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Jackson & Coker Retirement Survey

An online research study
Tuesday, August 02, 2011

Physicians who have changed their plans to retire since the recession



- ▶ **Slightly more than ½ of the physicians surveyed have changed their retirement plans since the onset of the recession.**
 - Physicians who, prior to the beginning of the recession, were planning to retire in the near future (6 years out or less)

- ▶ **These physicians plan to:**
 - Work locum tenens or part-time (32%)
 - Keep up their current pace with their current employer (26%)
 - Move to another permanent position in the same field (19%)
 - Leave medicine and try something new (19%)

- ▶ **70% of them say they plan to work longer until retirement, because their personal savings have been depleted or have not grown as quickly as they had anticipated (70%)**

Quotes:



▶ Devaluation of assets / not in an economic position to retire

- “Loss of property value significantly affected my retirement funding.”
- “Will continue working so I don't run out of money late in life.”
- “Depletion of children's college funds as well as retirement funds as well as being considered 'wealthy' by today's standards and not qualifying for any financial aid have all contributed to need to work more and longer.”
- “Current economic outlook has postponed my retirement horizon, will work longer than anticipated, hopefully part time.”
- “I have no plans to retire due to the impact of the economic downturn on my net worth.”
- “IRA is performing dismally. Amount of funds I can deposit has decreased since my spending power has fallen (no raise in 5 - 6 years).”
- “I still have work, and as long as I can keep up with and get caught up with my bills and save I want to continue to work. I am not in a position to completely retire and hope my health holds up so I can continue to work - after age 70 if I can afford it I would like to work a little less than full time.”
- Decrease in value of my assets-inability to sell real estate that I had planned on investing in retirement income; decrease in salary leading to less retirement money set aside.
- “I had planned to leave the military and enter private practice. The group that I hoped to join was unable to follow through with their offer as two partners had to delay their own retirement due to the recession and the uncertainty created by the healthcare reform legislation. Thus, no position was available to me, so I am still in military practice with a 'wait and see' philosophy.”
- “We never thought we'd see Social Security, so we never made any retirement plans. We'll simply work until we can't, and I will only work about 1-2 weeks per month as a locum. One week a month will pay the bills.”
- “I have had other irons in the fire for income because if the bottom were to fall out in my practice it is important to have other income sources. I have always lived this way. I have never felt comfortable with 'all my cookies in one income basket'.”

Quotes:



▶ Political climate

- “I will never be able to retire...with cutbacks coming in Social Security and Medicare it only makes sense to continue working forever. Means testing will eliminate most physicians from ever collecting Social Security payments and this will become a welfare program.”
- The current leadership in this country is unable and unwilling to do the correct actions to save our country instead their policies will lead to significant depreciation of the dollar and thus destroy the value of my retirement plan. When combined with the coming inflation and the devaluation of a physician, my best plan is to find/profession a job that has little government control. The profession of medicine has been under attack from politicians for over 30 years and with passage of Obama-care they have finally put a fork in it. The physicians in this country have no leadership to stand up for their rights and for the rights of their patients.”
- “Uncertainty in medicine with Obama-care makes planning impossible.”
- “Younger physicians have a two fold problem, 1) significantly impaired growth in traditional retirement options 2) dramatic shifts in the landscape of entrepreneurial ventures that MD's can engage in with the shifting sands of government policy.”
- “With every new federal intervention in health care, come new and unintended consequences. The most recent – Obama-care will further bankrupt hospital based specialties. Good luck finding a general surgeon or internal medicine Doctor in 10 years. There is absolutely no incentive to spend years training in these specialties. Most doctors in these specialties are running for the exits!”

Quotes:



▶ Business climate

- ▶ “In general the for-profit insurance industry has crippled my ability to earn a moderate income without working twice as many hours as I use to---when I was younger. It's frustrating and exhausting.”
- ▶ “The recession has had a dramatic impact upon my practice. I practice Radiology, and while study volume has only decreased slightly, reimbursements have diminished and the business of radiology has allowed employers to extract additional work out of some physicians while letting others go. Salaries have decreased by up to 50%.”
- ▶ “In a group of 8, we struggled to pay employees in 2008. There were times we all took no salary. Medicare held up payments. Patients treat us like a bank. Employees have better benefits than we get ourselves. I would quit entirely if I did not have a child still in college.”
- ▶ “Want to continue to contribute to healthcare, but would not want to maintain expense and regulatory burdens of private practice.”
- ▶ “The effect on physicians has been very negative. Today, much more hospital work falls to few hands, and most facilities stay chronically understaffed due to uncertainty over the slow economy. Those currently in permanent jobs fear losing them. Administrators are able to treat medical specialists badly, because they know if their conditions are not met by us 'worker bees' that there is another physician right around the corner ready to be hired, and fill the position rapidly.”
- ▶ “Declining reimbursements fewer patients with insurance hard to make enough to pay malpractice premiums.”
- ▶ “Medicare fee schedule cuts make surgery financially unrewarding for surgeons. Only solution is to work in geographic locales where physicians opt out of Medicare or to restructure practice to Harley Street model only.”
- ▶ “The recession resulted in my group terminating 1/3 of their radiologists, & I was among them. At that time, I had planned to work 2 more years full-time & two years part-time before retiring. Being that close to retirement, and not wishing to move from either our house or our geographic area as we wished to stay here on retiring. I elected to begin part-time locum tenens practice. With the changes in radiology, (decreased reimbursement, more practice management groups, teleradiology moving beyond nighthawk coverage, and with a market gravitating primarily to demand for interventional radiologists) locum tenens opportunities for general diagnostic radiology have decreased to the point where there are insufficient positions to justify maintaining licenses, CME, malpractice insurance, etc. The infrequency of assignments also makes it more difficult to maintain a sharp edge on competency. Therefore, although I had planned on continuing locum tenens work until mid-November, 2012, I have had no desirable offers for the past 4 months, and with a recent low-six-figure inheritance, have decided to retire, barring the offer of a recurring locum tenens assignment making reinstatement of insurance and carrying other expenses practical before my licenses start expiring in early 2012.”

Quotes:



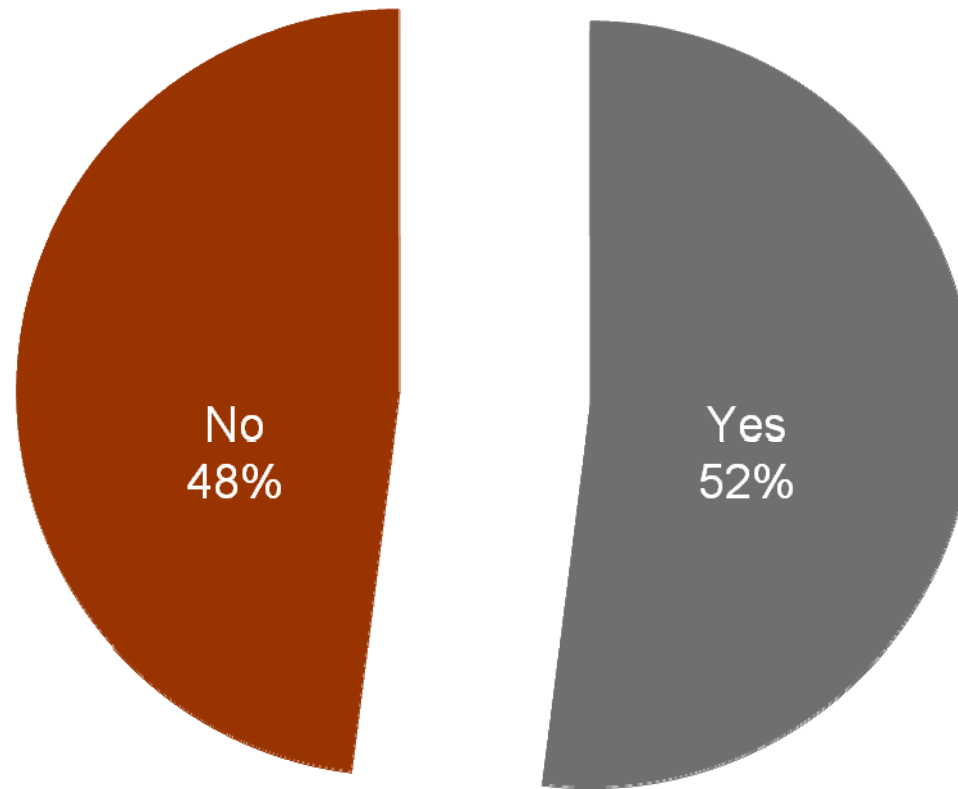
▶ Professional climate

- ▶ “We are our own worst enemies. We hire CRNA's to perform our work as if we are technicians. We act and treat each other like we are technicians....pushing to perform elective cases on patients who are not properly prepared. We cannot expect to have a specialty that will survive this economic depression with this work ethic.”
- ▶ “I have found few docs who care about truth and honesty because there are no consequences to sloth and malfeasance.”

▶ Legal climate

- ▶ “Actually happy to be working indefinitely for our next generation. Work til you drop is the old surgical model. Love my work, even if I don't love the harder work it takes to cover overhead. But it would be fantastic to get the government off our backs and get litigation reform! My hospital patients can't even get out of bed to the bathroom w/out a PT evaluation and filling out of forms because of litigation!”
- ▶ “Low pay, lack of physician respect by both an employer of the physician, staff and patients. Increase in patients visits per hour causes high risk for litigation. Doctor's personal life and health now placed at risk due to negative changes in healthcare.”
- ▶ “Would still be practicing if not for malpractice climate and insurance costs.”

Change in retirement plans since recession?



Retirement plans pre-recession

Number of years to work until retirement (planned pre-recession)	(n=519)
1-3	12%
4-6	20%
7-10	17%
More than 10	50%

If retirement plans have changed, what options are appealing?

	(n=446)
Locum Tenens or part-time work	25%
No changes to retirement plans	22%
Continue to work at current pace with current employer	21%
Another perm position in same field	16%
Leave medicine and try something new	14%
Other	2%

Main reason for working longer until retirement

	(n=419)
Depletion in personal savings / did not build as quickly as anticipated	46%
Not planning to work longer – sticking with original plan	30%
Changed my mind / enjoy the work	11%
Family / personal concerns	7%
Healthcare reform	6%

Why plan to retire earlier?

	(n=164)
Uncertainties associated with healthcare reform	26%
No longer enjoy the work	25%
Rising cost of doing business	22%
Personal / family concerns	14%
Personal finances permit earlier retirement	10%
Health reasons	1%
Medical malpractice climate	1%

Physician Stats: Specialty



	(n=513)
Family Practice	10%
Anesthesiology	10%
Surgery	10%
OB/GYN	7%
Psychiatry	6%
Emergency Medicine	6%
Internal Medicine	6%
Pediatrics	5%
Pathology	4%
Rheumatology	3%
Oncology	3%
Ophthalmology	3%
Urology	2%
Neurology	2%
Physical Medicine & Rehab	2%
Nephrology	2%
Radiation Oncology	2%
Cardiology	2%

1% or less:

- Dermatology
- Occupational Medicine
- Hospitalist
- ENT
- Gynecology
- Pulmonary Medicine
- Infectious Disease
- Neonatal Medicine
- PA
- Podiatry
- Allergy
- Maternal & Fetal Medicine
- NP
- Urgent Care
- Optometry
- Critical Care

Physicians Stats



Length of time in medicine	(n=522)
5 yrs or less	10%
6-10 yrs	11%
11-15 yrs	10%
More than 15 yrs	69%

Medical Profession	(n=517)
Practicing physician	81%
Academic	8%
Physician Executive	3%
Hospital / Group Admin	2%
Other	6%



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