

# ***5 THINGS PHYSICIANS CAN DO TO IMPROVE THEIR FINANCIAL HEALTH***

**An eBook for Physicians**



Eric Mangold, CWS®  
Founder, Wealth Manager  
Phone: 973 285 3520

Argosy Wealth Management, LLC  
4 Campus Drive  
Parsippany, NJ 07054

***Providing Financial Guidance to Physicians from Residency  
Through Retirement***

# 5 Things Physicians Can Do To Improve Their Financial Health

ESTIMATED TIME TO REVIEW THIS INFORMATION: 5 MINUTES

It's not your fault- Physicians are **not** taught financial wellness. It's not taught in Med School, in residency, fellowships nor when you launch your practice. Yet, you earn more than about 95% of other Americans(1) so you need and deserve to get the right advice. You are also targeted more than other people for; pitches, scams, fraud, and lawsuits. You have high demands given how hard you have had to work to get where you are.

**You** have unique needs.

What further differentiates most Physicians from others is their relationship with money. What I've experienced, researched and been told numerous times by Physicians is that money is the ultimate taboo topic. This compounds the problem of planning for retirement. Further, coming out of the pandemic, over 25% of Physicians are thinking of retiring early. But overall only 6% of physicians said they felt that they were ahead of the game in terms of planning for their own retirement, and over half said they were behind (2).

Surveys have also shown that by improving financial wellness, security and confidence, Physician burnout can be **reduced**. Not to mention it can help you focus more on patient outcomes, and allow you to be there for the ones you care about most.

## HERE ARE 5 THINGS PHYSICIANS CAN DO TO IMPROVE THEIR FINANCIAL HEALTH

### 1 Develop a healthy relationship with money.

It may not come as a surprise to you, but physicians typically have an unhealthy relationship with money. They don't want to talk about it. They don't like to talk about it. And many find it completely uninteresting (I hear this a lot). They are busy, intelligent people who normally;

- Don't devote or have the time required to manage their own finances
- Don't know what they don't know (so something gets overlooked)
- May not see that more wealth brings more challenges (like taxes, estate planning, etc)

Yet even with these issues, less than half of physicians report working with a financial professional(3).

✓ Seek a Financial Professional that can help you, who specializes in working with people like you, and most importantly, someone you trust. Feel welcome to contact me.



1. Bureau of Labor Statistics: National Occupational Employment and Wage Estimates, May 2020

2. Medscape survey: Pandemic pushes 1 in 4 physicians to consider early retirement, October 2020

3. Medical Economics: "10 Reasons Physicians Need a Good Financial Planner", April 2020

# 2

## Protect properly against being hurt or sick.

What is your most important asset? It's your ability to earn an income. This is directly linked with your skills and talents as a physician. If you get hurt or sick, how will you keep your practice afloat and provide for your family?

Most physicians have some disability insurance coverage that they acquired through their practice, facility or when they were a resident earning a lower income. But if you do get hurt or sick, do you really know what your disability insurance covers?

Your current disability insurance policy may;

- Only cover a fraction of your earnings (usually a small fraction)
- May not cover anything if you can only come back to work part-time
- Many facility provided policies are not portable. If you leave the facility, you can't take the policy with you

Find out what your disability insurance *really* covers. How much income does it cover? For how long? For what causes/ailments?



When was the last time you had it reviewed by a professional? Have it checked out.

# 3

## Failing to Manage Taxes

Taxes represent your biggest lifetime expense. Let's say that again- ***your biggest lifetime expense.*** Under current tax laws, we find that many of our Physician clients are paying over 50% of their income in total taxes each year. This is a tremendous drag on one's ability to build wealth.

Now to be clear, a great CPA is worth their weight in gold, and a good Financial Advisor typically teams up with a client's CPA. However, "tax preparation" is different than "tax planning". Tax planning seeks to save taxes in the future and is typically performed by a Wealth Manager.

An important piece to tax planning is to understand the differences between; taxable, tax-deferred, and tax-free investments. Ideally, you should have assets in all three of these silos.



Consult with your Financial Professional to see what strategies you can employ to save you taxes this year and also in the future. You may be surprised what is available for you that you haven't taken advantage of.






## 4 Does Your Retirement Plan Ensure You Never Outlive Your Money?

There is a saying in retirement planning, "running out of money before you run out of breath is never a good strategy." Numerous surveys reveal the #1 fear for retirees is running out of money. Dying comes in behind that at the #2 spot! Yes, most fear running out of money more than dying!


It's never too early nor too late to start planning for when you may want to retire or reduce your case load. While you may never fully retire, you have to ensure that you have a plan in place to make sure not only will you have enough assets to live and enjoy your best retirement, but also so you won't run out of money.

 The Boy Scouts say, "the time to have the map is before you enter the woods." The time to plan for your own retirement is not the day before you retire. Don't have a plan yet? Contact a Financial Professional.

## 5 Avoid Costly Mistakes and "DDD's"

- Do you feel that since you are a physician, everyone looks at you like you are made of money? Physicians can sometimes feel like they are swimming in a sea of sharks with blood in the water, and everyone wants a bite out of your wallet. Be cautious. Especially when being pitched on an investment. Some common investments our clients ask us about (and we typically tell them to avoid) are;
  - That "hot" stock tip you get from a friend. (Who and how was it vetted?)
  - Bars/Restaurants (60% of them go under in 6 months)
  - Real estate (What is the investment? Who is the expert analyzing the deal or property?)

A Physician once told me, after I asked him what one of his concerns was when his daughter became a Physician as well, "I hope she can avoid the "Dumb Doctor Deals...they are everywhere."

 Before you put your money in any investment, consult with a financial professional who can research it for you and lend an unbiased and unemotional ear.

---

Andrew Weil said, "As any doctor can tell you, the most crucial step toward healing is having the right diagnosis. If the disease is precisely identified, a good resolution is far more likely."

Take note of these 5 tips and understand your money diagnosis. Then, do what most people do not....**take action**. It will help you, your health, your patients, your family, and your future.