

Medical schools' neglect of financial education for health practitioners

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Abstract

Background: Strong financial literacy skills can significantly enhance the success of any business, including medical practices, while also mitigating the stress associated with ignorance and poor financial decisions. Despite this importance, medical schools often provide minimal relevant financial training, resulting in many healthcare practitioners lacking essential financial knowledge. This gap in education can leave medical professionals financially illiterate and ill-prepared to manage the business aspects of their practices effectively.

Purpose: Given our concerns about the perceptions of South African healthcare professionals regarding their financial literacy, our study aimed to investigate their level of financial mastery. We sought to understand how these professionals perceive their financial knowledge and how it impacts their practice.

Methodology: To gain insights into the financial realities faced by medical practitioners, we conducted qualitative semi-structured interviews with 15 healthcare professionals who were conveniently selected from Johannesburg, South Africa. The interviews were carefully analyzed and manually coded to identify recurring themes. These themes were then connected to existing research and aligned with the study's objectives.

Findings: The analysis of the interview data revealed three prominent themes: financial ignorance, knowledge gaps, and the need for comprehensive knowledge enhancement. Participants indicated that while they had received some financial and business training during their undergraduate education, they found this training neither valuable nor adequate for managing a private practice effectively. Concerns were specifically highlighted regarding the disproportionate emphasis on public sector operations rather than private practice. Subthemes included various concerns such as marketing strategies, legal issues, accounting practices, people management, tax return submissions, financial procurement, and overall management challenges.

Practical Implications and Conclusions: The study found that financial illiteracy is not only time-consuming but also contributes to financial insecurity, which can impact mental health and potentially affect the quality of patient care. These findings have both theoretical and practical implications. Theoretically, they contribute to a better understanding of the management challenges faced by private medical practitioners. Practically, they offer empirical insights into the need for enhanced financial education and support for healthcare professionals.

Key words
Financial literacy;
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Introduction

Financial proficiency is poor across the globe, which negatively impacts personal and professional financial stability and it can have a wider impact on any sector in the domestic and global economy (Sarla, 2019). Particularly the healthcare sector stands out as a field where poor levels of financial literacy are recorded (de Beer, Karusseit & Pienaar, 2014). Financial literacy impacts financial decision making, administration and business management (Lusardi, 2019).

Unlike medical professionals in state-owned hospitals, those in private practice are tasked with managing various non-clinical aspects such as finances, bookkeeping, marketing, budgeting, and costing alongside patient care (Bar-Or, Fessler, Desai & Zakaria, 2018). Despite strict marketing regulations, private healthcare practitioners face pressure to establish their reputation (Kumar, 2014), often believing they can balance these responsibilities without compromising patient care. However, a competency gap in managing these non-clinical tasks has proven detrimental, leading to burnout, compliance issues, and penalties (Bar-Or et al., 2018). Investigating this topic is crucial, and a problem statement could be formulated as follows:

It is unclear whether healthcare professionals in the private sector of South Africa are sufficiently financially literate to run a successful private practice.

To address this gap in our knowledge, a primary research objective may be stated as follows:

To investigate if South African healthcare professionals in the private sector are sufficiently financially literate to run a successful private practice.

To close this gap in our knowledge, recent literature was studied, followed by an empirical investigation. The findings from the latter were analyzed, coded, and the emerging themes were compared to the research objective to meet the study objective.

Literature review

Mastery of financial skills and competencies is crucial for successfully running a medical practice. Financial proficiency impacts numerous day-to-day activities and is essential for making informed short-term and long-term financial decisions in the workplace (Fatoki & Oni, 2014). Financial mastery encompasses a broad range of activities related to money management, including budgeting, financial planning, record-keeping, saving, investing, and responsible borrowing (Lusardi, 2019). These skills are foundational not only for personal financial stability but also for the efficient operation and sustainability of a medical practice.

Financial literacy is closely tied to broader economic well-being and national wealth. When individuals possess a solid understanding of financial principles, they are better equipped to make decisions that enhance their economic stability and security. This, in turn, contributes positively to the national economy. Thus, it is in a country's best interest to promote financial literacy through education. Research has shown that improved financial literacy can reduce financial distress caused by poor decision-making and can lead to better financial security for individuals, households, and businesses alike (Nanziri & Olckers, 2019).

In South Africa, however, there are significant challenges in the education system that hinder the development of financial literacy. The South African education system is often criticized for its poor academic performance, underperforming teachers, and overcrowded classrooms (Sibanda & Sibanda, 2016). These systemic issues contribute to a lack of comprehensive financial education, leaving many individuals without the necessary skills to manage their finances effectively. As a result, South Africans, including those in the medical field, may struggle with financial management due to inadequate training.

The disparity in financial literacy is not confined to South Africa; it is a global issue. Studies have shown that individuals employed in the financial sector tend to exhibit higher levels of financial literacy compared to those in other fields (Fatoki & Oni, 2014). This is likely due to the nature of their work, which requires a

deeper understanding of financial principles. However, this high level of literacy is not universally applicable, and a significant portion of the global population lacks a basic understanding of financial concepts. In fact, only about one-third of the world's population grasps fundamental financial concepts, a situation that includes professionals in various fields, including medicine (Fatoki & Oni, 2014).

The implications of these findings are particularly relevant for healthcare practitioners who are running private practices. Without adequate financial literacy, these professionals may face challenges in managing the financial aspects of their businesses, leading to potential inefficiencies and financial instability. It is essential for healthcare professionals to develop a robust understanding of financial principles to ensure the successful operation of their practices and to avoid the pitfalls associated with poor financial management.

Therefore, mastering financial skills is not only vital for personal and professional success but also for the broader economic health of a nation (Bar-Or et al., 2018). Promoting financial literacy through education and targeted training can help mitigate financial distress and enhance economic security at both individual and institutional levels. For South African healthcare practitioners, addressing the gap in financial education is crucial for improving practice management and overall financial stability.

Medical practitioners encompass a diverse range of professionals, including dental assistants and therapists, oral hygienists, dietitians, medical doctors, occupational therapists, optometrists, physiotherapists, podiatrists, bio-kineticists, psychologists, radiographers, speech therapists, and audiologists (The Health Professions Council of South Africa, 2021). For those working in the private sector, the scope of their responsibilities extends beyond clinical care. They are required not only to provide medical services but also to manage the business aspects of their practices. This includes administering their operations, overseeing business finances, and pursuing growth opportunities (Bar-Or et al., 2018).

The success of a private medical practice is strongly influenced by the practitioner's administrative competencies and financial literacy levels (Sarla, 2019). Despite their extensive clinical training, many medical professionals struggle with non-clinical skills such as financial management and administrative duties. Sarla (2019) attributes this struggle to generally low levels of financial literacy among medical practitioners. Ironically, many large hospitals and medical centers are managed not by medical professionals but by external business experts who specialize in administration and management (de Beer, Karusseit, & Pienaar, 2014).

De Beer et al. (2014) conducted a study among general surgeons and found notably low levels of education in finance, legislation, and practice administration. Approximately 71% of the surgeons expressed a need for additional training in these areas and reported a lack of confidence in managing the business aspects of their practices. In the highly competitive and dynamic field of medicine, these practitioners face significant economic pressures to reduce costs while maintaining high standards of patient care (Bar-Or et al., 2018).

Despite these findings, a more recent study by Millen and Stacey (2022) found generally elevated financial knowledge among healthcare workers and final-year medical students in South Africa. This study suggests that while these individuals possess a higher level of financial knowledge compared to previous cohorts, they still exhibit poor financial behaviors. Their borrowing patterns are considered risky, and they report struggling to manage their finances effectively both at work and at home. This discrepancy indicates a pressing need for more comprehensive training programs focused on finance and business management. Such programs are essential not only for individual practitioners but also for enhancing the overall efficiency and effectiveness of the South African healthcare system (Bar-Or et al., 2018).

Medical practitioners often begin their careers with substantial debt due to the lengthy and costly training required for their professions. This financial burden is exacerbated by inadequate exposure to administration and financial education during their undergraduate studies (Bar-Or et al., 2018). The high initial costs associated with establishing a private practice further complicate their ability to build wealth

and manage retirement and estate planning. Consequently, these aspects of financial management are frequently deferred or poorly handled (Millen & Stacey, 2022).

In response to these challenges, many healthcare professionals are proactively seeking to enhance their financial knowledge. One avenue that has gained traction is pursuing a Master of Business Administration (MBA) degree with a focus on healthcare management. This educational path, which has long been popular in other countries, is increasingly being considered by South African healthcare professionals as well (Adetayo, Ford, Nair, & Reinhardt, 2019). An MBA can provide valuable insights into financial principles and business management, potentially offering long-term benefits for managing a private practice effectively. However, the pursuit of such advanced education involves significant capital investment and opportunity costs. The time and financial resources required for an MBA may detract from the practitioner's ability to focus on their medical practice and its immediate needs.

While medical practitioners possess exceptional clinical skills, their success in managing private practices is often hindered by limited financial literacy and administrative skills (Bar-Or et al., 2018). The gap in financial education underscores the need for targeted training programs to improve financial competencies among healthcare professionals. Enhanced financial literacy not only supports individual practitioners in managing their practices more effectively but also contributes to the overall stability and growth of the healthcare sector. As healthcare professionals increasingly recognise the importance of financial education, initiatives such as specialized training programs and advanced degrees like MBAs may play a crucial role in bridging these gaps and fostering a more robust and financially adept healthcare system.

In the realm of privately owned hospitals and medical practices, many healthcare professionals have acknowledged their lack of financial literacy and have sought external help from professionals such as accountants and financial advisors to manage their finances (Millen & Stacey, 2022). While outsourcing these tasks can alleviate some of the immediate pressures associated with financial management, it does not eliminate the additional financial burden that comes with hiring such services (Anthony & Sabri, 2015). This situation highlights a significant concern: while external financial experts can handle the numbers, healthcare professionals themselves often remain disconnected from understanding their own financial policies, practice management, and accounting activities. Sarla (2019) argues that private healthcare operates as a business and emphasizes that practitioners must have a grasp of their financial operations to ensure the sustainability of their practices.

The importance of financial literacy extends beyond the individual practitioner to their households. Individuals who are financially literate tend to save more effectively, which has a positive ripple effect on their families and households (Matemane, 2018). This is particularly relevant in South Africa, where newly qualified healthcare practitioners, who often become the primary earners in their families, are likely to face significant financial responsibilities. One such responsibility is "black tax," a term used to describe the financial support that black professionals often provide to both immediate and extended family members (Ramavhea, Fouche & van der Walt, 2017). Black tax involves helping relatives alleviate poverty and improve their financial situation, a duty that can place a substantial financial strain on the practitioner. Carpenter and Phaswana (2021) explain that this form of support can be a significant burden, especially when the financial literacy of the practitioner and their extended family is lacking. This inadequate financial literacy contributes to the persistence of economic disparities within South African households, which remain among the most economically unequal in the world (Akanbi, 2016; Mara, 2023).

The consequences of financial illiteracy are far-reaching and can have both personal and professional repercussions. Ismail and Zaki (2019) highlight that financial stress is linked to a range of adverse outcomes, including alcoholism, physical health impairments, depression, and anxiety. Bialowolski et al. (2021) further add that financial stress can lead to poor sleep patterns, diminished quality of life, and even suicidal

thoughts. Such issues are particularly troubling in professions that are dedicated to patient care, where the personal well-being of the practitioners themselves can be compromised. Sarla (2019) found that 54% of American physicians experience burnout because of financial and administrative stress. This high rate of burnout underscores the impact of financial stress on the well-being of medical professionals. Adetayo et al. (2019) also reported that 53% of plastic surgeons retire early due to the cumulative pressures of managing a private practice, low earnings, and personal health challenges. This early retirement can have significant implications for the continuity of care and the overall functioning of medical practices.

The need for enhanced financial literacy is underscored by these findings. Fatoki and Oni (2014) emphasize the importance of individuals improving their financial knowledge and behaviors. However, Adetayo et al. (2019) discovered that financial education is not a priority within medical training programs. As a result, healthcare professionals often turn to extracurricular courses, self-teaching, or learning from family members to acquire financial skills. Unfortunately, this approach frequently leads to a "trial and error" method of managing finances, where mistakes are realized only after the fact (Anthony & Sabri, 2015). This method of learning can be both costly and inefficient. Furthermore, Adetayo et al. (2019) found that 84% of emergency doctors acknowledge the need for financial education during their medical training. This statistic highlights a significant gap in medical education and the pressing need for integrating financial literacy into healthcare training programs.

Considering these challenges, there is a clear need for systematic improvements in financial education for healthcare professionals. Integrating financial literacy into medical curricula and offering targeted financial management training could equip practitioners with the skills needed to manage their practices more effectively. Additionally, supporting healthcare professionals in developing financial literacy could alleviate some of the personal and professional stress associated with financial mismanagement. By addressing these gaps in financial knowledge, the healthcare sector can better support its practitioners, improve overall practice management, and ultimately enhance patient care.

Therefore, while outsourcing financial management tasks can provide temporary relief for healthcare professionals, it does not substitute the need for comprehensive financial literacy. Financial illiteracy can lead to a range of personal and professional issues, including increased stress and economic instability. Addressing these challenges through improved financial education and training is essential for enhancing the well-being of healthcare practitioners and the efficiency of their practices. The integration of financial literacy into medical education and ongoing professional development will play a crucial role in equipping healthcare professionals with the skills necessary to navigate the complexities of managing a successful private practice.

To effectively enhance financial literacy among healthcare professionals, scalable training initiatives are essential (Lusardi, 2019). Such initiatives are crucial for equipping individuals with the knowledge and skills required to manage their finances efficiently, both in personal and professional contexts. Ramavhea et al. (2017) advocate for a collaborative approach involving universities, banks, and government agencies, such as the South African Revenue Service (SARS), to provide comprehensive financial education. These institutions can play a significant role in designing and implementing programs that address the financial literacy needs of professionals. By integrating financial literacy courses into undergraduate studies, students can gain foundational knowledge early on, setting the stage for better financial management throughout their careers.

Financial education is fundamental in boosting literacy levels and empowering individuals to make informed financial decisions. Rootman and Antoni (2014) emphasize that financial training should be an integral part of both educational curricula and workplace development. They argue that early introduction of financial literacy in schools is essential for long-term skill development. This early education can lay the groundwork for responsible financial behavior and decision-making later in life. Integrating financial

literacy into medical education, for example, would ensure that healthcare professionals are well-prepared to handle the financial aspects of their practices from the outset.

In addition to integrating financial literacy into formal education, Adetayo et al. (2019) propose several alternative approaches to enhancing financial knowledge. These include postgraduate programs, short courses, and the incorporation of financial education into medical conferences. Postgraduate programs can offer specialized training that builds on the foundational knowledge acquired during undergraduate studies, while short courses provide flexible options for continuous learning. Medical conferences, where professionals gather to discuss advancements in their field, can also serve as platforms for delivering targeted financial education sessions. These alternative approaches can complement traditional educational methods and provide ongoing opportunities for professionals to update and expand their financial knowledge.

Despite the benefits of these educational initiatives, there are challenges to consider. Post-school financial education, if not integrated into existing medical training, can impose additional financial burdens on healthcare professionals. Adetayo et al. (2019) point out that the costs associated with obtaining extra qualifications or attending additional courses can be significant. Therefore, incorporating financial education into medical training programs is a more effective solution. This integration would ensure that financial literacy becomes a core component of professional development, thereby reducing the need for supplementary education and minimizing associated costs.

In summary, our literature review highlights the critical importance of financial training for South African healthcare professionals, particularly those in private practice. Enhanced financial literacy is pivotal for informed decision-making and can lead to improved value creation, better stress management, and increased personal wealth. By implementing scalable training initiatives and integrating financial education into both undergraduate and postgraduate programs, we can address the current gaps in financial literacy. This approach not only benefits individual practitioners but also contributes to the overall efficiency and sustainability of the healthcare sector.

Research methodology

We employed a non-experimental qualitative investigation methodology with a constructivist approach (Mouton, 2015), utilizing interviews to co-construct new knowledge with participants (Creswell & Creswell, 2022). This methodology allowed us to explore and understand healthcare practitioners' perceptions of financial literacy and its impact on their practices. Our goal was to assess the value that these practitioners place on financial knowledge and how it influences their professional and personal lives. Guided by a constructivist ontology, which emphasizes understanding individuals' subjective experiences and realities, we aimed to collaboratively generate new insights into the phenomenon of financial literacy in the context of healthcare practice (Adom, Yeboah & Ankrah, 2016).

The first author, who is also a practicing medical professional, employed non-probability convenient sampling within her network of registered practitioners with the Health Professions Council of South Africa. This approach involved selecting participants who were readily accessible and willing to share their experiences. A total of nine interviews were conducted, each lasting approximately 30 minutes. The interviews were conducted either in person or online, depending on the participants' preferences and availability. A self-designed questionnaire was used to guide the interviews, ensuring that key topics related to financial literacy were thoroughly explored.

To ensure the reliability and validity of the data, we obtained audio recordings of the interviews with the participants' consent. These recordings were transcribed verbatim to facilitate a detailed analysis of the participants' responses. Throughout the research process, ethical standards were strictly adhered to. Institutional approval was secured prior to conducting the interviews to ensure compliance with ethical

guidelines. Additionally, no financial or material incentives were offered to participants, and measures were implemented to ensure the confidentiality and anonymity of the transcripts. Only the research team had access to the transcripts, safeguarding the privacy of the participants.

The participants in the study were predominantly female, with only two males, reflecting the gender distribution in the sample. They had completed their medical education in South Africa and had initiated their private practices in Gauteng Province within the last five years. The age range of the participants was broad, spanning from 20 to 60 years, and included a variety of medical specialties. This diversity in the sample provided a comprehensive view of the different experiences and perspectives of healthcare practitioners with respect to financial literacy.

Initially, the plan was to interview 15 participants; however, data saturation was achieved after the 9th interview. Saturation refers to the point at which no new insights or themes emerge from additional data collection. This indicated that the sample size was adequate for capturing the key themes and insights related to the research objectives.

Data analysis involved manually coding the interview transcripts to identify the main themes and patterns. Each transcript was coded separately according to the research questions. This assisted in making the raw data easier to sort. From this themes were identified and were assessed to see if the literature supported the themes. A multistage sampling method was used to assess differences between various types of healthcare professionals, such as dietitians, doctors, and physiotherapists, as well as other characteristics like age, gender, place of study, and the outsourcing of financial services and administration (Chauvet, 2015). This approach allowed us to examine how different factors influenced participants' perceptions of financial literacy and its impact on their practices.

Overall, our qualitative research aimed to provide a nuanced understanding of healthcare practitioners' financial literacy and its implications for their professional lives. By using a constructivist approach and analyzing the data from multiple perspectives, we sought to generate meaningful insights that could inform future training and support initiatives for healthcare professionals.

Findings

Three major themes emerged from the interviews, reflecting critical aspects of financial literacy among healthcare professionals: financial ignorance, knowledge gaps, and the need for holistic knowledge enhancement. Each theme reveals significant insights into how healthcare practitioners engage with financial management and the challenges they face.

Theme 1: Financial Ignorance of Healthcare Professionals

Under this theme, four code clusters were identified: university education, informal training, on-the-job learning, and postgraduate education. These clusters highlight the various sources and methods through which healthcare professionals acquire financial knowledge and the limitations of each.

1. University Education: Despite the inclusion of some financial training in their undergraduate studies, seven out of nine participants felt that this education was insufficient. They criticized the university curriculum for being impractical and not adequately tailored to the needs of private practice. The training provided was often oriented towards public health roles, which they found less relevant to the financial realities of running a private practice. This gap left many healthcare professionals feeling underprepared for the financial aspects of their careers

2. Informal Training: To address the shortcomings of their formal education, many practitioners turned to informal sources for financial knowledge. They sought advice and guidance from acquaintances with accounting or business expertise. This informal training was perceived as more practical and immediately

applicable to their specific needs. However, it was also highlighted that this form of learning could be inconsistent and dependent on the quality and relevance of the advice received.

3. On-the-Job Learning: Experience gained from working in private practice proved to be a significant contributor to financial literacy. Practitioners noted that the longer they spent running their own practices, the more adept they became at handling financial matters. This real-world experience provided practical insights and skills that were not covered in their formal education. Additionally, working for others before starting their own practices offered valuable on-the-job financial training, helping them understand the financial operations and challenges of a practice.

4. Postgraduate Education: Postgraduate programs were mentioned as a potential source of financial education but were generally less favoured by the participants. The high cost and significant time commitment associated with these programs were seen as deterrents. Many practitioners felt that the financial burden and opportunity cost of pursuing further education outweighed the potential benefits, leading them to seek other ways to enhance their financial knowledge.

Below are some of the verbatim quotes as recorded during interviews with the participants:

In the words of Participant 1:

"...Varsity didn't really prepare you for it...they only teach you the basics...they brushed over it on half a lecture..."

Participant 2 commented:

"I don't feel you are equipped with the knowledge to run a private practice."

Participant 5 stated the following:

"It did not cover what I am doing now. I don't think we left university equipped to do the finances and business side and set up a private practice."

Participant 8 shared the same feelings and stated:

"Varsity did not add any value."

These participants also made mention of the areas of financial management that were covered and those that were not sufficiently covered. The areas that participants would have liked to have been covered in more detail include: accounting, provisional tax, retirement planning, budgeting and saving. This will be discussed more under Theme 2. Therefore, the theme of financial ignorance reveals that while healthcare professionals recognise the importance of financial literacy, the conventional education and training they receive are often inadequate. The reliance on informal training, the practical learning from running a practice, and the limited appeal of postgraduate education underscore the need for more comprehensive and accessible financial education tailored to the needs of private healthcare practitioners.

Theme 2: Knowledge gaps

All nine participants reported encountering significant difficulties with various internal business processes critical to running a successful private practice. These challenges encompassed a range of areas, including marketing, legalities, accounting, and staff management. Marketing strategies and legal compliance were frequently mentioned as areas of concern, with many practitioners expressing frustration over how to effectively promote their services while navigating complex regulatory requirements.

A particularly notable issue was related to tax submissions. Seven out of the nine participants struggled with the intricacies of tax regulations and the timely submission of their tax returns. This difficulty often stemmed from a lack of familiarity with tax laws and the administrative burden of managing these submissions alongside their clinical responsibilities. Similarly, seven participants faced challenges in securing financing and capital for their practices. The process of obtaining financial support, whether for

initial setup or ongoing operational needs, proved to be a major hurdle, often due to limited financial knowledge or difficulties in accessing funding sources.

Two participants specifically mentioned the difficulty in balancing the diverse responsibilities involved in running a business, highlighting the strain of managing both clinical and non-clinical duties. This balance is crucial, as it directly impacts the efficiency and effectiveness of their practice. To alleviate some of these burdens, seven participants chose to outsource certain tasks, such as tax submissions, to third-party professionals. While this outsourcing provided relief from the complexities of these tasks, it also introduced additional costs and reliance on external services, further complicating their financial management. Some verbatim quotes are shared below:

Participant 5 said:

"Basic things like billing and setting up a quote, are not things we are taught."

Participant 7 added:

"The areas I struggle with the most in private practice is the billing process."

Most participants use a practice software which helps them to generate invoices and guides them through the billing process.

Participant 5 said that without a software:

"I would not have been able to invoice for medical aids correctly."

Related to the billing process is deciding the price of services offered within private practice. Most participants reported to base their cost structure off medical aid rates. Despite this however, most participants believed that they do not believe that the proposed rates by medical aids are fair.

In that vein, Participant 4 reported:

"You don't know what the currency of a psychologist is, what is it that a psychologist earns and why... what is the going rate for a 30- or 60- minutes session."

Participant 8 shared a similar sentiment and commented:

"I base my pricing on the medical aid structure."

Participant 9 lamented:

"I don't think it is fair, and if you charge medical aid rates you are selling your soul. I do not think the medical professionals are compensated for what we do and the responsibilities we take."

Most participants reported to have struggled with the set-up costs required to open their private practice. Only one participant, Participant 8, reported that they did not need a lot of capital and could grow slowly. However, seven participants reported that this was a major concern. Participants reported to have borrowed money from family members, took out loans from a bank and to have used money from their savings. A few participants received donations from family members to set up their practice. The areas that the participants highlighted as struggles are all important business functions that ensure the success of a private practice. The lack of knowledge, skills and confidence in these areas highlights the financial illiteracy of healthcare professionals and the need for further education and training.

Theme 3: The need for holistic knowledge enhancement

The interviews revealed a clear demand for more comprehensive medical training, particularly regarding financial literacy and managing private practices. Participants emphasized the importance of financial literacy in their personal and professional lives, noting that current medical education does not adequately prepare them for the financial challenges they face in practice. Seven participants reported that managing the financial and business aspects of their practices was overly time-consuming and burdensome. This overwhelming responsibility detracted from their ability to focus on patient care, leaving them feeling stretched thin between their medical duties and administrative tasks.

In addition to the time demands, some participants expressed concerns about the negative effects of financial literacy on their mental health. Three participants specifically mentioned that their struggles with understanding and managing finances had taken a toll on their mental well-being, leading to increased anxiety and stress. Two participants also reported feeling financially insecure, which contributed to significant stress and uncertainty in both their personal and professional lives. They felt unprepared to navigate the complexities of running a private practice, which in turn affected their confidence and peace of mind.

Moreover, two participants highlighted the direct impact that financial management had on patient care. They noted that the time and mental energy required to handle financial matters detracted from their ability to provide high-quality care to their patients. Given these challenges, nearly all participants advocated for incorporating financial and business training into undergraduate medical curricula. They believed that providing this education early on would better equip future healthcare professionals to manage private practices and reduce stress. Additionally, four participants stressed the need for a balanced focus between private and public healthcare during training, while three others expressed interest in receiving further financial and business education beyond their undergraduate studies to better manage their careers.

We cite some of the comments from the participants below in their own words:

Participant 4 says:

"If you miss a week of admin, it will take you so long to catch up."

Participant 6 commented:

"It is time consuming and it is a pain."

Participant 9 explained the difficulties of balancing patient care with managing a business:

"What is difficult to do is find the balance between patients being seen and hours working. There is no happy medium and it is hard to find a balance... I do mine [admin] at night."

Consequently, all these participants said they found the financial management of their practices to be burdensome.

Participant 2, who reported receiving no financial or business training at university, said:

"I do feel financial management is a burden."

Participant 4 agreed:

"It definitely feels like a burden."

Participant 7 explained:

"It adds time to your day. As we do not get paid a lot it is a bit of a burden."

The above findings are profound because it highlights the burden that the financial management of a practice places on healthcare professionals who are financially illiterate. It is possible that should the healthcare professionals feel more competent in running their practices they then may feel that this responsibility is less time consuming and less burdensome. The burden of managing their practices due to lack of confidence in their financial literacy skills was shown to impact the participants' mental health. A third of the participants reported negative effects on their mental health.

Participant 2 explained:

"The burden impacts my mental health stress levels... and it is always at the back of my mind."

Participant 9 also mentioned:

"It affects my family and my personal life as work is too all encompassing, and my family gets neglected."

Discussions and conclusions

The primary aim of this study was to assess the financial literacy of South African healthcare professionals in private practice. Findings indicate insufficient financial literacy among participants, largely attributed to inadequate undergraduate education. Medical schools often overlook practice management skills, as it is not a priority in their curriculum (De Beer et al., 2014). Despite this, few pursue postgraduate training. Instead, many rely on informal learning from peers and family due to the cost of professional advice and postgraduate studies (Anthony & Sabri, 2015; Adetayo et al., 2019).

Participants' struggles in key business functions (value chain, tax submissions, finances, and management) underscore the importance of financial literacy in private practice. De Beer et al. (2014) highlighted deficiencies in financial education among medical professionals, emphasizing the lack of preparation in practice management. Sarla (2019) emphasizes the business aspect of healthcare, stressing the need for understanding policies and accounting. Millen and Stacey (2022) found a significant lack of accounting or finance training in university education. Non-compliance with taxes, as noted, carries both individual and economic repercussions.

Participants perceive running their practices as time-consuming, causing financial insecurity, and potentially impacting mental health. This aligns with literature indicating that additional financial burdens may lead to burnout and stress among healthcare professionals (Sarla, 2010; Adetayo et al., 2019; Ismail & Zaki, 2019; Bialowolski et al., 2021). Consequently, Lusardi (2019) emphasizes the importance of enhancing healthcare professionals' financial literacy to mitigate the physical and psychological toll of financial stress.

Inadequate financial skills can detrimentally impact a medical practice (Fatoki & Oni, 2014), leading to poor financial decisions and insecurity for healthcare professionals, their households, and their businesses (Nanziri & Olckers, 2019). Most participants (8/9) emphasized the importance of providing financial and business training during undergraduate studies. This aligns with literature advocating for early financial education (Ramavhea et al., 2017; Adetayo et al., 2019; Lusardi, 2019; Rootman & Antoni, 2015; Nwwinika & Akinride, 2023) who underscore the benefits of early financial and business education.

The authors suggest integrating a comprehensive financial and business management program into healthcare students' undergraduate curricula. This program should cover budgeting, tax returns, accounting, marketing, and wealth planning. Additionally, professional healthcare boards should provide reduced-rate business consulting services and tailored continuous professional development events on practice management for their members.

Limitations and direction for future research

The study had several limitations that need to be addressed. First, time constraints affected the research process, as in-depth interviews were conducted one-on-one by a single researcher. This could have introduced personal bias, as noted by Judson (2017), since the researcher's individual perspectives, assumptions, and interpretations may have influenced the data collection and analysis. A single interviewer might unconsciously steer conversations or interpret responses in a manner that aligns with their preconceived notions, potentially compromising the objectivity of the study. Having multiple interviewers could help reduce the likelihood of such bias, and future research should consider incorporating this practice.

Second, most participants were based in Johannesburg, which limits the geographic diversity of the study. While Johannesburg is a major metropolitan area, the experiences and perspectives of individuals from other provinces might differ significantly due to varying socio-economic, cultural, and educational backgrounds. The concentration of participants from a single region means the study's findings may not be generalizable to the broader population. To mitigate this limitation and gain more comprehensive insights, future research should aim to include participants from a variety of provinces across South Africa. This

would allow for a richer and more diverse range of perspectives, providing a more accurate reflection of the target population.

Another key limitation to mention was the small sample size. Although the study reached data saturation—where no new information was emerging from the interviews—the limited number of participants may still not fully represent the target population. In qualitative research, small sample sizes are common, but larger samples or the use of alternative methods, such as surveys, could provide more robust data. Surveys, for instance, could capture the views of a larger, more diverse population and help ensure that the findings are not skewed by the perspectives of a few individuals.

Moreover, the reliance on self-reported data in interviews could introduce bias. Participants may consciously or unconsciously provide inaccurate responses due to social desirability or memory recall issues, leading to skewed results. A mixed-method approach, which combines qualitative interviews with quantitative methods such as questionnaires or observational data, could mitigate this issue by cross-referencing self-reported information with more objective data.

Finally, further investigation into differences in financial literacy among healthcare professionals, as well as across genders, universities, and work experiences, is recommended. Such research could shed light on specific factors influencing financial literacy and help tailor educational interventions accordingly.

Implications for managers and policy makers

Based on our findings, several key implications for decision makers, managers, and policy makers emerge:

Inclusion of financial literacy in medical education: medical training programs should incorporate comprehensive financial literacy and business management courses. Decision makers in medical education need to acknowledge the growing demand for financial education and adapt curricula accordingly to better prepare future healthcare professionals for the financial challenges of running private practices.

Support for managing private practices: managers and leaders in medical schools, as well as policy makers, should provide additional support structures, such as financial management training or accessible resources, to assist medical professionals in balancing the demands of private practice management. This could include offering continuing professional development (CPD) courses on business and financial management.

Reducing administrative burdens: health institutions should consider policies or frameworks that reduce the administrative burden on medical professionals, allowing them to focus on patient care. This might involve incentivizing the use of financial managers, business consultants, or practice management software to ease the load on healthcare professionals.

Mental health considerations: Policy makers should recognise the link between financial stress and mental health, ensuring that healthcare professionals have access to mental health support services. Workshops or resources that address stress management and financial security could help reduce anxiety and promote well-being among practitioners.

Career-long financial training opportunities: Medical professionals interviewed expressed a need for ongoing financial and business education. Decision makers should support the creation of post-graduate financial management courses tailored to different stages of a medical career, ensuring that doctors are continuously equipped to manage their practices effectively.

Balancing public and private healthcare training: Policy makers should strive for a balanced approach in medical education that prepares healthcare professionals for both public and private sector challenges. Ensuring an understanding of the financial differences and complexities between these sectors can help practitioners make informed career decisions. By addressing these areas, decision makers, managers, and policy makers can better support healthcare professionals in managing both their financial responsibilities and patient care, ultimately improving healthcare outcomes.

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