

Nurses with Attitude – about Retirement Planning, That Is

Are you worried that your future may not be financially secure? If so, you aren't alone. Nurses across the country feel the same anxiety, according to research sponsored by the Center for American Nurses.

Good news and the not-so-good news

The Center uncovered some good news and some not-so-good news through our research. First, the good news: 90% of nurses who responded to our initial survey are saving for retirement. Now, the not so good news: less than half of them have figured out how much income they will need in retirement.

It's important to have a financial goal for your retirement planning. Otherwise, you can find yourself coming up short. For example, the average age of respondents in the Center's first survey was 52. A little over a third reported a retirement savings balance of less than \$50,000. Based on other demographic information, the average respondent would need nearly \$650,000 to support herself in retirement. So while \$50,000 may sound like a good start, it's not a good place for a 52 year old to be.

Our research tells us that nurses lack confidence that their future will be financially secure. It's not surprising, since only 6% report feeling very knowledgeable about investing. After the economic crisis hit, confidence eroded even further. Nearly three fourths of respondents in our second survey reported being less optimistic about their financial future compared to how they felt a year prior.

Why the worry?

Through our research, nurses acknowledged that they don't feel like they spend enough time on financial planning for retirement. While the vast majority is saving for retirement, many aren't focusing on planning and investing. We wanted to know what obstacles prevent nurses from focusing on retirement planning and investing. The most common barriers nurses cited were:

- Not enough time due to other time-consuming priorities, such as caring for children (61%)
- Not knowing where to begin (59%)
- Not having thought about retirement (36%)
- Not earning enough money to save (34%)

In an interesting paradox, respondents indicated that many of the same life changes that positively affect their ability to save also negatively affect their ability to save.

This indicates that changes related to growing earning power don't automatically translate into increased savings.

Changes that have a positive effect on saving	Changes that have a positive effect on saving
<ul style="list-style-type: none"> • Change in employment • Going back to school for an advanced degree • Buying a home • Getting married 	<ul style="list-style-type: none"> • Change in employment • Going back to school for an advanced degree • Buying a home • Having Children

What do nurses need to get started with planning and investing?

Our research shows that nurses universally feel it's important to increase their investment knowledge (96%). Most respondents indicated they would attend a free, unbiased financial planning workshop offered by a professional nursing organization. The topics that garnered the most interest are:

- Making retirement savings last a lifetime (78%)
- Preparing for retirement (66%)
- Basics of investing (60%)
- Setting, measuring and achieving financial goals (50%)

The Center answers the call

The Center is using the survey results and information from our focus group discussions to create retirement planning and investing workshops, webinars, publications, and other resources for nurses. Working closely with WISER, we've been training state nurses' association representatives to run group workshops. To date, we've conducted trainings in Arizona, Maine, Missouri, Nebraska, Vermont, South Dakota and Virginia. Keep an eye and ear out for information on workshops in your region.

Also, we've posted a series of financial planning and investing podcasts on the Center's website. All you need is about five minutes for each – with subjects such as developing a retirement plan, the basics of investing, and making retirement savings last as long as you do.

Hot off the presses is a financial planning guide just for nurses. The Busy Nurses' Guide to Financial Planning is an easy-to-read booklet covering such issues as the sources of retirement income, work-based pension and retirement savings plans, and the meaning behind investment concepts.

The Center is working with other professional nursing organizations to spread the information and education we're developing as part of this program. Together, we will help nurses gain the knowledge they need to prepare themselves and their families for life following a career of helping others. For more information and access to downloadable program materials, visit www.centerforamericannurses.org.

¹The Nurses' Investor Education Project is a three-year partnership between the Center for American Nurses and WISER, funded by a grant from the FINRA Investor Education Foundation, to identify nurses' specific financial information needs. To learn more about these partner organizations, visit www.wiserwomen.org and www.finrafoundation.org.

²Current average income of \$75,000; average expected years until retirement: 11; average expected years in retirement: 16; average percent of current income they think they will need in retirement: 70% or more. Rough calculation of savings needed based on results using a retirement needs tool at cnn.com/money.