Disclosure

- I am not a certified financial planner
- Doctors are Notoriously Bad with Money
Why do you need financial planning?

• You want to make a crap load of money
• You want to pay a crap load of bills
• You want to buy a crap load of stuff

Howard’s #1 Rule

- In your personal finances, this is CRITICAL!
- Allow yourself as many Degrees of Freedom as possible
Issues

- Med School Debt
- Insurance (Life/Disability)
- Retirement
- Children
- Asset Protection
You are behind the 8 ball!

4 yrs of medical school + 4 yrs of residency = 8 years of no savings

Insurance
- "Same occupation" clauses
- "Portability"
- "inflation riders"
- Keep your Residency policy - you can always cancel it but can't get it back once gone...

Disability Insurance
- Term
- Permanent (Whole, Variable, Universal)

Life Insurance

Umbrella Policy
- Protects you above your homeowners or auto insurance. Keeps them from going after the "doctor".
- Cheap! Buy as MUCH as you can.
- Usually have to buy auto/home together to get umbrella

Example:
- Homeowners - Personal liability $1,000,000
- Auto - Bodily Injury $1,000,000
- Watercraft $1,000,000
- Umbrella $2,000,000

529 plan is the best savings for college specific
- Coverdell
- Trusts or other funds

Average debt in 2017 was $190,000

Deferment
- Forbearance
- Federal loans are insured (good thing)

Pay off in 10-15 years
- "Just do it"
Retirement

START NOW!!!!!
**Retirement**

- 401(k) - pre tax - pay taxes in retirement when dispersed
- Roth - post tax but then “tax free” on gains
- Employer sponsored 401(k) like plans
- Pension

**Retirement Plans at U of U (Contribution Limits 2018)**

- 403(b) / 403(b) Roth = $18,500
- 457(b) / 457(b) Roth = $18,500
- ATTENDINGS ONLY 401(a) = 14.2% – 20.2% of salary (department specific)
A good rule of thumb is to “save” 20% of your income.

2018 limits

403(b)/Roth  $18,500
457(b)/Roth  $18,500
401(a) (based on $193K)  $27,400

Total  $64,400
<table>
<thead>
<tr>
<th>Description</th>
<th>Active</th>
<th>Passive</th>
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<tbody>
<tr>
<td>Yearly Goal</td>
<td>$64,400</td>
<td>$27,400</td>
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<tr>
<td>Total Monthly contribution</td>
<td>$5,366</td>
<td>$2,283</td>
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<tr>
<td>“Real Contribution”</td>
<td>$3,083</td>
<td>$0</td>
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<tr>
<td>Interest Rate</td>
<td>6.5%</td>
<td>6.5%</td>
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<tr>
<td>Years: 10</td>
<td>$903,653</td>
<td>$384,466</td>
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<tr>
<td>– 20</td>
<td>$2,631,602</td>
<td>$1,119,635</td>
</tr>
<tr>
<td>– 30</td>
<td>$5,935,758</td>
<td>$2,525,411</td>
</tr>
<tr>
<td>– 40</td>
<td>$12,253,912</td>
<td>$5,213,515</td>
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</tbody>
</table>
Investing Retirement

Mutual Funds
- look at “expense ratio”
- turn over, churning = capital gains

Broad Index Funds

Individual Stocks
Retirement Components

- Social Security
- Pension
- 401(k)/Roth/401(a)
- Life Insurance (Term / Permanent)
- Annuities
- Non-retirement Cash Investment Accounts
- Retirement Accounts: 401(k)/Roth /401(a)
- Cash

Degrees of Freedom
Advice For Residents

- Get into the habit of savings now.
- Invest in your financial future – pay attention just like you did in medical school
- Culture trumps $
Books

Pound Foolish: Exposing the Dark Side of the Personal Finance Industry
- Helaine Olen

The Motley Fool: “You Have More Than You Think”

“The Motley Fool’s Money After 40: Building Wealth for a Better Life”
- David Gardner

“Smart Women Finish Rich”
- David Bach
How to Get Started

- Utah Medical Association Financial Services (UMAFS) is *FREE* for UMA members -JOIN!!!! 801-747-0800
Join UMA!!!

- 801-747-3500
- Students - $10 per year
- Interns - $15 per year
- 2nd year and above - $60 per year
<table>
<thead>
<tr>
<th>Things you need to do</th>
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<tbody>
<tr>
<td>Agree on a Plan</td>
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<tr>
<td>Retirement</td>
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<tr>
<td>Cash Reserve (6 months expenses)</td>
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<tr>
<td>Life / Disability Insurance</td>
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<tr>
<td>Umbrella Insurance</td>
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<tr>
<td>Estate Planning: Will, Health Care Power of Attorney, Trusts, etc..</td>
</tr>
<tr>
<td>College (if applicable)</td>
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<tr>
<td>Cash Investment</td>
</tr>
</tbody>
</table>
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