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**Financial Advisor
Financial Services Representative**



Financial Planning For Graduates

Introductions

- Financial advisor to physicians
- Focus: Residency to retirement
- Nationwide
- Work as part of a team



Session Goals

- What should you be thinking about prior to graduation?
- Understand the financial issues pertinent to a medical student/resident
- Prioritize the issues
- Create an action plan
- Offer a personalized consultation



Benefits

Get you started

Create strong
habits now to
last a lifetime



Prepare you for the
1st of 3 Financial
Hotspots

Start to plot the
course of your
financial life

The Financial Pyramid



Budgeting Basics

What comes in
- What goes out

The Difference!

Create a Budget

1. Identify your goals (write them down)
2. Estimate income (paycheckcity.com)
3. Understand your liabilities and expenses
4. Earnings - expenses = discretionary income
5. Prepare multiple “trial budgets”
6. Review how decisions impact the result



Budgeting Basics

Fixed Monthly Expenses

	Current
Mortgage payment or rent	
Automobile note	
Credit cards	
Life insurance	
Disability insurance	
Renter's Insurance	
Homeowner's insurance	
Automobile insurance	

Discretionary Monthly Expenses

Other/Public transportation	
Personal care	
Automobile gas	
Entertainment/dining	
Recreation/travel	
Gym membership/Association dues	
Hobbies	
Gifts / Donations	
Miscellaneous	

Variable Monthly Expenses

	Current
Electricity	
Gas	
Telephone	
Water	
Cable TV	
Internet	
Food	
Licensing/Testing	
Clothing	
Laundry	
Child care	
Annual Miscellaneous	

Example

\$55K of income (after taxes, benefits etc.) = \$3,300

IBR payment (\$375)

Rent – 1 bedroom apartment (\$1,200)

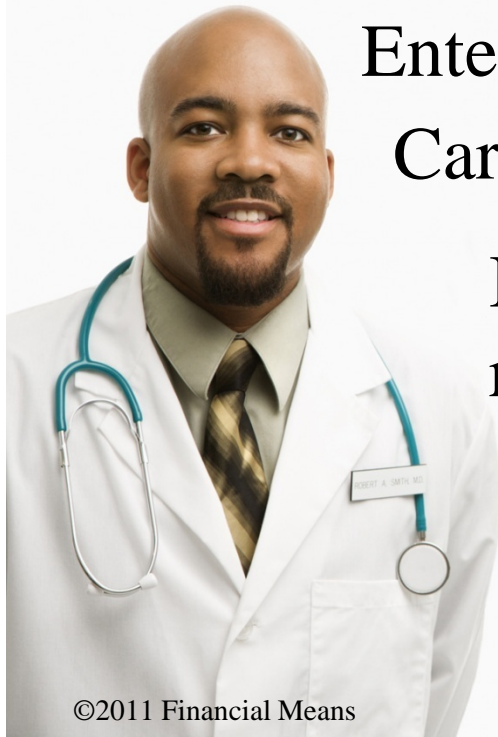
Utilities, groceries, auto gas, cable, cell (\$750)

Entertainment, travel, clothes (\$250)

Car payment @\$10K/5%/5 yrs (\$189)

Basic Insurances (auto, renters, disability, life) (\$300)

Discretionary Income = \$236



Example #2 – Importance of trial budgeting

\$55K of income (after taxes, benefits etc.) = \$3,300

IBR payment (\$375)

Rent – 2 bedroom apartment w/ roommate (\$800)

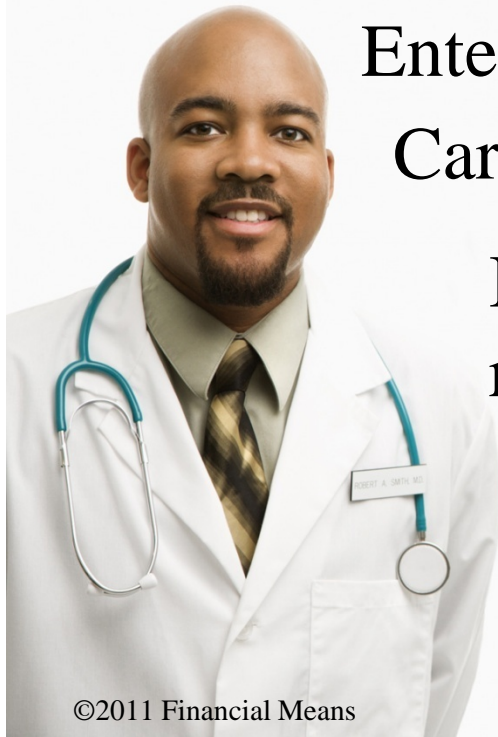
Utilities, groceries, auto gas, cable, cell (\$650)

Entertainment, travel, clothes (\$200)

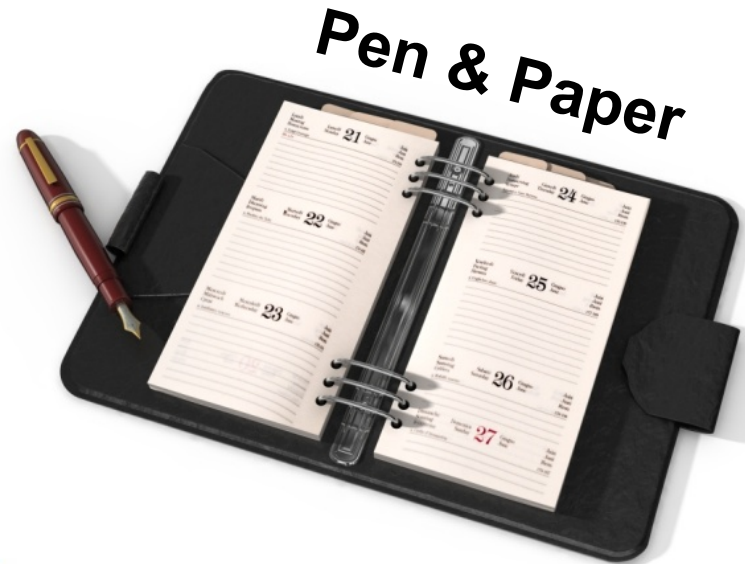
Car payment @\$10K/5%/5 yrs (\$189)

Basic Insurances (auto, renters, disability, life) (\$300)

Discretionary Income = \$786



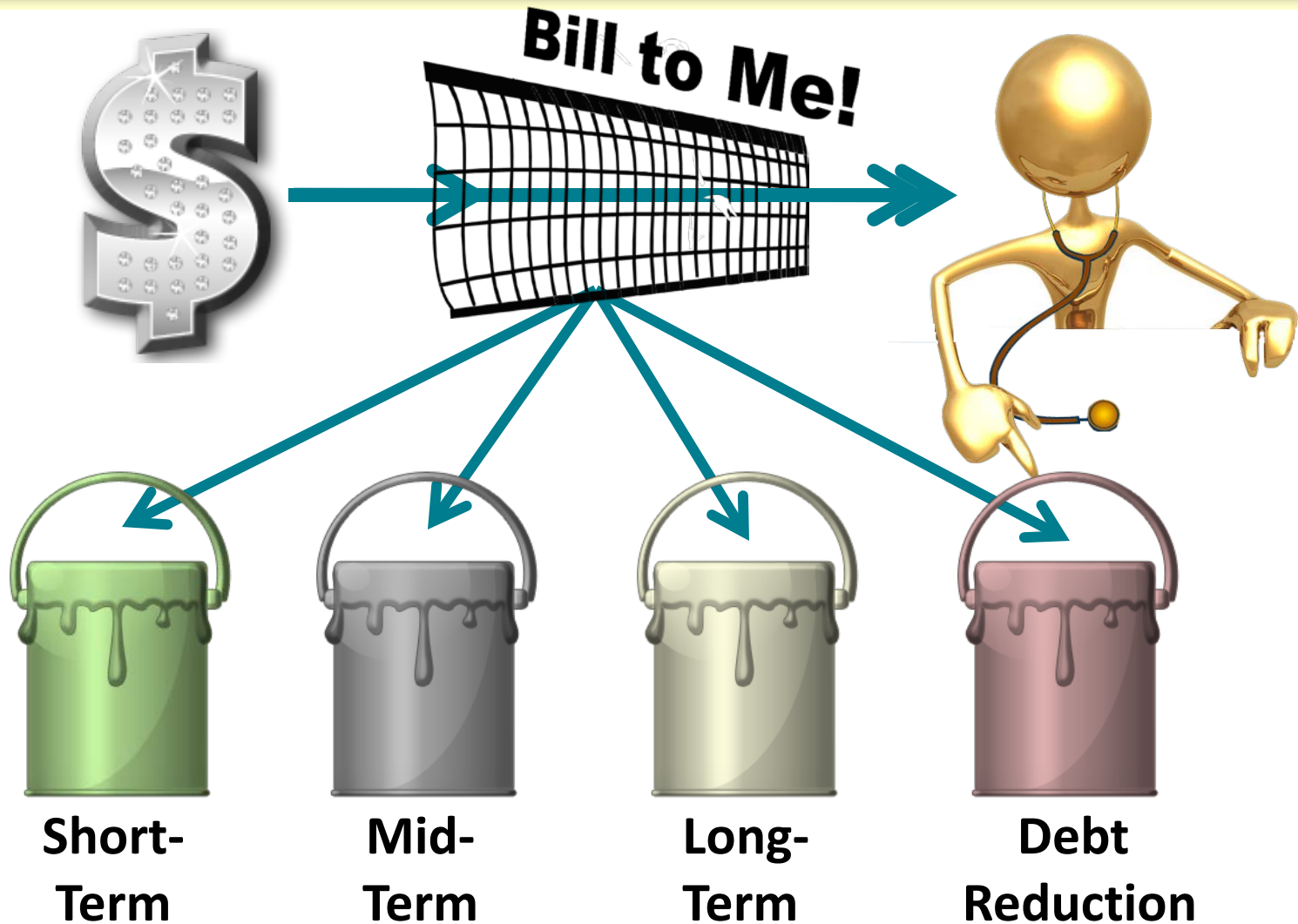
Track Your Budget



Internet



Pay Yourself First



Protect Your Credit

- Open your mail
- Know your debt
- Occasionally review ALL 3 scores and reports:
 - Equifax
 - Transunion
 - Experian

- Be organized



Debt





Debt

- Everyone has a different situation and philosophy
- Pay off debt without sacrificing savings
- Interest on debt vs. compounding interest
- Be organized
- Create a debt consolidation spreadsheet
- Know what you owe and the interest rates.
- Explore refinancing options

Why Disability Insurance

- Provides an income to an individual who is sick or hurt and cannot work
- Critical protection for
 - Professionals
 - Owners of small business
 - Executives
- Discounted coverage available before leaving Harvard



Purchase Individual Disability Insurance Before Graduation

- Protect your post residency salary now
- Hospital provided “Group” coverage is not adequate
- “True own occ” vs. “modified own occ” definition based on specialty
- Insures your ability to work in “Your Occupation”



Importance of Individual Disability Insurance vs. Group Coverage



- You Own it - Coverage is Non-cancellable and Guaranteed renewable
- Portable –goes with you wherever you go
- No premium increases or changes to policy
- Ability to increase coverage in future
- Tax Free benefit paid in addition to group coverage

Risk Management

- ✓ Life insurance
- ✓ Renters insurance
- ✓ Health insurance provided by employer
- ✓ Malpractice covered by employer
- ✓ Property and casualty (Auto, Home, etc.)

Typical Retirement Options

IRA

Individual Retirement Account

- \$ Mutual Funds typical investment vehicle
- \$ Tax benefits **going in** and while growing
- \$ Age requirements

Roth IRA

- \$ Type of IRA
- \$ Tax benefits while growing and coming out
- \$ Phased out as income increases (good for during residency)

401K

Employer-Sponsored Retirement

- \$ Contribute to own account
- \$ Tax benefits **going in** and while growing
- \$ Age requirements
- \$ Higher contribution limits

403B

- \$ Functions like 401K
- \$ For educational institutions and some non-profit employees

What Do I Do Now?

- Create an action plan and get started
 - Review check list in your folder
 - Take the next few months to “step back”
 - Making decisions in the context of a plan is always best
 - Monitor and review



Was this Helpful?

- Questions?????
- Sign up for consultations
- We are always available to help



Good Luck!

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