PRACTITIONER FORUM

Financial Education for Health Care Providers

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Psychologists who attended a financial education seminar indicated in a postseminar survey that they had a greater understanding of their retirement benefit plan options and more confidence in choosing investment vehicles that would meet their goals.

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Health care provider (HCP) well-being has become a central topic as health care agencies increasingly recognize that stress leads to turnover and reduced efficacy.[1] Financial health of HCPs is one aspect of overall well-being that has received little attention. We all work at the US Department of Veterans Affairs (VA) as psychologists and believe that there is a need to attend to financial literacy within the health care professions, a call that also has been made by physicians.[2] For instance, a frequently mentioned aspect of financial literacy involves learning to effectively manage student loan debt. Another less often discussed facet is the need to save money for retirement early in one's career to reap the benefits of compound interest: This is a particular concern for HCPs who were in graduate/medical school when they would have optimally started saving for retirement. Delaying retirement savings can have significant financial consequences, which can have a negative effect on well-being.

A few years ago, we started teaching advanced psychology trainees about financial well-being and were startled at the students' lack of knowledge. For example, many students did not understand basic financial concepts, including the difference between a pension and a 401k/403b system of retirement savings—a knowledge gap that the authors speculate persists throughout some professionals' careers. Research suggests that lack of knowledge in an area feels aversive and may result in procrastination or an inability to move toward a goal.[3,4] Yet, postponing saving is problematic as it attenuates the effect of compound interest, thus making it difficult to accrue wealth.[5] To address the lack of financial training among psychologists, the authors designed a seminar to provide retirement/financial-planning information to early career psychologists. This information fits the concept of "just in time" education: Disseminating knowledge when it is most likely to be useful, put into practice, and thus retained.[6]

METHODS

In consultation with human resources officials at the VA, a 90-minute seminar was created to educate psychologists about saving for retirement. The seminar was recorded so that psychologists who were not able to attend in-person could view it at a later date. The seminar mainly covered systems of retirement (especially the VA-specific Thrift Savings Plan [TSP]), basic concepts of investing, ways of determining how much to save for retirement, and tax advantages of increased saving. It also provided simple retirement planning rules of thumb, as such heuristics have been shown to lead to greater behavior change than more unsystematic approaches.[7] Key points included:

- Psychologists should try to approximately replace their current salary during retirement;
- There is no option to borrow money for retirement; the only sources of income for the retiree are social security, a possible pension, and any money saved;
- Psychologists and many other HCPs were in school during their prime

saving years and tend to have lower salaries than that of other professional groups with similar amounts of education, so they should save aggressively earlier in their career;

- Early career psychologists should ensure that money saved for retirement is invested in relatively "aggressive" options, such as stock index funds (vs bond funds); and
- The tax benefits of allocating more income toward retirement savings in a tax-deferred savings plan such as the TSP can make it seem cheaper to invest, which can make it more attractive to immediately increase one's savings.

As with any other savings plan, there are no guarantees or one-size-fits-all solutions, and finance professionals typically advise diversifying retirement savings (eg, stocks, bonds, real estate), to include both TSP and non-TSP plans in the case of VA employees.

To assess the usefulness of this seminar, the authors conducted a process improvement case study. The institutional review board of the Milwaukee VA Medical Center (VAMC) determined the study to be exempt as it was considered process improvement rather than research. Two assessment measures were created: a 5-item, anonymous measure of attendee satisfaction was administered immediately following the seminar, which assessed the extent to which presenters were engaging, material was presented clearly, presenters effectively used examples and illustrations, presenters effectively used slides/visual aids, and objectives were met (5-point Likert scale from "Needs major improvement" to "Excellent").

Second, an internally developed anonymous pre- and postseminar survey was administered to assess changes in retirement-related knowledge, attitudes, and behaviors (3 months before the seminar [8 questions] and 2 months after [9 questions]). The survey assessed knowledge of retirement benefits (eg, difference between Roth and traditional retirement savings plans), general investment actions (eg, investing in TSP, investing in the TSP G fund, and investing sufficiently to earn the full employer match), and postseminar actions taken (eg, logging on to tsp.gov, increasing TSP contribution). Participants' responses were anonymous, so the authors compared average behavior before and after the seminar rather than comparing individuals' pre- and postseminar comments.

RESULTS

About one-third (n = 28) of the Milwaukee VAMC psychologists attended, viewed, or presented/designed the seminar. Of the 12 participants who attended the seminar in person, all rated the presentation as excellent in each domain, with the exception of 1 participant (good). Anecdotally, participants approached presenters immediately after the presentation and up to 2 years later to indicate that the presentation was a useful retirement planning resource. A total of 27 psychologists completed the preseminar survey. Sixteen psychologists completed the postseminar survey and indicated that they attended/viewed the retirement seminar. Participants' perceived knowledge of retirement benefits was assessed with response options, including nonexistent, vague, good, and sophisticated.

There was a significant change from pre- to postseminar, such that psychologists at postseminar felt that they had a better understanding of their retirement benefit options (Mann-Whitney $U = 65.5$, $n_1 = 27$, $n_2 = 16$, $P < .01$). The modal response preseminar was "vague" (67%) and postseminar was "good" (88%). There also were changes that were meaningful though not statistically significant: The percentage who had moved their money from the default, low-yield fund increased from 70% at preseminar to 88% at postseminar (Fisher exact test, 1-sided, $P = .31$). Also, fewer people reported on the postseminar survey that they were not sure whether they were invested in a Roth individual retirement account (IRA) or traditional TSP, indicating a trend toward significantly increased knowledge of their investments (Fisher exact test, 1-sided, $P = .076$).

Most important at follow-up, several behavior changes were reported. Most people (56%) had logged on to the TSP website to check on their account. A substantial number (26%) increased their contribution amount, and 6% moved money from the default fund. Overall, every respondent at follow-up confirmed having taken at least 1 of the actions assessed by the survey.

CONCLUSION

Based on the authors' experience and research into financial education among HCPs, it is recommended that psychologists and other disciplines offer opportunities for retirement education at all levels of training. Financial education is likely to be most helpful if it is tailored toward a specific discipline, workplace, and time frame (eg, early career physicians may need more information about loan repayment and may need to invest in more aggressive retirement funds).[8] Although many employers provide access to general financial education from outside companies, information provided by informed members of one's field may be particularly helpful (eg, our seminar was curated for a psychology audience).

We found that the process of creating such a seminar was not burdensome and was educational for presenters as well as attendees. Further, it need not be intimidating to accumulate information to share; especially for those health care providers who have not made financial well-being a priority, learning and deploying a few targeted strategies can lead to increased peace of mind about retirement savings. Overall, we encourage a focus on financial literacy for all health care professions, including physicians who often may graduate with greater debts. Emphasizing early and aggressive financial literacy as an important aspect of provider well-being may help to produce healthier, wealthier, and overall better health care providers.[2]

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