

# **Solving** the nurse staffing dilemma

How your retirement plan can help recruit and retain nurses



The U.S. healthcare system has long been known as a driving force of caring for our nation's physical well-being. And while that remains true, healthcare systems are experiencing ongoing challenges, which include increases to operating costs, staffing concerns and industry consolidation, among others.

Still, quality patient care remains the main goal of healthcare, which is why a pressing area of concern is the nursing shortage. Nurses make up nearly half of the world's healthcare workforce and deliver almost 80 percent of hands-on care.<sup>1</sup> They are often considered the backbone of the U.S. healthcare industry.

Yet, healthcare systems across America are struggling to attract and retain nurses. Approximately 100,000 nurses left the workforce during the pandemic and about 800,000 say they expect to leave by 2027. Combined, this represents one-fifth of the current workforce of 4.5 million nurses.<sup>2</sup>

Nurses are critical to the health of our nation. They ensure accurate diagnoses, provide hands-on care, and help patients better understand how to get and stay healthy. And as our population continues to age, the need for nurses will grow exponentially.

Considering this, it's important to understand some of the proactive and practical steps healthcare system decision-makers can take to bring about positive change for the current workforce and attract new talent to the nursing profession.



<sup>1</sup> Stewart, D. et al. (2019). Nurses – A Voice to Lead: Invest in Nursing and Respect Rights to Secure Global Health, International Council of Nurses. Available at: <https://2019.icnvoicetolead.com/>

<sup>2</sup> Martin, B. et al. (2023). Examining the Impact of the COVID-19 Pandemic on Burnout and Stress Among U.S. Nurses.

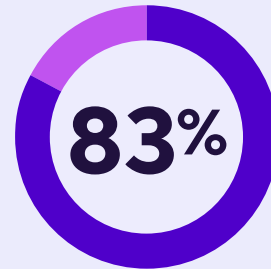
## Foster retention with your retirement plan

Did you know that nearly two in three healthcare workers (65 percent) say a strong retirement plan is very important to them? And, one in four will leave their current employer for better retirement benefits elsewhere.<sup>3</sup> This means that as you walk down the hall of your workplace, every fourth person you pass could leave based on the retirement plan alone. Or, it could mean you have an opportunity to recruit based on the strength of your program.

A comprehensive benefits program is a powerful recruiting tool. Job seekers consider their long-term financial stability when evaluating opportunities, looking to join an organization that invests in their financial well-being. Offering education and financial wellness programs, easy-to-use planning tools, and access to professional advice is key, as is meeting people where they are through targeted communication programs.

As you explore talent retention, consider these findings<sup>3</sup> on what is important to healthcare workers.

- **Healthcare employees see the importance of a retirement plan**  
94 percent say an employer-sponsored retirement plan is important to them
- **They are ready to plan for retirement**  
83 percent say planning for retirement in the coming year is a priority
- **Your help is important to them**  
69 percent believe workplace financial planning resources are an important benefit
- **Professional guidance makes a difference**  
81 percent of those who work with a financial professional are more confident in retirement; 52 percent who don't currently work with one say it would make them more confident



83% of healthcare workers say planning for retirement is a top priority in the next year.<sup>3</sup>



1 in 4

1 in 4 would leave their job for a better retirement plan.<sup>3</sup>

<sup>3</sup> Corebridge Financial Survey of Public Sector Workers, 2023.

# How you can help nurses achieve financial well-being

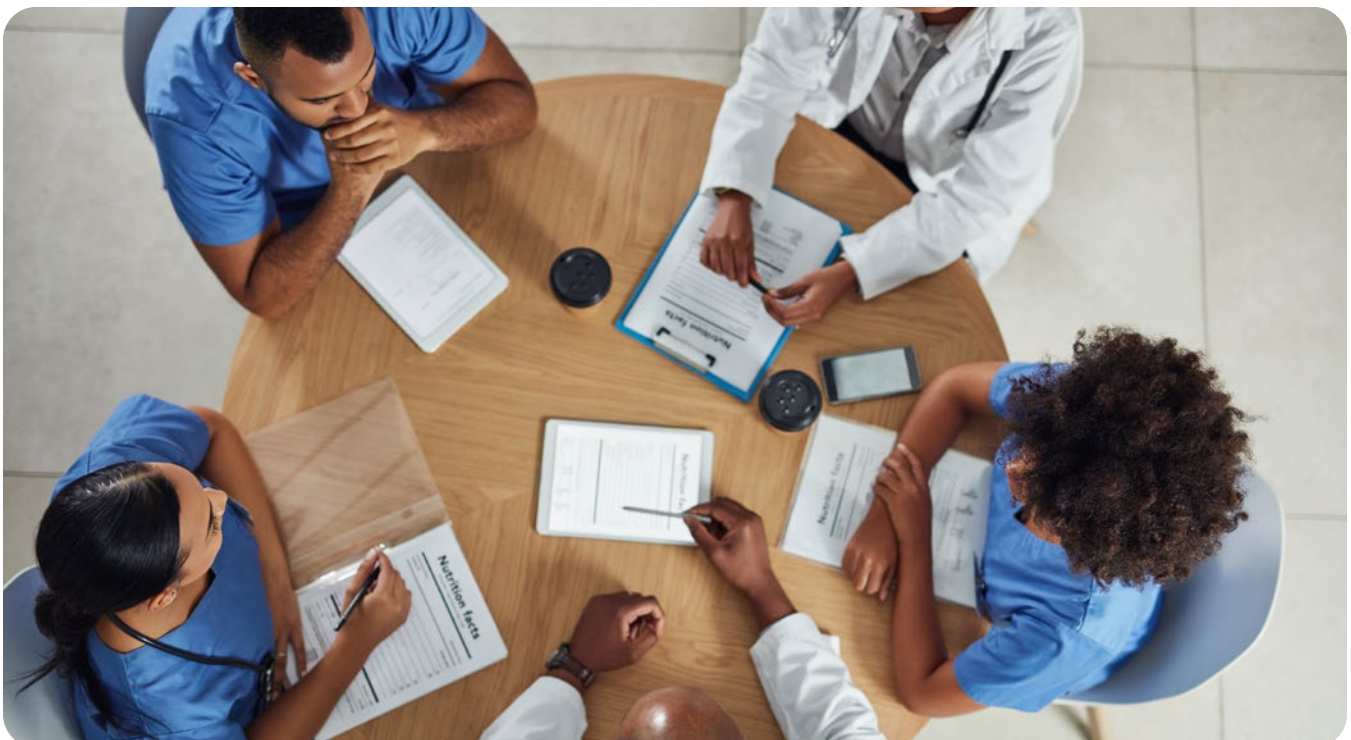
## Use automatic features to establish important savings habits

The time value of money can't be overlooked when building wealth for retirement. Helping employees take the first step by enrolling them as a default can initiate a lifelong savings habit. This is particularly effective when paired with auto escalation and a strong engagement program that ensures they are financially well-informed and educated. This education is key to making sure employees recognize the benefit of starting as soon as they can, so they remain in the plan and increase their contribution amounts over time.

## Address specific employee segment needs with tailored programs

Age, life stage and other factors reinforce why a "one-size-fits-all" approach will not adequately serve the needs of employees. Younger nurses may be focused on understanding how to balance student loan payments with saving for retirement. Mid-career nurses may have multiple family financial priorities, while nurses closer to retirement may need information on retirement plan distribution rules and lifetime income strategies.

Focusing on individual needs of specific cohorts can help each plan participant prepare for a successful financial future and promote a deep appreciation of their plan.



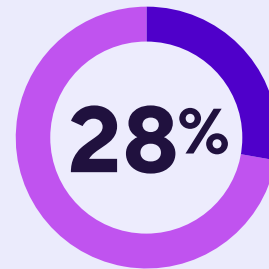
## Recognize and address the gender savings and wealth gap

Ideally, your retirement plan is structured to help all nurses achieve successful retirements. But being that women make up 87 percent of America’s nursing workforce (according to the U.S. Bureau of Labor Statistics in 2023), plan sponsors who show an understanding of the financial needs of women may be viewed as a highly desirable employer. Here’s why:

- Women still are paid less than their male counterparts. This holds true in nursing, where female nurses on average earn 24 percent less than male nurses.<sup>4</sup>
- Women generally have greater healthcare costs, particularly in their reproductive years when their average annual health spending is more than double that of men.<sup>5</sup>
- Social Security benefits for women are about 22 percent smaller than for men.<sup>6</sup>
- Women live longer—according to the Center for Disease Control, the average life expectancy of a 65-year-old woman is 86. For men, it is about age 83.<sup>7</sup>
- More than one in four women provide care for a family member (26%).<sup>8</sup> For those in the nursing profession, this can mean they are in a caregiving role 24 hours a day. Helping alleviate financial stress may help nursing caregivers manage other stressors in their lives.

Plan data can deliver crucial insight on disparities in plan enrollment, contribution amounts and overall retirement readiness. Look beyond aggregate data to better understand how different cohorts of women are saving and preparing for retirement. In the process, look for opportunities to identify and shrink savings gaps.

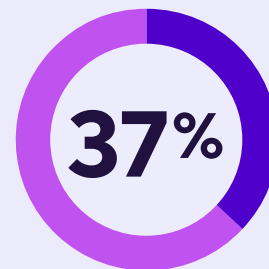
### Corebridge Financial’s Retirement, Longevity and the Future of Work Survey reveals



**28 percent of people say they’ve made progress toward retirement readiness in the past three years.**

For women, that number drops to only 21 percent.

..... Additionally .....



**37 percent of adults feel confident in their ability to plan for a successful financial future.**

For women, it’s only 27 percent.

<sup>4</sup> U.S. Department of Labor, “Equal Pay Day 2023”, News Release, March 14, 2023.

<sup>5</sup> Center for American Progress, “The economic, educational, and health-related costs of being a woman,” March 30, 2022.

<sup>6</sup> Social Security Administration, “Fact Sheet: Social Security is important to women,” January 2021.

<sup>7</sup> [https://www.cdc.gov/nchs/data/factsheets/factsheet\\_nvss.pdf](https://www.cdc.gov/nchs/data/factsheets/factsheet_nvss.pdf).

<sup>8</sup> American Time Use Survey, U.S. Bureau of Labor Statistics, 2023.

## Provide access to professional financial advice—for all shifts

Many participants do not hire a financial professional because of cost or because they feel they do not have enough money. It's not surprising, then, that 81 percent of healthcare workers don't work with an advisor. Interestingly, however, 81 percent say they would feel more confident if they did.<sup>9</sup>

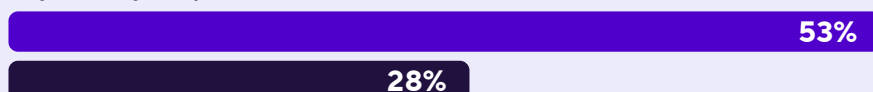
Providing access to a financial professional can help improve financial literacy and financial self-confidence. Plan participants are able to better understand their plan options, such as investments and product mix, how much they can contribute each year (including catch-up contributions for older workers), the difference between pre-tax and Roth (after-tax) plan contributions, and how they can create a strategy for lifetime income in retirement.

This reinforces the importance of working with a plan provider that will commit to being present for everyone. Given the non-typical hours of healthcare workers, especially nurses working in hospital systems, this means offering financial advisor sessions late at night or early in the morning, and making sure webinars and online education courses are available at all hours.

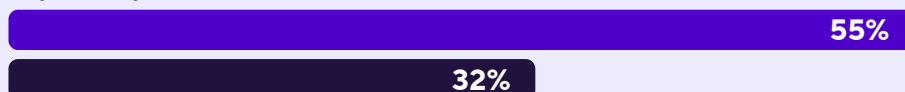
Overall, working with a financial professional can grow employee confidence in their ability to successfully navigate their financial lives and improve retirement readiness. In fact, 40 percent of people who work with a financial professional report greater improvement in their retirement readiness than those who don't and are more likely to report confidence in their own financial abilities.<sup>10</sup>

### People who have a financial professional are more likely to be confident in:

My ability to plan for a successful future



My ability to save for retirement



My ability to manage financially day-to-day



Works with a financial professional
  Does not work with a financial professional

<sup>9</sup> Corebridge Financial Survey of Public Sector Workers, 2023.

# Other considerations for improving job satisfaction for nurses

## In-house staffing

While hospitals creating their own in-house staffing agency is relatively new, the idea is gaining traction because of the ability to offer enough pay and flexibility to attract nurses as employees and reduce the dependence on more costly nursing services from outside agencies.

During the pandemic, many nurses became accustomed to higher wages and found it difficult to settle for lesser-paying jobs as the pandemic waned. The American Hospital Association in its “Environmental Scan 2023”, asserts that contract labor costs today are nearly 500 percent higher than they were before the pandemic.

Some hospitals view this as an opportunity. By eliminating the middleman—becoming employer and vendor at the same time—some systems have been able to cut overhead costs while simultaneously and seamlessly addressing staffing needs. It also allows nurses to choose between higher pay or benefits. They are essentially already making this choice by working through an agency or working directly for a hospital. An in-house agency offers the same choice without having to worry about discrimination regarding benefits.

Healthcare systems considering the in-house staffing model may benefit from connecting with their nurse leaders to understand if there’s an appetite for the arrangement and, if so, the reasons why they would embrace the model.

## Same-day pay

In light of recent survey findings that indicate 75 percent of nurses feel underpaid<sup>10</sup> and 72 percent of healthcare workers say they would leave their current job for more money,<sup>11</sup> looking for ways to help them financially could increase job satisfaction and reduce stress.

Given pay increases are not always readily available, some employers are turning to same-day pay to help alleviate financial pressure. Simply, when a nurse completes a shift, their pay is deposited immediately or within hours, giving them better access to funds on a regular basis.

This immediate compensation may also prompt nurses to take on additional shifts, helping employers achieve more without adding staff. The approach can also help nurses with personal budgeting and meeting unexpected financial needs, providing a potential boost to morale and employer appreciation.

With 40 percent of nurses saying financial stress impacts their productivity, and 65 percent living paycheck to paycheck,<sup>12</sup> same-day pay could be a worthwhile consideration.

<sup>10</sup> Nurse.org, 2023 State of Nursing report

<sup>11</sup> Corebridge Financial Survey of Public Sector Workers, 2023

<sup>12</sup> October 2022 Harris Poll commissioned by IntelyCare and DailyPay

# ACTION PLANNER **Action steps**

Fostering a work environment where nurses feel emotionally and financially secure can go a long way toward minimizing stress, easing burnout and reducing turnover. Employers who find ways to address these challenges may be better positioned as a best-in-class employer who can attract and retain their nursing talent.

## **Provide a retirement plan that drives financial understanding and wellness**

Research shows that the most important benefit for nurses is money. It makes sense, then, that helping reduce their financial pains can go a long way to helping your organization become an employer of choice for them. Offering a retirement plan has proven to be an effective resource for building long-term wealth. These plan features can have a positive impact for your employees and your organization:

### **Automatic enrollment/automatic escalation**

Employees who start saving as early and as easily as possible have an edge for building lifelong wealth.

### **Onsite education via group and one-on-one meetings**

Employees who understand your retirement benefit are more likely to use the benefit to save for the future.

### **Access to professional guidance**

Studies show that working with a financial professional can help improve financial literacy and motivate individuals toward improved outcomes.

### **Personalized and customized communications**

Employees who feel a personal connection to the message are more likely to take action.

## **Consider relevant workplace solutions that help address the nurse staffing issue head on**

Understanding why nurses are leaving the profession provides a background for why some employers are considering solutions—like same-day pay and in-house staffing—that may help create a more-fulfilling/less stressful workplace.

**Action today can lead to great things tomorrow. Action is everything.**

This material is general in nature, was developed for educational use only, and is not intended to provide financial, legal, fiduciary, accounting or tax advice, nor is it intended to make any recommendations. Applicable laws and regulations are complex and subject to change. For legal, accounting or tax advice consult the appropriate professional.

© Corebridge Financial, Inc. All rights reserved.

**For Plan Sponsor use only.**