The Retirement Readiness Crisis in Healthcare: Crisis calls for customized benefits

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1. Abstract

The healthcare industry plays a vital role in the U.S. economy, employing almost 15% of all U.S. employed workers. Of this group, an estimated 2.5 million plan to retire over the next 15 years. Healthcare employers feel responsible for helping these employees achieve retirement readiness, but most fall short of this goal. There is a looming crisis in the industry because millions of healthcare workers lack sufficient retirement assets. Industry executives generally acknowledge that their one-size-fits-all approach to employee retirement programs has not been successful in helping their aging workers achieve retirement readiness. Differentiating the healthcare workforce by financial needs and goals can help HR specialists design customized, realistic retirement plans that respond to specific employees' needs. This customization process will help healthcare employers develop the type of robust, realistic retirement programs that can make retirement readiness a definitive priority in the healthcare industry.

Key words: retirement, retirement readiness, benefits

2. Retirement readiness

The staggering wave of baby boomers heading into retirement has changed the public discourse by introducing a new term into the lexicon: *retirement readiness*. Defined as "a state in which an individual is well-prepared for planned or unexpected retirement (by) generating adequate (retirement) income to cover retirement living expenses" (1), achieving retirement readiness requires considerable energy and attention. In order to achieve retirement readiness, workers must accumulate adequate savings while employed; those savings must be sufficient to generate the requisite income necessary to support their lifestyle throughout retirement. Moreover, the ever-increasing average lifespan requires the accumulation of added financial assets when compared to what was required of past generations.

While the healthcare industry enjoys a reputation for stable if not lucrative employment, attention to worker retirement readiness falls short in making the list of top human resource priorities. Research conducted by Fidelity (2, 3) suggests that there is an impending retirement preparation crisis unfolding within this industry. Significant income disparities exist among healthcare workers, as exemplified by the two highest earning occupational groups within the field— physicians and nurses. The 2013 Nurses Retirement Study, conducted by Fidelity (2), reported that 62% of nurses fail to adequately save for retirement; at least two-thirds (66%) of nurses question whether they will ever be able to retire; and 44% of nurses believe that they will never be able to fully retire. According to Fidelity (3), physicians, the occupational group with the highest earning potential, have failed to adequately save for a financially secure retirement (p. 1) despite high compensation with average annual salary of $299,000.

2.1. Employer perspectives

Poor retirement planning by healthcare workers raises serious questions about healthcare employers' responsibility in assuring their employees' financial retirement readiness. Suggesting an industry-wide dilemma, The Lincoln Financial Group (4) defined "common denominators" that interest, value and generally underpin employers' perceived responsibility to assist their employees to prepare for retirement. These include fundamental, specific healthcare employer responsibilities and the associated employer-based retirement savings programs.

In 2015, the Lincoln Financial Group (4) surveyed 523 national health care executives (hospital presidents, hospital administrators, and CEOs) to examine their perceived responsibilities for retirement planning. The survey found that nearly 90% of responding hospital executives believed that an organization's responsibility to its employees included facilitating their employees' ability to become "retirement ready." Further, 79% of hospital executives viewed retirement plans as essential to attracting and maintaining talented professionals. However, the Lincoln Financial Group discovered a significant disconnect between hospital executives' belief about the employer's responsibility in assisting employee retirement planning and the actual development of effective employee retirement programs that assist in active retirement planning. For example, only 49% of responding employers implemented actions to encourage employee retirement savings, while a third of those responding failed to implement any action to encourage retirement readiness. More alarming findings revealed that 24% of employers intentionally remained inactive in referring retirement issues to their organization's benefit providers.

2.2. Industry comparison

Disconcerting results also emerge when comparing the retirement readiness of the health care industry to other industries. A 2015 study conducted by Aon Hewitt (5) found that when comparing the economic value of retirement income programs across 32 industries "the health care industry is providing about 73% of the average value" in retirement benefits provided by organizations across all industry sectors (p. 15). Several factors influence the determined "value" of retirement programs included in the study: benefit available to employees, plan type (e.g. matched savings versus non-matching), plan design (vesting, forfeitures, early retirement incentives), and the employee behavior required to receive an employer benefit from the plan. This suggests that the healthcare industry's interest in retirement readiness planning falls short when compared to other industries – by 27%. As a result, healthcare ranks 25th out of the 32 industries included in the study. The study also fund that "on average, the value provided by nonunion retirement programs at health care organizations approximates 4.6% of pay per annum" (p.11). This compares to "6.3% of pay per annum provided by retirement programs at Fortune 500 organizations" (p. 11).

The Hewitt study (5) also projected that at age 65, the retirement assets of healthcare employees are "expected to fall short by a multiple of 3.1 times their final pay. To put this shortfall in perspective, in order to close this gap of 3.1 times pay at age 65, a 35-year-old employee would need to save an additional 7.5% of pay every year to age 65" (p.3). Many respondents argue that cost pressures related to the Patient Affordable Care Act (2014) limit the resources directed toward employee retirement programs (6).

Nevertheless, even with the dismal Aon Hewitt results (5), the majority of healthcare employers attempt to provide a modicum of value to their employees' retirement readiness efforts by introducing employer matching programs known as Matched Savings Programs (MSP). Matched Savings Programs include 401(k) and 403(b) savings plans with a direct and significant employer subsidy in the form of matching contributions. These programs have become popular, particularly as employers move away from traditional defined benefit pension programs to defined contribution plans. In comparing healthcare MSPs to similar programs in general industry and Fortune 500 companies, Aon Hewitt (5) found that 88% of responding healthcare institutions offer some form of MSPs to new employees while 53% of the organizations offer multiple retirement plans. Although significant, these results fall considerably behind Fortune 500 companies in which 97% offer matched savings programs and 71% provide multiple retirement plans.

The failure of healthcare employers to compete with retirement plans in other industries essentially reflects the shortfalls of plan design and inadequate plan features. For example, 67% of general industry and 65% of Fortune 500 companies automatically enroll employees into MSPs. In healthcare, only 37% of employers automatically enroll employees. Another effective and highly regarded plan feature – automatic escalation - enables employees to increase their annual contribution rate by a set percentage each plan year without requiring that they contact their human resources department or their employer's plan vendor. As a result, employees automatically save increasing amounts each year, thereby eliminating the active decision-making routinely associated with adjusting contributions. The Aon Hewitt study (5) also noted that only 7% of healthcare organizations offer this plan feature as compared to 32% of general industry and 40% of Fortune 500 companies.

In addition to the absence of valuable plan features, many healthcare employers' MSPs lack a plan design that is sufficiently robust to provide maximum value to workers. The Aon Hewitt research (5) demonstrated that the majority of healthcare MSPs (60%) require employees to contribute less than 6% of their pay in order to receive the full employer match. However, the majority of Fortune 500 companies (60%) improved plan success by requiring a 6% or more employee contribution in order to receive a full employer match. Requiring employees to contribute a large percentage of income in order to receive the full company match incentivizes workers to increase retirement savings and helps reduce the expected shortfall in retirement.

2.3. Workforce demographics

Recent studies offer important data useful to healthcare executives, financial planners, and benefits specialists who work with retirement readiness in the healthcare industry. *First*, the Bureau of Labor Statistics (7) confirms that the healthcare industry is one of the largest employers in the country. Healthcare workers represent at least 13% of the total American workforce (4) or approximately 17 million workers (8). These employees work for employers with total annual revenues estimated at $1.668 trillion. Projections of growth in healthcare industry employment suggest an increase of 5 million jobs through 2022 – an increase of 29% as compared to an average of 11% for all industries. These statistics make healthcare the largest employing industry in the United States. Consequently, the retirement readiness of the healthcare workforce becomes increasingly significant to the U.S. economy because retirees markedly affect consumer and government spending, and economic performance indicators (9).

Second, the current workforce of the healthcare industry reflects increasing diversity and a diversity of lifetime earnings potential. This makes a typical one-size-fits-all benefits plan to ensure retirement readiness simply unrealistic and outdated. According to the Bureau of Labor Statistics (7), registered nurses are the largest healthcare occupation, followed by nursing assistants, personal care aides, home health aides, licensed practical and licensed vocational nurses, physicians and surgeons, medical assistants, pharmacy technicians, dental assistants, and pharmacists. While nursing assistants and personal care aides represent the fastest growing occupation in healthcare today, they remain the lowest paid workers in the industry.

Annual salaries of healthcare workers vary widely by position, tenure, and educational level. According to the U.S. Census Bureau (8), the average healthcare company employee salary is $39,400. However, average group salary calculations are deceiving. For example, the average national salary for RNs is $64,000 with the top 10% earning more than $94,000 per year (10); primary care physicians average $195,000 while physician specialists as a group average $284,000, with orthopedists topping the physician salary scale at $421,000 (11). Surgeons earn $306,000, CEOs average $386,000 while a hospital administrator earns an average of $237,000 (12). These average earnings of healthcare professionals contrast with the average salaries of home health aides - $22,050 per year - and medical assistants at $30,780 per year (13).

These wide variations in salaries leave no doubt that, in order to ensure retirement readiness for *all* employees, healthcare employers must re-evaluate their benefits planning strategy and develop more customized human resource (HR) approaches. These approaches must encourage retirement savings, assist in achieving retirement readiness for low and high earners, and ultimately prevent a worsening crisis in which today's generation of caregivers exhaust personal financial resources early in their retirement years.

3. Factors that influence retirement planning

Given the current crisis in retirement planning within the healthcare industry, benefits specialists must be skilled in addressing the myriad of the issues inherent in retirement planning. A critical first step for healthcare employers requires that *all* employees – irrespective of age, occupational group, and income – understand the general factors that influence when an employee may be able to retire. According to Cussen (14), these include the timing of children because children born in mid-life require financial support that limits a parent's ability to save for retirement. Second, the number of children affects the amount of money available for retirement contributions and can result in a significant delay in retirement. Third is the timing of initial contributions, i.e., early savers have the financial advantage because compounding returns help to build a much larger nest egg. Fourth is general education because lower education is associated with lower lifetime earnings and a much smaller retirement fund. Fifth is financial savvy. Learning how to be a smart investor can pay dividends throughout life, but especially during the retirement years. Sixth is spending habits because thriftiness in the early earning years can pay off in a much larger retirement account later. The seventh factor - age - is important because different generations demonstrate better saving habits than others. For example, at the same years of employment, pre-baby boomers enjoy the most retirement assets while Generation Y, the least. These generational differences suggest that customization of benefits makes sense. Eighth is family background; thrifty habits instilled in children influence the likelihood that saving for retirement will be emphasized as an adult. Ninth and finally is occupation – the lifetime earnings potential associated with different occupations continues as *the* most influential factor on any employee's preparation for retirement.

4. Shared responsibility for retirement

The Aegon Retirement Readiness Survey (15) - a retirement readiness survey of 9,000 individuals in eight European countries and the United States – demonstrated a new "blueprint for retirement emphasizing greater flexibility in how people approach planning for their later years" (p. 3). The study found greater awareness of personal responsibility for retirement savings, with more than more than 70% of workers acknowledging that they - and their employers – own the responsibility for saving for their own retirement. However, the 15th annual Transamerica Retirement Survey (1) of both employers and employees revealed "some major disconnects between employers and workers which, if addressed, could help employers maximize the value of their benefits offering while also helping their employees achieve retirement readiness" (p. 13).

The Aegon and Transamerica surveys (15, 1) - and the vast literature on retirement planning - identify a menu of options and actions that individuals, employers, and governments can leverage to assure a more secure financial future for workers who may live 30 years after the end of gainful employment. "Until every American worker is saving enough to achieve a financially secure retirement, there will be opportunities for further innovation and refinements to 401(k)s and our retirement system," the Transamerica report (1) said.

5. Employee differentiation as an HR strategy

The idea of differentiating, segmenting, and separating employees into cohort groups dates back to the 1930s when Robinson and Chamberlain changed the traditional marketing focus from homogeneity among groups to diversity or heterogeneity as a strategy to better understand consumer competition (16). Employee segmentation subsequently developed as a consumer marketing strategy (17) with the focus of modern business activities evolving gradually from producing goods and increasing sales to meeting consumer needs (18).

Historically, businesses depended on mass marketing without specifically targeting any one unique group of consumers (19). However, business soon learned that building profitable consumer relationships required greater knowledge of customer needs. Today, the practice of marketing focuses on understanding diverse customer preferences and managing customer relationships (19). Both require obtaining detailed knowledge about the customer, delivering worthy products and, most importantly, increasing consumer loyalty by creating value for specific target customer segments or groups. These segments may be quite diverse and different in age, socioeconomic level, lifestyle, expectations, demographics, attitudes - as well historical, social, and political experiences - that can potentially create different, and unique consumer attitudes, values, and behaviors (18-22). Understanding these differences helps program developers and marketers create successful marketing strategies that are responsive to can customized for customers' needs and behaviors.

In addition to the market segmentation strategy, decision science may also assist in resolving the long-term struggle of the human resources (HR) profession to define what it means to be "strategic" (23). In talent management, this means connecting the logic of HR decisions about talent, both within and outside the HR function, to the organization's success. The investments of HR in "pivotal talent *segments*" represent the first use of employee segmentation as an HR strategy, which essentially enhances processes, resources, and sustainable strategic success in the organization (23).

The value of managing talent through differentiation or segmentation stems from the generation of valuable data that helps HR managers appreciate contributions generated by the various employee groups. In addition, employee differentiation defines and delineates worker "needs, attitudes, and preferences" that enable employers to better understand and appreciate worker differences and to design more effective ways for improving successful employee performance and organizational engagement (24).

As a result, many organizations today realize that attracting and retaining a diverse global talent pool, and achieving maximum value from that talent pool across geographies and varying business models, require employee differentiation (24). This process involves understanding the distinct segments or groups that comprise their workforce, and determining how those groups deliver organizational value and what those "segments value from the organization in return" (p. 1). Integrating segmentation into business operations enables organizations to appreciate talent differences and ultimately optimize the "value exchange" between an organization and its workforce (24).

Mahrer (25) found that the concept of talent, workforce, or employee segmentation enabled a European utility company to solve a customer satisfaction problem in 2011 by grouping its employees by schedules and surveying the employees' expectations. The data then allowed a labor union to restructure labor contracts in ways that accommodated different groups of workers, and reaped benefits for the union, the company, the employees, and the customer. According to Mahrer (25), understanding what motivates employees underscores the value of workforce differentiation and encourages workers to perform at their highest level of productivity (p.1).

Applying marketing segmentation to human resource management, Roberts (26) framed employee segmentation or employee differentiation - whether by rank, tenure, function, or some other attribute – as a potentially practical HR strategy that easily assists businesses to subdivide their workforce and create unique benefits, programs, and policies tailored for each segment. Although segmentation has its roots in marketing which develops product features that better appeal to different groups of consumers, HR specialists, financial planners, and benefits specialists in today's competitive corporate world are beginning to apply these principles to a variety of workforce development initiatives.

Among the examples cited by Roberts (26) was 3-M's high-potential employee strategy that used a segmentation strategy when it classified 3500 mid-career employees into eight motivational clusters. The company used the strategy to better understand what motivated the employee groups (such as time, time off, more experiences, rapid promotions, or money) and to tailor employee benefits and educational programs in ways that met all the different groups' needs. Roberts (26) suggested that segmentation simply, but importantly, acknowledges the profound differences that exist among all employees regardless of industry.

Other businesses use variations of segment differentiation such as pivotal-role, high potential, succession planning, and values segmentation, as well as the popular favorite - segmentation by generations. Whatever the type of segmentation a company employs, Roberts (26) concluded that the goal remains the same for all, i.e., "understanding the hopes, aspirations, and needs on the supply side of human capital" (p2).

6. Employee differentiation and healthcare retirement benefits planning

For healthcare employers, educating employees about the basic factors that influence an individual's retirement planning might be a good start but it is not enough by itself. The substantial influence of occupation, education, and age on an employee's retirement potential suggests that healthcare employers who truly commit to improving the success of their organization's retirement program need a concrete, nuanced plan of action. Employee differentiation offers employers a practical, data-driven approach for customizing their retirement benefits program and moving their employees closer to a stage where they can be better prepared for retirement. Consider the following examples:

6.1. Occupation. Extensive financial research with registered nurses suggests a future of difficult financial times for this largest occupational healthcare industry group (27, 27-28). Forecasters predict that an unprecedented retirement crisis awaits aging nurses. A number of factors unique to this large occupational group - comprised almost exclusively of women - contributed to this crisis: repeated breaks in employment caused by childbearing, working part-time instead of full-time because of family responsibilities, and general failure to save enough for a secure financial future in their later years. The 2009 Nurse Investor Education Survey, conducted by the Center for American Nurses and the Women's Institute for a Secure Retirement (28) revealed that the nurses in the study did not even know what they needed for a secure retirement. The most common barriers to more effective retirement planning cited by the 1200 study participants included not having enough time because of other priorities at home, not knowing where to begin, not thinking about retirement, and not saving enough money to save for a comfortable retirement.

Physician high-income earners also face a challenging future. While highly compensated, they too lack a solid strategy to replace upwards of 70% of their income for retirement years (3). In addition, physicians have IRS limitations on the allowable amount of savings each year in their defined contribution plans. It has been reported (29) that 60% of physicians under 50 years of age and 30% of those over 50 failed to save up to the IRS limits in either 401(k) or IRA plans. This means that many physicians ignore an important tax advantaged opportunity to increase their retirement savings despite research findings that rank retirement as the greatest concern for all physicians (30).

6.2. Income. According to the Georgetown University Center on Education and the Workforce (31), "Healthcare is an economically polarized sector of the economy, with a high-skill, high-wage segment of professionals and practitioners at one end and a low wage, low-skill segment of support paraprofessionals at the other (p.7). As described by the Center, more than 70% of the low-wage group of healthcare support workers – nursing aides and assistants, massage therapists, athletic trainers, and home health aides - make less than $30,000 per year (31). This represents a stark contrast from the high wage groups of healthcare professionals that traditionally include physicians, hospital executives, and hospital administrators.

6.3. Generation. According to the Transamerica Center for Retirement Studies (32), a worker's view of retirement planning directly reflects their designation as a "generation" such as Baby Boomers (1946 – 1964), Generation X'ers (1965-1978), or Millennials (1979-1996). The Transamerica Center's latest research (32) suggests that the retirement readiness of these three generations differ significantly.

Baby boomers, the research suggested, were in mid-career when the retirement planning in the US shifted from defined benefits to 401(k) plans. This means that this very large group of workers did not have a full 40-year time horizon to save and to reap the benefits from the compounding of investments. Hit hard during the 2007-2009 Great Recession (33), baby boomers lack sufficient time to recover financially before they retire. Even with earned pension rights inherent in defined benefit plans (DBP), the shortened savings time horizon jeopardizes the ability to sufficiently fund retirement beyond benefits associated with DBP payouts. Predictions suggest an extended work life far beyond official retirement for most baby boomers, at least on a part-time basis.

Generation X's reputation as the "401(k) Generation" reflects this generation's historic access to 401(k) plans for most of their working careers. The Transamerica Center (32) reports that "Gen X'ers" value their 401(k) plans as demonstrated by high plan participation rates. Although some activate early withdrawals and loans, most "Gen X'ers" now estimate they need at least one million dollars in retirement savings (32).

According to the Transamerica Center (32), Millennials represent the "digital do-it-yourself generation of retirement savers" who expect to self-fund their own retirement. This generation takes advantage of employer-sponsored retirement plans, and is interested in on-line information about retirement. A recent 2016 retirement savings assessment conducted by Fidelity (34) found that Millennials currently defer 7.5% of their salaries for retirement. This marks a significant improvement from the 5.8% Millennial retirement account savings reported in Fidelity's 2013 study, but projects a likely shortfall in retirement saving. The AON Hewitt study (5) suggested that "when considering all sources of retirement income, a typical employee needs to set aside 15% of pay every year starting at age 25 to have a 50% probability of meeting private income needs at age 65. That same employee would need to set aside 19% to have an 80% probability of meeting retirement income needs at age 65." (p.8).

7. What healthcare employers can do

Millions of today's healthcare workers live with the reality of a missed opportunity to catch up with retirement planning. For them, this means that strained financial times lie ahead. Nonetheless, healthcare employers can use a decision-driven strategy like the customization of benefits to change their approach to retirement planning, improve employee retention, and mitigate the crisis envisioned by healthcare workers who fail to sufficiently plan and save. Beams (35) suggested that an organization's workforce should be treated as an asset and that employee differentiation holds the key to effective analysis and management. Selecting a best-fit "targeted optimization" segmentation model enables employers to fully understand and better manage workers' financial needs. In addition, such a model represents a balanced approach to analyzing and understanding an employee labor force and more effectively addressing the complexities inherent in people management.

Beames (35) argues against the one-size-fits-all contemporary approach to HR management in the healthcare industry. For example, paying *all employees* at the 60% range of the market demonstrates a serious lack of insight that often results in "muddled, inconsistent and poor people decisions" with adverse consequences (p.2) Examples include paying the "right" people too little and overpaying the "wrong" people which waste scarce resources; "locking in" poorly performing workers by exceeding market caps while falling below the wage market and "pushing out" worthy employees; placing inexperienced people in roles that require expert skill sets and creating operational inefficiencies; and increasing employee turnover (p.2).

Beames (35) suggests that to address resource waste and performance issues, business leaders must integrate workforce segmentation more effectively into business operations. Rather than utilizing workforce differentiation solely to analyze worker demographics, employers can integrate the relevant data into a robust strategy that can address a myriad of organizational workforce issues. Some policy examples worthy of consideration by healthcare employers to increase retirement readiness among its workforce through targeted optimization include the following:

7.1. Occupational emphasis

7.1.1. Nurses. The unique work environment and shift schedule of nurses make many unable to attend traditional benefit sessions offered by the HR Department. Providing information through presentations and discussions in the local work setting and during different shifts and on patient care units reflects an institution's interest in assuring retirement savings education and support. During these decentralized sessions, teams of HR professionals, financial consultants from retirement plan vendors, and hospital executives can personally provide information and clarify issues about benefit offerings. Conducting sessions during all shifts proactively delivers important information to all nurses working a hospital setting. In 2012, Spence (36) references "night shift walkabouts" conducted at Maine Medical Center in Portland, Maine. In addition to providing valuable information to employees, Spence noted "the walkabouts help build goodwill among employees and show commitment from senior staff" (p.1).

Beyond walkabouts, employers might also engage nursing personnel through websites that are dedicated to addressing nursing's unique retirement challenges. Websites might include personal financial planning tools and case studies that reflect the unique career patterns of nurses and important financial inflection points.

7.1.2. Physicians. In contrast to nurses**,** physicians *have the knowledge* about retirement planning but simply fail to act. Physicians employed by hospitals and health systems are compensated in two ways – base pay (salary) and bonus pay which is often linked directly to patient/procedure volume. Assisting this occupational group to contribute more to their employer retirement plan requires a review of the plan's "definition of pay." Some plans only consider base pay as the plan's contribution source, while other plans include both base and bonus pay. According to the Aon Hewitt study (5), only 63% of not-for-profit plans include bonuses in the definition of pay.

7.2. Income emphasis

7.2.1. Low income workers. Healthcare employers can increase the savings of low income workers by introducing the concept of "auto-enrolling" within their organizations. Auto-enrolling requires that all employees participate in a matched savings program. Auto enrollment not only improves the retirement readiness of all employees but is particularly well-suited to lower income workers as it helps those workers who rarely enroll in employer plans on their own (5). Best-practice employers implement auto-enrollment with new employees during the hiring and on-boarding processes. Auto enrollment also provides significantly higher plan participation rates as demonstrated by the majority of General Industry and Fortune 500 plans (5).

7.2.2. High income workers. Many high earners interested in deferring the Fidelity recommended 15% of earnings experience obstacles from the Internal Revenue Code (IRC) contribution limit of $18,000 into Qualified Retirement Plans ($24K for those 50 and older). For example, a 40-year-old medical professional earning $400,000 year can only defer 4.5% of his or her annual pre-tax income into an employer Qualified Retirement Plan. Healthcare employers can increase the retirement readiness of high earners by providing a non-qualified deferred compensation (NQDC) plan in addition to a standard 401k or 403b plan. NQDC plans are not obligated to meet the requirements of the Internal Revenue Code or Employee Retirement Income Security Act (ERISA). The design of NQDC plans provides a tax incentive for high earners to defer additional income during working years, resulting in increased retirement readiness.

7.3. Generational emphasis

The financial concerns and preferred medium for receiving information differs for each generational group (37). According to Howe (38), it is not surprising that a growing number of employers now *think* generationally about their workforce and the benefits they offer. As described below, developing targeted educational campaigns that address the unique attributes of each segment is essential for increasing interest and participation in employer-driven retirement plans.

7.3.1. Boomers. Having lived and worked through many shifts in the market and recessions, boomers find it very challenging to acknowledge the inevitability of retirement when they are not prepared financially to stop working (39). As a result, this generation responds well to HR information, guidance, and support provided at their work site that shifts the narrative from retirement panic to retirement planning**.** This work site approach involves instituting “retirement redzone” meetings that can rapidly educate boomers who face eminent retirement (39). Issues include social security, Medicare, required minimum distributions from retirement plans, long-term care, and pension plans. These meetings underscore the urgency and critical nature of the retirement planning required for this aging group. Individual meetings and planning sessions also resonate with this cohort, many of whom plan to work beyond the traditional retirement age. Since boomers appear less likely to use mobile devices and more likely to use personal computers, providing retirement information on CDs may be helpful for this cohort (39). Segmentation, however, remains key. It is important to understand that, as a group, boomers have prioritized work over personal life, largely distrust authority, and have a sense of entitlement in today’s work force (31). Thus, group meetings and personalized retirement planning sessions must emphasize the creditability of retirement plans and demonstrate successful investment returns.

7.3.2. Generation X. According to Lancaster and Stillman (40), Gen Xers are a “skeptical” generation that can be characterized by resourcefulness, self-reliance, easy adaptability to technology and change, suspicion of institutions, and belief in “portable careers” in which they move frequently from employer to employer. Although this generation’s savings habits reflect a general interest in retirement planning, their retirement contributions fall far short of the amount required for a secure retirement (38). Successful employer campaigns for Gen Xers must emphasize the differences among the types of retirement programs' traditional pension plans because this group believes that changing jobs is a necessity and are less likely to remain with an organization. This generation needs periodic reassurance that they are on the right investment and retirement savings tracks consistent with their belief that money is simply the "means to an end" – a sustained, comfortable retirement. Educational approaches for Generation Xers include on-line information access, robust website development, rapid investment information and planning feedback or turnaround time, financial management personnel with established creditability and a flexible, successful investment portfolio history, consistent tracking and follow-up, and sustained competitive salary and benefits with matched employer plans.

7.3.3. Millennials. According to Howe (37), Millennials are the workforce segment most interested in employer-sponsored retirement plans. Student debt is this generation's top concern. This group recognizes the challenges of funding a sustainable retirement, enjoying their preferred lifestyle, raising a family, purchasing a home, and living the American dream. Extensive education about repayment of student loans and participation in employer-based retirement savings plans peaks this groups' interest. Accommodating Millennial's preferred digital access and providing highly engaged HR professionals who are directly involved in individual no-nonsense retirement planning ensures greater engagement and participation in retirement plans. Millennials look to their employers to provide benefits that sustain, shield and guide them from risks previously affecting older generations, Howe said.

8. Epilogue

Will the healthcare industry ultimately embrace customized benefit panning as a human resources strategy for its diverse employee workforce? Such customization requires that healthcare employers address difficult questions about their involvement in and commitment to retirement planning for the diverse healthcare workforce. Will an overhaul in matched savings plans include auto enrollment and automatic escalation features? Will employers improve retirement plan design and incentivize their employees to save more? What will motivate health care executives to commit their organizations to promoting the retirement readiness of their workers? Critical and tough decisions lie ahead that will challenge a healthcare industry that continues to transform in the evolution of the Patient Affordable Care Act and the changing makeup of the workforce pool.

There is no doubt that significant opportunities exist for healthcare employers and employees that are aware of the looming retirement crisis. Employer engagement can redefine an organization's responsibility to its employees and provide real opportunities for enriching an employee's retirement years. Taking an active role in customizing retirement planning can lead to the discovery of new, improved strategies that can assist healthcare employers to recruit and retain employee talent and help their aging employees prepare for a sound financial future.

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