



FINAL REPORT

Nurse Investor Education Survey

A Joint Project of the Center for American Nurses and
WISER, the Women's Institute for a Secure Retirement

Jason W. Osborne, Ph.D.

Senior Research Fellow for Evaluation,

The William and Ida Friday Institute for Educational Innovation

and

Associate Professor of Educational Psychology,

North Carolina State University

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Background

During the summer of 2008, a survey designed to assess nurses' attitudes toward, preparation for, and knowledge concerning investing for retirement was sent to a random sample of 4,600 nurses pulled from licensure board rosters of six states that were broadly representative of the population of the United States in general, along with a representative sample of 1,400 nurses randomly selected from the national membership rosters of The Association of Women's Health, Obstetrics, and Neonatal Nurses (AWHONN) and The Association of periOperative Registered Nurses (AORN). Additionally, nurses visiting a variety of professional-related web sites were invited to participate in the survey.

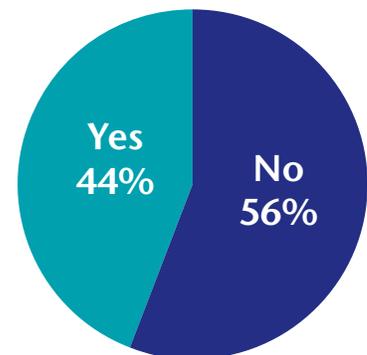
Sample overview¹

In all, 901 nurses responded to the survey between July and September of 2008. Forty-seven states (and the District of Columbia) were represented. The nurses responding to our survey averaged 52.5 years of age with a minimum of 20 and maximum of 78. The majority (90.7%) were Caucasian, with 5.1% self-identifying as African-American or Black. 95.1% were female, with 47.9% holding a master's degree (12.6% held a doctorate and 24.9% held a bachelor's degree). Respondents were relatively affluent, with 70% of respondents earning \$75,000.00 a year or better. The average respondent had been a nurse for 27.2 years (range of 1 to 57 years). 84.8% of respondents indicated that nursing was their primary career, and 84.5% were a member of one or more nursing organizations.² Most respondents (84.6%) were employed full-time (36 hours or more a week), and 75.5% indicated they were in full-time positions with benefits. The majority worked day shifts (82.9%), and while primary work setting varied, the most common setting was hospital acute care (37.6%), with 17.9% in nursing education. Forty-six percent of respondents worked in a private, not-for-profit setting, and 44.5% worked in an organization with more than 1000 employees.

Retirement plans

Only 7.6% of the sample indicated they never planned to retire, and 7.6% were already retired. The median number of years respondents had until they planned to retire was 11.0, with a range of 0 to 65. Most (85%) reported having planned for how they will finance their retirement, but only 44% reported having calculated how much they need to save for retirement.

Have you calculated how much you need to save for retirement?



¹ This sample's demographics compares well to estimates of the nursing population found by surveys conducted by the Health Resources Services Administration (HRSA). Our sample was slightly older (HRSA mean was 46.8 years of age), with similar racial profile (we had 5.1% African-American vs. 4.2% in HRSA; overall 9.4% in HRSA sample chose a race or ethnicity of non-Caucasian while 9.3% of our sample self-identified as non-Caucasian), the proportion of males was similar (4.9% male vs. 5.4% in HRSA). The significant difference between our sample and HRSA was that our sample sought to cover nurses outside RNs. In HRSA, only 13.0% had master's degrees or higher, while 47.9% of our sample had a master's degree and 12.6% had a doctorate. This is consistent with the fact that we explicitly sampled organizations that serve nurses in management, advance practice nurses, and nurse practitioners. In HRSA, 56.2% worked in a hospital setting while only 37.6% of our sample worked in a hospital (and 17% worked in higher education, again reflecting the broader diversity in our sample).

² Many respondents were recruited through organization or association web sites.

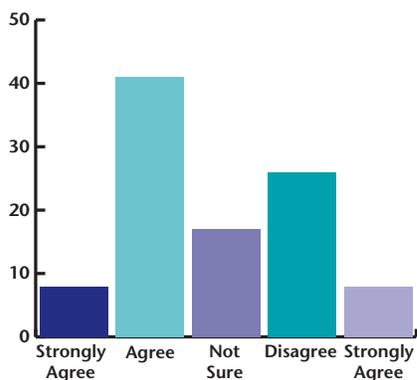
Only 38.3% reported having a “clear idea” of what their financial needs will be during retirement, and only 34.6% were “confident” that they would have a financially secure future³.

When planning for retirement, 76.7% expect to live 16 or more years *after* retirement, and most (53.0%) expect to need 70% or more of their current annual income in retirement. Almost half of respondents (48.0%) report expecting to depend on spousal support during retirement.

Of those taking steps to prepare for retirement, 90% started saving and investing, 45.1% talked with friends or family, 42.4% talked with retirement planning representatives via an employer, and 40.4% read information on retirement planning. In addition, 27.6% hired a paid financial advisor. Twenty percent or less attended classes, watched TV shows, or used the internet to gather information on retirement planning.

37.3% of respondents had saved less than \$50,000.00 for retirement, while 24.7% reported having saved more than \$250,000.00. As one might expect, there was a strong correlation ($r = -.41$, $p < .0001$) between years left to retirement and money saved, with those closer to retirement reporting having saved much more.

I am satisfied with my current financial situation



Almost half of respondents (48.9%) were satisfied with their financial situation.

Respondents reported that their financial plans for retirement most commonly included:

- Social security (80.3%)
- 401k, 457, 403b, or TSP retirement savings plans (79.4%)
- IRAs (55.8%)
- Personal savings not connected with any employer (49.9%)
- Employer sponsored traditional pension (48.9%)
- Employer match to retirement savings plan (47.0%)

Most respondents reported contributing to retirement savings every pay period either as a required payroll deduction (45.0%) or voluntarily (39.3%). Only 8.9% reported either contributing infrequently or not knowing.

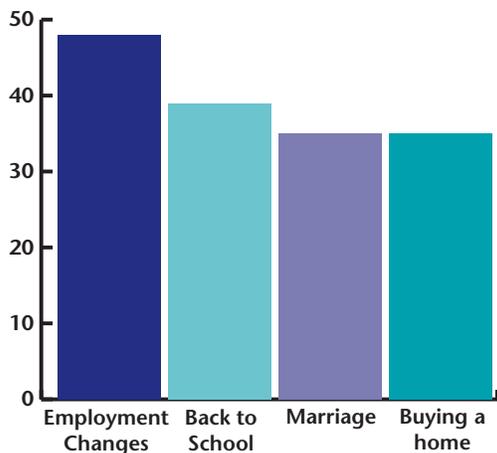
Nurses were most likely (24.1% of respondents) to estimate that they should be saving 11-15% of their income for retirement, while 18.1% admitted to not knowing. While 36.0% reported saving about the same amount they said they should be saving, most (50.5%) reported saving less than they reported they should.

³ These statistics reflected sentiment before the recent substantial downturn in the economy and stock market during the fall of 2008. Subsequent sentiment is significantly more negative, as detailed in the report on our follow-up survey (see final-report_followup.docx).

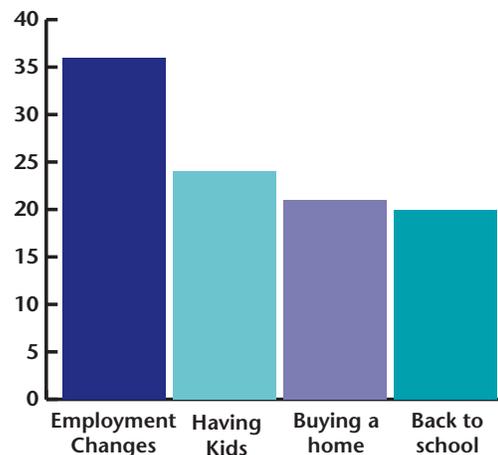
Changes in retirement savings behavior

Most respondents reported having increased their savings over the years (53.7%). Respondents indicated several of the life changes that have had a positive impact on saving and investing have also had a negative impact on saving and investing.

Which life events have had an overall **POSITIVE** impact on your total savings and investments or your ability to save and invest? (Check all that apply.)



Which life events have had an overall **NEGATIVE** impact on your total savings and investments or your ability to save and invest? (Check all that apply.)



When asked to look at the next six months, 64.4% of respondents indicated they planned to maintain their current level of savings while 29.7% intended to increase their retirement savings.

Knowledge about retirement planning

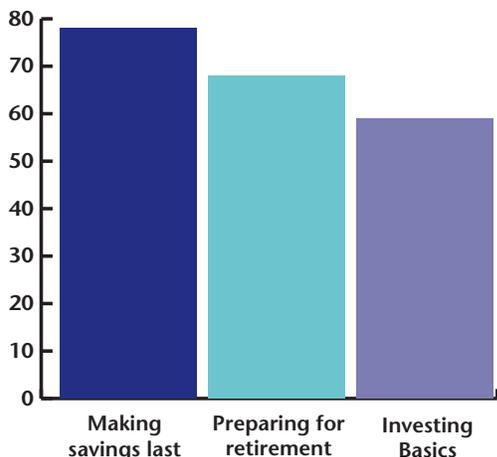
Only 5.9% of respondents indicated they felt very knowledgeable about financial investing, despite 71.2% indicating their knowledge had increased over the past 5 years. Most (95.8%) felt it was somewhat or very important to increase investment knowledge, but 74.0% reported that time constraints interfere with taking steps to learn more.

Most respondents indicated they would attend a workshop on financial planning if it were free and unbiased (78.6%).

Most respondents indicate that they usually participate in face-to-face, local continuing education programs (63.8%), although 51.6% also reported having completed web-based self study programs. Just over one-third (35.5%) reported preferring to receive financial information face-to-face; about the same percentage (33.6%)

had no preference. Respondents indicated they prefer to receive financial information at a professional meeting or conference (37.0%), at home (26.5%), or from a paid financial advisor (21.4%).

What topics would interest you in a free, unbiased financial planning workshop?



Respondents indicated strong interest in receiving information on making savings last a lifetime, preparing for retirement, and the basics of investing.

If a professional nursing organization offered a free, unbiased workshop on financial planning during the next six months, 83.4% indicated they would attend. For those indicating they would *not* attend, the most common reason was convenience and lack of time (i.e., too far away, too little time) and mistrust of the information (i.e., feeling like they were being sold something).

When asked why they thought nurses may not save for retirement, the most common answers were (in order): they have other time-consuming priorities (such as caring for children, parents, etc.; 60.5%), they don't know where to begin (59.2%), they haven't thought about retirement (35.7%), and they do not earn enough money to save

(33.7%). Interestingly, in this sample of respondents, 90% reported having started saving and investing for retirement. While most respondents feel the need for more education in this area, most seem to have a clear idea of where to begin as most are taking concrete actions that seem reasonable (e.g., contributing every pay period to their retirement).

Respondents suggested that if a nurse is over 40 and not preparing for retirement, a matching contribution from their employer and personalized information might be two of the more likely ways to encourage that nurse to start investing.

Nurses in retirement already

Sixty respondents indicated they were already retired. When asked what could have better prepared them for retirement, many respondents indicated better retirement planning advice/education or beginning to save earlier. Most felt they were well prepared (60.0%) for retirement, and 36.7% reported still working for pay in retirement.

Caveats and conclusions

This sample consists of more educated, higher level nurses than the general population of nurses (see footnote 1). Despite our efforts to obtain a representative sample of nurses in general, this sample has fewer racial minorities, and a lower percentage of RNs doing traditional nursing roles than the general population. Thus, the results of the survey should be interpreted with caution.

The nurses in this survey appear to be much more proactive and educated in retirement planning than one would expect. This may not mean most average floor nurses are actively planning for retirement, but rather that we did not adequately capture those nurses in our sample. Future research might want to employ different methodology (e.g. in-person interviews) to capture those nurses who do not hold advanced degrees, who are nurses of color, who work evenings or night shifts, who make less than \$50,000.00 a year, or who work part time outside traditional settings.

This sample of more educated, professional nurses was surprisingly proactive and well informed about retirement planning. Most were actively saving and investing, although many had no idea what their true goal should be, and the majority would welcome information on improving their retirement planning and savings if that information: (a) came from an unbiased source, and (b) came in a convenient mode (particularly proximity and time convenience). These data represent a clear invitation to WISER and other professional nursing organizations to provide this information if it can be done conveniently, free, and by a source that is beyond suspicion of having an agenda.



About the Center for American Nurses

The CENTER for American Nurses is a national professional nursing organization that offers evidence-based solutions and powerful tools to help nurses navigate workplace challenges, optimize patient outcomes and maximize career benefits. Visit the CENTER online at: www.centerforamericannurses.org.

About the Women's Institute for a Secure Retirement

WISER is a nonprofit organization that helps women, educators and policymakers understand the important issues surrounding women's retirement income. WISER works to provide low- and moderate-income women with basic financial information aimed at helping them take financial control over their lives and to increase awareness of the structural barriers that prevent women's adequate participation in the nation's retirement systems. Learn more at: www.wiserwomen.org.

