



2021 ACP REPORT: Physicians' Financial Preparedness

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Introduction

The *2021 ACP Physicians' Financial Preparedness Report* was developed for members of the American College of Physicians (ACP) and the ACP Member Insurance Program. It is intended to serve as a benchmarking study for internists as they build their financial intelligence and plan for their future. ACP will also use the results to continue designing programs to help its members build personal financial intelligence, mitigate risks, and prepare for a secure retirement after a career in medicine.

Results are based on an anonymous, in-depth national survey conducted among U.S. internal medicine physicians between March and May 2021. It details critical factors pertaining to planning for—and eventually achieving—their top financial goal of a comfortable retirement for themselves and their spouse or partner.

Respondents included more than 1,900 physicians, composed of internists from residency through retirement. They shared key data related to their personal financial situation and how they are faring on their retirement journey.

Ten percent of physicians feel ahead of schedule, but even more are behind.

When asked how they feel about their retirement savings, 10% of internal medicine physicians say they feel ahead of schedule, including 6% of early-career physicians, 13% of mid-career physicians, and 14% of advanced-career physicians. The study also analyzed the attitudes and behaviors that distinguish them from many (36%) practicing physicians who say they are behind where they would like to be.

Shared characteristics of financial preparedness.

Regarding financial preparedness, we found eight shared attitudes and behaviors among physicians who feel they are in a strong financial position for retirement.

Physicians can now look at peer data by career stage to identify characteristics shared by those who are the most financially prepared and benchmark themselves against those who feel behind where they'd like to be.

The outlook for retired internists.

An essential objective of this research was to understand how retired internists are faring. Did they achieve their goal? Are they happy?

We found that retired internists are largely satisfied and confident with their financial picture. They have a strong sense of satisfaction regarding their retirement lifestyle, with 90% feeling satisfied or very satisfied. Additionally, most retired physicians are confident their retirement savings will last through retirement, including 67% who are “very confident.”

We'd like to offer a special thank you to the ACP member physicians who took the time to give back to the internal medicine community by sharing their personal experiences and lessons learned along the way. Their participation in this study is not only greatly appreciated, but it was also instrumental in developing this report.

We are also grateful to the independent financial advisory firm, Braun-Bostich & Associates, particularly Amy Braun-Bostich, CFP[®], and Cassandra Kirby, CFP[®], for their contributions to help physicians build, protect, and preserve their wealth throughout a career in medicine. I hope you find the report helpful and look forward to your feedback.



Dr. Robert Gluckman, MD, MACP
Chair, American College of Physicians
Member Insurance Committee

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Study Objective

The *2021 ACP Physicians' Financial Preparedness Report* is the first quantitative study of ACP member physicians examining their unique personal financial planning needs, concerns, attitudes, and behaviors from residency through retirement. The objective of this study is to understand and respond to the needs of our internal medicine physician community as it relates to supporting personal financial decision-making and helping them achieve their goal of attaining a secure retirement after a career in medicine.

The study was designed to provide peer-to-peer benchmarks and insights that member physicians can use as a tool in their financial planning, particularly when planning for the unexpected and a comfortable retirement.

Study Methodology

The report is the result of a national e-mail survey sent to a representative sample of members of the ACP between March and May 2021. Respondents included residents, fellows, early-career physicians, mid-career physicians, advanced-career physicians, and retired physicians aged 26-90+. Individual responses were strictly anonymous. The data was analyzed in the aggregate and by age, gender, career stage, and specialty, among other personal financial factors. The study was designed and conducted by independent market research firm, LightForce Research, and survey data was collected through Qualtrics®.

The total sample of N=1,909 was analyzed at a 95% confidence interval +/- 3% margin of error overall. Data reported by physician age band and career stage (residents and early-, mid-, and advanced-career physicians) were analyzed at a 95% confidence interval +/- 6% margin of error.

Study Sponsorship

This study and report are sponsored by the **American College of Physicians (ACP)** and the **ACP Member Insurance Program** on behalf of its members.

About ACP

The **American College of Physicians** is the largest medical specialty organization in the United States, with members in more than 145 countries worldwide. ACP membership includes 161,000 internal medicine physicians (internists), related subspecialists, and medical students. [Learn more.](#)

About the ACP Member Insurance Program

The **ACP Member Insurance Program** was created more than 60 years ago to provide members with unique group insurance products from highly reputable carriers at rates designed explicitly for physicians. Leveraging the purchasing power of ACP, plus program stability, favorable claims experience, and the exceptional health of its members, ACP members can get discounts on high-quality, exclusively priced life and disability insurance policies. ACP sponsored plans are offered and serviced through AGIA Affinity and underwritten by New York Life Insurance Company. [Learn more.](#)

For purposes of this report, results are expressed by career stage, representing years in practice and age bands:

	Years in Practice	Physician Age Bands
Early-Career	0-16	30s and 40s
Mid-Career	~17-30	40s, 50s, 60s
Advanced-Career	~30+	60s, 70s, 80s

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Early-Career Physicians

Nearly 500 practicing physicians in their early career (0-16 years in practice) responded to the national survey. Internists in their early career are typically in their 30s and 40s. Results were analyzed at a 95% confidence interval +/- 6%.



DEMOGRAPHICS: Early-Career Physicians

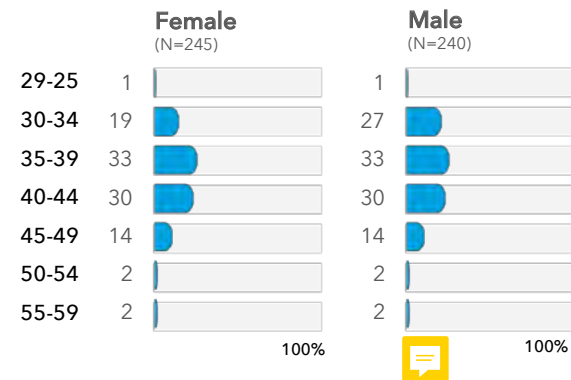
Early-career physicians are part of only practicing physician member segment where the responding physician is as likely to be female as male.

At this stage of their career, 80% of early-career physicians reported that they are married, with another 5% reporting that they are unmarried with a partner. Many have children under age 18, particularly female physicians. As a result, these physicians have different financial concerns than other doctors including paying down debt and saving for their children's college education.

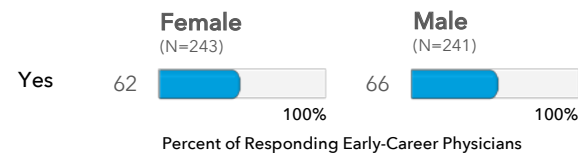
Q: What is your gender?



Q: What is your age?



Q: Do you have children under age 18?

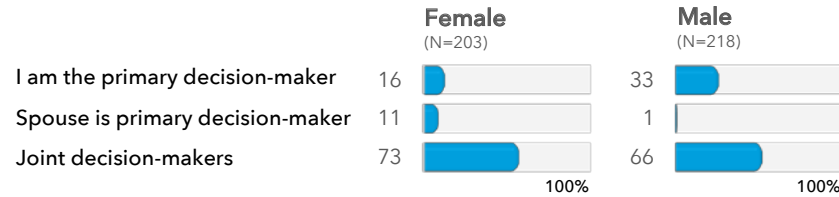


PERSONAL FINANCES: Early-Career Physicians

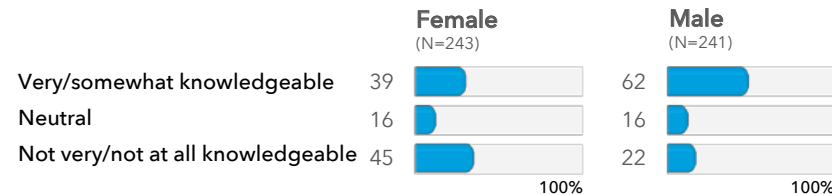
Overall, nearly 70% of young married physicians are likely to say they are joint decision-makers when it comes to personal financial decisions. Among 24% of early-career physician households with a primary decision-maker it is more likely to be the male physician household (33%) than a female physician household (16%).

While nearly 50% of early-career physicians feel knowledgeable or very knowledgeable about personal financial issues, male physicians generally reported feeling more knowledgeable and more confident than female physicians in the same age bands. They are also more likely to say they are ahead of schedule and report more money saved for retirement than their female counterparts.

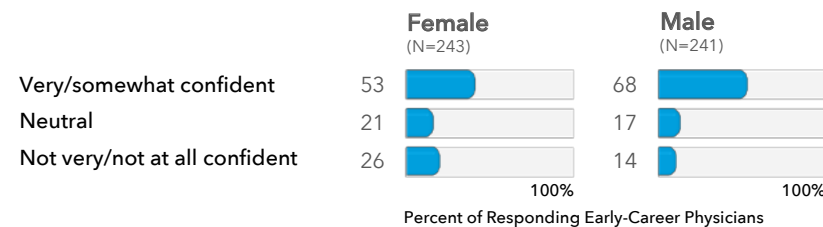
Q: Who is the primary decision-maker when it comes to personal finances?



Q: In general, how would you rate your understanding of personal finance issues (such as financial planning, estate planning, investments, retirement planning, and insurance)?



Q: How confident are you that you are making the best personal financial decisions for you and your family?



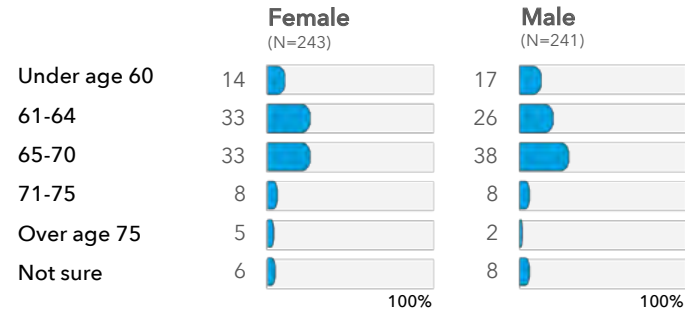
RETIREMENT READINESS: Early-Career Physicians

Most early career physicians plan to retire before their 70th birthday, but retirement plans differ by gender, with female physicians more likely expecting to retire between 61 and 65 years of age.

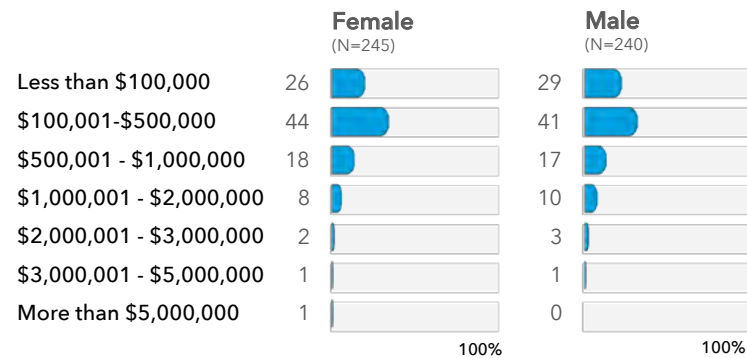
Physicians in their early career have been investing in their retirement since residency and nearly 70% have up to \$500,000 in their retirement nest egg. About 27% percent have between \$500,000 and \$2,000,000 saved.

About half of early-career physicians say they are behind where they would like their savings portfolio to be, although there are 4% of female physicians and 7% of male physicians who say they are ahead of schedule.

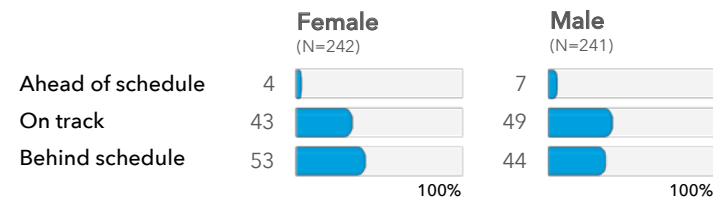
Q: At what age do you plan to retire (approximately)?



Q: Approximately how much do you have saved in your retirement portfolio?



Q: How would you describe the status of your retirement financial plans?

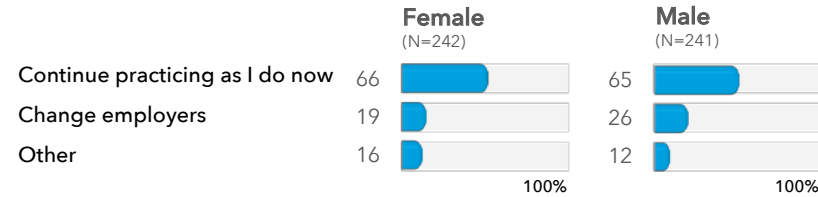


Percent of Responding Early-Career Physicians

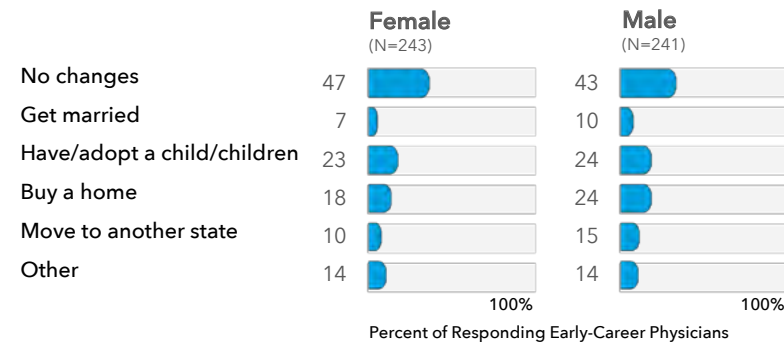
FUTURE PLANS: Early-Career Physicians

Early-career physicians expect significantly more changes personally and professionally than practicing physicians in their mid- or advanced-career, including an average of 22% who plan to change employers, 24% who plan to have children, and 12% who plan to move to another state. Still, about two-thirds of practicing physicians in their early career plan to continue practicing as they do now.

Q: What professional changes do you expect in the next three years?



Q: What personal changes do you expect in the next three years?



What early-career physicians say they wish they had done even earlier in their career:

"I wish I had been informed about building and diversifying a financial portfolio."

"I wish I had at least minored in business/finance in college as I originally planned."

"I wish I had lived within the same means after residency for several years to save and catch up with debt."

"I wish I had explored loan repayment programs, particularly those targeted for primary care."

Mid-Career Physicians

Internists who have in practice for approximately 17-30 years are considered to be in their mid-career. Nearly 400 mid-career physicians participated in the 2021 ACP member survey, most between the ages of 45-64.

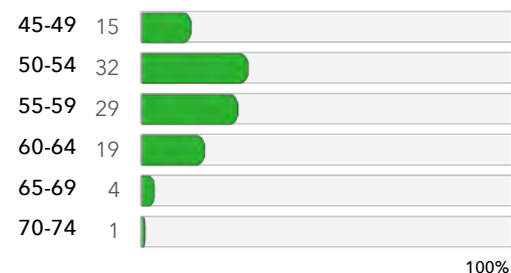


DEMOGRAPHICS: Mid-Career Physicians

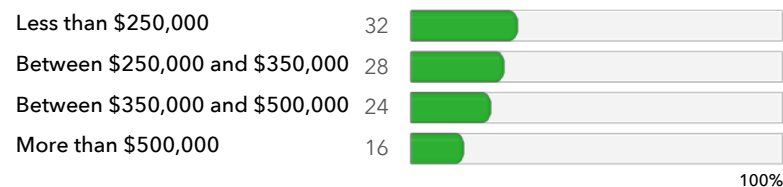
Mid-career physicians' household income is well over \$250,000 annually. This includes 40% of physicians with household income greater than \$350,000 and 16% with HHI greater than \$500,000.

Among the 82% of mid-career physicians who are married or unmarried with a partner, 27% are married to another physician. Among the 21% who said their spouse is a full-time homemaker (working and providing for the home); significantly more of them were male households (31%) versus female households (5%).

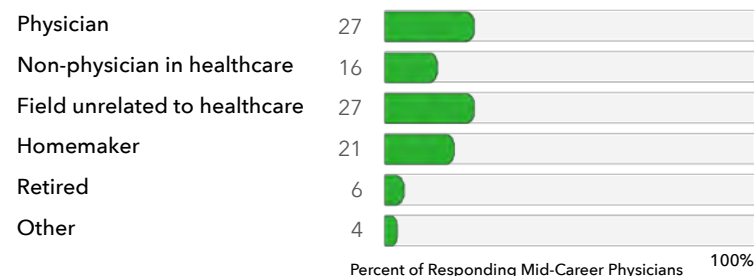
Q: What is your age?



Q: What was your approximate household income before taxes during the last 12 months?



Q: What is your spouse/partner's occupation?



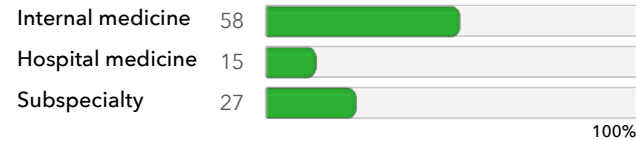
Mid-Career Physicians (continued)

PROFESSIONAL SNAPSHOT: Mid-Career Physicians

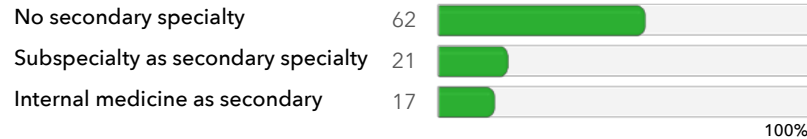
Like physicians in other career stages, nearly 75% of mid-career physicians principally specialize in general internal medicine or hospital medicine. Respondents also included physicians representing nearly all subspecialties of internal medicine including medicine-pediatrics, cardiovascular disease, gastroenterology, infectious diseases, pulmonary disease and geriatric medicine.

Most mid-career physicians are employed by a hospital, health system, or a physician group practice (71%). Another 23% are practice owners/co-owners or partners in a group practice, and about 6% work for a different type of employer or as an independent contractor.

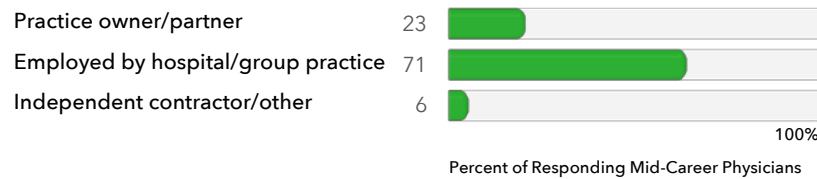
Q: What is your medical specialty?



Q: What is your secondary medical specialty?



Q: Which best describes your employment status?

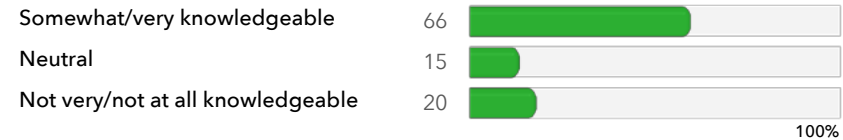


Mid-Career Physicians (continued)

PERSONAL FINANCES: Mid-Career Physicians

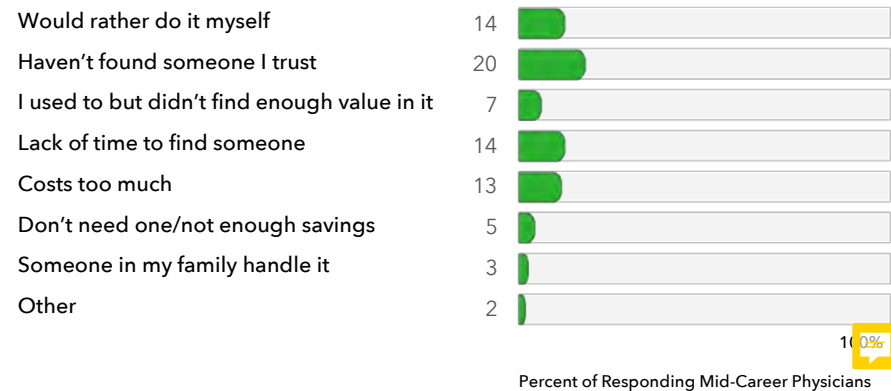
By mid-career, physicians have increased personal financial knowledge. Sixty six percent say they are somewhat or very knowledgeable about personal finance issues. They are also more likely than early-career physicians to be somewhat or very confident in their financial path.

Q: In general, how would you rate your understanding of personal finance issues (such as financial planning, estate planning, investments, retirement planning, and insurance)?



Fifty eight percent of mid-career physicians use a professional financial advisor. Among the 41% who don't use one, top reasons include they haven't found someone that they trust, it costs too much, they lack to time to find one, or in the case of 14% of mid-career doctors, they prefer to handle those duties themselves.

Q: What is the reason that you don't work with a professional financial advisor?

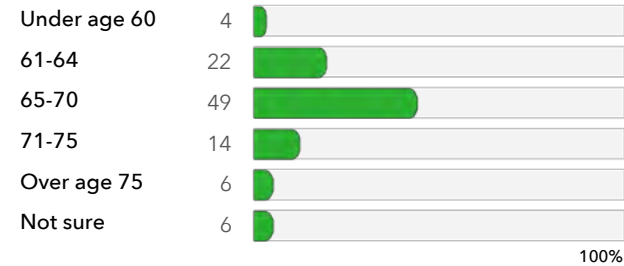


Mid-Career Physicians (continued)

RETIREMENT READINESS: Mid-Career Physicians

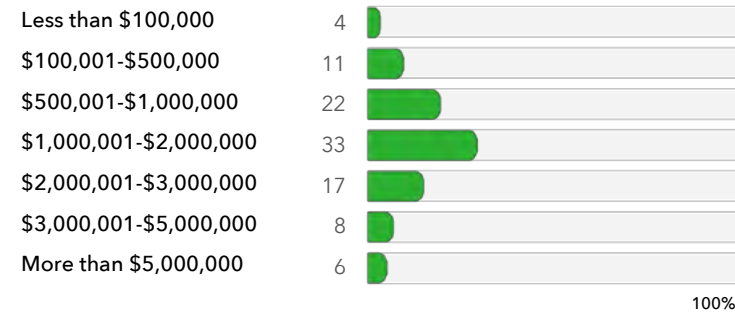
Among mid-career practicing physicians, 26% plan to retire before they are 65 years old. Nearly half (49%) plan to retire between ages 65-70. Just over 6% are “not sure” about their retirement plans at this point in their career.

Q: At what age do you plan to retire?

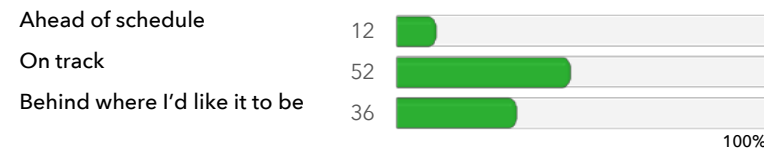


Physicians in their mid-career typically began saving for retirement in residency or as soon as they started practicing. Currently, about 55% of these physicians have between \$500,000 and \$2,000,000 in their retirement savings portfolio. Fifteen percent have less than \$500,000 and about 30% have over \$2,000,000 saved at this point in their career.

Q: What is the approximate value of your current retirement portfolio?



Q: How would you describe the status of your retirement financial plans?



Percent of Responding Mid-Career Physicians

Mid-Career Physicians (continued)

FUTURE PLANS: Mid-Career Physicians

Nearly 70% of mid-career physicians say they plan to continue practicing as they are doing now. For about 10%, plans include starting to wind down their practice as they move into semi-retirement. Another 10% have plans to change employers or leave private practice to become employed by a hospital or group practice.

Q: Which of the following do you anticipate happening in your professional life within the next three years? (Select all that apply.)



Advice from responding mid-career physicians:

"Max out your retirement accounts."

"Get disability and life insurance and keep it updated as your income changes. Life is very unpredictable."

"Make sure you and your spouse have the same financial goals. Otherwise, misery is ahead."

"You will make mistakes. Learn from them."

"Enjoy practicing medicine for its emotional reward -- not to get rich."

"If 2020 has taught us anything, it's that we should not put off all of our bucket list items until retirement. Living into retirement is not guaranteed for anyone, including physicians."

"Obtain a specialty-specific, own-occupation disability policy that covers you in the event that you are not able to perform your job."

"Love your work."

Advanced-Career Physicians

Internists who have in practice for 30 years or more are considered to be advanced in their career. More than 350 of those physicians participated in the survey, most in their 60s, 70s, and 80s.



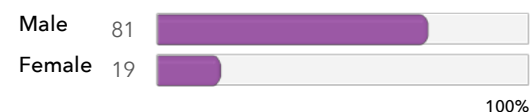
DEMOGRAPHICS: Advanced-Career Physicians

Advanced-career is the only practicing physician member segment where the responding physician is significantly more likely to be male.

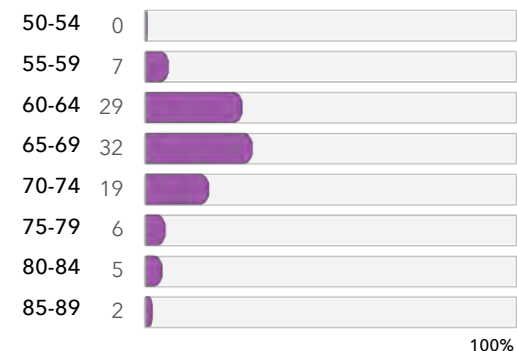
Most advanced-career physicians are ages 60-75, although nearly 8% are physicians who are still working into their 80s.

Nearly 88% of advanced-career physicians reported that they are married, with another 6% reporting that they are divorced or separated. Two percent are widowed. Many are providing at least some financial support to children over the age of 18 or other family members.

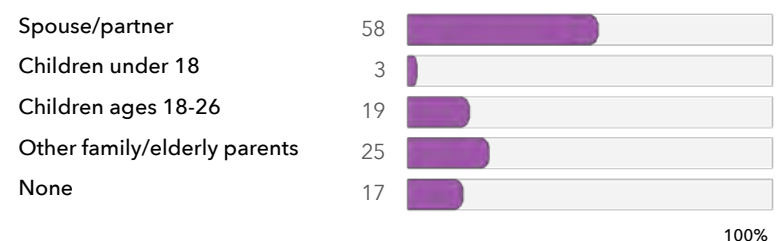
Q: What is your gender?



Q: What is your age?



Q: Besides yourself, for whom do you provide financial support?



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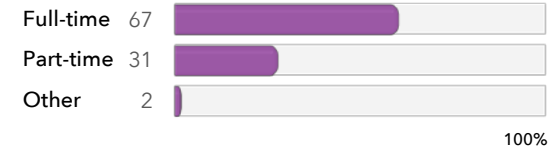
Resources

Advanced-Career Physicians (continued)

PROFESSIONAL SNAPSHOT: Advanced-Career Physicians

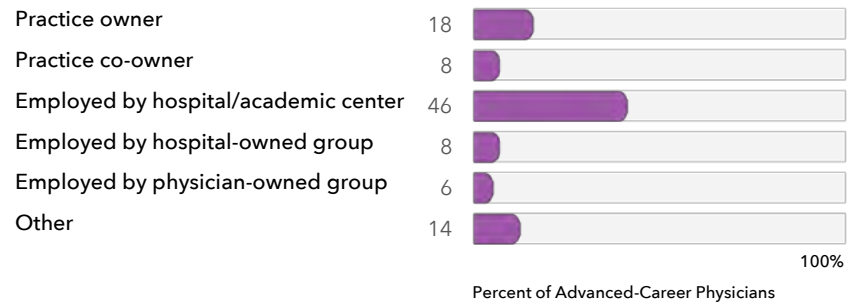
Unlike internists in other career stages, approximately 30% of physicians in the advanced-career stage say they are working part-time as they wind down their practice before retirement.

Q: Do you work full-time or part-time?



One quarter of advanced-career physicians are an owner or partner in a group practice. About 15% of these doctors are employed by the government, pharmaceutical company, federally qualified health center (FQHC), health plan, home health/hospice, university, or other nonprofit. They also work as consultants, independent contractors, and locum tenens.

Q: Which of the following best describes your employment status?

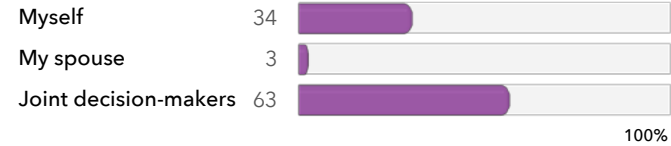


Advanced-Career Physicians (continued)

PERSONAL FINANCES: Advanced-Career Physicians

Physicians in the advanced-career stage are significantly more likely than younger practicing physicians to say that they are the primary decision-maker when it comes to personal financial decision-making in their family (35%).

Q: Who is the primary decision-maker when it comes to personal finances?



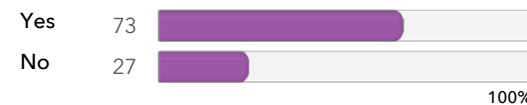
Nearly 80% of advanced-career physicians say they feel very or somewhat knowledgeable about issues such as financial planning, estate planning, investments, retirement planning and insurance.

Q: In general, how would you rate your understanding of personal finance issues (such as financial planning, estate planning, investments, retirement planning, and insurance)?



Nearly three-quarters of physicians over age 60 use a professional financial advisor. Among the 25% of physicians who do not have an advisor, there is a sizeable segment of doctors who prefer to handle their financial matters themselves (45%).

Q: Do you/your family use a professional advisor to assist you in personal financial and retirement matters?



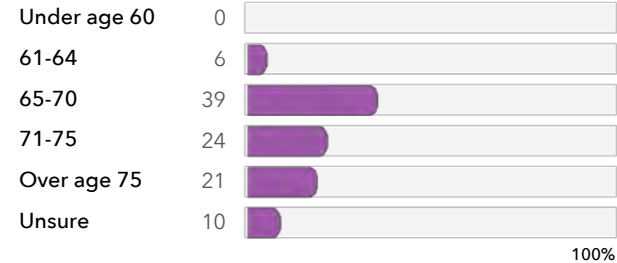
Percent of Advanced-Career Physicians

Advanced-Career Physicians (continued)

RETIREMENT READINESS: Advanced-Career Physicians

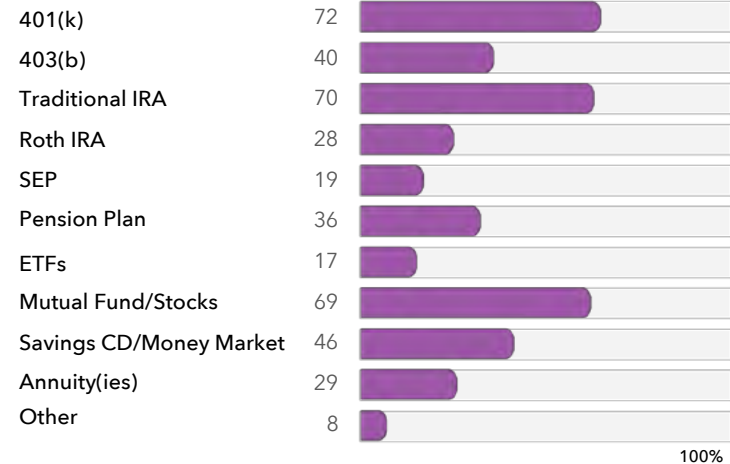
Looking ahead, 45% plan to retire past age 71, including 21% who plan to retire past age 75. Ten percent are not sure when they will retire.

Q: At what age do you plan to retire?

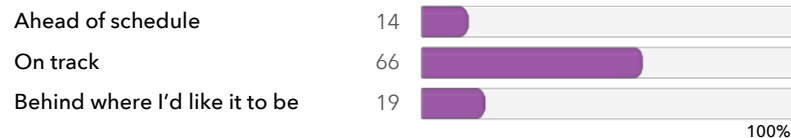


Fifty percent have more than \$3 million in retirement savings including 17% who have more than \$5 million saved in well-diversified portfolios which include qualified retirement plans, traditional and Roth IRAs, pension plans, deferred compensation, mutual funds and stocks, CDs, money markets, annuities and exchange-traded funds (ETFs).

Q: What financial investments do you have in place?



Q: How would you describe the status of your retirement financial plans?



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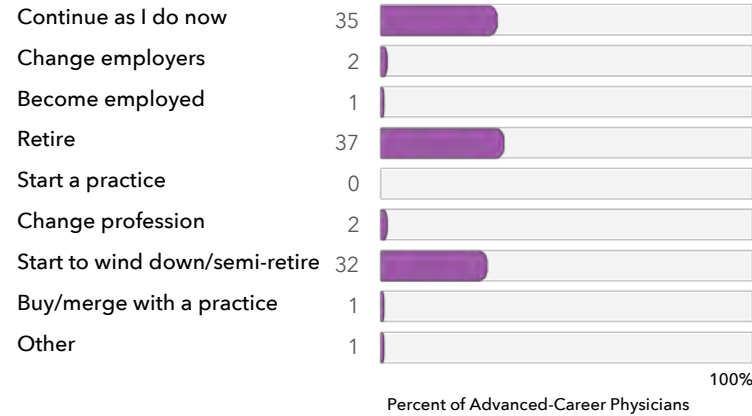
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Advanced-Career Physicians (continued)

FUTURE PLANS: Advanced-Career Physicians

Only 35% of advanced-career physicians say they plan to continue practicing as they do now. Another 37% plan to retire in the next three years, while 31% plan to begin the process of winding down their practice ahead of retirement.

Q: Which of the following do you anticipate will happen in your practice life in the next three years? (Select all that apply.)



Advanced-career physicians were generous with their advice to younger physicians just starting out.

Here are words of wisdom from physician leaders in internal medicine.

"Don't be house poor."

"Don't assume that you know what you are doing. Hire a professional and don't be an arm-chair financial planner."

"Make it a priority to obtain life insurance early when its more affordable."

"Get your own disability insurance."

"Learn about finance!"

"Don't try to keep up with the Joneses, especially if the Joneses are in subspecialties or surgical fields. Don't let your spouse/partner lead you into that trap either."

"Don't keep up with the Joneses. The Joneses are broke."

"Borrow the least amount possible and borrow based on needs, not wants"

"Pay attention to lifestyle creep!"

Benchmarks by Career Stage

Practicing Physicians

More than 1,250 practicing internists responded to the survey enabling us to provide benchmarking data by career stage to assist in member physicians' financial decision-making.

Physicians can compare their personal situation with those in their age and career stage, as well as look ahead to set goals for the future.

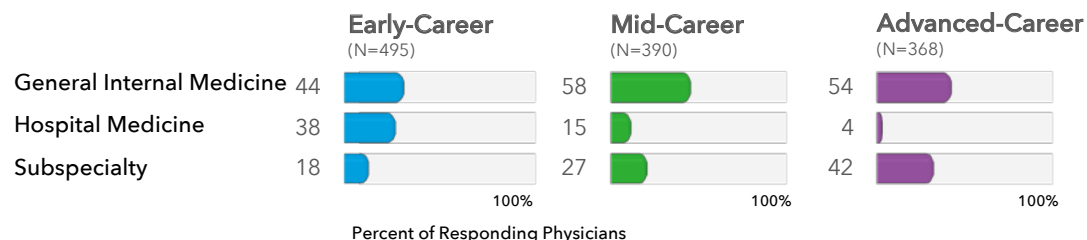
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PROFESSIONAL SNAPSHOT of Internal Medicine Physicians by Career Stage

During the mid-1990's, hospitalists began to fill the role of providing care for hospitalized patients when the primary care provider was unable to be present. The hospital medicine specialty has seen the most growth and recognition over the last 20 years.

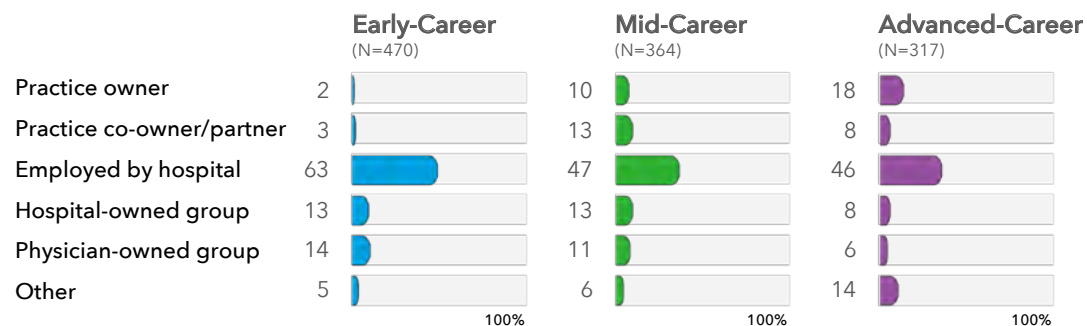
Q: What is your principal medical specialty?



Benchmarks by Career Stage (continued)

Nearly all U.S. physicians are now employed by hospitals, health systems, academic medical centers, or a physician group. Private practice ownership is down sharply.

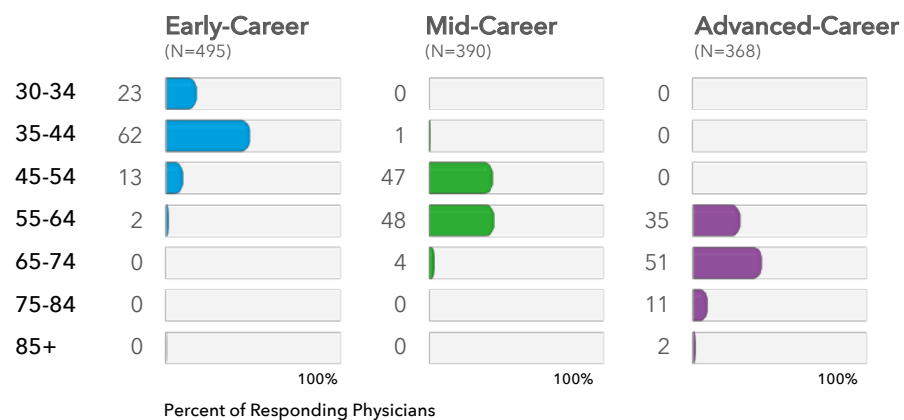
Q: Which best describes your employment status?



PERSONAL SNAPSHOT of Internal Medicine Physicians by Career Stage

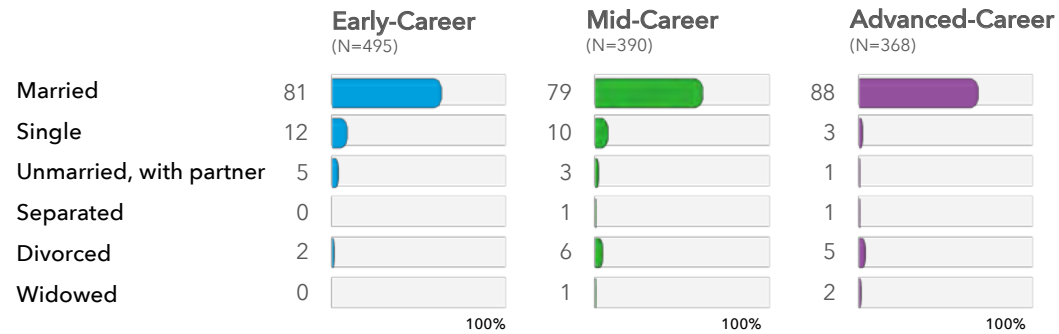
Career stages align with, but don't mirror physician ages. Physicians start their medical career at different ages, and many physicians work well into their 70s.

Q: What is your age?



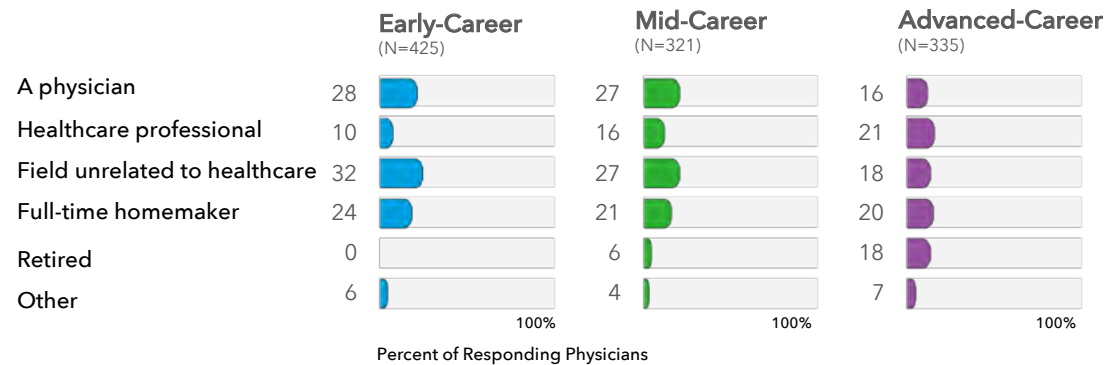
Benchmarks by Career Stage (continued)

Q: What is your marital status?



Two-physician households are common across ages, and particularly among younger physicians. On average, 25% of physicians are married to another physician.

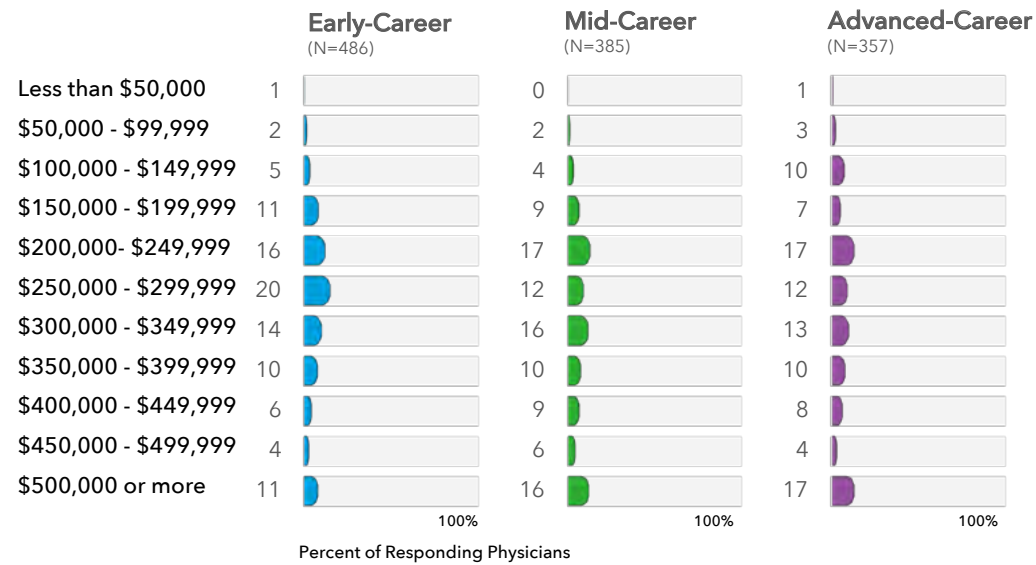
Q: Your spouse or significant other/partner is/was:



Benchmarks by Career Stage (continued)

On average, physicians reported household income between \$200,000 and \$350,000 depending on their spouse's occupation and/or their internal medicine specialty.

Q: What was your approximate household income before taxes during the past 12 months?

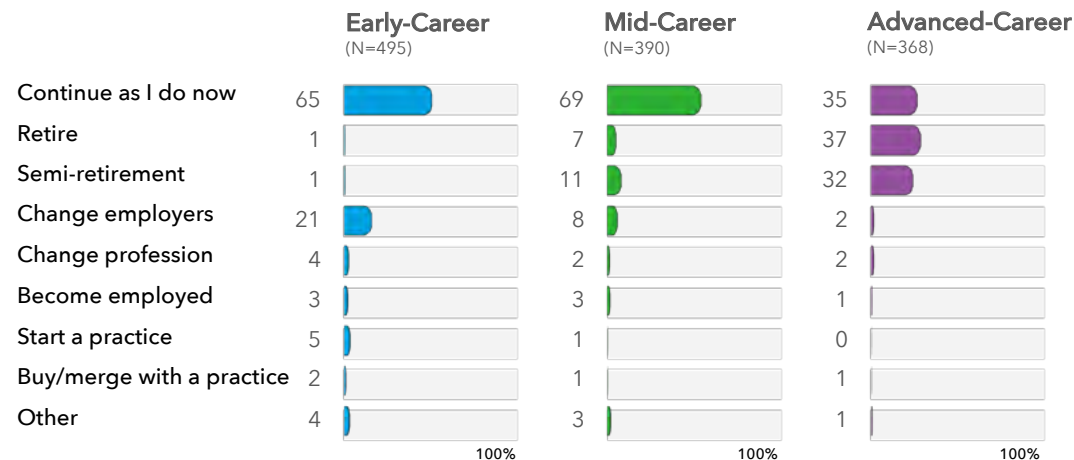


Benchmarks by Career Stage (continued)

EXPECTED FUTURE PLANS - Professional Life Three-Year Horizon

Only 35% of advanced-career physicians plan to continue practicing as they do now, 32% plan to semi-retire and 37% say they will retire in the next three years. 21% of early-career physicians plan to change employers.

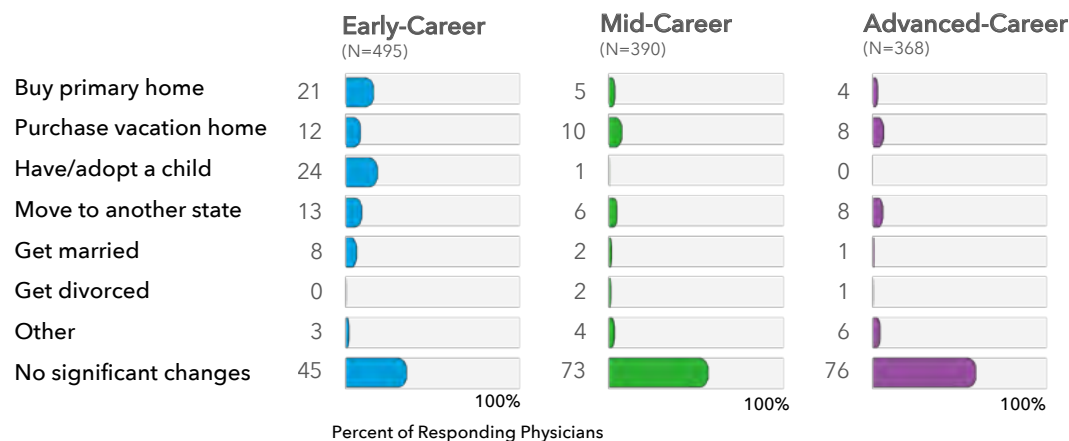
Which of the following do you anticipate will happen in your practice life in the next three years?



EXPECTED FUTURE PLANS - Personal Life Three-Year Horizon

Early-career physicians are significantly more likely to have big plans in their personal lives including buying a home, having children, and moving to another state.

Which of the following do you anticipate will happen in your personal life in the next three years?



Benchmarks by Career Stage: Financial Preparedness

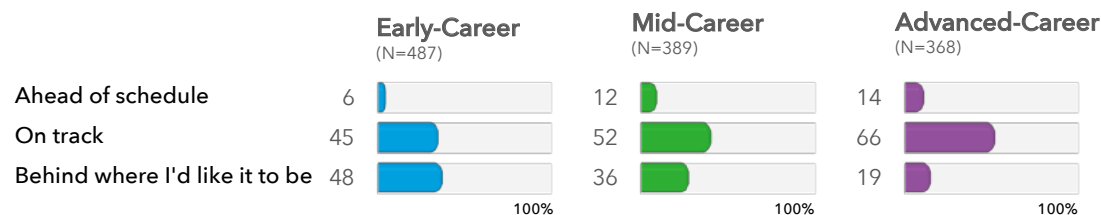
Personal Financial Preparedness Measures

Physicians were asked to consider their goals, attitudes, and beliefs around personal financial issues and provide specifics about their retirement behaviors, including savings, debt, insurance, investing, estate planning, and more.

Each respondent also provided a self-assessment of their own retirement financial plans by answering if they feel ahead of schedule, on track, or behind where they'd like to be.

While mid- and advanced-career physicians are twice as likely to feel ahead of schedule, there are financially prepared physicians at every age and career stage.

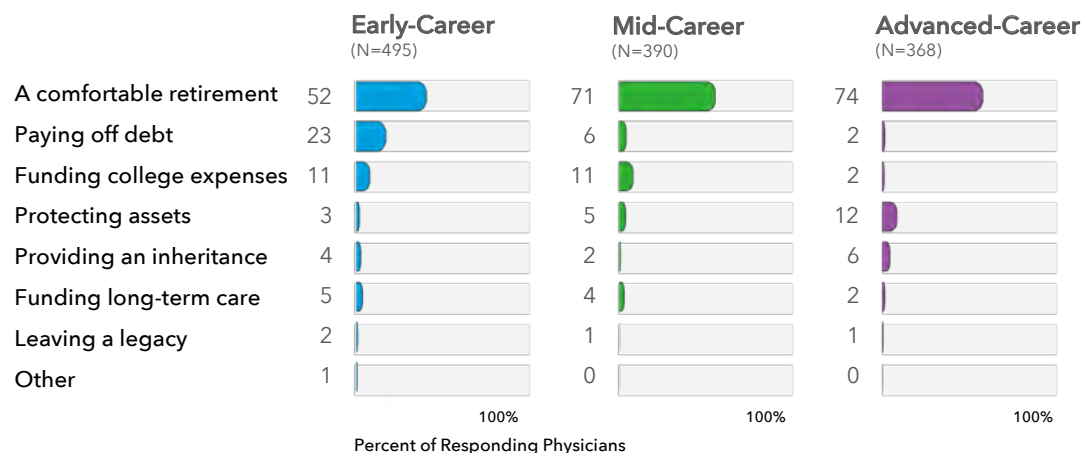
Q: How would you describe the status of your retirement financial plans?



PERSONAL FINANCIAL GOALS by Career Stage

A comfortable retirement is the top personal financial goal of physicians at any age, however younger physicians shared competing priorities including paying off debt and saving for college.

Q: Of your top three choices, which personal financial goal would you say is most important to you?

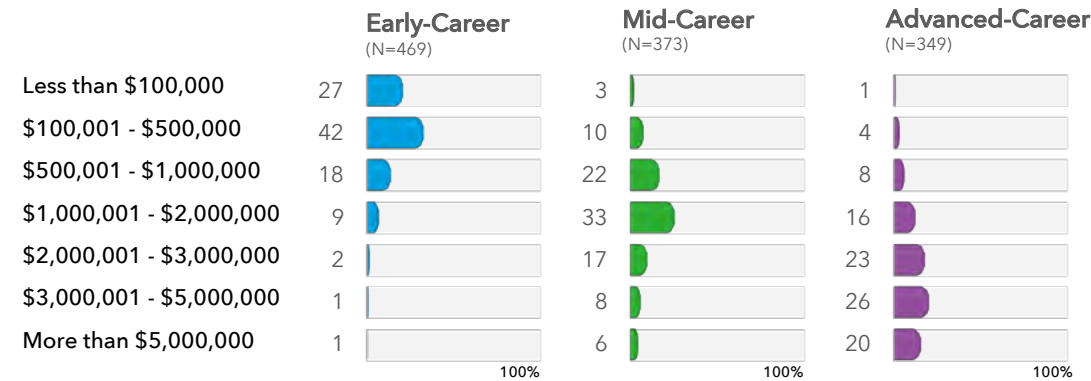


Benchmarks by Career Stage: Financial Preparedness (continued)

RETIREMENT SAVINGS by Career Stage

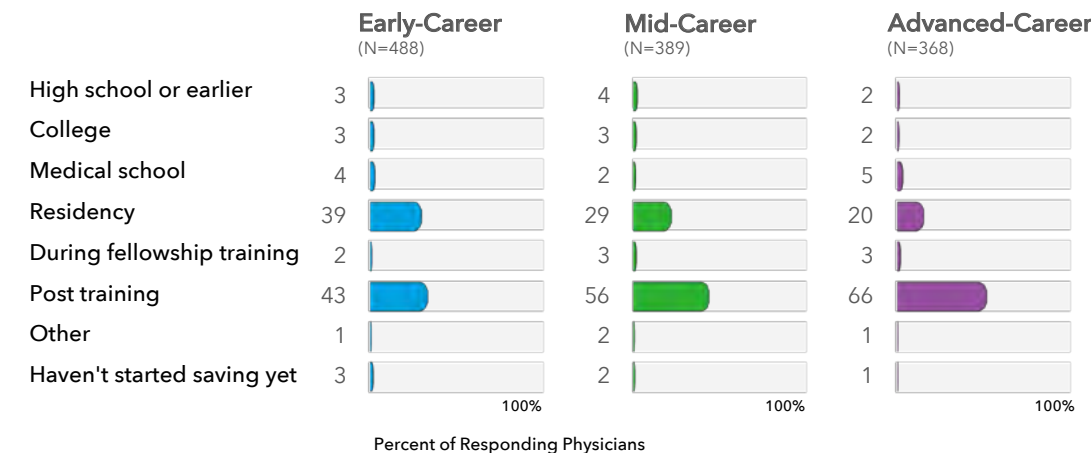
Nearly 70% of advanced-career physicians have saved more than \$2 million for retirement, including 20% with more than \$5 million saved.

Q: What is the approximate value of your current retirement savings portfolio?



Most older physicians started saving for retirement after they completed their training. Younger physicians are more likely to start their savings during their residency.

Q: When did you first start saving for retirement?



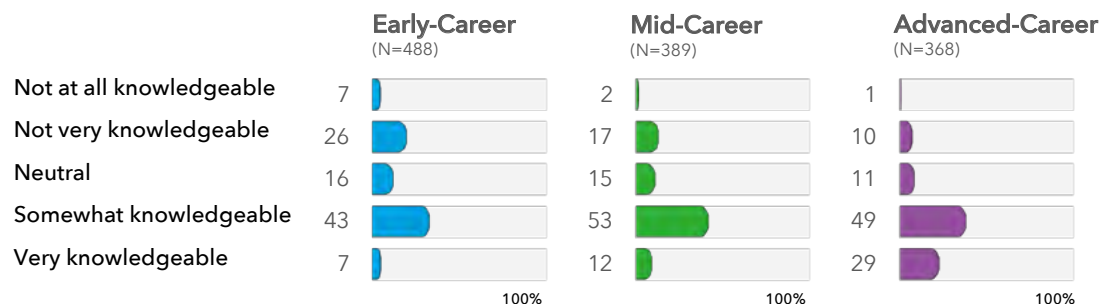
Benchmarks by Career Stage: Financial Preparedness (continued)

PERSONAL FINANCIAL LITERACY by Career Stage

With age comes wisdom:

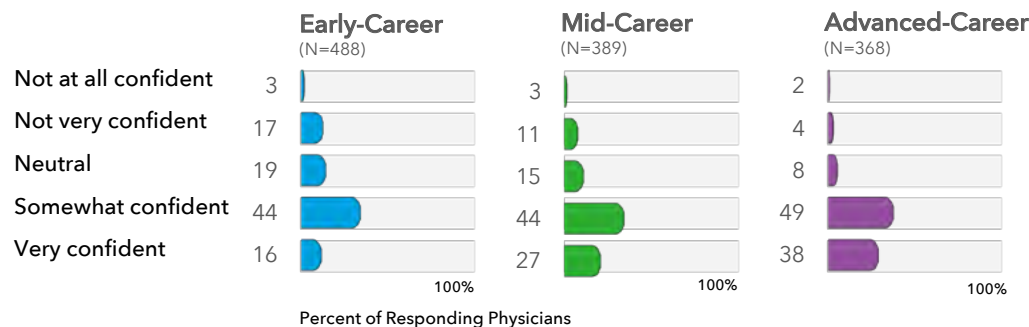
Nearly 80% of advanced-career physicians feel knowledgeable or very knowledgeable about personal finances compared to 50% of early-career doctors.

Q: In general, how would you rate your knowledge of personal financial issues?



While confidence tends to grow with age and experience, the study found “very confident” doctors in every career stage.

Q: How confident are you that you are making the best personal financial decisions for you and your family?

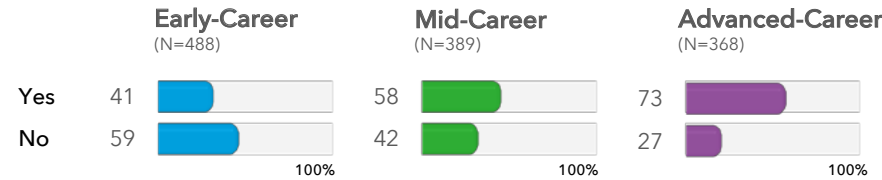


Benchmarks by Career Stage: Financial Preparedness (continued)

USE OF FINANCIAL ADVISOR by Career Stage

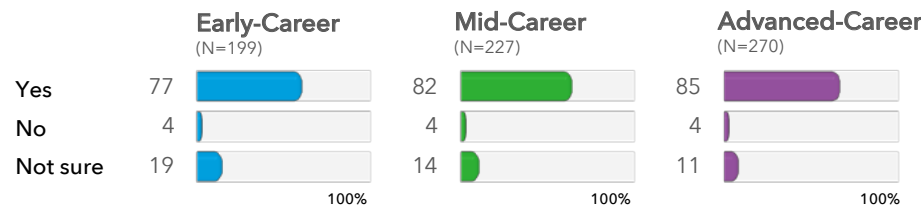
By the time physicians are advanced in their career, 73% of doctors use a professional financial planner versus 41% of those in their early career.

Q: Do you use a professional financial planner to assist with personal/financial and retirement planning matters?



Among those who use a professional advisor, most say their planner is a certified financial planner (CFP).

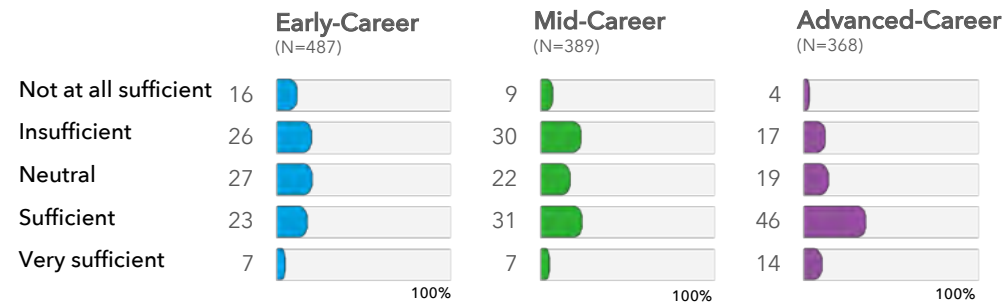
Q: Is your professional financial advisor a CFP?



TIME SPENT ON PERSONAL FINANCES by Career Stage

Only 30% of early-career physicians feel the time they spend on planning is sufficient versus 60% of advanced-career physicians.

Q: In your opinion, how sufficient is the amount of time you spend on retirement planning?



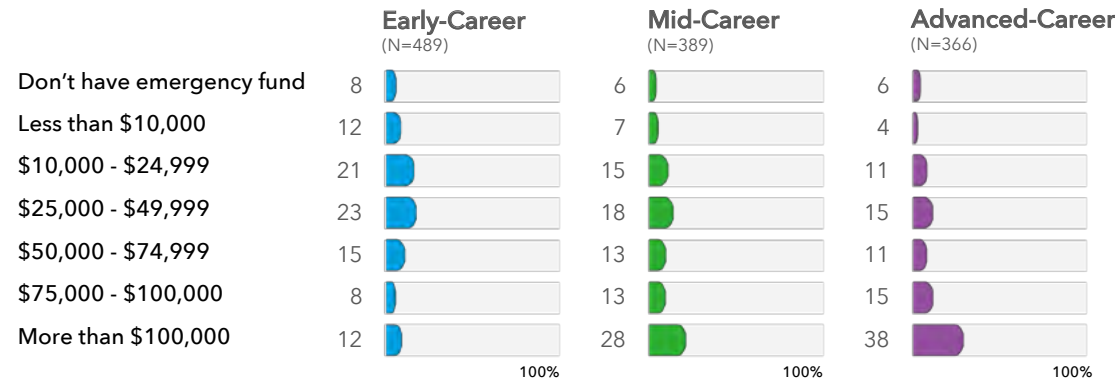
Percent of Responding Physicians

Benchmarks by Career Stage: Financial Preparedness (continued)

EMERGENCY SAVINGS by Career Stage

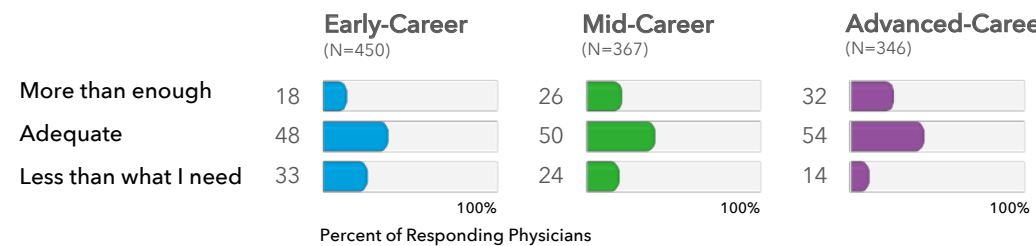
Most early-career physicians keep less than \$50,000 on hand for emergencies, while mid- and advanced-career physicians are more likely to have more than \$100,000 in liquid savings.

Q: Approximately how much do you keep in your liquid emergency savings fund?



Emergency fund levels are "adequate" according to most physician respondents, although 30% of early-career doctors say they have less on hand than what they need.

Q: Do you consider your emergency fund to be:

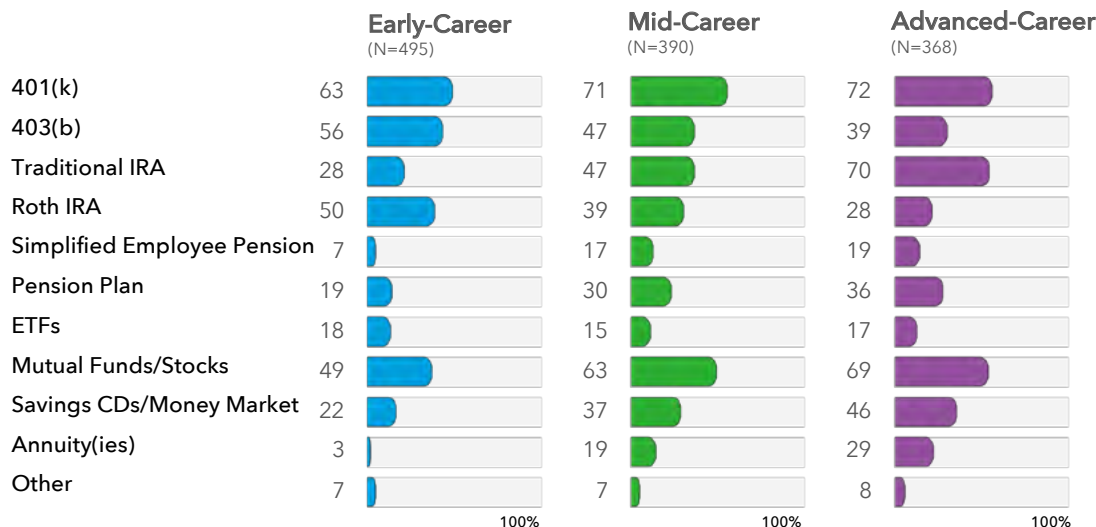


Benchmarks by Career Stage: Financial Preparedness (continued)

TOP INVESTMENT VEHICLES by Career Stage

Physicians at all career stages have diverse investments in their retirement savings portfolios. Roth IRAs are popular with early-career physicians. ETFs (Exchanged Traded Funds) are growing in popularity among physicians.

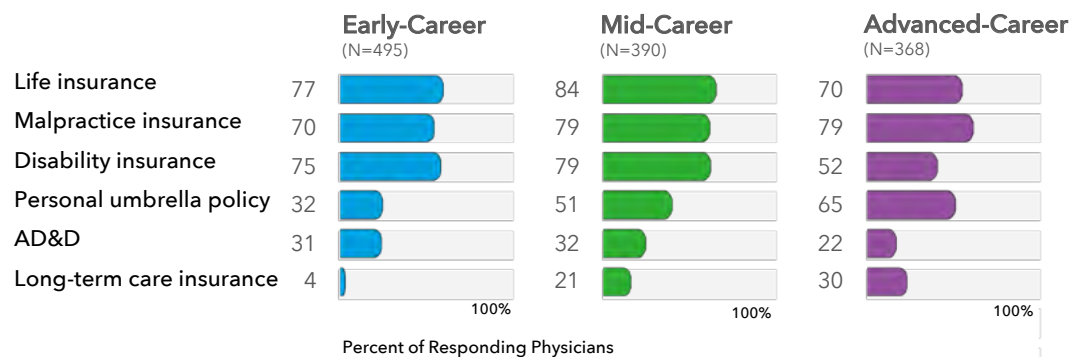
Q: Which of the following financial investments do you currently have in place for your retirement savings?



INSURANCE PROTECTION by Career Stage

More than 75% of early- and mid-career physicians carry disability insurance in addition to life and malpractice insurance.

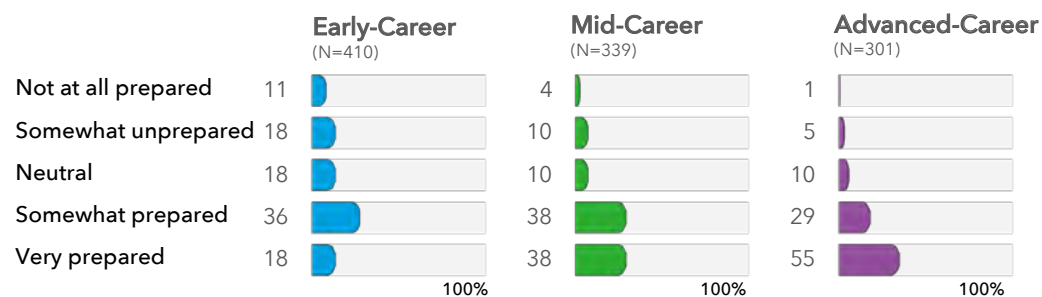
Q: Which types of the following insurance policies do you currently have in place?



Benchmarks by Career Stage: Financial Preparedness (continued)

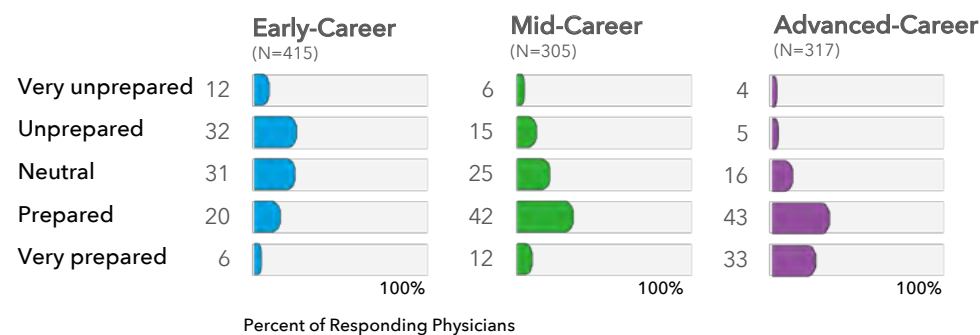
While most physicians feel their family would be prepared in the event of their untimely death, younger doctors feel less prepared, including 11% who say they don't feel at all prepared.

Q: How financially prepared do you feel your survivors would be in the event of your death?



When it comes to preparing for an income disruption due to a disability, only 26% of early-career physicians say their family would be financially prepared if they suffered a disabling illness or accident.

Q: How financially prepared do you feel if you become disabled and unable to practice internal medicine?

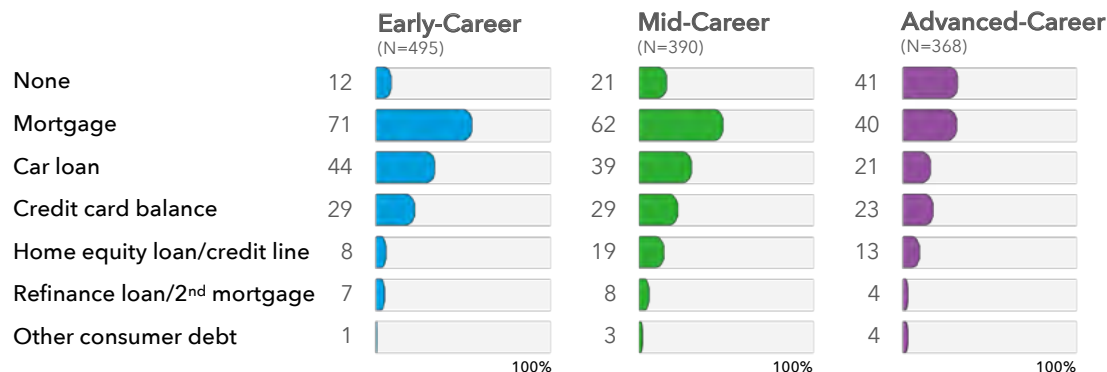


Benchmarks by Career Stage: Financial Preparedness (continued)

CONSUMER DEBT by Career Stage

Among advanced-career physicians, 41% say they have no consumer debt at all. Only 40% have a mortgage.

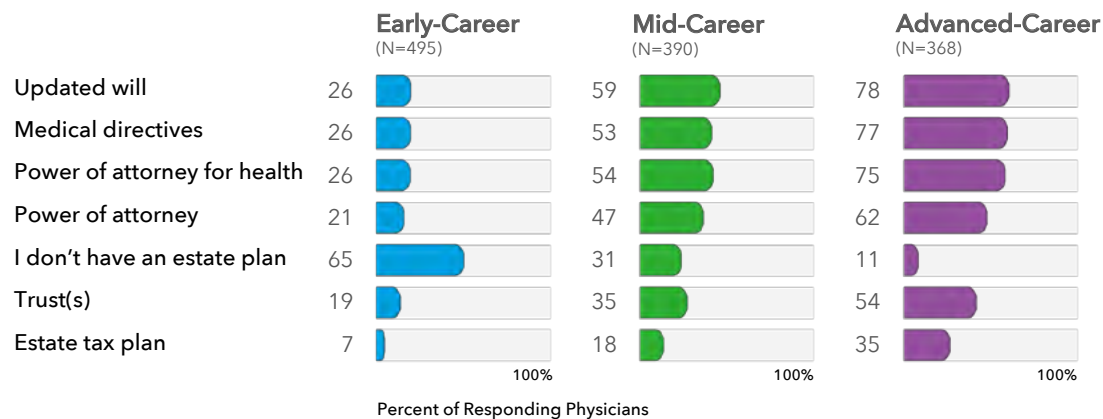
Q: Which of the following types of consumer debt do you have (excluding student loan debt)?



ESTATE PLAN ELEMENTS by Career Stage

Only 26% of early-career physicians and 59% of mid-career physicians have an updated will. Half (54%) of advanced-career physicians have established a trust.

Q: Which of the following do you have in your estate plan?



Insights for Internists

Regardless of career stage in internal medicine, a comfortable retirement is a top personal financial goal for more than 90% of U.S. internal medicine physicians, residents, and fellows who responded to the study.

Research from the *2021 ACP Physicians' Financial Preparedness Report* shows that internists who are ahead of schedule in saving for retirement take an active role in charting their course toward financial health. They are also generally in a stronger position to weather the unexpected and achieve the retirement they have been working toward.

Overall, the study identified **eight essential differentiators** between physicians who are financially prepared for retirement and those who feel behind.



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8 Characteristics of Financially Prepared Physicians

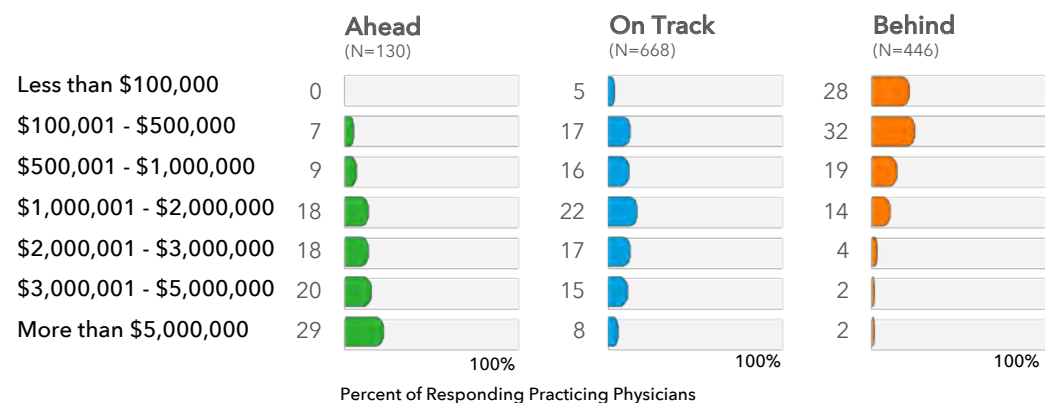
The financial preparedness research methodology used for the *2021 ACP Physicians' Financial Preparedness Report* was designed to map personal financial attitudes and beliefs to financial behaviors. The goal of the report is to provide each responding physician with an opportunity to self-assess where they are on their journey to a secure retirement.

By studying the attitudinal and behavioral differences between those who feel **ahead** or **on track** and those who feel **behind** in saving for retirement, we found eight characteristics that differentiate doctors in each group.

1. Retirement savings over \$1 million

Most physicians who feel ahead of schedule for retirement have more than \$1 million saved for retirement, regardless of their age or career stage. Nearly 50% of doctors who are most prepared financially for retirement have more than \$3 million saved.

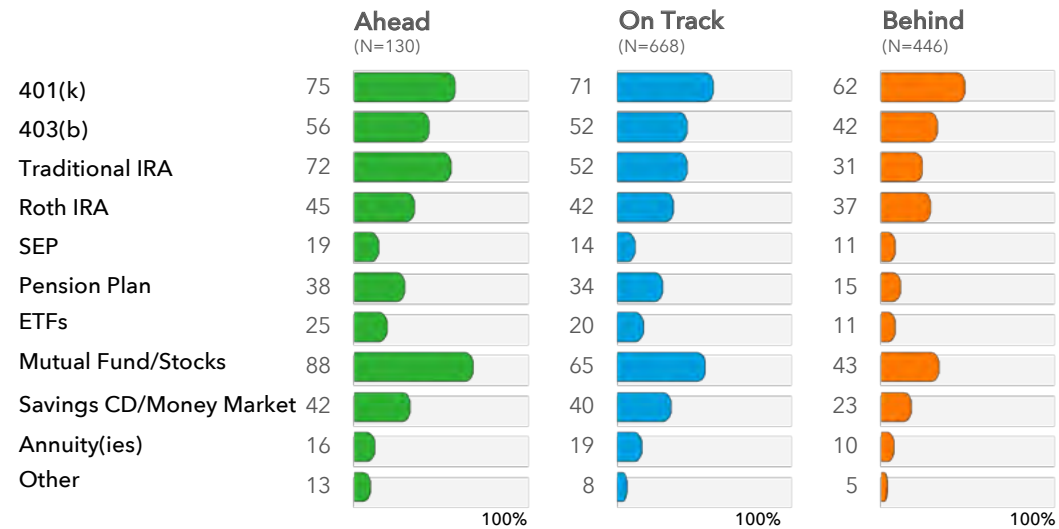
Q: What is the approximate value of your current retirement savings portfolio?



2. Diversified financial portfolio

Those who are ahead of schedule invest in their qualified retirement plan at work and are more than two times as likely to have a traditional IRA, mutual funds/stocks, and CD or money market savings in their portfolio.

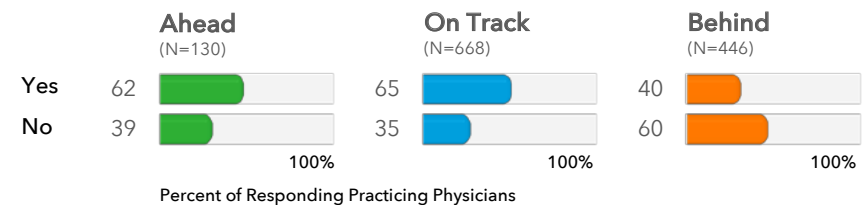
Q: What financial investments do you have in place?



3. Uses a professional advisor

Physicians who are ahead or on track are significantly more likely to use a professional financial advisor than those who are behind schedule. The majority of those physicians say their advisor is a certified financial planner (CFP).

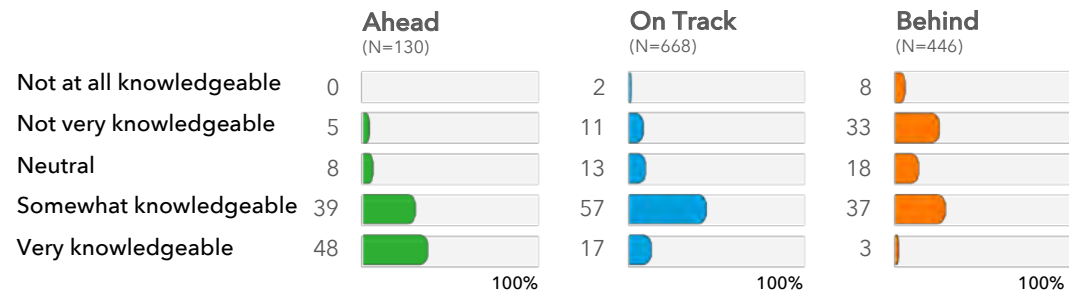
Q: Do you/your family use a professional financial planner?



4. High personal financial intelligence

Personal financial knowledge is a hallmark characteristic of physicians who also say they are ahead of schedule for retirement. By contrast, 60% of those behind in saving for retirement do not consider themselves knowledgeable.

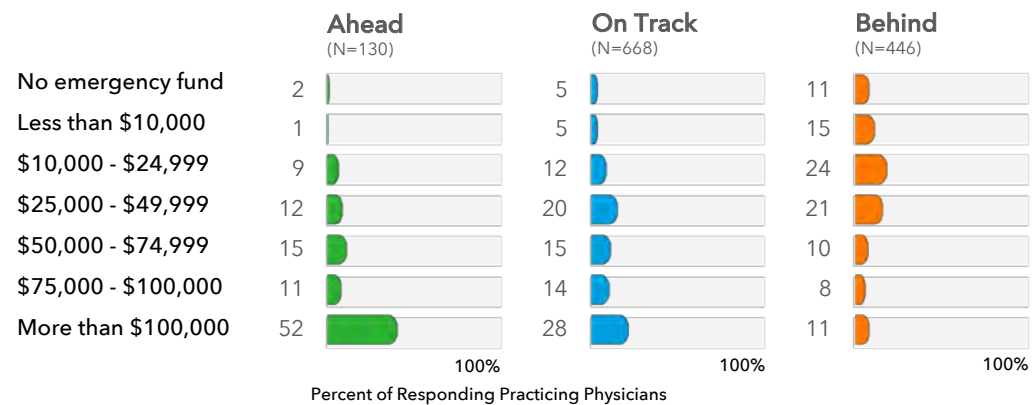
Q: How knowledgeable do you feel about personal finance issues?



5. Adequate emergency reserve

Half of all doctors who say they are ahead of schedule for retirement keep more than \$100,000 in a separate, liquid emergency fund. Those behind schedule are more likely to have less than \$50,000, with 26% having less than \$10,000 in emergency savings or none at all.

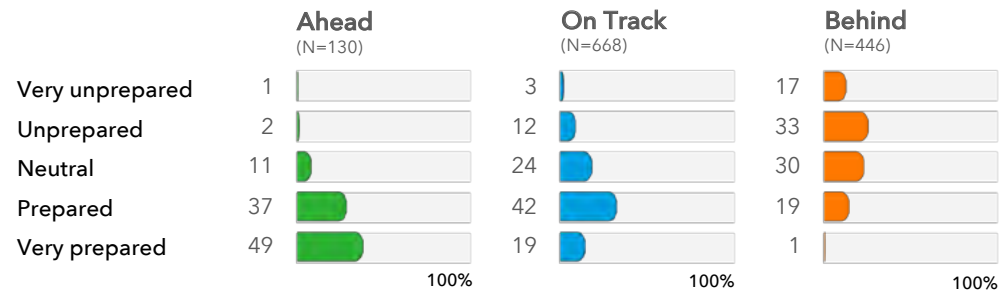
Q: Approximately how much do you keep in your liquid emergency savings fund?



6. Sufficient life and disability insurance

Most physicians who are financially prepared for retirement are also more likely to feel prepared in the event of their premature death or disability. Conversely, 41% of those behind schedule for retirement feel unprepared or very unprepared in the event of a disability.

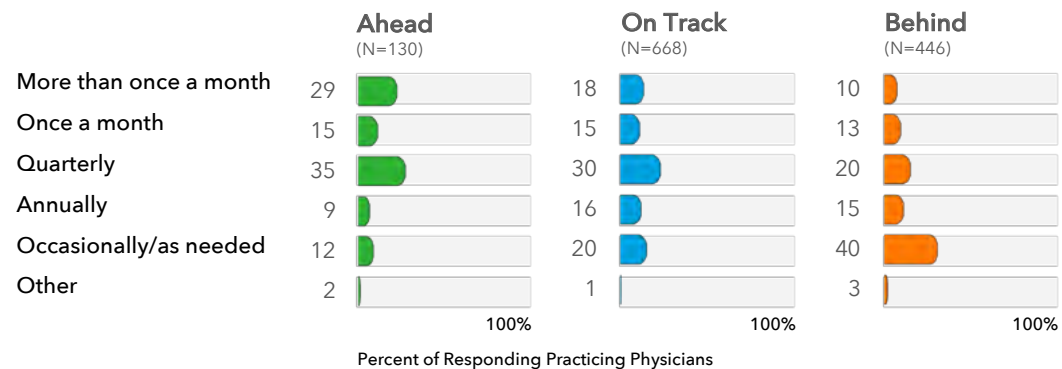
Q: How financially prepared do you think you are in the event that you become disabled and unable to practice medicine?



7. Spends adequate time on retirement planning

Those who are behind schedule for retirement say they spend time on retirement planning occasionally or on an as-needed basis. Physicians who are ahead of schedule review their retirement plans at least quarterly and often more than once a month.

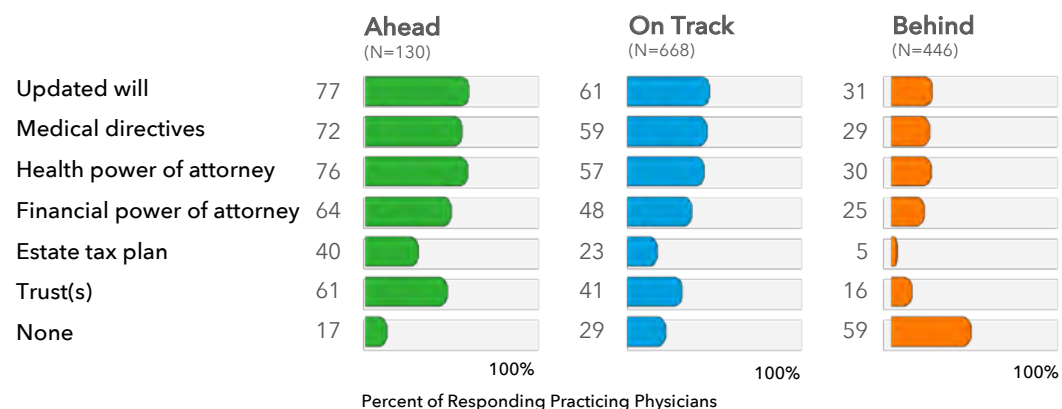
Q: How often you spend time on retirement planning?



8. Estate plan is in order

Across the board, financially prepared physicians are significantly more likely to have an updated will, medical directives, powers of attorney, and a trust set up. About 60% of those who feel behind do not have any estate plan elements in place for their family.

Q: Which of the following do you have in your estate plan?



Advice from those who are ahead of schedule for retirement:

"Living a full life is not about how much money you can spend."

"Know the difference between your wants and needs."

"Remember the power of compound interest. Be patient. Don't sell in a panic."

"Do not overspend, live within your means, save, save, save!"

"Make sure you and your spouse have a similar financial philosophy."

"Get an excellent financial advisor, and follow his/her suggestions."

"Make time for your family and recreation. You are more than your profession."

"Educate yourself. Many physicians fall prey to bad financial decisions due to lack of financial education."

Ask the Experts

To help answer physicians' questions, we asked two principals from the independent advisory firm of Braun-Bostich & Associates, Amy Braun-Bostich, CFP®, and Cassandra Kirby, CFP®, to review the findings and provide their financial advice for ACP member physicians in different financial situations.

Meet the Certified Financial Planners



Amy Braun-Bostich

Founding Partner, CEO, and Private Wealth Advisor
Email: amy@braun-bostich.com

Amy is the CEO and founder of Braun-Bostich & Associates. She has over 30 years of experience in the financial services business and has invested the time and discipline toward ongoing education to bring her clients the best advice possible for their situation. Amy has a bachelor's degree in psychology from UCLA, a MSFP (Master of Science in Financial Planning), a [CFP® \(Certified Financial Planner\)](#), and an APMA® (Accredited Portfolio Manager Advisor) from the College for Financial Planning. She also has a CFS® (Certified Fund Specialist) from the Institute of Business & Finance and a CLTC® (Certification in Long-Term Care) from the Corporation for Long-Term Care.



Cassandra L. Kirby

Partner, COO, CCO, and Private Wealth Advisor
Email: ckirby@braun-bostich.com

Cassie's journey with Braun-Bostich & Associates began while completing her bachelor's degree in business administration at California University of Pennsylvania in 2001. While learning every facet of the business over the past 20 years, Cassie became a [Certified Financial Planner® \(CFP\)](#) in 2009 and an Enrolled Agent (EA) in 2014. Cassie believes that financial planning and helping each client define and achieve their goals is truly understanding who they are as individuals and what (and who) is most important to them. It's forming and maintaining these relationships that she enjoys most about the business.

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Balancing debt paydown with saving for retirement

- Q. For physicians who are more concerned with paying down debt, how would you advise them to think about saving for retirement?

It's important to work to pay down debt but not at the risk of losing out or falling short of saving for retirement and enjoying the benefits of compounding interest over time. Physicians should review their debt, minimum payments, and associated interest rates alongside their cash flow and determine what amount should best be applied to the debt paydown strategy and what amount they can afford to allocate to retirement savings. If the interest rates are relatively low, perhaps it makes more sense to make the minimum payments and invest some other amount of free cash flow. Higher interest rates may call for a more aggressive debt paydown approach.

Defining a CFP

- Q. Most physicians say their advisor is a Certified Financial Professional (CFP®) but some, especially younger physicians aren't sure. What are the core differences?

The CFP® designation is one of the most notable and prestigious designations in the financial planning industry today. The CFP® and its board are dedicated to trustworthiness and putting the client's best interests first. A certified financial planner must complete a rigorous study program to pass the certification, and there are strict continuing education requirements to which CFP® professionals must adhere. Non-CFP® advisors do not have the same standards to uphold or the initial study and ongoing education requirements.

Hiring an advisor

- Q. If you were a young physician looking for your first advisor, what steps would you take? How much is "trusting your gut" versus pen and pencil comparisons?

The same rules for working as a doctor apply to finding and working with a financial planner. You would not depend totally on a gut feeling to make a diagnosis, and you shouldn't depend on a gut feeling to work with an advisor. There are many charming and charismatic planners who don't really do a great job for their clients. You don't want to work with them. Make sure they are a fiduciary, have credentials that mean something, and that they have expertise in working with clients like you. You should ask for referrals when you have narrowed the field down to two advisors. Then use your gut to go the rest of the way.

Evaluating the cost of an advisor

- Q. Everyone is fee-based now. What is the appropriate fee range for managing assets under \$500,000? \$500,000-\$1,000,000, \$1,000,000-\$3,000,000? Are financial advisory fees going up or down?

Fees have stayed put for the most part; \$500,000 to \$1 million is generally a bit above 1%, and from \$1 million to \$3 million, it's at 1%. But this also depends on the amount of work the advisor is going to be doing for you. Some advisors really do nothing more for the 1% other than investment advice, and others do a lot of planning, which is time-consuming. Make sure you understand what you're getting, even if you must pay a little more.

Spending time on retirement planning

- Q: 35% of early career physicians said they feel the time they spend on retirement planning is not adequate. How much time should they spend? Is there an annual calendar of things you would recommend?

I would recommend that they meet with an advisor two to four times per year. Most physicians don't have the free time to educate themselves on a regular basis and review performance metrics. If someone wants to do this on their own, then I would recommend using ETFs and index my portfolio and rebalance annually. There are model portfolios from iShares to Vanguard you can copy. Understanding changes in tax code, Roth opportunities, etc., will require ongoing education.

Determining how much disability insurance is enough

- Q: Disability insurance is important to physicians (more than 70% of early and mid-career physicians have insurance designed to protect their income) yet only 21% feel prepared in the event of a disability. How do know they have enough?

If you can maintain your current lifestyle with some tweaking, then you have enough—this is all part of the plan. Will your spouse work, do you have children, would you move, will your expenses go up to pay for additional help? Can you afford to continue to fund children's activities and save for their college? Check your employer coverage to be sure the monthly benefit you would receive is adequate for your current lifestyle.

Risk management considerations

- Q: Risk management is an ever-changing, lifelong process. As internists experience major career advancement (new jobs, promotions) and life changes (marriage, children, etc.) how would you advise them to think about risk management?

Risk management involves every area of your life from insuring the things that you can't afford to lose and making sure you have structured your ownership titles to protect against lawsuits. On a portfolio level, making sure you are taking an appropriate amount of risk. There are several facets to Risk—risk capacity, risk tolerance and risk balance, which by that I mean that you are taking an appropriate amount of risk for the return you are getting.

Improving your financial situation

- Q: What steps should a young physician take to begin to turn their personal financial situation around?

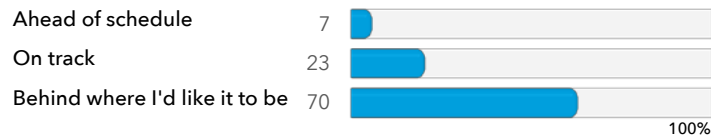
Seeking the advice of an investment professional as a young physician can be a great way to get a jump start on retirement and investment planning. It's important to understand both your short-term and long-term goals, as well as your cash flow, and to remember to pay yourself, establish a logical debt paydown approach, and prepare for the unexpected. Having a professional advisor in your court affords you the ability to plan and strategize while being educated along the way.

Residents | Fellows

Data from the *2021 ACP Physicians' Financial Preparedness Report* shows that most internal medicine residents and fellows feel their retirement portfolio is behind where they'd like to be at this early point in their career, even though most have a retirement savings plan in place.

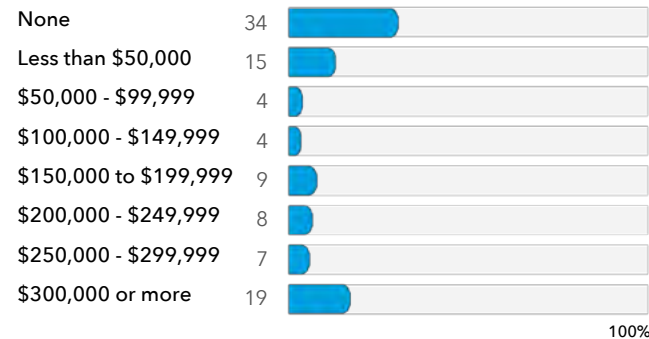
Resident internists feel delayed in their financial journey to retirement, citing heavy debt and lack of personal financial knowledge as the key contributing factors. Despite this, we found 7% of residents and fellows who consider themselves ahead of schedule.

Q . Overall, how would you describe the status of your retirement financial plans?



Overall, 80% have less than \$100,000 saved for retirement to far.

Q . What is the approximate value of your current retirement savings portfolio?

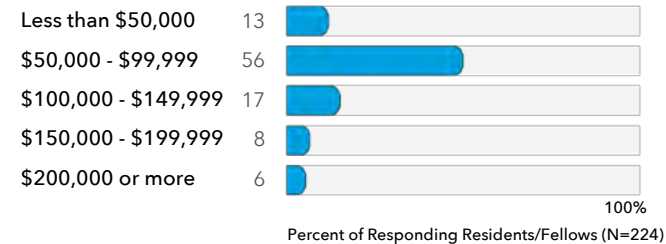


Key highlights for responding residents:

- Seventy percent feel behind in saving for retirement.
- Forty-seven percent are married.
- Seventeen percent have children.
- Only 40% feel knowledgeable about personal finance matters.
- Most say they lack confidence in their decision-making.
- Nearly 90% are employed by hospitals.

Internal medicine residents face relentless personal finance challenges including relatively low household income during their training years. Nearly 80% of resident physician households earn less than \$100,000.

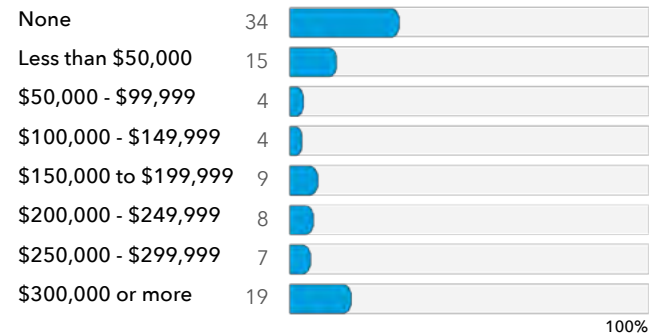
Q . What was your approximate household income during the past 12 months?



Residents | Fellows (continued)

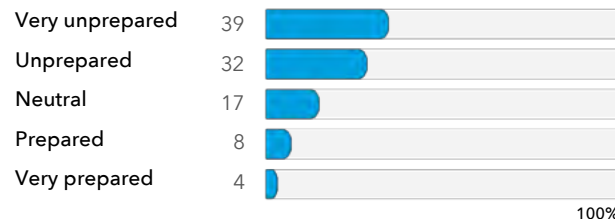
Among other findings, one-third of internal medicine residents and fellows owe more than \$200,000 in student loan debt and many have consumer debt on top of that. One bright spot that may suggest a turning tide is that 34% of respondents had no student loan debt.

Q. How much student loan debt did you have after medical school?



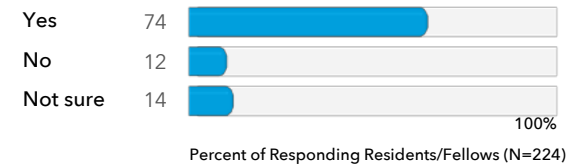
Importantly, 71% of residents said they feel financially unprepared if they lost the ability to earn an income as a physician in the event of suffering a disability.

Q. How financially prepared do you feel you are if you become disabled and unable to practice internal medicine?



Residents and fellows already understand that physicians have unique or more complicated personal financial needs including delayed savings for retirement, high student debt and tremendous time constraints for learning about personal finance matters.

Q. Do you think physicians have unique personal financial needs?



What residents wish they knew even earlier in their career:

"I wish there was dedicated teaching on the importance of investing and finances at least once during medical school AND residency."

"How to negotiate a better salary."

"Not to borrow as much loan money."

"Not to listen to predatory financial (non-fiduciary) advisors that target unknowing residents."

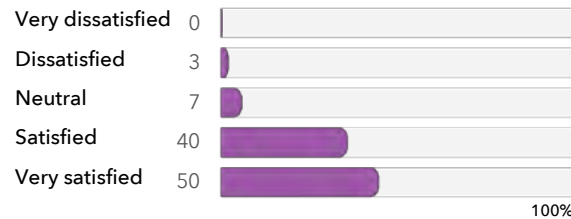
"How to start saving and investing for retirement, specifics!!"

Retired Internists

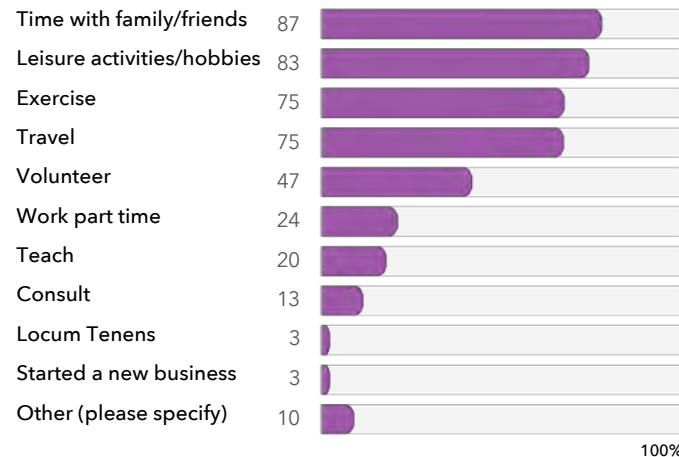
More than 400 retired internists in their 60s, 70s, 80s, and 90s shared their experiences, opinions, and retirement financial details in an anonymous, in-depth national survey fielded in March 2021. [N=431, 95% confidence +/- 6%]

Results from the *2021 ACP Physicians' Financial Preparedness Report* indicate that retired internal medicine physicians are enjoying a satisfying retirement after a career in medicine.

Q: How satisfied are you with your retirement?



Q: How are you spending your retirement? (Select all that apply)



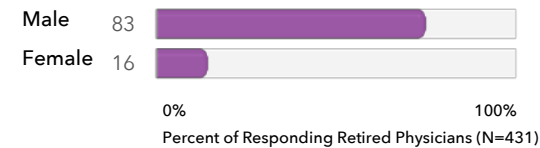
Most retired physicians are enjoying a busy and active retirement lifestyle.

Key highlights for responding retired internists:

- Ninety percent are satisfied or very satisfied with their retirement.
- Fifty-six percent have more than \$3 million in their retirement portfolio.
- Ninety percent feel knowledgeable about personal finance matters.
- Most own their own home; one-third own a second home.
- More than 90% have an updated will and other directives in place.

Retired physician respondents were 86% male and 16% female, which is representative of the gender split among practicing physicians whose careers began in the 1970s and 1980s.

Q: What is your gender?

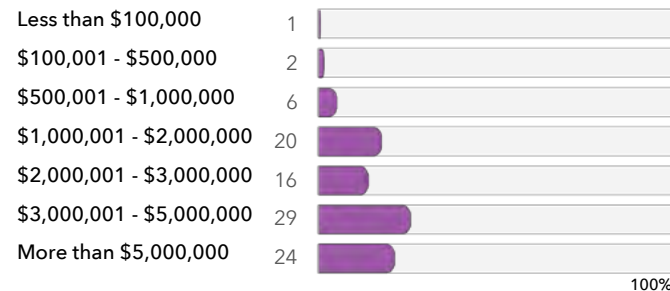


Retired Internists (continued)

Unlike younger physicians today, who start saving for retirement during residency, retired physicians didn't start saving for retirement until post-training when qualified plans such as 401(k) and 403(b) were introduced in the workplace to help Americans save for retirement.

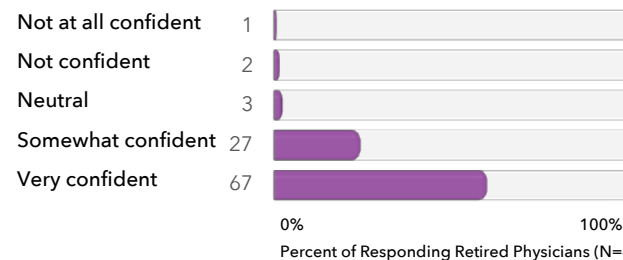
Retired physicians also tended to work later in life, with many practicing well past age 70 and even into their early 80s. Those years saving for a retirement nest egg pay off.

Q. What is the approximate value of your current retirement savings portfolio?



Most (94%) retired internal medicine physicians are confident that their financial portfolio will last throughout their retirement.

Q. How confident are you that your financial portfolio will last throughout retirement?



Advice for physicians getting ready to retire from those who are already there.

Physicians stressed the importance of staying flexible with retirement plans. One physician found her first few years of retirement to be nothing like she had expected after her husband got sick and she lost both parents. Others advise that the transition to retirement from medicine can be quite traumatic, so gently winding down your schedule until the day you retire and having a concrete plan for what you will do with your time will help ensure a smooth retirement.

"Find a qualified, accessible retirement and investment advisor and work closely with them. Remember your ability to recoup investment mistakes post retirement are markedly curtailed."

"Check everything carefully before retirement."

"Keep spending low in first few years or so until you are certain cash flow is adequate for your needs."

"Make sure you have other hobbies and pursuits before you retire. Don't let yourself get bored. Your worth is not merely your profession."

Impacts of COVID-19

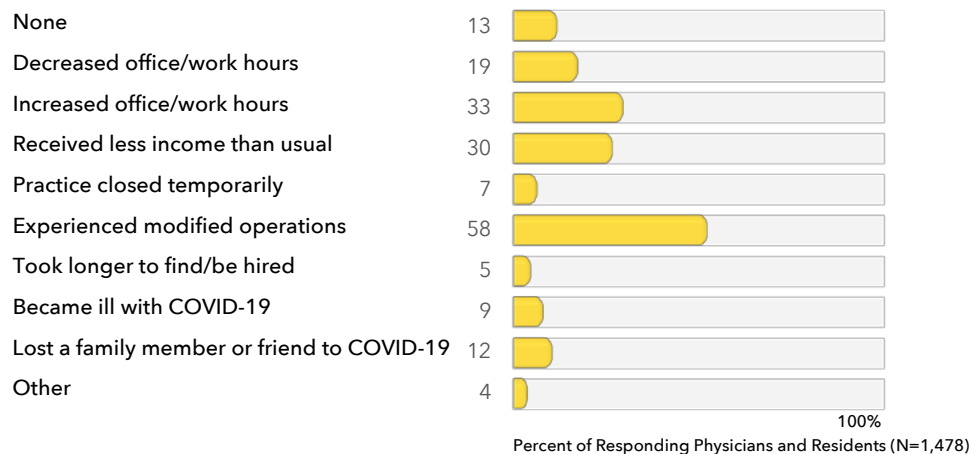
According to more than 1,400 practicing physicians and residents from a national study conducted in March 2021, 87% of internal medicine physicians reported substantial changes in the way they practiced, how they were compensated, the number of hours they worked, and the emotional toll of practicing internal medicine during the pandemic.

In addition to the loss of patients and intense professional stress, 9% of responding physicians became ill with COVID-19 and 12% lost a friend or family member to the virus.

Key highlights for responding internal medicine physicians:

- Thirty percent received less income than usual.
- Fifty-eight percent experienced the challenges of modified operations, including telehealth.
- Nine percent became ill with the virus.
- Twelve percent lost a friend or family member to COVID-19.

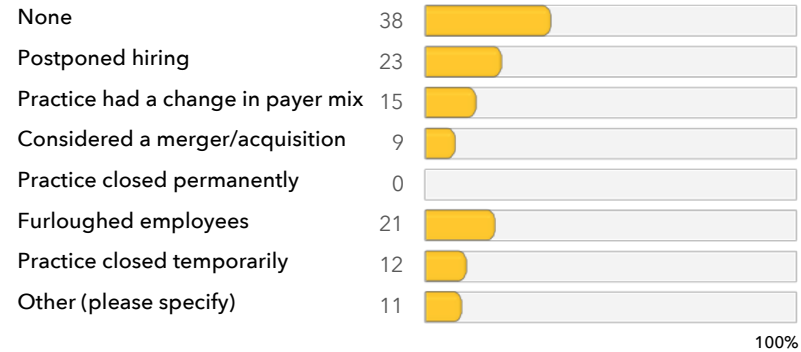
Q · Which have you experienced since the COVID-19 pandemic began?
(Select all that apply)



Impacts of COVID-19 (continued)

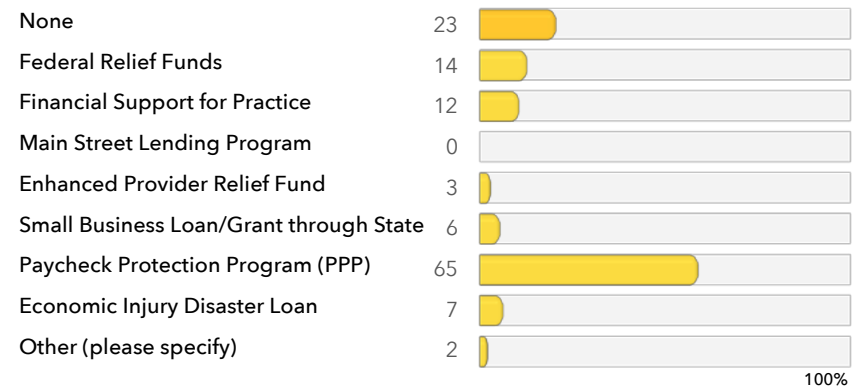
As a practice owner, co-owner or partner, which additional situations have you experienced since the COVID-19 pandemic began? (Select all that apply)

Among practice owners, co-owners, and partners in group practices, physicians reported serious operational strain. This strain resulted from shortages in PPE supply, staff illness, hiring freezes (if they could even find good staff), paused expansion projects, or furloughed employees. Physicians also mentioned increased costs for cleaning supplies during the pandemic.



Which financial programs did you apply for, or receive to help brunt the financial impact of COVID-19 on your practice? (Select all that apply)

Seventy-seven percent of responding internal medicine practices participated in federal COVID-19 relief programs, including 65% who sought forgivable loans through the Paycheck Protection Program (PPP).



Percent of Responding Practice Owners (N=210)

Impacts of COVID-19 (continued)

The impacts of COVID-19 differed by physician career stage in significant ways:

Early-career physicians (in practice 16 years or less) were more likely to have experienced increased hours (49%), sometimes accompanied with increased income.

Mid-career physicians (in practice 17-30 years) also experienced increased office/work hours, but 38% received less income than usual.

Advanced-career physicians (in practice 30+ years and typically over age 60) were more likely to have experienced decreased hours or temporarily closed their practice to protect themselves and their employees.

Residents and fellows handled increased hours and more exposure to the virus. Some mentioned reduced training time leading to significant gaps in training. Residents also said that some employers delayed the recruitment of additional faculty or stopped their retirement match.

Physicians as parents

Physicians with families struggled with child care arrangements and felt the stress of the increased need to be home to assist their children who were learning virtually during the 2020/2021 school year. Some took a leave of absence, sold their solo practice to join a group, or left their practice entirely due to the inability to balance work and family needs during the pandemic.



Here's what some of them had to say about what they endured amid the pandemic:

"Decreased actual time with patients, increased documentation work."

"Significant increase in stormy admissions and transfers from other hospitals. Increased rapid responses and deaths."

"Increased stress from constant exposure to risk of acquiring COVID-19 on the job."

"Office hours slowed down in spring but back to normal now. Money-wise this was my best year in 20 years."

"Left practice due to family needs that were unable to be balanced due to Covid."

"Changed manner of teaching and rounding."

"It was a crazy year."

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Additional articles on financial preparedness for physicians:

[8 characteristics of financially prepared physicians](#)

[Retired internists share the keys to a satisfying retirement](#)

[Ready to wind down or retire? Experienced physicians share their advice](#)

[Residents delayed in retirement journey cite heavy debt, lack of finance knowledge](#)

[15% savings on disability insurance for internists extended to 2022](#)

[COVID-19 impacts on internal medicine physicians](#)

[Positioned for a secure retirement. 95% of retired internists confident in nest egg](#)

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[ACP Member Insurance Program for Internists](#)

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