

The Effect of Understanding Issues of Personal Finance on the Well-being of Physicians in Training

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ABSTRACT

Background: This study assessed trends in personal financial issues among physical medicine and rehabilitation resident physicians and their impact on resident well-being.

Methods: A 25-question cross-sectional survey was sent to 18 physical medicine and rehabilitation residents.

Results: A total of 17 residents completed the survey (94% response rate), with 82% (14 of 17) endorsing personal finances as a contributor to their personal health. Residents also endorsed minimal previous financial education and an interest in more formal education on related topics.

Discussion: This study revealed personal financial issues are a factor in resident well-being and garner high levels of interest. Despite this, residents have received little financial education. These results have motivated us to address this deficit in our education program.

BACKGROUND

Completing medical education in the current socioeconomic climate is both intellectually and financially challenging. Medical students invest significant time and money in their education.¹ Though potentially rewarding long-term, this investment is often met with financial insecurity during the years of graduate medical education and early independent practice.²

Indeed, many studies reveal the average educational debt burden among medical school graduates has grown significantly in the last 2 decades.³ Recent studies indicate that 83% of medical school graduates have greater than \$100,000 in educational debt, with 48% possessing greater than \$200,000 in educational

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debt.¹ This, among other factors, commonly causes resident physicians' personal finances to be characterized by negative net worth, low home equity, and minimal retirement savings.⁴ These financial factors are potentially compounded by poor personal financial literacy among resident physicians.⁵ Consequently, many young physicians are vulnerable to financial mismanagement in the early stages of their careers, which can have devastating effects on their short- and long-term financial and psychosocial health.^{5,6}

This pilot study of trainees in a Physical Medicine and Rehabilitation program sought to identify trends in personal financial issues, the impact of personal financial literacy on trainee health and well-being, and to what degree trainees are interested in acquiring formal financial education.

METHODS

A cross-sectional survey using a 5-point Likert rating scale was distributed to 18 physical medicine and rehabilitation residents at a single institution. Prior to distribution, the survey was reviewed by an independent biostatistician and nonteam member physicians to ensure clarity of questions and statistical integrity. The majority of questions rated their agreement/disagreement with a variety of statements that probed the effects of personal financial issues on psychosocial health, confidence in basic financial literacy, and the level of interest in formal education on personal financial topics. Residents were asked their level of post graduate year (PGY) training (PGY II, III, IV) and sex.

Our primary outcomes of interest were to determine the percentage of respondents who considered personal financial issues to be an influence on their psychosocial health, confidence in topics of personal finance, previous financial education, and the degree to which they were interested in formal financial education.

We also explored secondary topics including burdens of educational debt and personal financial planning habits.

Respondents were contacted via email and electronic educational portal Desire 2 Learn (D2L) hosted by the authors and an educational coordinator blind to the study objectives. A follow-up email was sent 3 weeks later to encourage completion of the survey. Responses were collected in September 2017. There were no exclusion criteria. The participants were assured that all survey responses were anonymous.

The Institutional Review Board at the Medical College of Wisconsin approved the study as low-risk, exempt. Statistical analyses were performed using Microsoft Excel 2016.

RESULTS

The response rate was 94%, with 17 residents submitting a completed survey. The respondents by PGY year were 29% PGYII, 35% PGYIII, and 35% PGYIV. Additional respondent characteristics, survey questions, and responses are available in the Appendix (available at https://www.wisconsinmedicalsociety.org/_WMS/publications/wmj/pdf/117/4/Appendix%20-%20Survey%20Questions%20and%20Respondent%20Characteristics_Connelly.pdf).

An overwhelming majority of respondents ($n=14$, 82%) considered personal finance issues to be a contributor to their personal health (Figure 1). Of those residents, 76% reported low levels of previous formal financial education ($n=13/17$) (Figure 2), 92% stated they possessed low levels of confidence in financial management abilities ($n=13/14$), 86% preferred more formal education on topics of personal finances ($n=12/14$), 93% stated they were poorly prepared for independent financial management ($n=13/14$), and 78% indicated high levels of educational debt burden, defined as greater than \$100,000 ($n=11/14$).

The survey also revealed the following: 59% ($n=10$) of respondents identified themselves as primarily responsible for their household finances, 76% ($n=13$) considered participating in a resident financial literacy course a reasonable activity, 29% ($n=5$) used the services of a professional financial planner, 0% ($n=0$) identified financial industry professionals as their primary source of financial information, 71% ($n=12$)

Figure 1. Impact of Personal Finances on Personal Health

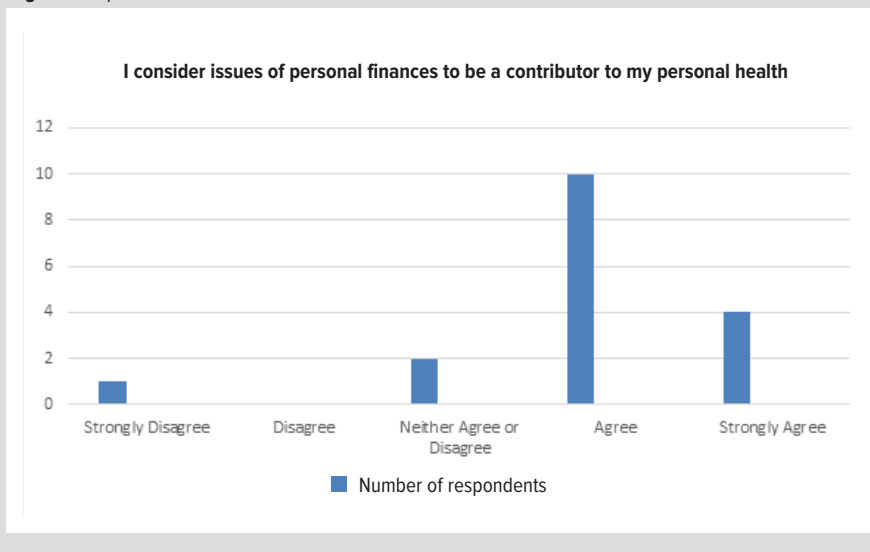
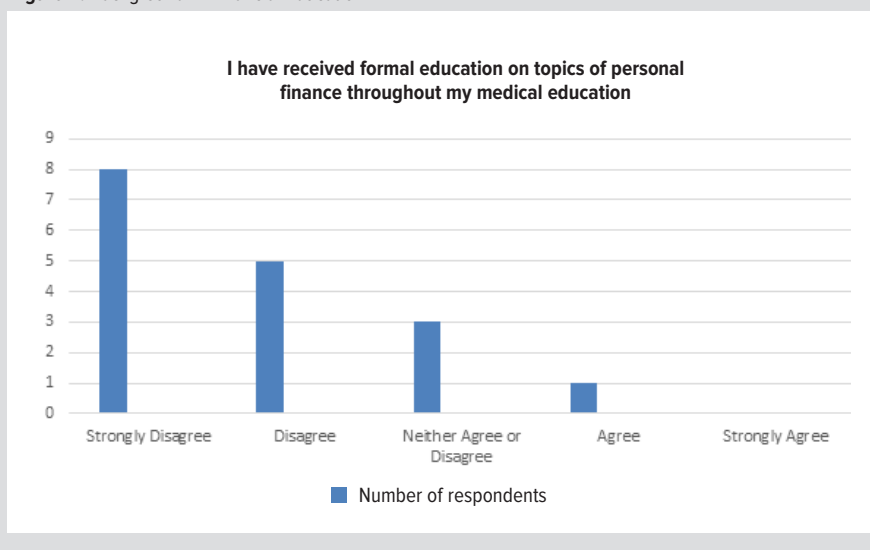


Figure 2. Background in Financial Education



identified peers as their primary source of financial information, 35% ($n=6$) identified having clearly defined financial goals, and 59% ($n=10$) reported directing 10% or less of their monthly income toward any type of savings.

DISCUSSION

This pilot study reveals that an overwhelming majority of the residents surveyed endorse issues in personal finances as contributors to their personal health and well-being. This is concerning considering recently published data documenting low levels of financial literacy among medical trainees.⁷ The negative influence of inadequately managed personal finances among medical trainees is likely exacerbated by the paucity of financial education among medical education programs.

At present, academic medical institutions appear not to per-

ceive financial literacy as a core educational mission.⁸ Based on our findings, we conclude that the financial competency of medical trainees is of critical importance to the personal health of future physicians, the profession at large, and ultimately the patients receiving care from these physicians. This is particularly true given the ongoing changes in physician practice arrangements, including the decline of self-employed physicians and falling reimbursement rates. In the current environment, it is incumbent upon medical education institutions to improve the financial literacy of their graduates.

These findings are impacted by some key limitations. Specifically, the small cohort and the single-site, single-program nature of the survey limits its generalizability. While the survey response rate was high (94%), indicating enthusiasm for the topic, the voluntary nature of the survey raises the possibility of selection bias. Finally, the self-reporting aspect creates possible recall bias.

Over the last 30 years, the medical education community has made significant strides in increasing awareness of medical trainee well-being. Most efforts to address these issues have focused on work-hour limitations and sleep deprivation. Our study indicates that issues in personal finances is a potentially neglected contributor to poor medical trainee well-being, particularly considering low levels of financial literacy. Future efforts should include the implementation of formal personal financial literacy education programs within medical education curriculum. These programs should be followed on a longitudinal basis to evaluate their efficacy in improving financial literacy and resident well-being. Finally, follow-up studies with larger sample sizes and improved generalizability should be undertaken to better clarify the impact of financial issues on resident physician well-being, burnout, and ultimately patient care.

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