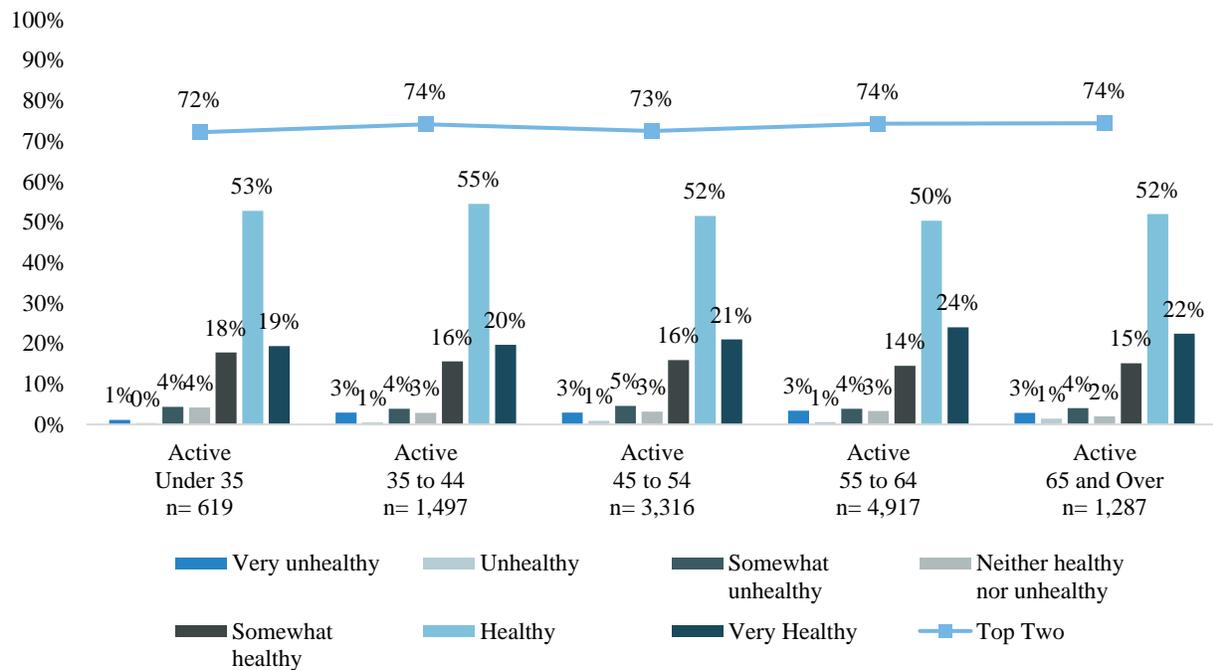
Figure 30. Retired Respondents Savings by Marital Status



Health

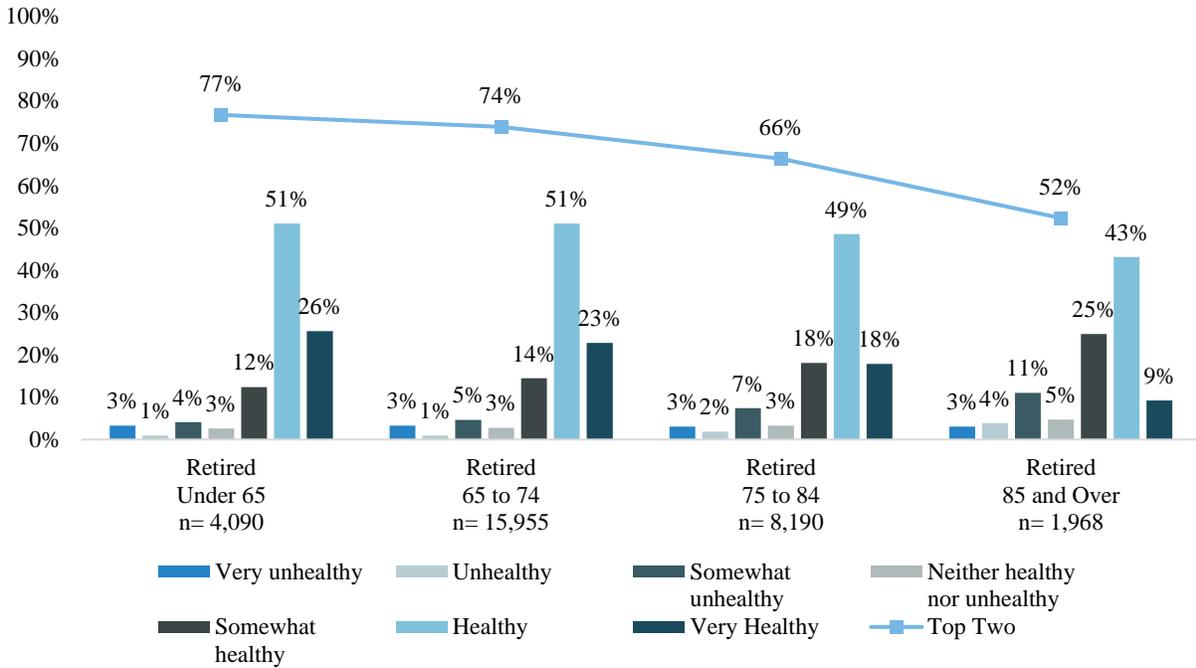
Survey respondents were asked to rate their current health. Almost three-quarters of active respondents across all age groups report health as healthy or very healthy (Figure 31 below).

Figure 31. Active Respondents Health by Age



This good health is also seen in retirement. About three-quarters of retired respondents under age 75 also report being in good health. In the two oldest retired age groups—75 to 84 and 85 and over—the percentage of respondents who report good health drops to 66% and 52%, respectively. However, less than 10% of the retirees in the two oldest age groups report their health as unhealthy or very unhealthy (Figure 32 below).

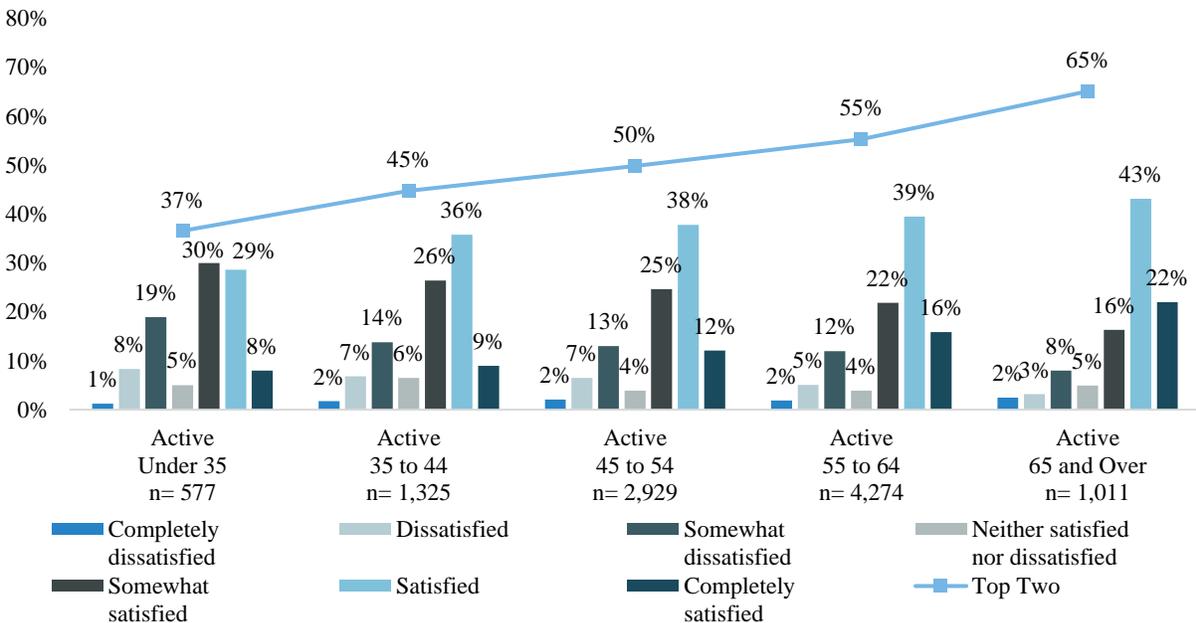
Figure 32. Retired Respondents Health by Age



Work/Life Balance

Active respondents were asked how satisfied they are with their work/life balance. Work/Life Balance is strongly correlated with age—the older one is the higher their satisfaction with their Work/Life Balance. However, fewer than 10% of respondents in all age groups report being either dissatisfied or completely dissatisfied with their Work/Life Balance (Figure 33 below).

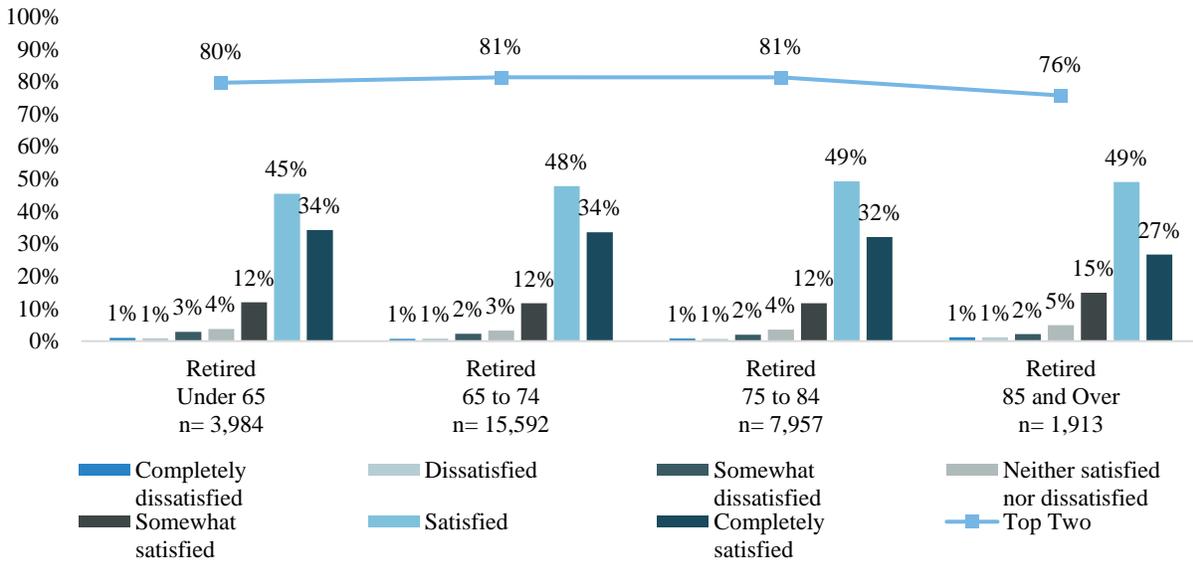
Figure 33. Active Respondents Work/Life Balance by Age



Quality of Life in Retirement

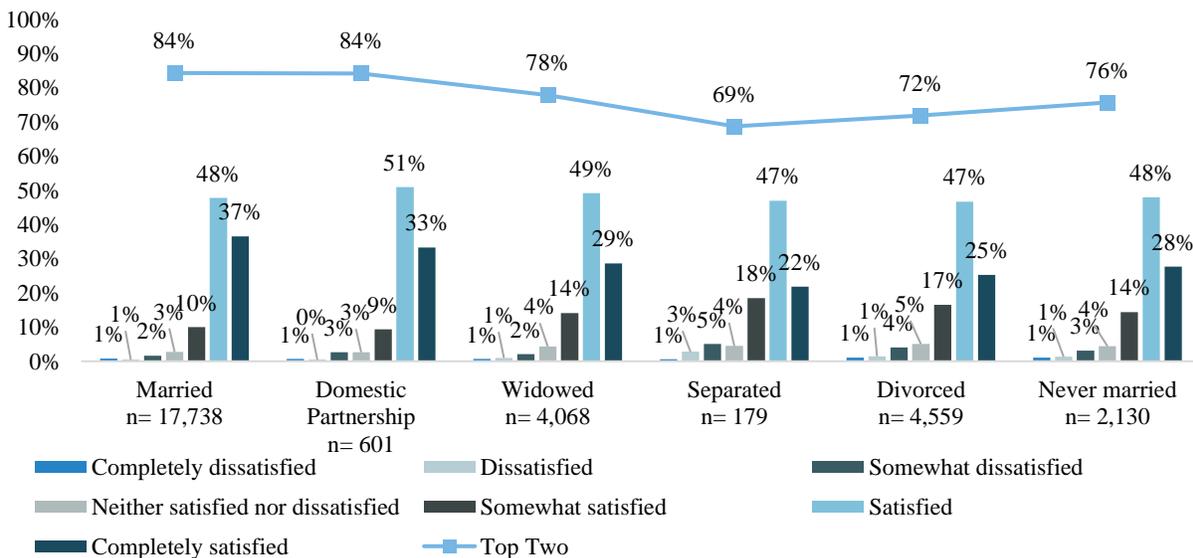
Retired respondents were asked their level of satisfaction with their Quality of Life in Retirement. More than three-quarters of retired respondents in all age groups indicate being satisfied or completely satisfied with their quality of life in retirement. In fact, less than 10% of respondents in every age group indicate either a neutral or dissatisfied response.

Figure 34. Quality of Life in Retirement by Age



Another way to examine the Quality of Life in Retirement is by marital status. As seen in Figure 35 below, while Quality of Life in Retirement is very high overall, respondents who are currently married or in a domestic partnership have higher satisfaction with their Quality of Life in Retirement by six or more percentage points.

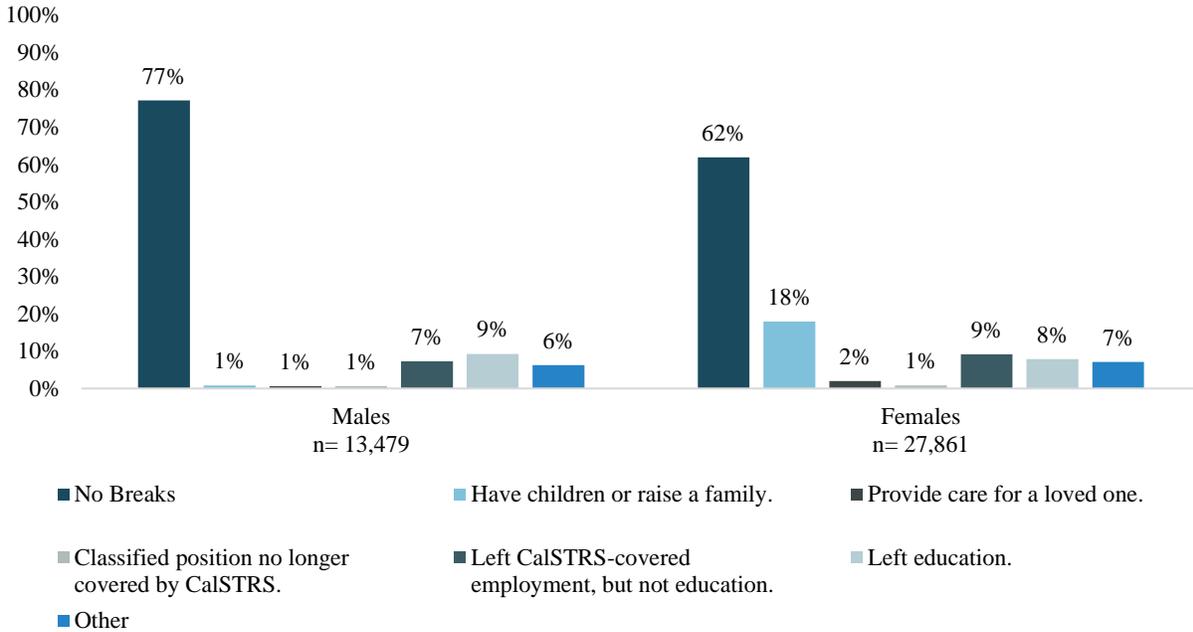
Figure 35. Quality of Life in Retirement by Marital Status



Breaks in Service

Survey respondents were asked to report any breaks in CalSTRS service. While most males and most females have had no breaks in service, more females have had breaks in service (Figure 36 below).

Figure 36. Breaks in Service by Gender

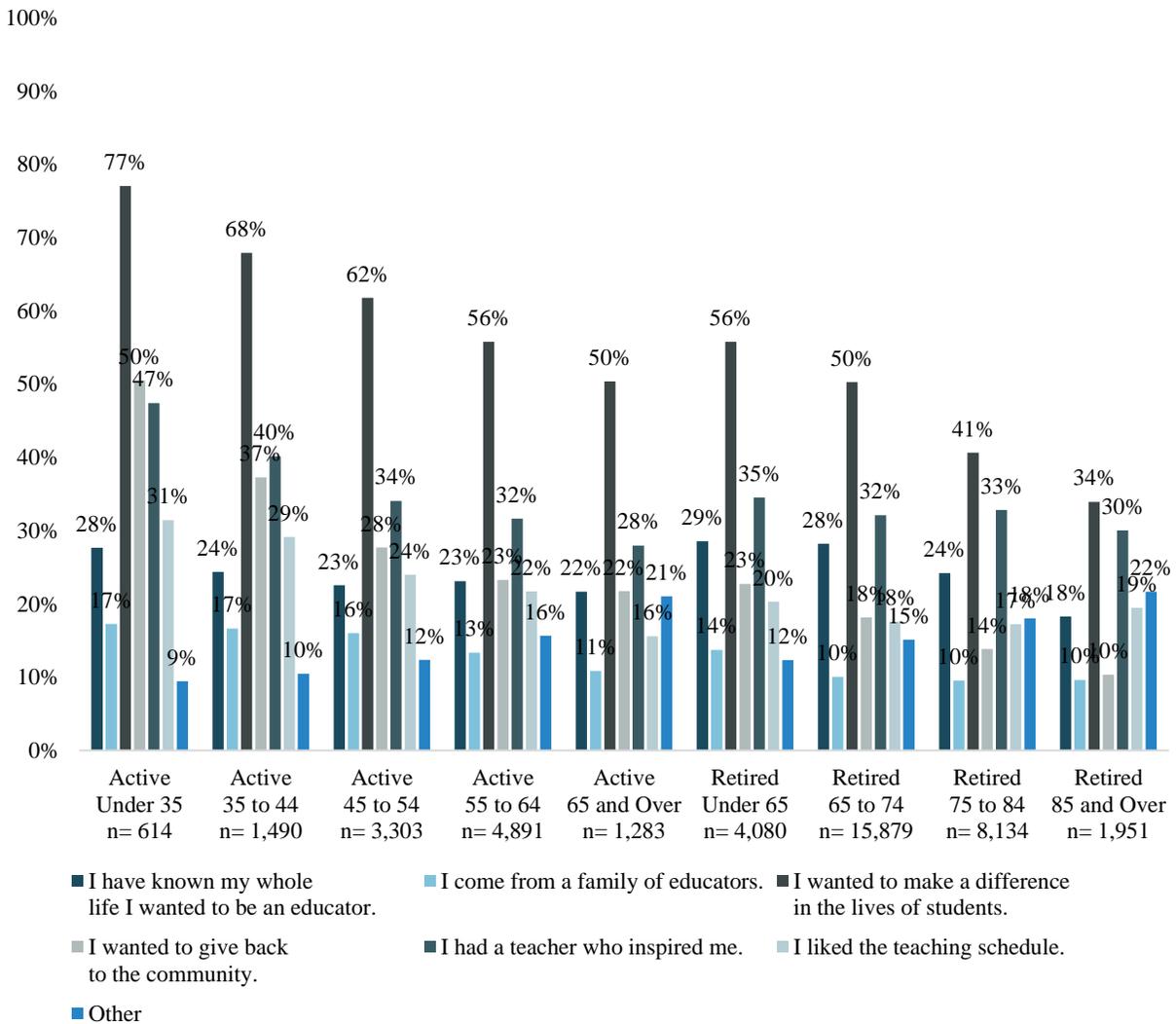


Males mostly had breaks in service due to a job change while females more often had a break in service to have children or raise a family.

Reasons for Joining the Education Profession

Respondents were asked why they joined the education profession and were given the option to *select all* from a range of options. Across all age groups the most reported answer was *I wanted to make a difference in the lives of students*. In all but the youngest active age group, the second most reported reason was *I had a teacher who inspired me*. For active respondents under age 35, the second most reported reason was *I wanted to give back to the community*.

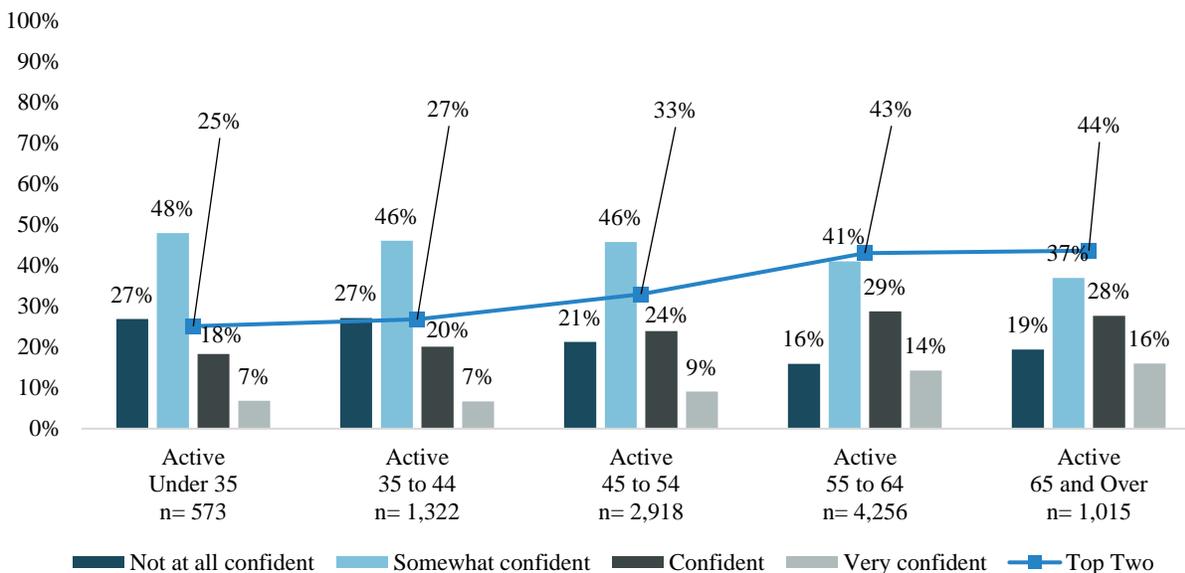
Figure 37. Why You Joined the Education Profession by Age



Retirement Preparedness

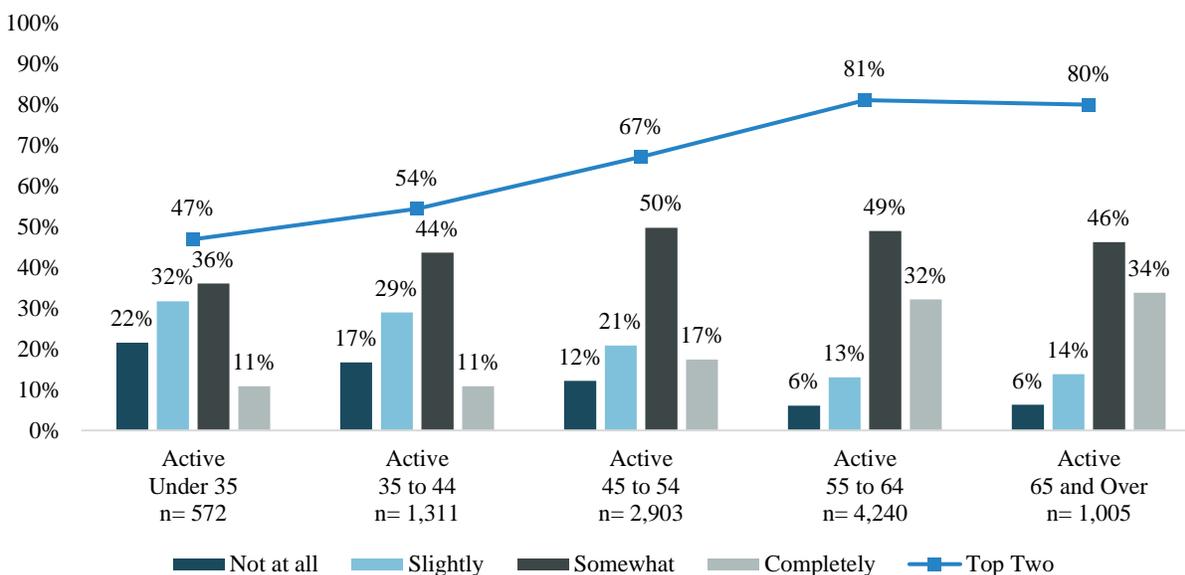
Included in the survey were questions related to retirement preparedness. Active respondents were asked to respond to two items specifically about how they feel about retirement. Active respondents were first asked to rate their confidence they would have enough money to live comfortably throughout their retirement years.

Figure 38. Active Respondent Confidence by Age



Confidence—either confident or very confident—remains below 50% for all active age groups (Figure 38 above). The other item active respondents were asked was how on track they feel they are in reaching their retirement income goals.

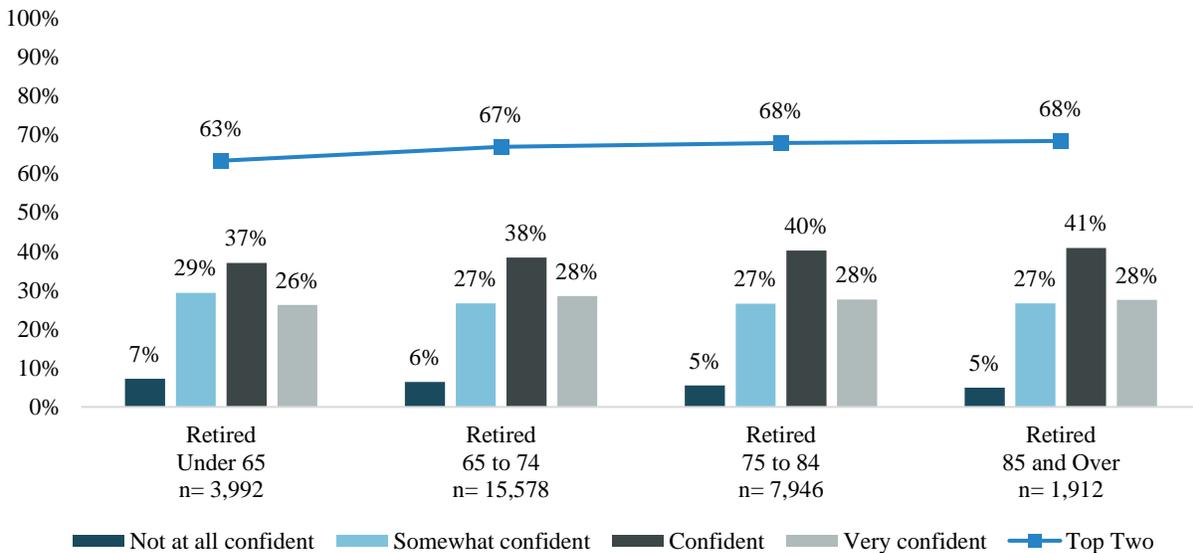
Figure 39. Active Respondents On Track by Age



As with the confidence measure, the percentage of those who feel on track—somewhat or completely on track—increases with age (Figure 39 above). Notably, the percentage of those who feel on track in all active respondent age groups is almost double the percentage of those who feel confident about their retirement income.

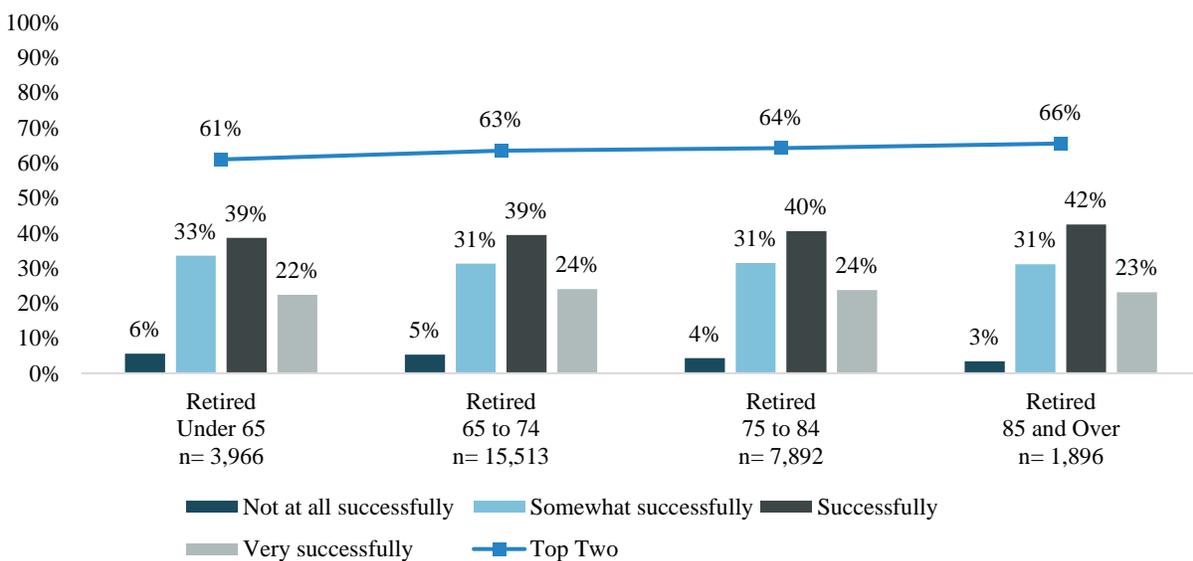
Retired respondents were also asked about their confidence they would have enough money to live comfortably throughout their retirement years. In contrast to active members, retired respondent confidence is above 60% for all age groups (Figure 40 below).

Figure 40. Retired Respondent Confidence by Age



Another measure of retirement preparedness for retired respondents was how successfully they feel they prepared for retirement (Figure 41 below).

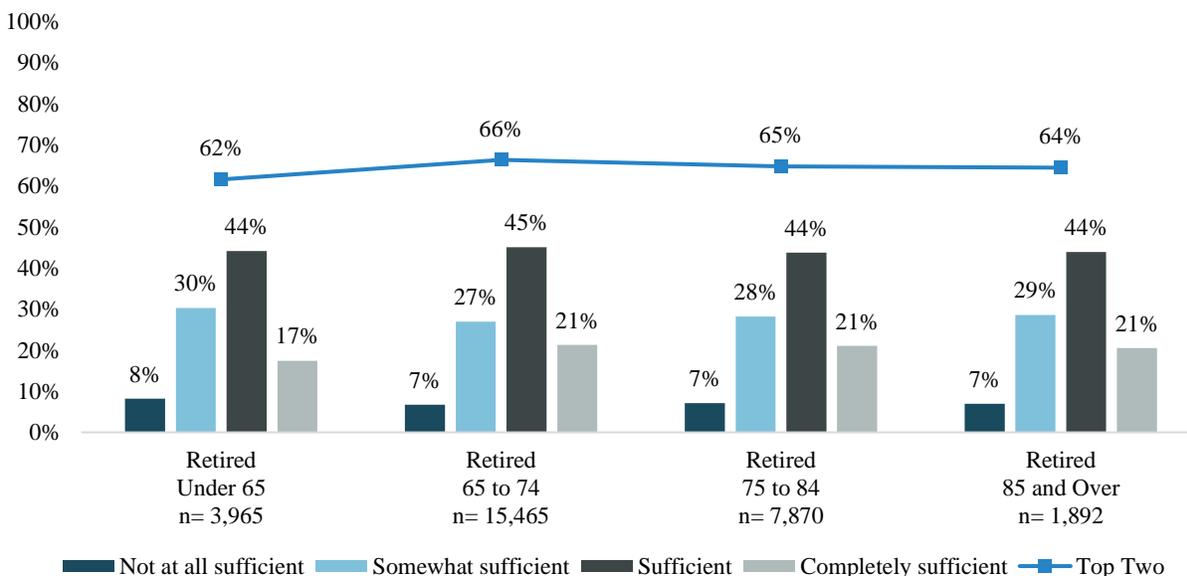
Figure 41. Retired Respondent Successfulness by Age



Across all retired respondent age groups, more than 60% of respondents feel they prepared for retirement—successfully or very successfully—while fewer than 10% in all age groups feel they were not at all successful in preparing for retirement. Their measure of success is similar to their measure of retirement confidence as seen earlier.

A final retirement preparedness assessment for retirees is the level they feel their retirement income sufficiently ensures their financial security in retirement (Figure 42 below).

Figure 42. Retired Respondent Sufficiency by Age

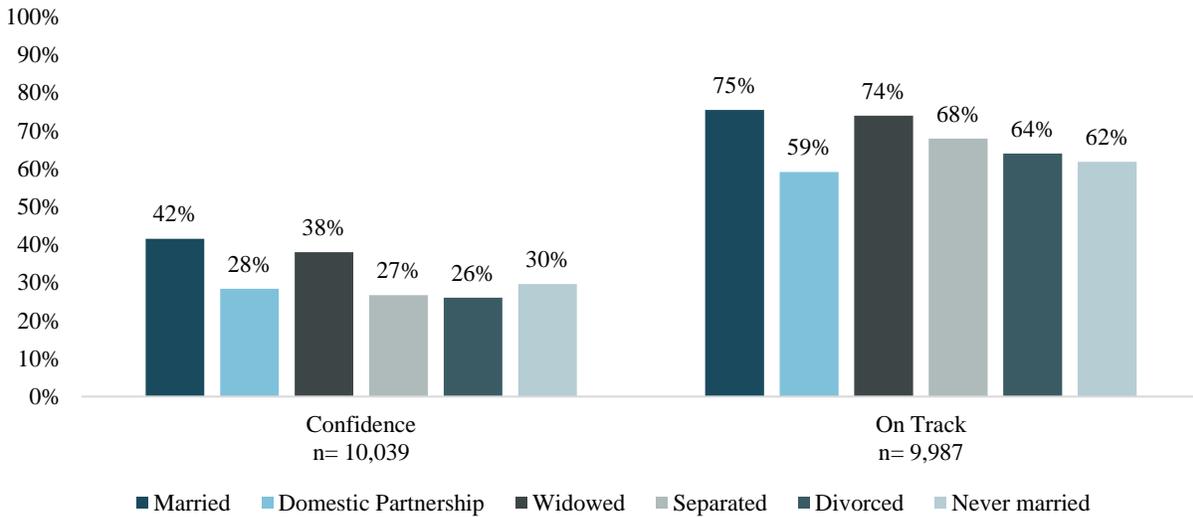


Again, over 60% of respondents report their retirement income is completely sufficient or sufficient.

When comparing active and retired respondents, retired respondents are much more confident their retirement income will meet their needs. Retired respondents are also more consistent across all the measures. Active respondents are less consistent, reporting they feel they are increasingly on track to meet their retirement income goals by age group, but have much lower confidence in their retirement income meeting their needs. It could be that active respondents experience more uncertainty, especially at younger ages, but upon experiencing retirement, the financial reality regulates retired responses to retirement preparedness measures. This is a theme found in other research conducted by CalSTRS.¹²

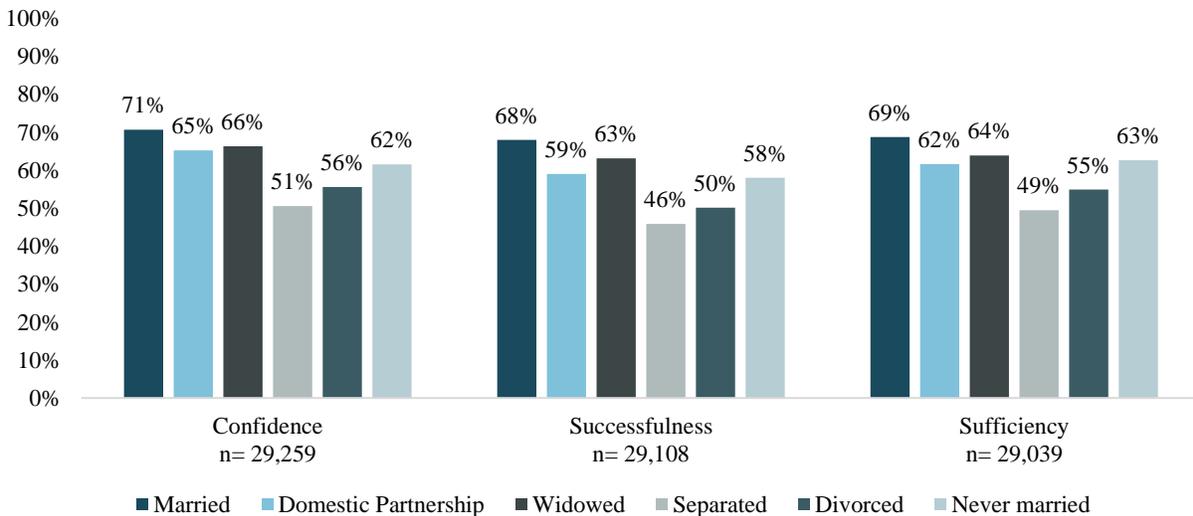
It can be useful when assessing retirement preparedness to use some demographic factors to determine what may be shaping respondent perceptions. One variable that can be an influence in retirement preparedness is marital status.

Figure 43. Active Respondent Retirement Preparedness by Marital Status
Top Two



When active retirement preparedness is compared to marital status (Figure 43 above), a larger percentage of married and widowed respondents report high levels of confidence and feel somewhat or completely on track in reaching their retirement income goals.

Figure 44. Retired Respondent Retirement Preparedness by Marital Status
Top Two



For retired respondents (Figure 44 above), a higher percentage of those who are married, widowed or in a domestic partnership also report high levels of confidence and feel they were successful or very successful in preparing for retirement. When assessing whether their retirement income sufficiently ensures their retirement security, a smaller percentage of separated and divorced individuals report their retirement income is sufficient or completely sufficient. Marital status does not fully explain the variation in responses to retirement preparedness items, but this comparison demonstrates how demographic analysis can help members evaluate retirement planning efforts and expectations relative to their demographic cohort.

Final Thoughts

This report highlighted new data CalSTRS collected about its membership. Demographic groupings such as gender, age and marital status can be used to learn how these variables may impact the confidence of members in their financial well-being and retirement preparedness. This new information will be used to better anticipate the needs of members. Further, the data can be used to help members relate to CalSTRS publications and workshops about retirement planning and the importance of engaging with and understanding retirement benefits. This demographic research will continue in the future, and staff is grateful to the membership for their partnership in gathering this valuable information.

¹ Bond, T. and Porell, F. (2020) Examining the Nest Egg: The Sources of Retirement Income for Older Americans. (January 2020) Retrieved from the National Institute on Retirement Security website at: <https://www.nirsonline.org/wp-content/uploads/2020/01/Examining-the-Nest-Egg-Final-1.pdf>.

² Status as of March 26, 2019. Active members include members who are and are not currently performing service. Retired members include only members receiving a service retirement benefit from CalSTRS. Survivors and recipients of other benefits such as disability benefits were not included in the distribution.

³ For a complete list of survey questions, please see Appendix A.

⁴ Active members include members who are and are not currently performing service.

⁵ In the survey, respondents were asked if they identify as Hispanic or Latinx. This was a singular follow-up question to race. The data does not differentiate between Hispanic and Latinx. In this report, Hispanic is used to denote both in alignment with other state and national reporting.

⁶ Only K-12 teachers were included from both the survey data and California Department of Education data to allow for congruent comparison.

⁷ Benchmark data was compiled using both California Department of Education data and California Community Colleges Chancellor's Office data to approximate the same population that represents CalSTRS member population. Some California Department of Education data includes duplicate records. The compilation of multiple sets of data with known discrepancies could cause variation in figures. All benchmark data based on the 2017-18 school year.

⁸ The youngest survey respondent was 22 years old.

⁹ For U.S. Census data, the under 35 category includes ages 20 through 35. The youngest survey respondent was 22.

¹⁰ Retired savings balances were adjusted for inflation using the California Consumer Price Index.

¹¹ Retired savings balances were adjusted for inflation using the California Consumer Price Index.

¹² The Health Care and Retirement Security board item presented to the Benefits and Services Committee in September 2018 found that although active survey respondents found the cost of health care an obstacle to saving for retirement, retired survey respondents did not feel as strongly that the cost of health care in retirement influenced their level of confidence.

<http://resources.calstrs.com/publicdocs/Page/CommonPage.aspx?PageName=DocumentDownload&Id=4645c4a5-3f4a-46a7-9257-c7ea7ad2687b>

The Annual Member Survey results presented to the Benefits and Services Committee in November 2018 reported on the same items regarding confidence and found similar differences in confidence levels between active and retired respondents.

<http://resources.calstrs.com/publicdocs/Page/CommonPage.aspx?PageName=DocumentDownload&Id=f4e24990-9d4f-43c3-8d43-2e96b3ff781b>