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Speaker 1

Welcome. My name is Andrew Barron, and this is Well… It Depends! The podcast where I address financial decisions that can't be answered with a simple yes or no. Today, we continue our Career Blueprint series. Each episode, we break down the financial realities and trade offs tied to specific career paths. Today, we're stepping into the world of medicine and discussing the career of doctors.

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Speaker 1

But before we begin, a quick disclaimer this is being recorded on June 11th, 2025. The contents of this podcast are strictly for informational purposes only, and nothing said should be taken as investment, tax or legal advice. It's important to discuss your situation with the professional before making any financial decisions as the strategies discussed may not be suitable for you specifically.

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Speaker 1

Getting into it, who is this episode for? If you're a doctor or training to be one, whether you're a pediatrician, surgeon, radiologist or psychiatrist. This episode is for you. The financial journey of a doctor is unique. There are high highs, six figures, starting salaries, career prestige, and stable demand. But the path to get there, it's long, expensive, and filled the trade offs that most people never face.

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Speaker 1

The long run up.

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Speaker 1

Let's start with the basics. Becoming a doctor takes time. People typically start with their undergrad,

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Speaker 1

which takes four years, followed by another four years of medical school, followed by another 3 to 7 years of residency, depending on specialty, followed by an additional

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Speaker 1

1 to 3 year fellowship for some specialists. That means that many doctors don't start earning real money until they're in their early 30s.

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Speaker 1

Let's compare that to someone who starts earning $60,000 at 22 and start saving right away. That means they have an 8 to 10 year headstart, even if their income stays lower. And during the time for the doctor debt. The average medical school graduate owes over $200,000 in student loans, and interest may accumulate during school and residency. And while loan forgiveness programs do exist, they often come with strings attached, time commitments,

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Speaker 1

Qualifying employers, income driven repayment. Yes, some doctors do leave residency making over $200,000, although others, especially in primary care may land closer to $150,000.

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Speaker 1

Some specialists can make upwards of $400,000, $600,00 and possibly even more annually. But that comes after a decade of training and a life deeply centered around work. What are you giving up? Becoming a doctor can be deeply fulfilling, but it is not a balanced lifestyle.

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Speaker 1

If you commit to this path, you're likely giving up a quote on quote normal start to adult life. Early savings and compounding and career flexibility. You're also dedicating your 20s to debt, exams and 80 hour workweeks. And once you get there, many doctors report feeling stuck. The sunk cost is real. You may be making $300K, but feeling exhausted, trapped, or unsure about how to scale back. Unless medicine is your true passion,

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Speaker 1

It's a career that can crowd out everything else, such as hobbies, family, and spontaneity. You do get paid well, but you pay for it. What is financial success look like? Let's talk about what financial planning looks like if you do choose this path.

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Speaker 1

We'll start with your early career, which is your 30s. It's important to prioritize aggressive debt repayment and investing.

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Speaker 1

If you can try and live on a resident salary for a few extra years. Also, consider maximizing Roth opportunities before your income phases you out

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Speaker 1

mid-career. Think 40s. You should be able to start to breathe, but additional costs such as mortgage, kids and lifestyle creep are real. So it's important to watch your spending, even though you might be a high earner.

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Speaker 1

You might actually be saving less

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Speaker 1

than you think. Late career, 50s-60s decide if you want to slow down or stop early. You also might consider shifting your portfolio to match burnout, risk and your future goals. Consider private practice buyouts, real estate or succession planning.

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Speaker 1

Let's now consider an example. Doctor Sing the specialist doctor Sing finishes med school at 26, does a five year surgical residency of a two year fellowship and begins making $400,000 at 33.

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Speaker 1

After years of sacrifice,

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Speaker 1

she celebrates with a 1.2 million hour home, a $90,000 car, and annual vacations at 40. She's making great money, but feeling burnt out. Having only saved a quarter of $1 million. While she can't afford the lifestyle, she's working hard to maintain it. The lesson here is that income doesn't build wealth, margin does.

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Speaker 1

Example two Doctor Alex, the generalist doctor, Dr. Alex is a pediatrician and earns $160,000 with his first attending job and never cracks $200,000.

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Speaker 1

But because he lives modestly and is able to save 20% by 55, he's on track to save and retire with $2 million even with the additional cost of kids and student loans. Lesson here is you don't need to be rich to build wealth. You simply need a plan. What are some financial levers doctors should consider? Roth options are especially powerful if we consider doctor's career, which will eventually phase them out.

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Speaker 1

However, that said, backdoor Roth option currently remains viable under 2025 law. Disability insurance. This is essential. Your income is your greatest asset. And for some surgeons, working with your hands makes this even more pressing. Malpractice coverage. It's very important to understand what your policy outlines as your coverage. To recap, what does a financial blueprint for a doctor look like?

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Speaker 1

Well… It Depends! It depends on your specialty, your debt, your lifestyle, and your tolerance for long hours. You also need to desire to do this work and nothing else for decades. While medicine can be a path to wealth, it's not a guarantee and it's rarely a quick win. If you want flexibility, balance, or early retirement, you'll need to plan for that from the start.

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Be intentional, save early and protect your income. And remember, high income is just potential you do with it is the plan.

Speaker 1: Andrew Baron, CFP®