

2025 HEALTHCARE INDUSTRY REPORT SUMMARY

An in-depth look at workforce engagement, financial wellness, and retirement trends in nonprofit healthcare



Overview

The nonprofit healthcare industry continues to undergo significant changes, marked by high turnover, an increasingly diverse workforce, increased mergers and acquisitions, and greater budgetary pressures. To top that, the demanding careers of healthcare professionals affect various aspects of their lives, including their financial wellness. Our 2025 Healthcare Industry Report analyzes data across Fidelity's nonprofit healthcare industry client base of more than 4.5 million healthcare workers, including 500K+ physicians and 1.5M+ nurses. The report focuses on the needs as well as workforce retirement readiness and financial wellness of the increasingly dynamic multigenerational workforce.

Multigenerational Workforce

The healthcare workforce is generationally diverse with competing priorities in their workplace benefits.

The workforce at a glance:



78%

of the workforce is women, establishing it as a predominantly female team.



1 in 3

employees are over 50 years old, leading to a loss of experienced employees because of retirement.



55%

Of the workforce are millennials and Gen Z, reflecting an increase from 50% in 2023.



1 in 4

of the Gen Z workforce turned over in 2024, remaining the generation with the highest turnover rate.

Aligning employer goals with healthcare worker priorities

More employees are focused on balance-oriented benefits and want their employers to focus on:



Competitive
compensation



Paid
time off



Work/life
balance

1 in 2 leading health systems believe that their benefits are optimized—
but there is an opportunity to further optimize over next 1–5 years.¹

Percentage of healthcare workers emphasizing a benefit as a reason to stay in their job:²

1. Competitive base compensation 30.7%	2. Paid time off/vacation 27.3%	3. Work/life balance 23.3%	4. Health insurance plan 22.1%	5. Attractive bonuses 19.2%
6. Workplace retirement plan with employer contribution 16.0%	7. Manageable workload 15.4%	8. Stability and job security 12.5%	9. Paid sick leave 11.4%	10. Opportunities for advancement/promotion 9.5%

Meeting the Needs of the Multigenerational Workforce

To effectively evaluate your total rewards package, it's essential to look beyond enrollment and benefit usage metrics. Engage with employees through surveys, focus groups, and employee resource groups to gather their insights.

A robust total rewards strategy is multifaceted and tailored to the specific needs of your workforce. Consider all reward categories, including compensation, benefits, and the overall employee experience. Ensure the quality of core benefits—those universally recognized as essential, such as health insurance, retirement plans, and paid time off. Additionally, assess supplementary benefits that resonate with your employees, such as flexible work options and career development opportunities.



Financial Health and Retirement Readiness

Healthcare workers face significant financial challenges, carrying the highest student debt of any workforce,³ with **38% of employees** holding an average loan balance of **\$74,749**.

38%
of the workforce
carries student debt



and the average
loan balance is
\$74,749

23%

of nonprofit employers are likely to adopt the Student Loan Match provision of the Setting Every Community Up for Retirement Enhancement 2.0 Act (Secure 2.0)⁴



Only 13%

Only **13% of healthcare respondents in Fidelity's Financial Wellness Check-up** reported feeling financially confident.⁵



1.5x higher

Additionally, healthcare hardship withdrawals are twice as high,⁶ and **loans are 1.5 times higher than in other nonprofit industries.**⁶ This financial burden contributes to increased stress and burnout, negatively impacting job performance and turnover rates.



2x higher

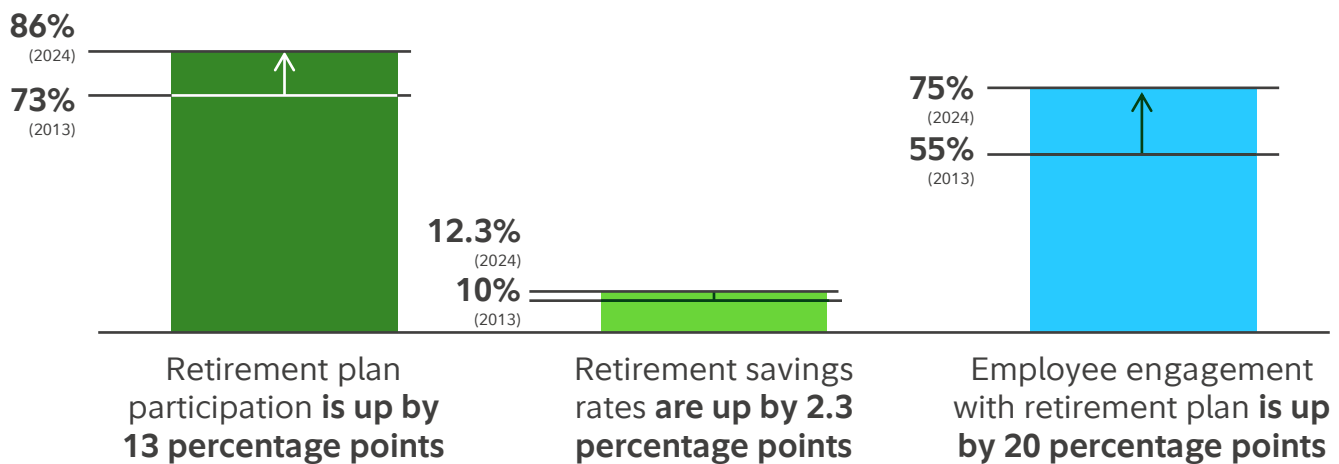
Financial wellness initiatives, such as workshops on budgeting and managing debt, financial coaching, and incentivized engagement with financial education resources, can address employees' top pain points. Employers can support employees by offering benefits such as emergency savings programs and student loan repayment assistance. One in five employees said student debt assistance is a game-changing benefit.

A Decade of Progress: Healthcare Workers Boost Retirement Savings

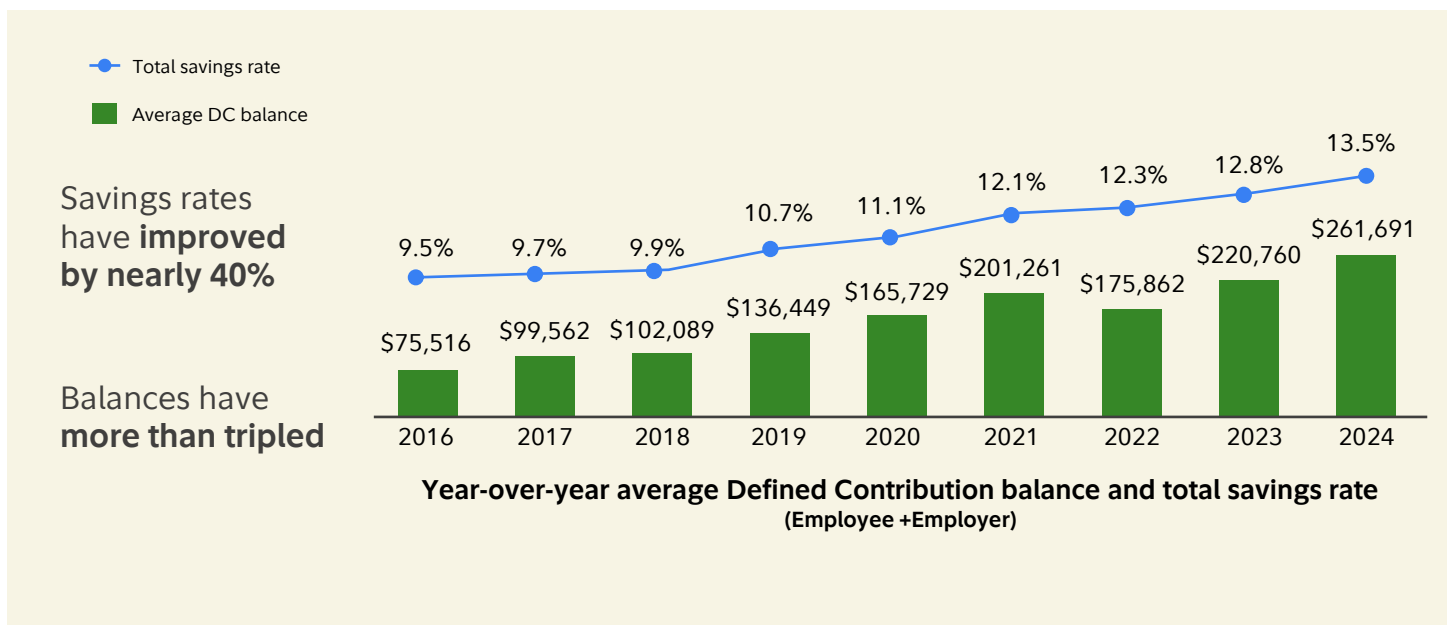
Over a 10-year period, healthcare employees have continuously shown improvements in their retirement behaviors. Retirement plan participation has increased by 13 percentage points (from 73% in 2013 to 86% in 2024), and employee engagement with retirement plans has risen by 20 percentage points (from 55% in 2013 to 75% in 2024).

Retirement readiness

Trends in healthcare employees' retirement behaviors from 2013 to 2024:



For healthcare participants who have remained with the **same employer over the last nine years**, balances have more than tripled,⁷ and savings rates have improved by nearly 40%.



Closing the Retirement Savings Gap

Healthcare organizations are modernizing retirement plans to better support their workforce. Thoughtful plan design including automatic enrollment, re-enrollment, annual increase programs, and strategic default deferral rates, can significantly enhance retirement preparedness for all employees, particularly those who are less engaged.

Beginning in 2025, the SECURE 2.0 Act will require automatic enrollment in all new defined contribution plans, signaling the impact automatic features have had on participation and savings rates.

Modernization of healthcare organization retirement plans



86%

of plan sponsors now offer a contributory match design, up from 73% in 2016.



70%

of plan sponsors offer auto enrollment (AE), resulting in higher participation rates (88%) vs. plans without auto enrollment (63%).

In summary

The interconnectedness of workforce dynamics, financial benefits, and employee financial health is crucial for **delivering high-quality, cost-effective care**.

Healthcare organizations are making progress in addressing everchanging workforce needs through modernized retirement plans. However, there is still room to enhance support by promoting participation in financial wellness and retirement planning programs as well as exploring student debt repayment initiatives.



For more information on how Fidelity supports nonprofit healthcare organizations like yours, [see our full research](#) or reach out today.



Based on Fidelity's recordkept data for active participants with balance employed in nonprofit healthcare, as of 09/30/2024. Excludes terminated and participants with zero balance. Also excludes forfeiture and alternate payee accounts.

Generational Birth Years: Gen Zers born after 1997; millennials 1997-1981, Gen Xers, 1980-1965; Boomers before 1965.

¹ THMA-Fidelity Benefits Optimization Research, September 2024, [Attracting and Retaining Top Talent and a Multi-Generational Workforce at Leading Health Systems | The Health Management Academy](#)

² Fidelity Workplace Thought Leadership, "[Working 9-to-thrive](#)," October 2023, Additional cuts by healthcare sector. QUESTION: "If your employer were to improve any of these features, which of the following would you ask your employer to focus on first? (Select up to 3.)"

³ <https://newsroom.fidelity.com/pressreleases/2024-state-of-student-debt/s/36858fe6-6c49-44f6-bca3-16734e41b545>.

⁴ Fidelity plan sponsor survey, SECURE Act 2.0 Optional Provisions, May 2024.

⁵ Based on the Fidelity Financial Wellness Checkup completed for 68k active participants as of 9/30/2024 for the period of 10/1/2023 - 9/30/2024. Excludes terminated and zero balance participants as well as forfeiture and alternate payee accounts.

⁶ Based on Fidelity recordkept data as of June 30, 2024.

⁷ Based on active participants with DC balances recordkept by Fidelity from 1/1/2016 to 09/30/2024 employed in nonprofit healthcare organization as of 09/30/2024.

For plan sponsor and investment professional use only.

Fidelity and the Fidelity Investments logo are registered service marks of FMR LLC..

Fidelity Brokerage Services LLC, Member NYSE, [SIPC](#) 900 Salem Street, Smithfield, RI 02917

© 2025 FMR LLC. All rights reserved.

1202671.2.0

