

# Personal Finance for FITs & Early Career Professionals: One Cardiologist's Advice

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# Why Personal Finance?

Relocation

Grants

Work/life balance

Personal health

Building a  
practice

Papers

Family

RVUs

Burnout



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# Why Personal Finance?

32

\$190,000\*



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# Why Personal Finance?

**FIT**

**Salary**

**\$70,000 a year**

**EC**

**Taxes**

**\$70,000 a year**



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# Why Personal Finance?

Family

Loans

Childcare

Housing

Cars

Healthcare

Retirement

College

Insurance

Vacation  
Fun

Emergencies

Phone  
Utility  
Clothing  
House Maintenance  
Internet



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# What Fellows Talk About

Loans

Moonlighting

Being “broke”

**and**

Bitcoin

Tesla

Small pharma stocks



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# Why Listen to Me?

I've been there...and I am there

Nothing to sell

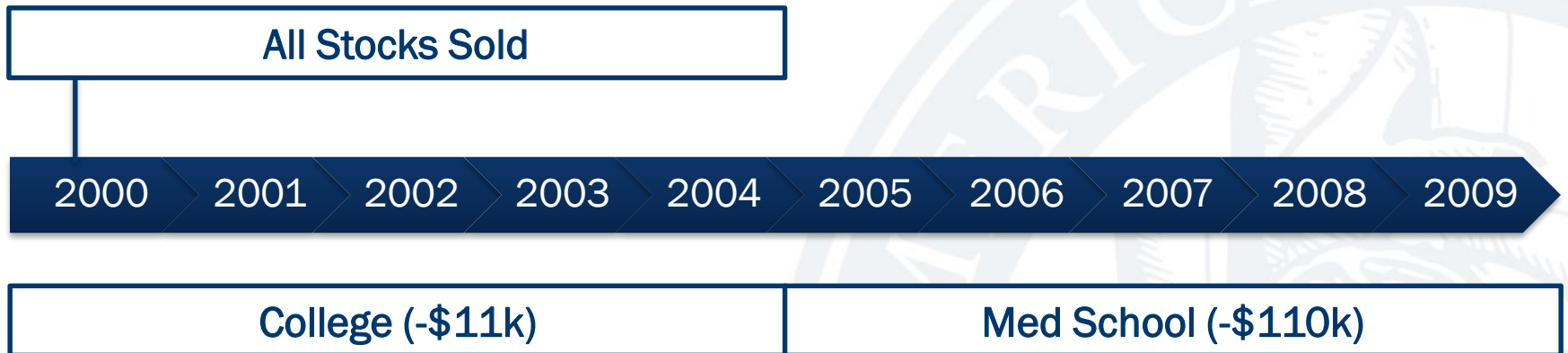
A bit about me



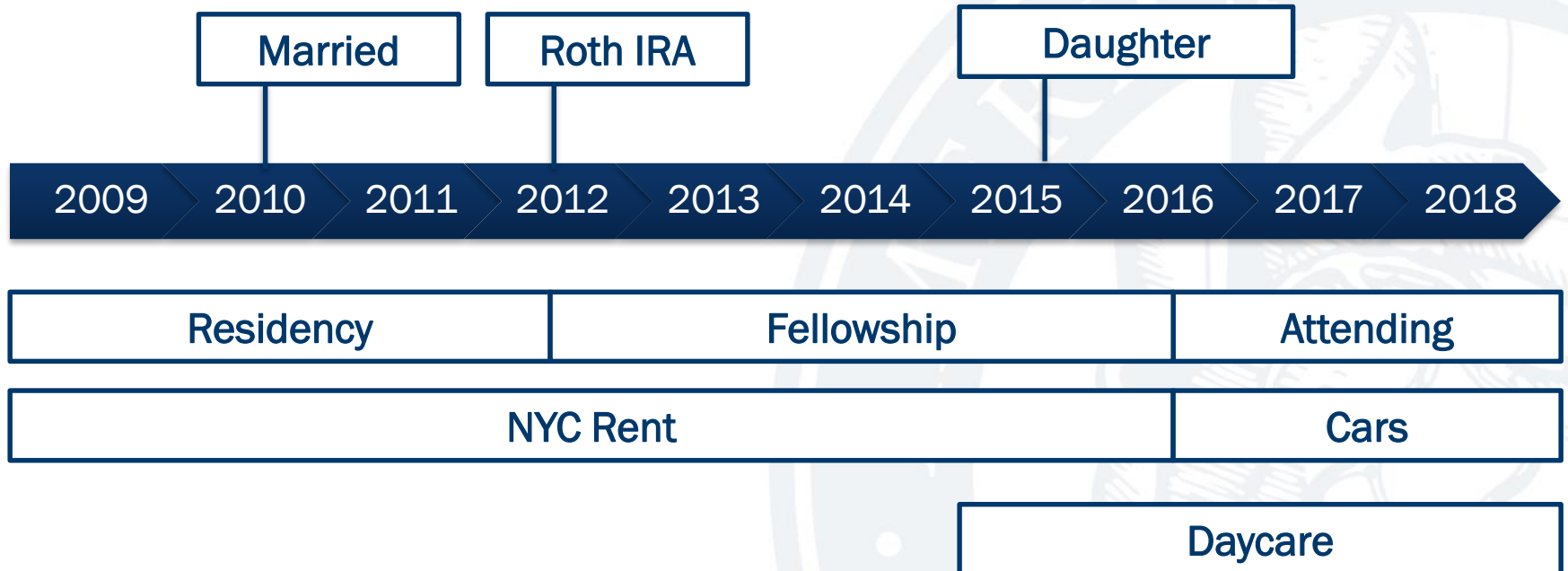
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# A Brief Timeline



# A Brief Timeline



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# What I've Done Wrong (So Far)

NYC rent for 7 years

Didn't save for retirement in residency

Financed two cars

Not as charitable as I'd like



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# Principle 1

You need a plan



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# Principle 2

Budgeting is the first step of **all** plans



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# Principle 3

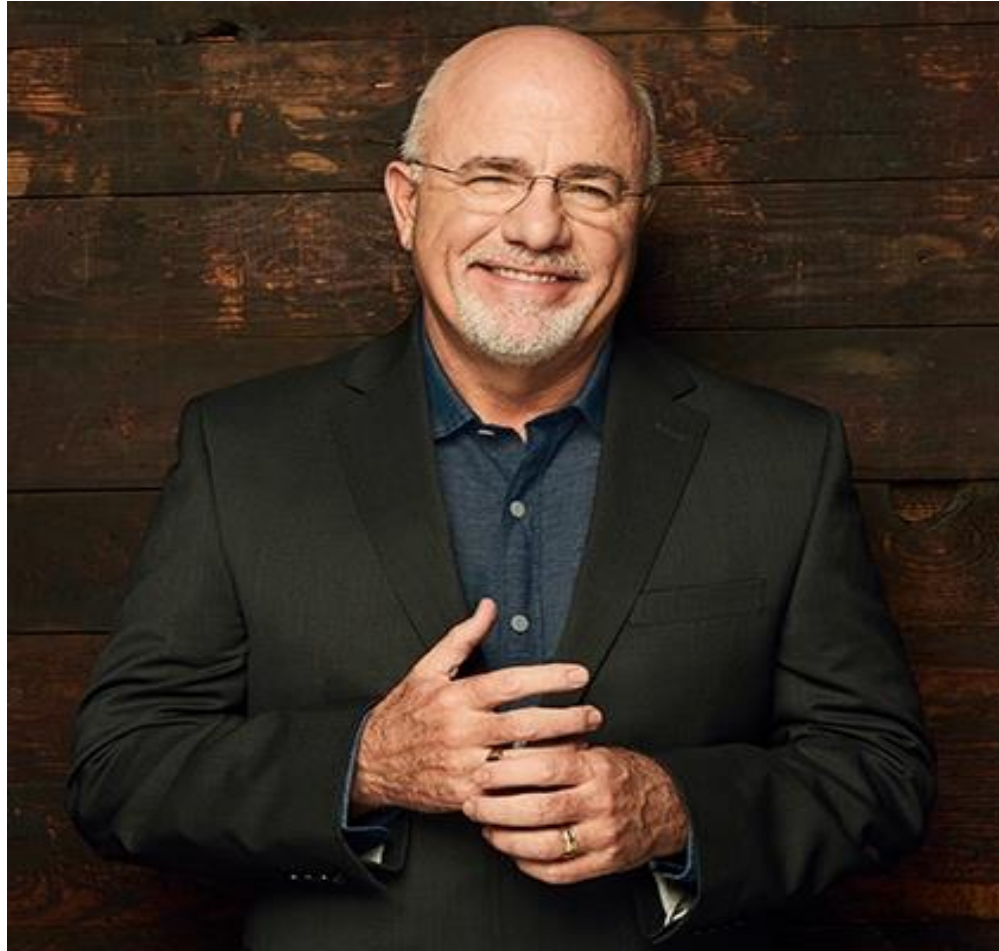
Debt haunts most of us

You will probably need to  
sacrifice (for now)



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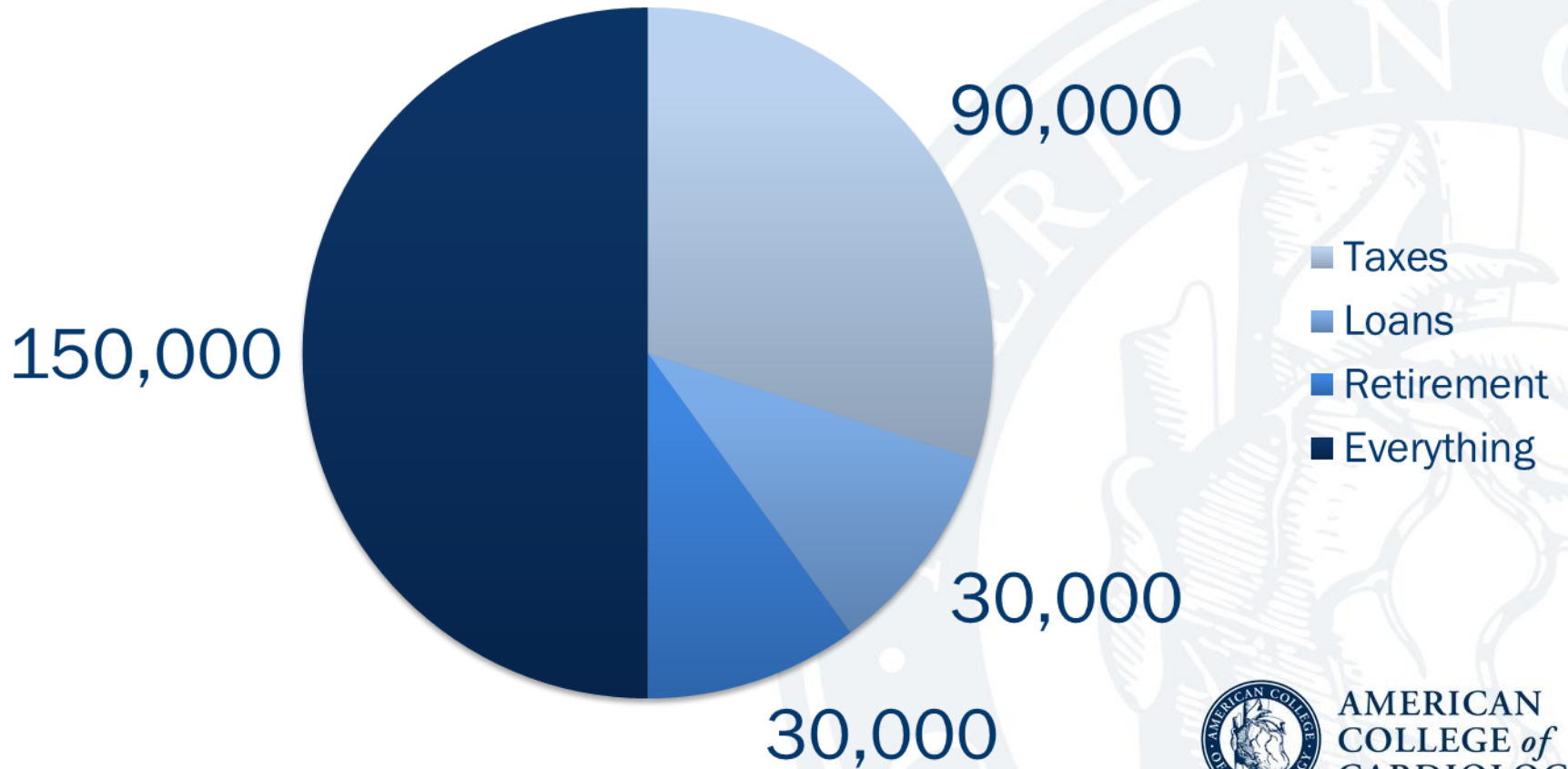




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# Life With Loans (Usual)

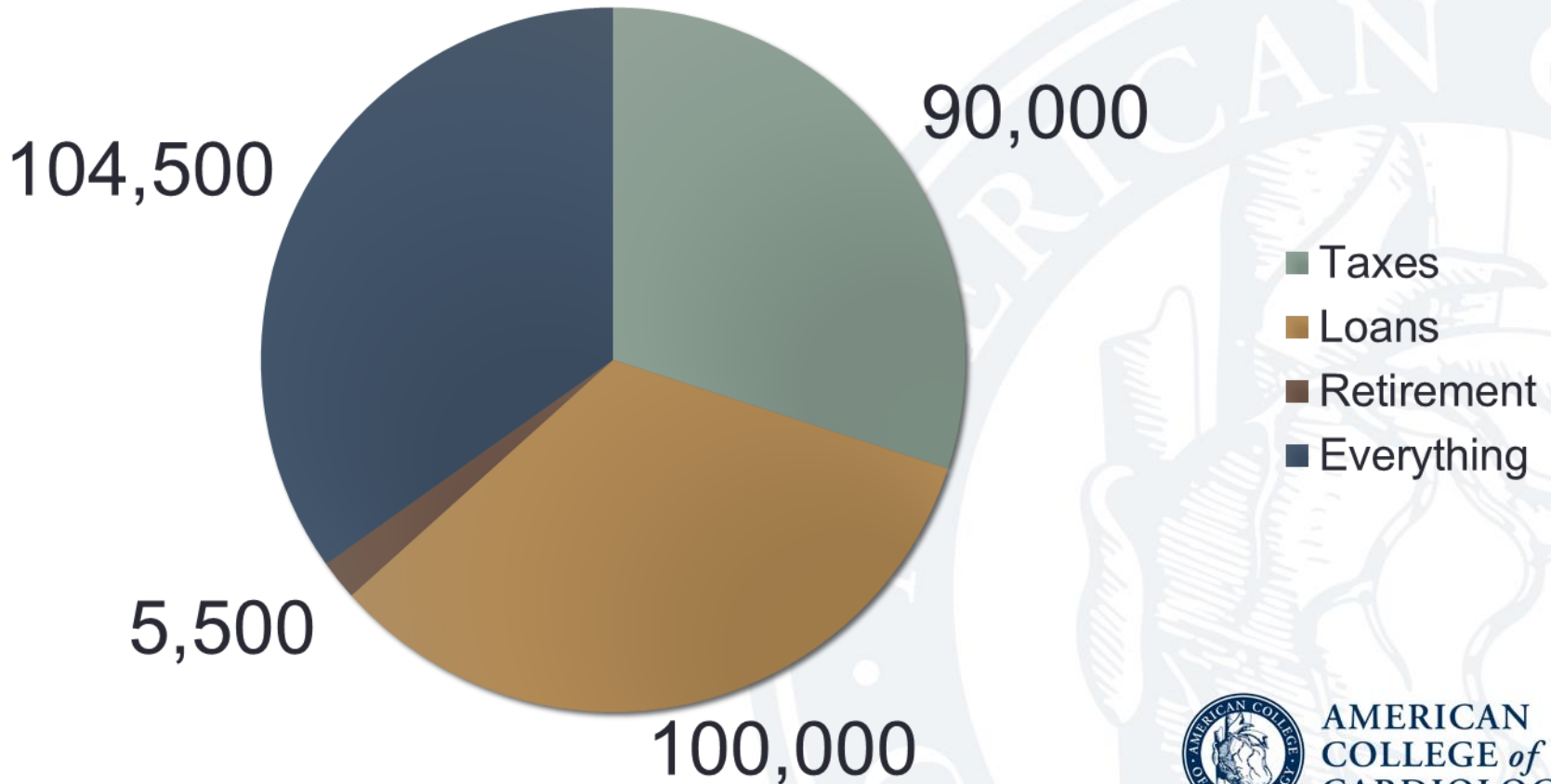
Budget



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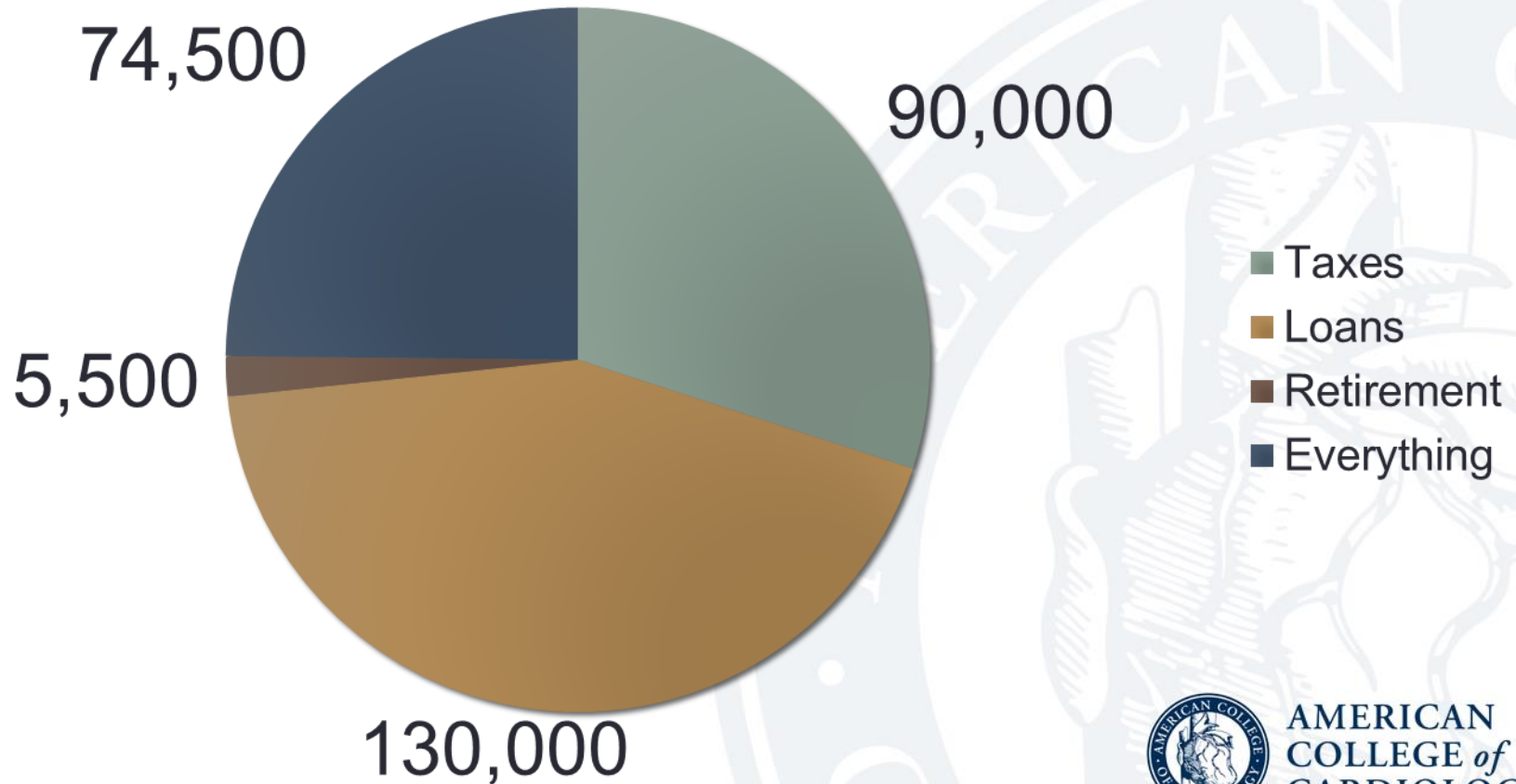
# Life With Loans (Better)

## Budget



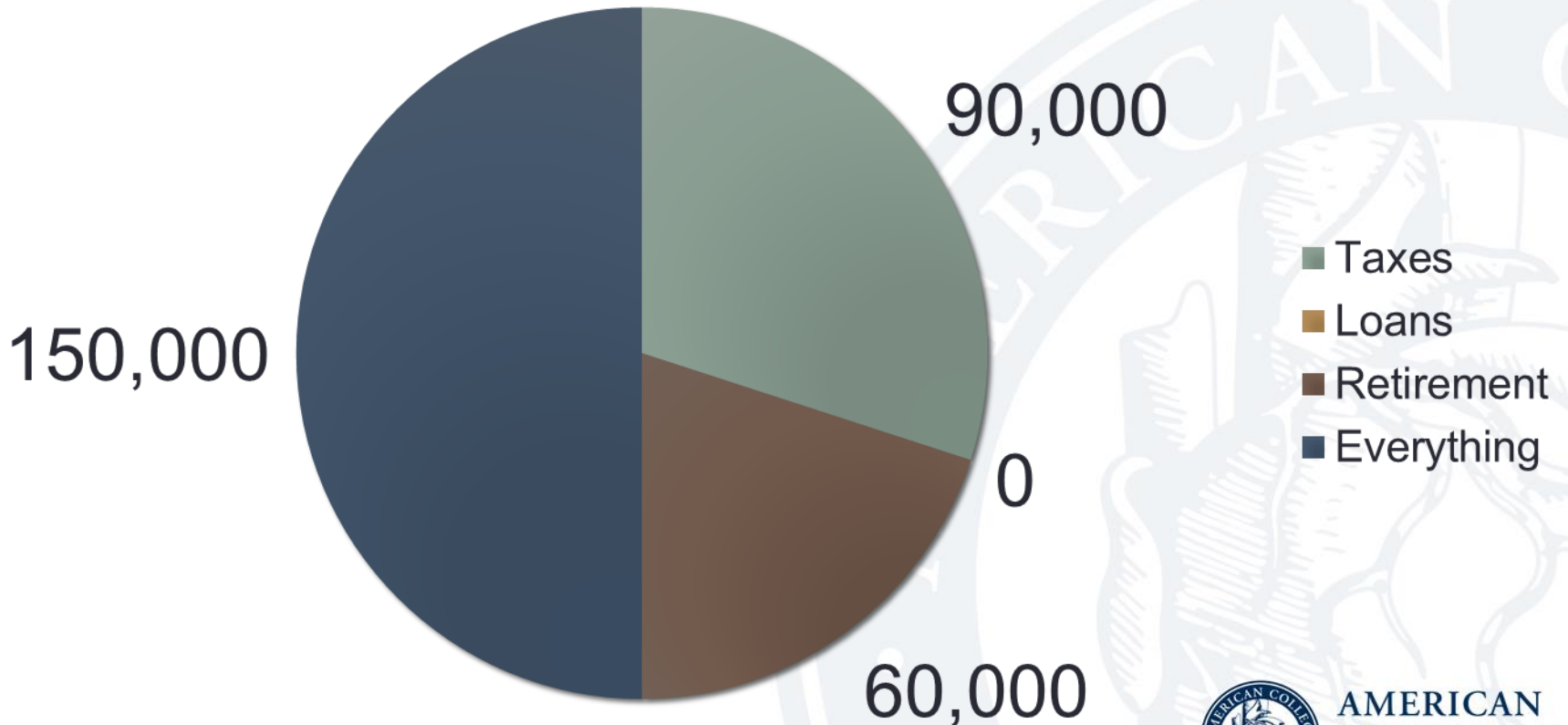
# Life With Loans (Severe Debt)

## Budget



# Life Without Loans

## Budget



# Loans

Know the details of each loan

Triple check everything

PSLF

Legislative risk



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# Principle 4

Don't buy what you cannot afford



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# Fixed Expenses

## Housing

– Location matters!

## Car/Transport

\*Childcare/Education

## Insurance



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# Variable Expenses

Food

Clothing

Vacation

Technology

Savings

Giving



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# Challenges

Your expectations

Expectations of others

Hedonic adaptation



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# Principle 5

Save 20% of your gross income  
for retirement

(or aggressively pay off high-interest student loans first)



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# Principle 6a

You will need to invest your money or plan to work forever



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# Principle 6b

**No one manages your money  
for free**



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# Principle 6c

Taxes and fees will erode your  
returns



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# Retirement Accounts (basic)

Tax-exempt – Roth IRA

– Backdoor Roth

Tax-deferred – 401k, 403b, SEP-IRA,  
traditional IRA, (457)

“Taxable” – brokerage



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# Retirement Accounts Strategy

FIT – contribute to Roth IRA and any matched account first

EC – Max tax-deferred/exempt



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# Investing Principles

Don't invest in what you don't understand

Diversify

Index Funds are the core



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# Principle 7

We pay a lot of taxes - so it's worth learning about them



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# Tax Brackets

## For Single Filers:

Marginal Tax Rate	Taxable Income Range	If Your Income Falls Between This Range, Your Income Tax Is..
10%	\$0-\$9525	10% of your taxable income
12%	\$9,525-\$38,700	\$952.50 + 12% of the amount over \$9,525
22%	\$38,700-\$82,500	\$4,453.50 + 22% of the amount over \$38,700
24%	\$82,500-\$157,500	\$14,089.50 + 24% of the amount over \$82,500
32%	\$157,500-\$200,000	\$32,089.50 + 32% of the amount over \$157,500
35%	\$200,000-\$500,000	\$45,689.50 + 35% of the amount over \$200,000
37%	Over \$500,000	\$150,689.50 + 37% of the amount over \$500,000





# Taxes 2018

A lot less is deductible

Standard deduction has increased –  
weakens the tax case for buying a house



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# Principle 8

You will be OK if you act now

It will be harder if you don't



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# Resources

White Coat Investor

William Bernstein's "If You Can" (2014)

Bogleheads wiki

Vanguard



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# Questions



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