

To Our Medical Professionals –

Would you Counsel your Children to Follow your Path?

No one knows the costs of your profession better than you. The rest of us (non-medical professionals) don't have to look far to find mountains of studies and statistics documenting what you already know: medical professionals carry many burdens and it can take a large toll.



- Extraordinary costs (time and money)
- Extraordinary competitiveness right from the start
- Constant conflicts between quality patient care and the economics of your practice/hospital/insurance companies/pharmaceuticals
- Hours – long and hard; lack of control over your schedules and time
- Time and money spent on non-medical necessities (administrative, HIPAA, EHR, contracts, mergers, insurance, staff, etc).

- High-stress, and often high emotional tolls (while handling patient/family loss and suffering)
- **Uncertainty about the economics of medicine in the United States as we experiment with social programs surrounding healthcare**
- High burn-out and depression rates as a result of all of the above

*What do these items in **green** have in common? They all relate back to finances for you, your practice and your patients.

Let us not forget, however, the good! You have an altruistic desire to heal people and families, the love of science, and the journey of passionately pursuing something meaningful/personal/human. For many, a (hopefully) secondary benefit is income. While there are exceptions (lawyers, high-end sales people, hedge fund managers), there are actually few professions that pay as well as we pay our doctors - even after insurance in-network tight margins.

The median physician income is approximately \$200,000, and the median household income in the United States is about \$52,000 per year, and that often includes two partners working. In fact, only 25% of American households have income over \$100,000 and only 6% over \$200,000, with half of those between \$200,000 and \$250,000. The infamous “1%” starts at just \$389,000, less than that of many physician households, especially a two-physician household.¹

Of course, income often in the early years is off-set by significant student loan debt and an appreciable amount of “pent-up spending”; our young medical professionals have been watching their non-medical professional peers buying houses, cars and boats for a few years already.

That all said, what would you/did you tell your children?

At Pauley Financial, among our principals alone, we have 12 up and coming college students – some of whom have expressed an interest in pursuing medicine. How do we guide them knowing what we know, which is still only a fraction of what you deeply understand?

In the words of one of our clients, we started by offering these sounds words of wisdom. Thank you, Frank.

- *If you realize at any step along the path that you cannot commit to putting patient welfare above your own wealth, comfort or ego, find another career. Some of the most*

unhappy people we know are physicians who are in the profession for the wrong reasons.

- *Find a mentor.*
- *Maintain a life outside of medicine.*

We then added our own perspective, colored naturally by our profession – managing wealth and financial freedom. Here’s a summary of where we landed: (you can ask our kids...it was much longer in person).

If you choose to pursue this profession, commit to taking the lynch-pin of money out of your equation. Too many medical professionals feel additional pressure in their careers because they are financially in too deep (debt, golden handcuffs and/or insatiable spending). And, the people that don’t feel like they have choices or control over their lives/time are the ones most susceptible to depression and burnout. They find themselves torn between families needing time and attention, their own health and well-being, and incredibly demanding jobs.

So, if you seek to pursue this career, *commit to living well below your means for a very long time.* That will afford you more choices to live your life the way you would like (financial freedom), and allow you to enjoy the reasons you got into medicine in the first place.

For our current and future medical professionals, know that there are abundant resources and options available. Perhaps you gain more control over your time by doing locum tenens work, have time to work with a coach to prevent burnout (see thehappy.md.com), pursue teaching at a university, job share and work part-time, and/or hire competent help at home and the office.

We’ll let you know how well our advice turned out with our kids in about 15 years – until then, we’ll remain cautiously optimistic! In a nutshell though, the resulting advice is probably sound for all of us: “Be passionate about what you do, and secure your finances so that you have more choices in your life.”

We welcome your input and feedback, and we’ll follow up to share your thoughts in an upcoming column. And, if you find yourself too busy to get your finances on track, we’d be happy to help. For our students, (medical or otherwise) [this might be a great place to start.](#)

PS. – I just polled my dentist: he said yes for dentistry, no for medical. Why? Medical was bound so much more tightly by insurance.

1. <http://whitecoatinvestor.com/5-ways-to-get-out-of-clinical-medicine/>