

FINANCIAL PLANNING CHECKLIST: A GUIDE FOR MEDICAL & DENTAL PROFESSIONALS

From residency to retirement, medical professionals have unique financial planning needs. Use this guide to help manage financial milestones throughout your career.

CREATE, UPDATE AND STICK TO A BUDGET.

Start good financial habits early, while you're in training, by tracking and controlling your spending using the following guidelines. Continue to monitor and adjust your spending habits as your career or practice grows.

- 20 percent for savings and investing
- 60 percent on essential expenses
- 20 percent on discretionary expenses

BUILD AN EMERGENCY FUND.

Out of the 20 percent mentioned above for saving and investing, prepare for unexpected expenses by creating an emergency fund. Make this a top priority, working to save three to six months of expenses in an account that's easily accessible.

CREATE A PLAN FOR STUDENT LOAN REPAYMENT.

For both undergraduate and medical school loans, it's important to select a repayment option that's right for you (e.g., Public Service Loan Forgiveness). Refer to the [American Association of Medical Colleges guide](#) for tips on repayment plans, deferment and forbearance options and forgiveness programs.

PAY DOWN DEBT AND BUILD GOOD CREDIT.

If you have debt, prioritize payments by paying off the debt with the highest interest rate first. Be sure to make payments on time, or it could hurt your credit. Also, check your [credit score](#) regularly – a good score will help you in the future.

PROTECT YOUR PAYCHECK.

An injury or illness could limit your ability to practice. Check your employer's disability income insurance coverage; it may cover only a portion of what you earn if you become sick or injured. Supplemental insurance options are available specifically for medical professionals, but be sure you understand how the policy defines total and partial disability. Finally, remember to update this coverage as you grow in your practice.

PUT ADDITIONAL PROTECTIONS IN PLACE.

As your career grows, explore the various "what ifs" and get the right insurance to protect against potential impacts to your budget.

- Medical malpractice insurance
- Life insurance
- Renters/homeowners insurance
- Auto insurance
- Umbrella insurance

SAVE AND INVEST FOR RETIREMENT.

Start saving, even while you're in training. If your employer offers to match a percentage of your retirement savings contributions, set aside enough to obtain the maximum employer match. Also, explore other retirement vehicles to maximize your taxable assets while saving for retirement:

- 401(k) or 403(b)
- 457(f) or 457(b)
- Traditional or Roth IRA

EXPLORE ATTORNEY ASSISTANCE.

Utilize attorney expertise to:

- Protect your assets against malpractice or liability claims.
- Review your employment contract to understand terms, liability and malpractice coverage needs, deferred compensation and exiting options.
- Maximize your tax planning.
- Develop an estate plan that includes a will and medical directives.
- Discuss how estate plans will progress as your income increases.

START A COLLEGE SAVINGS PLAN.

You certainly know the value of a good education – and the cost of getting one! If paying for a child's education is a priority, start saving now. There are many [education savings plans](#) available, including 529, Coverdell and UGMA/UTMA plans.

TALK TO A PROFESSIONAL.

Financial planning can feel overwhelming, but it doesn't have to be. A financial representative can help you design a plan and implement strategies to meet your specific goals with confidence.



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