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Financial Literacy in the Nursing Profession: A Commentary

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ABSTRACT

Financial literacy is increasingly recognized as a core competency for nurses because it shapes how they manage personal finances, navigate complex healthcare systems, and participate in organizational decision-making. Financially literate nurses are better able to budget, save, invest, manage debt, and plan for retirement, which directly supports their well-being and reduces financial stress. At the same time, nurses' financial understanding influences workforce issues such as salary negotiation, turnover, and burnout, and indirectly affects patient safety and quality of care. International reports on financial literacy, along with emerging evidence from nursing and healthcare management research, indicate substantial gaps in nurses' financial knowledge and limited exposure to structured financial education during pre-registration and post-graduate training. This commentary synthesises current evidence on financial literacy and nursing, highlights key financial challenges across the nursing career trajectory, and identifies structural and educational barriers that prevent nurses from developing robust financial skills. It then proposes directions for curriculum development, continuing professional education, leadership training, and healthcare policy. Strengthening nurses' financial literacy is essential not only for individual prosperity but also for the sustainability, efficiency, and equity of healthcare systems.

Keywords: *Financial literacy; Nursing profession; Health economics; Workforce well-being; Nursing education; Financial competencies*

Highlights

- Financial literacy is a foundational competency for nurses, influencing personal well-being, job satisfaction, and career development.
- Nurses face specific financial challenges, including educational debt, salary negotiation, unstable work patterns, and inadequate retirement planning.
- Limited integration of finance and health economics content in nursing curricula and continuing education constrains nurses' financial capabilities.
- Greater financial literacy among nurses can improve resource stewardship, reduce avoidable costs, and support safer, higher-quality patient care.
- Nursing schools, employers, professional bodies, and policy-makers should collaborate to mainstream financial education across the nursing career pathway.

INTRODUCTION

Nurses constitute the largest professional group in most health systems and play a pivotal role in delivering safe, high-quality care across the continuum of services. Yet the financial realities that shape their personal lives and professional practice are often overlooked in education, management, and policy. Financial literacy commonly defined as the knowledge, skills, and attitudes that enable individuals to make informed and effective decisions with their financial resources is therefore highly relevant to the nursing workforce (Lusardi & Mitchell, 2014; OECD, 2020). International initiatives by bodies such as the Organisation for Economic Co-operation and Development (OECD) and the Programme for International Student Assessment (PISA) underscore persistent deficits in financial literacy among adults across many countries, with important implications for economic security and social well-being (OECD, 2020; PISA, 2021)

For nurses, financial literacy matters on at least three levels. First, it shapes personal financial well-being through its influence on budgeting, saving, debt management, investment behaviour, and retirement planning (Razmpour et al., 2025). Second, it affects professional life by contributing to job satisfaction, turnover intentions, and career trajectories, particularly when nurses are negotiating salaries, evaluating employment contracts, or considering advanced training (Grant-Smith et al., 2019). Third, it intersects with organizational and system-level performance, because nurses increasingly participate in resource allocation, cost containment, and quality improvement initiatives in hospitals and community settings (Bai et al., 2017; Palese et al., 2022; Penner, 2016). Despite this, financial content remains marginal in many nursing curricula, and opportunities for structured financial education during practice are limited (Jin et al., 2025; Lim & Noh, 2015; Platt & Kwasky, 2012).

This commentary explores the role of financial literacy in the nursing profession by synthesizing existing evidence and professional guidance, with a particular focus on nurses' financial challenges, the current state of financial education in nursing, and implications for practice and policy. It concludes with a call to action for educators, nurse leaders, professional associations, and policy-makers to embed financial literacy as a core element of nursing competence.

GLOBAL FINANCIAL LITERACY AND THE HEALTHCARE CONTEXT

Financial literacy has gained prominence as a public policy priority because individuals are increasingly responsible for complex financial decisions over the life course, including higher education finance, retirement saving, insurance choices, and household debt management (Lusardi & Mitchell, 2014; OECD, 2020, 2022). Large-scale international assessments consistently show that many adults lack basic numeracy and financial planning skills, and that vulnerable groups such as young adults, women, and lower-income households are particularly at risk of low financial capability (European Commission, 2020; OECD, 2020; Özyeşil et al., 2024).

Healthcare systems amplify the importance of financial literacy. Rising healthcare costs, changing insurance arrangements, and greater cost-sharing expose both patients and health professionals to financial risk (Baicker & Chandra, 2018; Rana et al., 2024, 2025). Hospitals and other providers face pressure to control expenditures while maintaining quality and safety, which requires staff who understand budgets, cost drivers, and value-based care approaches (American College of Healthcare Executives [ACHE], 2018, 2022). In this environment, nurses' financial acumen is not merely a personal asset but a professional necessity that can contribute to organisational resilience and more equitable allocation of scarce resources (Palese et al., 2022; Penner, 2016 and Qamar et al., 2023).

FINANCIAL CHALLENGES ACROSS THE NURSING CAREER

Educational Debt and Early-Career Vulnerability

Entry into the nursing profession often entails substantial financial commitments. Students may rely on loans, part-time work, or family support to fund tuition, fees, and living expenses. Without adequate financial knowledge, they can underestimate the long-term burden of debt or select sub-optimal loan and repayment options (Grant-Smith et al., 2019; Pakos et al., 2025). Systematic reviews demonstrate that financial stress significantly affects nursing students' mental health and wellbeing, contributing to emotional distress, reduced quality of life, and academic performance decline (Alshahrani et al., 2025). Early-career nurses may therefore begin professional life with high debt levels, limited savings, and minimal exposure to financial planning, leaving them vulnerable to financial stress and limiting their ability to invest in further education or relocation.

Employment Conditions, Income, and Work Patterns

Across settings, nurses confront a range of employment arrangements full-time, part-time, casual, agency, and self-employed roles with varying pay structures and benefits. Limited confidence in salary negotiation may contribute to income disparities and under-recognition of nurses' contributions to healthcare delivery (Gallup, 2010). Recent evidence shows that financial hardship is significantly associated with poor nurse well-being, with multivariable analysis demonstrating strong correlation between financial stress and decreased job satisfaction, increased burnout risk, and compromised work productivity (Razmpour et al., 2025). Overtime and multiple job-holding are common strategies to increase income or manage debt, but they can exacerbate fatigue, burnout, and turnover, ultimately affecting patient care. Financial literacy supports nurses in comparing employment offers, understanding total compensation packages, and balancing income needs with health and family responsibilities.

Retirement Planning and Long-Term Security

Nurses frequently delay or underfund retirement saving due to competing financial demands, limited access to employer-sponsored schemes, or low awareness of long-term investment options. This is particularly concerning in light of aging nursing workforces and the physical and emotional demands of nursing work. Inadequate retirement planning can undermine financial security in later life and may compel nurses to remain in the workforce longer than desired, potentially with implications for workforce renewal and patient care (Lusardi & Mitchell, 2014; Özyeşil et al., 2024). Targeted financial education can enhance nurses' understanding of pension systems, compound interest, investment risk, and strategies for building retirement wealth.

WHY FINANCIAL LITERACY MATTERS FOR NURSES

Personal Well-Being, Stress, and Job Satisfaction

Financial stress is a recognized contributor to psychological distress, reduced life satisfaction, and poorer health outcomes. For nurses, chronic financial strain can interact with the inherent emotional and physical demands of care work, reinforcing burnout and decreasing job satisfaction (Alshahrani et al., 2025; Razmpour et al., 2025). Evidence from systematic reviews demonstrates that financially literate individuals are better positioned to manage shocks such as unexpected expenses, income disruptions, or health events because they maintain savings buffers and are more adept at using formal financial services (Meyer, 2017; OECD, 2020). Specifically, 64% of nurses report that financial stress impacts their sleep, 59% experience mental health effects, and 40% acknowledge impacts on work productivity, indicating higher financial stress levels compared to the general adult population (Harris Poll, 2024). Enhancing nurses' financial literacy is therefore a promising strategy to support their overall well-being and resilience.

Professional Performance and Resource Stewardship

Nurses make daily decisions with financial implications: selecting cost-effective supplies, minimizing waste, adhering to formularies, scheduling staff, and contributing to discharge planning and care coordination. When nurses understand basic budgeting, cost structures, and value-based care principles, they are better able to align clinical decisions with organisational sustainability without compromising patient safety (Bai et al., 2017; Palese et al., 2022; Penner, 2016). A recent scoping review of 21 studies identified that financial management competencies are important indicators of professionalism and directly influence quality of care in nursing, with these competencies forming the basis of healthcare sustainability (Palese et al., 2022; Iqbal et al., 2025, 2026). Nurse managers, in particular, require advanced financial competencies to interpret financial statements, justify staffing models, and engage in strategic planning, with evidence showing that continuing education in finance significantly predicts self-perceived business and financial competence (González-García et al., 2021; Lee et al., 2025; Naranjee et al., 2019).

Ethical Decision-Making and Equity

Financial considerations often intersect with ethical dilemmas in nursing practice. Decisions about treatment options, allocation of time and resources, and advocacy for vulnerable patients all have financial dimensions. Nurses with limited financial literacy may feel excluded from discussions about resource allocation or may struggle to recognise how financial incentives shape care delivery. Conversely, financially literate nurses can better evaluate the equity implications of funding decisions, advocate for fair access to services, and participate meaningfully in policy debates (Heitkemper & Hinkle, 2019; Iqbal et al., 2025, 2026).

Patient Education and Navigation Support

Nurses are frequently the first point of contact for patients who are confused about healthcare costs, insurance coverage, and available financial assistance. While nurses are not financial advisors, basic financial literacy enables them to communicate more clearly about potential costs, refer patients to appropriate resources, and support shared decision-making that takes into account both clinical benefits and financial consequences. This is particularly important for patients with chronic conditions who face ongoing treatment costs and complex insurance arrangements (Bayram & Palese, 2022; Meyer, 2017).

BARRIERS TO FINANCIAL LITERACY IN NURSING

Limited Curricular Integration

Despite calls from professional organisation and scholars, health economics and financial management content remains unevenly integrated into undergraduate and graduate nursing programmes (American Association of Colleges of Nursing [AACN], 2007; Platt & Kwasky, 2012). Recent evidence from systematic reviews confirms that the sparse production of studies across countries suggests significant need to invest in financial literacy research within nursing education (Palese et al., 2022; Pakos et al., 2025 and Iqbal & Fikri, 2025). When financial topics are covered, they may be confined to brief lectures or elective modules that compete with extensive clinical and theoretical requirements. Jin et al. (2025) found through interviews with 33 medical students that four main problems persist: vague anxiety about the future, dependence on relatives, viewing financial topics as taboo, and generational value shifts. As a result, many nurses complete their initial training with little structured exposure to budgeting, cost-effectiveness, reimbursement systems, or personal financial planning.

Organisational Culture and Role Expectations

Historically, nursing contributions have sometimes been framed as a cost center rather than a strategic asset, and nurses have been under-represented in high-level financial and policy discussions (Gallup, 2010). In some organisation, financial management is viewed as the domain of administrators and physicians, while nurses are expected to focus exclusively on direct care. This division can marginalize nurses from decision-making processes and limit opportunities to develop financial competencies in practice (Naranjee et al., 2019; Palese et al., 2022). Lee et al. (2025) found that nurse leaders face significant challenges in budgeting and resource allocation, with limited decision-making authority restricting their ability to optimize resources and allocate funds effectively. It may also discourage nurses from voicing concerns about resource allocation or suggesting efficiency improvements.

Workload, Time Constraints, and Motivation

Heavy workloads, staffing shortages, and emotional demands leave many nurses with little time or energy for additional training. Even when financial education opportunities exist, participation may be constrained by shift schedules, family responsibilities, or lack of institutional support. Some nurses may also perceive finance as complex, intimidating, or irrelevant to their primary role, particularly if learning materials are not tailored to clinical realities (Lim & Noh, 2015; Norizan et al., 2025, 2026). Overcoming these barriers requires flexible, context-specific educational approaches and strong organisational commitment.

IMPLICATIONS FOR EDUCATION, PRACTICE, AND POLICY

Curriculum Development in Nursing Education

Nursing schools should systematically embed financial literacy and health economics across curricula rather than treating them as optional or peripheral topics. Jin et al. (2025) strongly advocates that financial literacy education should be incorporated into formal curricula, equipping future healthcare professionals with tools necessary to effectively manage their financial well-being and avoid long-term consequences of poor economic behaviour. At undergraduate level, foundational content can include personal budgeting, credit and debt management, basic investment concepts, and an introduction to healthcare financing and reimbursement systems. Case-based learning and simulations can illustrate how financial considerations influence staffing, resource allocation, and quality improvement. At the graduate level, advanced content for nurse managers and leaders should cover strategic financial planning, interpretation of financial reports, business planning for service innovations, and cost-effectiveness analysis (Bai et al., 2017; Lee et al., 2025; Penner, 2016).

Continuing Professional Development and Leadership Training

Employers and professional associations can offer targeted continuing education on financial topics tailored to different career stages. Early-career nurses may benefit from workshops on managing student loans, building emergency savings, and understanding employment contracts. Mid-career nurses and emerging leaders need more advanced training in budgeting, forecasting, and business case development. Research demonstrates that continuing education is the strongest predictor of self-perceived business and financial competence among nurse managers, suggesting that healthcare organisation should implement comprehensive nursing leadership mentoring and orientation programmes (González-García et al., 2022). Integrating financial literacy into leadership programmes can help nurse managers feel more confident when participating in budget negotiations and strategic planning, thereby strengthening nursing voices in organisational governance (Lee et al., 2025; Naranjee et al., 2019).

Organisational Support and Structural Changes

Healthcare organisation can foster a culture that values and supports nurses' engagement with financial issues by providing transparent information about budgets and performance metrics, involving nurses in resource allocation decisions, and recognizing contributions to cost-saving and quality-improvement initiatives. Simple structural changes such as including nurse representatives on finance committees or inviting staff nurses to participate in project budgeting signal that financial perspectives from the bedside are valued. Providing access to neutral financial counselling services for staff may also help reduce personal financial stress and its spill-over into the workplace (Alshahrani et al., 2025; Razmpour et al., 2025).

Policy and Research Agenda

At policy level, regulators and professional councils can incorporate financial literacy expectations into competency frameworks, accreditation standards, and continuing education requirements. Incentives for inter-professional education that brings together nursing, medicine, public health, and business students around healthcare finance and management topics may further enhance system-level understanding.

Future research should explore the prevalence and determinants of financial literacy among nurses in different settings, evaluate the effectiveness of educational interventions, and examine links between nurses' financial literacy, workforce outcomes (such as turnover and burnout), and patient outcomes (Bayram & Palese, 2022; Lim & Noh, 2015; Meyer, 2017; Pakos et al., 2025).

CONCLUSION

Financial literacy is no longer a peripheral or optional skill for nurses; it is a key component of professional competence in increasingly complex and resource-constrained healthcare systems. Nurses who understand fundamental financial concepts are better equipped to manage their personal finances, cope with economic shocks, and plan for secure retirements. At the same time, they are more capable of participating in organisational decision-making, stewarding resources responsibly, and advocating for equitable and sustainable care. Persistent gaps in nurses' financial literacy reflect structural issues in education, organisational cultures that limit nurses' influence over financial decisions, and competing demands on nurses' time and attention. Addressing these gaps requires coordinated action from educators, employers, professional bodies, and policy-makers. Integrating financial literacy into nursing curricula, leadership development programmes, and workplace learning will help build a workforce that is not only clinically excellent but also financially empowered ultimately benefiting nurses, patients, and healthcare systems alike.

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