

Returning to wellness: healthcare employees

Lincoln Retirement Power research



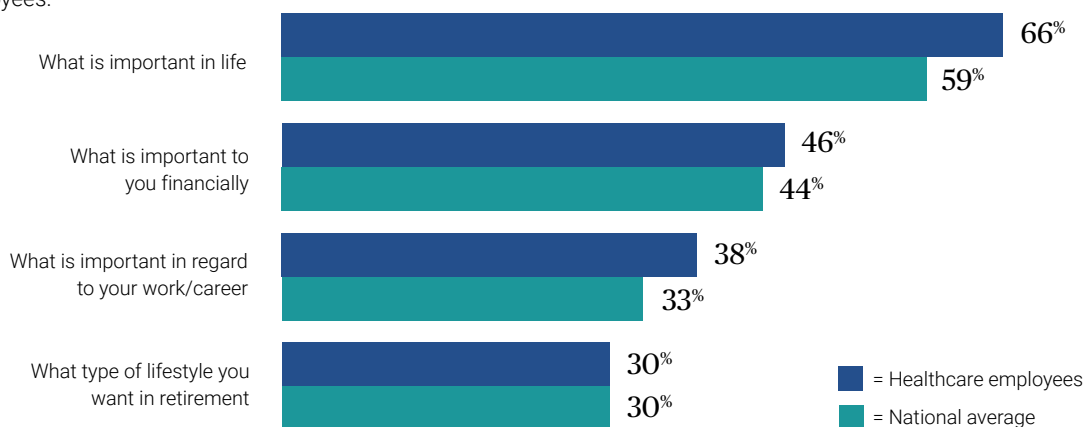
The *Lincoln Retirement Power*® Study gives us insight into the thoughts and behaviors of participants and non-participants, helping us learn what motivates them to take positive actions. Unless otherwise noted, all information provided in this article is from the 2021 *Lincoln Retirement Power*® Study. Let's look at the responses of healthcare employees.

Income and the effects of COVID-19

Healthcare workers were on the front lines of the pandemic. Surprisingly, only 38% of those surveyed said they experienced high stress in the last six months, in line with the overall national average found in the study of 36%. However, for those affected by stress, 51% said it negatively affected their overall mental health — above the overall average of 42% — and 59% said it impacted their ability to manage or improve their personal finances.

In our study, 78% of healthcare employees said they weren't furloughed or laid off in 2020, which aligns with the study's national average of 77%. And like most of the country, 79% are reevaluating some aspect of their lives due to the pandemic. The following chart shows what they're thinking about.

What's important to healthcare employees?



Saving and debt

Healthcare employees are lagging when it comes to saving and debt. While the 85% we surveyed who have debt is close to the study's national average, they have a higher percentage of individuals with two or more types of debt (62% versus 55% overall) and a higher percentage with student loans (30% versus 22% overall).

Only 42% of healthcare employees felt they had enough saved for emergencies — lower than the study's national average of 50%. However, 48% are saving toward their emergency fund, which is close to the national average of 47%.

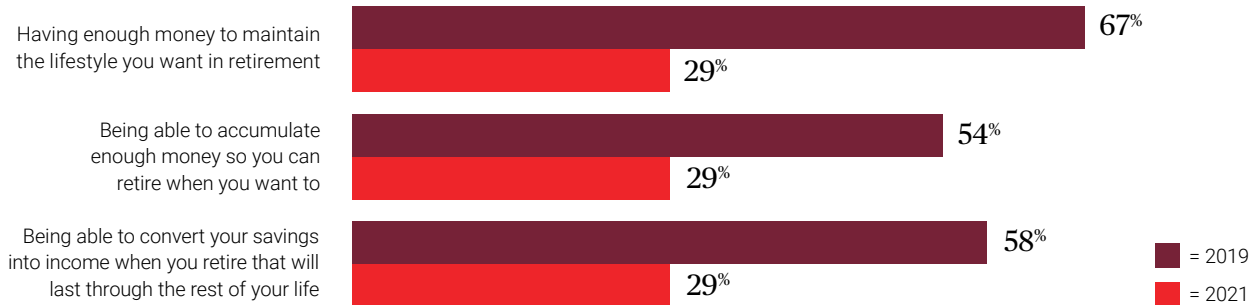
Healthcare employees' median contribution rate of 10% is the same as it was in 2019 and the same as the national median. On average they contributed 13.7% to their plans, only a minor decrease from 2019 (14%).

However, they don't think they're saving enough: 64% of surveyed healthcare participants felt they were saving less than needed to be on track for retirement. That makes sense considering their average contribution rate is less than the 15% they said they should contribute to be on track.

Retirement readiness





Only 22% of healthcare participants we surveyed were extremely/very confident in all three topics, a significant decrease from 41% in 2019. As you can see in this chart, healthcare participant confidence in a financially secure retirement decreased sharply from 2019.

Confidence level of healthcare participants



Retirement plan engagement

Healthcare workers are close to the national average in:

-  Receiving retirement income projections (58% versus 56% overall)
-  Expected retirement age (66% versus 65% overall)
-  Fear that they'll never be able to retire (36% versus 39% overall)
-  Difficulty of starting to save or saving more for retirement (50% versus 48% overall)

They fall behind the national average in confidence and making the most of resources. While 51% are offered financial wellness programs, only 62% of those surveyed who have programs available use them. That's below the study's national average of 72%.

Only 36% of healthcare participants feel very/extremely confident making retirement savings decisions, notably less than the overall population at 44%. If they were encouraged to take advantage of available education and wellness programs, it may help boost their confidence.

Top motivators and interests

So how do you get healthcare employees to engage more with their retirement plans? Cater to their specific interests and what they told us motivates them to take action.

Key motivators

1. More confidence about saving and investing decisions
2. A clearer vision of the type of retirement lifestyle you'd be able to afford if you increased your saving by a certain amount
3. More of a reward for taking action now versus waiting

Key topics of interest

1. What investments to choose
2. How much to save
3. How to manage investments as you age

Next steps

While employment levels stayed close to the national average, the COVID-19 pandemic still had a strong effect on healthcare workers. Stress affected their mental health and their ability to manage their finances.

It's clear that healthcare employees need education about retirement planning and financial wellness — and they're ready for it. More confidence is their top motivating factor for taking action. They simply need resources that will help them make informed decisions. Making them aware of what's available to them and how it could help them personally might help improve engagement.

By building confidence in retirement decision-making, we can help healthcare workers take the next step toward being prepared for retirement. Use our educational materials to help.



Want to see results from the full survey and access more educational resources?

Visit LincolnFinancial.com/RetirementPower.

About *Lincoln Retirement Power*

The 2021 *Lincoln Retirement Power*[®] Study is based on a national survey of 2,535 full-time workers who are eligible to contribute to an employer-sponsored retirement plan, including 2,030 participants and 505 non-participants. Greenwald Research, a third party market research firm, conducted the study on behalf of Lincoln Financial Group Retirement Plan Services. The studies are conducted biennially. Greenwald Research is not associated with Lincoln Financial Group. Online interviewing took place from February 19 to March 18, 2021. Data is weighted by demographics to mirror the total population.

This paper and the statistics below focus only on full-time healthcare workers.

Age status

- Generation Z (ages 18-23): 6%
- Millennial (ages 24-39): 36%
- Generation X (ages 40-55): 33%
- Boomers (ages 56-74): 24%

Race/ethnicity

- African American/Black: 16%
- Asian/Pacific Islander: 6%
- Hispanic/Latinx: 8%
- White/Caucasian: 71%
- Other: 1%

Marital status

- Married: 48%
- Not married, but living with a partner: 12%
- Single, never married: 25%
- Divorced or separated: 13%
- Widowed: 3%

Gender

- Women: 73%
- Men: 26%
- Some other way: 1%

Education level

- High school education or less: 17%
- Some college or trade school: 36%
- Bachelor's degree: 29%
- Post-graduate degree: 19%

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