



advance

QUARTERLY NEWS AND TOOLS FROM TIAA-CREF / SPRING 2004

investing for generations

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living legacies

Back in 1918, when Andrew Carnegie created a system to enable college and university professors to save for retirement wherever their careers took them, he probably didn't realize how it would affect the generations that followed. But over the years, Carnegie's brainchild, which came to be known as TIAA-CREF, has quietly played an outsized role in fortifying the nest eggs of many thousands of participants — and those of their children and grandchildren.

In the pages that follow, you'll meet three clans for whom academia's attraction is as strong as ever, as is their awareness that they need to plan for their future. And we offer you some tools you can use to help plan for your own future generations. You'll read about how you can stretch the tax-deferred advantages of IRAs far into the future to help your children, and even your grandchildren, benefit from your good planning. And you'll find out more about how we help protect your investments from the kinds of scandals and malfeasance that have rocked the industry in recent months.

We're proud of the part TIAA-CREF has played — from generation to generation — in bolstering the prosperity of thousands of people in education and research, encouraging people to start saving early for retirement and providing the tools to meet the financial challenges of every stage of life. →

[CLOCKWISE FROM LEFT] JAKE RUGH, SUSAN RUGH, STERLING SESSIONS AND TOM RUGH

small world

When Stanford University founded Latin America's first-ever graduate business school in Lima, Peru, in 1964, few knew the mark it would leave on a nation used to upheaval — or on a young family from Utah.

The school, jointly financed by the U.S. Agency for International Development (USAID) and the Peruvian government, was known by the acronym ESAN. The family — all nine of them — was headed by Sterling Sessions, a former director of Brigham Young University's MBA program who happened onto the overseas "enrichment" opportunity thanks to a friend's timely postcard.

"The daughters cried all the way to Lima and two years later cried all the way back," recalls Sessions, 77, who served as ESAN's dean until its administration was turned over to a Peruvian. "It was a very good experience for tying a family together, kind of 'us against the world.'"

ONCE UPON A TIME...

To the third of those crying daughters, Susan, now 51, Lima was "kind of a fairy tale. It jerked me out of Utah to an international culture and changed the whole way I thought about life. I don't think I would have done what I'm doing today if I hadn't gone to Peru."

What she's doing is employing her doctorate in U.S. history to write books on rural America, teach at BYU and be onsite director of the university's lauded Washington, D.C., political science internship program.

She's also saving for retirement with TIAA-CREF, as did her dad; as does her husband Tom Rugh, a onetime college-pension administrator and TIAA-CREF consultant who was recently named executive director of the new Museum of Utah Art &



Jake Rugh began contributing to a TIAA-CREF supplemental retirement plan while at BYU — at the tender age of 21.



STERLING SESSIONS (far right) doesn't give financial tips to (from left) Jake, Susan or Tom Rugh. But he advises thinking about retirement from day one, "because it comes very quickly."

History; and as does their son Jake, a former BYU research assistant and current researcher for the TIAA-CREF Institute.

Indeed, the picture that emerges is of a family with remarkable accomplishments and intersecting interests whose spirits, if not bodies, always manage to find their way back to the Wasatch foothills.

CALLING DR. SESSIONS

The saga begins with Sessions. Reared in Provo, Utah, he took a BYU bachelor's degree to NYU, where he earned a master's in retail merchandising. But department store stints in New York and Los Angeles, to where he'd moved with wife Barbara and their then five kids, left him unfulfilled. When a friend asked him to substitute-teach a university course, he'd found his calling. He quickly applied to Harvard Business School, and soon the clan was headed to Cambridge, Mass., where Sessions studied on a Ford Foundation fellowship and wrote business cases to help make ends meet.

In 1962, Harvard doctorate in hand, he joined the faculty at BYU, where he eventually headed the MBA program →



“It’s very important to me to have my own pension plan. I see too many women who haven’t provided for their later years.”

SUSAN RUGH

before taking on the Stanford post in Lima. From there it was back to Stanford’s Palo Alto, Calif., campus, where Sessions witnessed often violent student protests against the Vietnam War — and took pride in his Business School students’ “more enlightened” measures, such as marching into offices on San Francisco’s Market Street to cajole three-piece-suited executives into speaking out, and purchasing a direct phone line to the White House. How did they accomplish the latter? “Never underestimate the power of an MBA!” jokes Sessions, who would return to Utah to build Weber State University’s business program before ending his career — at age 70 and with a modest government pension — at the U.S. Naval Postgraduate School in Monterey, Calif.

ROLE REVERSAL

Sessions’ example, of course, was set long before for Susan, who met Tom Rugh, a Southern California native, while the pair attended BYU. Marrying shortly after she graduated (Tom had earned his degree the year before), Susan initially focused on raising their family while Tom pursued his Ph.D. in art history at the University of Chicago, an institution for which he eventually became pension administrator. (Tom, 52, would later join TIAA-CREF as an institutional consultant in Chicago — counting his alma mater among his clients — before following Susan back to Utah as she pursued *her* eventual career; last summer he took his “dream job” at the museum, which is being built in downtown Salt Lake City. Meanwhile, Susan spent seven years earning her Ph.D. at the University of Chicago, then taught U.S. history at St. Cloud [Minn.] State University before joining BYU in 1997.)

Susan’s and Tom’s examples, in turn, were set for their sons: Pete, 21, is a BYU undergrad who recently interned at

the Smithsonian Institution, where he helped redesign the museum’s website; Jeff, 28, is an artist who just became eligible for his 401(k) at his day job in Los Angeles, where he lives with his wife Jaime. “He called me and asked me how to allocate,” says Tom. “I told him to call Jake.”

Little wonder. “Jake just thinks in economic terms,” says Susan of her middle son, recalling how, as a young child, he would reassure his nutritionally concerned parents: “I’ve eaten 83 percent of the peas on my plate.” Not surprisingly, today Jake, 26, analyzes investor allocation trends for the TIAA-CREF Institute in New York but plans to enter a doctoral program in economics this fall. He also, claims his wife Katie, eats 100 percent of his peas.

CLAN WITH A PLAN

Each signed up for TIAA-CREF plans as soon as they were eligible — Tom at Chicago, Susan at St. Cloud State, Jake at BYU. “Even though I have Tom and Jake, I still think women should be educated financially,” says Susan, who notes that she and Tom part company — if not companies — when it comes to saving and investment decisions. “It’s very important to me to have my own pension plan. I see too many women who haven’t provided for their later years. My grandmother died when she was 105, so I think I’ll be around for a while. I intend to have a long retirement.”

Each of the Rughs signed up for TIAA-CREF plans as soon as they were eligible — Tom at Chicago, Susan at St. Cloud State, Jake at BYU.

So does her dad, who hasn’t worn a watch since he retired and now spends each morning painting Western landscapes. Sessions calls the avocation “one of the most difficult yet satisfying things I’ve ever done.” (Even though his son-in-law runs a museum, Sessions instead hopes to find takers for his work at his now sprawling family’s biannual get-togethers, which, he says, take “two years to plan and two years to get over.”)

Despite his credentials, though, Sessions has been “laissez-faire” with the family when it comes to financial advice. Still, he notes, “I’ve encouraged them to think about retirement almost from day one, because it comes very quickly.” Indeed. ☒

the gold standards

The American folk tunes making the rounds of certain New England concert halls aren't particularly remarkable per se. Not so, though, the group that invariably gets audiences to sing along: a University of Maine-based quartet with members in their 40s, 50s, 60s and 70s.

Aptly named Generations, the foursome is having the time of their lives — none more so than vocalist, banjo player and cofounder Joel Gold.

By day, Gold, 64, teaches statistics to psychology students as he winds down a 35-year career at U. Maine — nine of them spent as chairman of the university's psychology department. But these days, his mind often drifts toward the music of Pete Seeger, the Weavers and others whose work informs the sideline he hopes will take center stage in his life after he retires next year. (Generations has already recorded a CD, sold at their shows.)

"I've wanted to be a TIAA-CREF member for years," says Dana Gold, who's focusing her retirement funds on the Social Choice Equity Account.



That Gold can afford this labor of love is due in part to the nest egg he's built with TIAA-CREF's help — itself a legacy for two who've followed, if not in, then near their father's footsteps. Daughter Dana, 34, an attorney, became a participant last year when she was named founding director of Seattle University's Center on Corporations, Law and Society after 11 years' fighting for the rights of nuclear weapons facility whistleblowers

with the nonprofit Government Accountability Project. And son Jason, 32, signed up in 2001, when he joined Indiana University's psychology department, where he specializes in visual perception.

Not bad for a trio of accidental academics. Joel, a Toledo, Ohio, native whose dream vocation — folk singing — was nixed by his parents, admits he turned to grad school in the early '60s rather than face the Vietnam War draft. He spent



With dad Joel's retirement on the horizon, it's up to siblings Jason and Dana Gold to keep playing beautiful music together with TIAA-CREF.

time in law school but switched to experimental psychology at Colorado State University, where he earned his doctorate.

For his part, Jason, a drummer and guitarist who also considered a music career but found his bandmates "too irresponsible," was an admittedly lousy student before finding his inner scholar while backpacking across Europe. He ultimately earned a doctorate at the University of Toronto, where he met his future wife, sculptor Andrea Rettig, when she volunteered for one of his lab experiments. "I used to say that they kidnapped Jason in Europe and sent back a doppelganger," says Joel. "But I didn't care — I liked what they sent."

Meanwhile, Dana, who earned a Seattle U. law degree while at GAP, relishes her current gig, which encourages her to forge relationships with experts on all sides of the issues, and enables her to invest with a company that shares her passion for influencing good corporate governance. "I've wanted to be a TIAA-CREF member for years," says Dana, whose intensity and drive complement her sense of humor: She learned to box on a lark last year and ended up competing in local matches. Not surprisingly, she's focusing her retirement funds on the Social Choice Equity Account variable annuity.

The lone downside is the travel time it takes to see Dana and Jason's parents back in Bangor. (Joel and their mom, Roslyn, divorced in 1976 but remain close friends.) Indeed, this far-flung family isn't likely to forget their roots. "They're Downeasters," says Joel of his kids, both of whom were born and raised in Maine. "If you push 'em, they'll use the accent." That, it's clear, is music to his ears. ☒

parental guidance

There's no direct route from the aging factories of Waterbury, Conn., to the stately halls atop Providence, R.I.'s College Hill.

Dave Roach knows. The Waterbury native has served since 1990 as Brown University's highly regarded director of athletics, credited with turning Brown's program into one of the NCAA's models. Yet Roach, 54, brought more than a blue-collar background to the blue-blooded Ivies. His is a success built on discipline, desire and a determination to see his parents' wishes through — and to create an even wider world of opportunity for his three daughters.

What's more, the elder two get to watch their dad build his legacy every day: Michelle, 21, studies history at Brown; and Elizabeth, 23, who earned a B.A. in political science there last year, recently joined the school's development office after failing to clear a hurdle so many of today's graduates face: finding a good job in their chosen field (advertising, preferably in Boston).

For all involved, life lessons abound. "If you'd told me when I was in high school that I'd be the athletic director at any school,



Dave Roach's fiscal discipline has clearly rubbed off on eldest daughter Elizabeth. "My mother calls us cheap," she says.

let alone an Ivy League school, I would have thought you were a little crazy," says Dave, neither of whose factory-worker parents graduated from high school. Indeed, the onetime competitive swimmer initially aspired to coach and teach phys ed at the high-school level. But after graduating from Springfield (Mass.) College and spending three years in the Marines, he coached water sports at New Mexico State — where he met his wife, Anne, a former nurse — then swimming at Brown and the University of Tennessee before returning to Providence as Brown's A.D.

Not only has Roach boosted Brown athletics' national profile and helped create, he says, "an atmosphere where it's okay to be successful athletically at a great academic institution." (Brown, like the other Ivies, doesn't offer athletic scholarships, so Roach's student-athletes are clearly students first.) He's also reached beyond traditional boundaries by "adopting" an inner-city Providence elementary school, which helps forge lasting relationships between Brown student-athletes and less fortunate kids who see them as role models.

For their part, Roach's daughters (who also include Alexandra, 9) need look no further than their dad, who's been

Elizabeth Roach, age 23 and a Brown employee, started saving for retirement through TIAA-CREF in November.

diligently saving for retirement via TIAA-CREF since he started at Brown — even though contributions were voluntary at the time.

He encouraged Elizabeth, who signed up in November, to do the same. It was an easy sell. "My mother calls us cheap," jokes Elizabeth. "I've been working since I was 16, and since then I've been saving. Our parents decided that if we really wanted to do something, we'd pay for it ourselves, so we'd understand the value of everything."

That made it hard to empathize with some college friends from more privileged backgrounds, who urged Elizabeth to go to New York and stay unemployed until something good came along. "I'm like, 'I would if I could,'" she says, half exasperated. "But I can't. I have to work."

Still, she enjoys her new position, which will help her hone her promotional skills. It also enables her to keep learning from her role model dad, the door to whose office is always open. "We were taught that you don't want to ever be idle," Elizabeth says. Must be the blue (collar) genes. ☒