

Time for a Financial Check-Up

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So all doctors are rich right? They get to live a cushy, easy life, right? Yeah, try not to laugh. We know that's far from the truth. You had to pay your dues – years of schooling and countless hours of nonstop work – before anyone would pay you much of anything.

But you made it. You've got a fantastic career, and you're helping people to live healthy and feel well. This is what you were waiting for. You're making a difference, and you're making a great living.

However, while you're taking care of everyone else, who's taking care of your future? Some people confuse being "well off" with doing well financially, but many health care professionals who aren't feeling so hot most of the time.

We see cases like this all the time. Does the patient below sound anything like you? If so, don't wait until it's too late to get serious about your financial health.

History of Symptoms/Concerns

Age 22: "Patient A" graduates college and moves straight on to med school, where he spends every night cramming for the next horrendous exam. His friends have started working in their careers and making money, enjoying a seemingly carefree lifestyle.

Age 26: Patient A finally becomes "Dr. A." As a resident, there's not much money, but there's plenty of bloodshot eyes and shifts to work. Luckily, he doesn't have much time to notice his friends, who are buying nice cars, getting married or even having kids.

Age 32: Congrats, Dr. A! As an attending physician, he's finally making "good money," possible more than most of his friends – but he still has zero savings and mountains of debt. He also got involved in a serious relationship ... so of course, he has to show off his earnings a little.

Age 40: Finally married with two kids and a dream house, Dr. A seems to have it all. But he's only got stuff. His friends are envious, but little do they know they have triple the amount of retirement savings.

Age 55: As his kids start to leave home, Dr. A's debt is coming down ... but he's also coming to realize he's way too short on savings to ever retire and live the lifestyle to which he's grown accustomed. He finally hires a Certified Financial Planner® and starts some of the disciplines he wishes he'd started 20 years earlier ...

Treatment Options/Solutions

First, don't panic. Physicians aren't doomed to lead unhealthy financial lives. With the right structure and planning, you can have the best of all worlds. Find a trusted advisor to show you the way. Even if you think you're on the right path, it never hurts to get a second opinion.

Stage 1: There's no denying it – you're a target to be sued. Make sure you have the proper protection, including attorney-reviewed employment contracts, proper operating agreements for private practices, funded buy-sell agreements, disability insurance with own-occupation definition and, lastly, an umbrella policy for at least 10 times your earnings. And don't forget to put about six months' worth of expenses in a very conservative savings account.

Stage 2: All assets should be creditor-protected, and don't be afraid to consider a variety of investment options. Retirement accounts, trust accounts and cash value life insurance contracts generally have great creditor protection in many states. At this stage, you should also maximize your tax advantages. Saving money on taxes can have a dramatic, long-term compounding effect on your returns – strive to put your assets in vehicles that offer tax deductions, tax deferral or tax-free access later on.

Stage 3: Revisit your financial plan (and life plan). It's time to see where you are compared to what your goals are. Can you retire when you'd like? Do you have more than you need to retire but would like to continue to work? What are your long-term plans? What would you like to happen to your money when you, or your spouse, are no longer around? What legacy do you want to leave? What knowledge do you want to share with the world and or your family? Is it time to refocus your career on some developed passions? Your assets should be aligned with your plans for the future.

Stage 4: Congrats, you made it! Reflect on what you've accomplished, enjoy your wealth and enrich your life. In the end, being a doctor can really lead to great returns and not just financial in nature.