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# Three key findings about how Canadian physicians are preparing for retirement

While some physicians are apprehensive about life after practice, MD's national survey revealed that planning creates peace of mind

Conducted in the fall of 2018, the MD Physician Retirement Readiness Study found that while many physicians are well prepared for retirement, a significant minority struggle with financial pressures and feelings of financial uncertainty as retirement approaches. It also revealed that the physicians who have made specific plans for their retirement years and who are more focused on their investments tend to have more financial assets and a clearer picture of what they need to achieve for retirement.

More than 400 medical specialists and general practitioners from across Canada participated in the survey. On average, the physicians in the study were 55 years old and had been practising for 24 years.

## 1. Most physicians are well prepared for retirement

On the whole, the physicians surveyed are well prepared for retirement—and with an average age of 55 and an expected retirement age of 65, they have another full decade to prepare.

The majority of those surveyed have amassed a substantial retirement nest egg. Half said they have financial assets of \$1 million or more, and one-third

reported a nest egg of \$2 million or more.

**MD insight:** Retirement is highly personal. Judging how prepared you are for retirement takes more than just counting up your savings. "Retirement readiness" is defined by one's particular goals and circumstances. For some physicians, a nest egg of \$2 million may not be enough, while for others, \$1 million may be more than sufficient.

## 2. Many physicians worry that ongoing cash flow challenges are hurting their retirement preparations

Although most of the physicians surveyed reported a strong financial picture and confidence in their financial plan for retirement, a sizeable minority said they worry about making ends meet month-to-month (20% overall, with 5% strongly agreeing), and two-thirds worry about unexpected expenses impacting their financial plan.

Those more likely to be worried were physicians under age 50, physicians with children at home, those focused on repaying consumer debt and paying down mortgages, those who have fewer financial assets,

and those who haven't taken concrete steps to plan for retirement.

**MD insight:** Physicians are not immune to cash-flow crunches and unexpected expenses, and finding a balance between current lifestyle demands and planning for the future can be challenging. A professional who understands physicians' financial lives can help you create an individual plan to meet the needs of today and tomorrow.

## 3. Thoughtful planning, especially with professional support, increases retirement confidence

The survey identified factors that can help increase retirement confidence. Those who have specific retirement plans (such as a target retirement age and expected income in retirement) and those who are more focused on their investments tend to have more financial assets and a clearer picture of how much they need for retirement.

*"Physicians who have made specific plans for their retirement years and who are more focused on their investments tend to have more financial assets and a clearer picture of what they need to achieve for retirement."*

Physicians with concrete plans for retirement were also much more likely to report they have a long-term financial plan for retirement that they're working toward (96%), that they're confident in their ability to retire comfortably (88%), and that they have a nest egg of \$2 million or more. This is compared with physicians who

only have general ideas about retirement or haven't thought about retirement at all.

**MD insight:** One of the hardest things about planning for retirement is articulating your retirement goals—it takes time and active reflection. Your objectives for retirement should not be a last-minute decision. An effective financial planner can help you identify your goals. The earlier you engage in this discussion, the more time you have to explore what retirement means to you, and how to create the retirement you want.

## Design your path to retirement

All in all, the picture of retirement preparedness developed through the MD Physician Retirement Readiness Study shows a physician community that is actively engaged in planning for post-practice life. The study also clearly shows how physicians can develop confidence by building a retirement they can look forward to, whether that's by focusing on building the assets that will fund retirement or developing the plans that outline how and when retirement will happen.

## Source

*Enviroics Research (2018) MD Physician Retirement Readiness Study*



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