

FINANCIAL LITERACY IN PHYSICIANS: *LOST TOPIC OR FORBIDDEN FRUIT?*



HAWAII ACADEMY OF FAMILY PHYSICIANS

FEBRUARY 16-18

GRAND NANILOA HOTEL

EMILIO GANITANO MD, FACP

ASSISTANT PROFESSORS

UH JABSOM DEPT OF MEDICINE /
DIVISION OF CRITICAL CARE

1

My Story



2



"42% - 79% of Residents have below average understanding of finance, investing and savings."

"80% of residency program directors felt their residents were unprepared to handle personal and professional financial decisions."

Gianakos et al. J Surg Ed 2022; 80:597-612.
Wesslung et al Acad Med 2023; 98:636-643
Wick et al. Int J Rad Oncol Bio Phys 2014; 90: 986-987

3

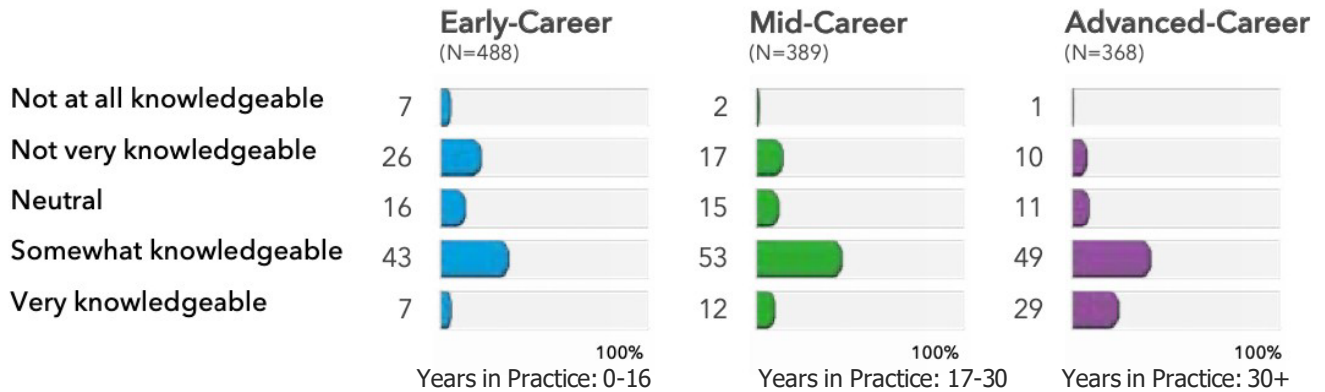
Aloha Critical Care Associates, LLP



4



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



2021 ACP Report Physician's Financial Preparedness

5

As Medical Educators We Teach...

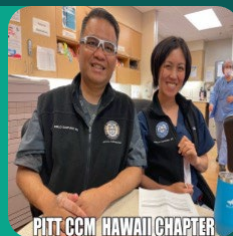


Professionalism

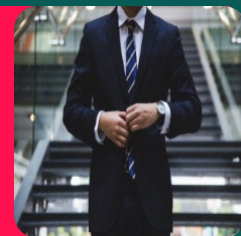


Foundational Science

Clinical Science



Professional Life?



6

Money and Medicine

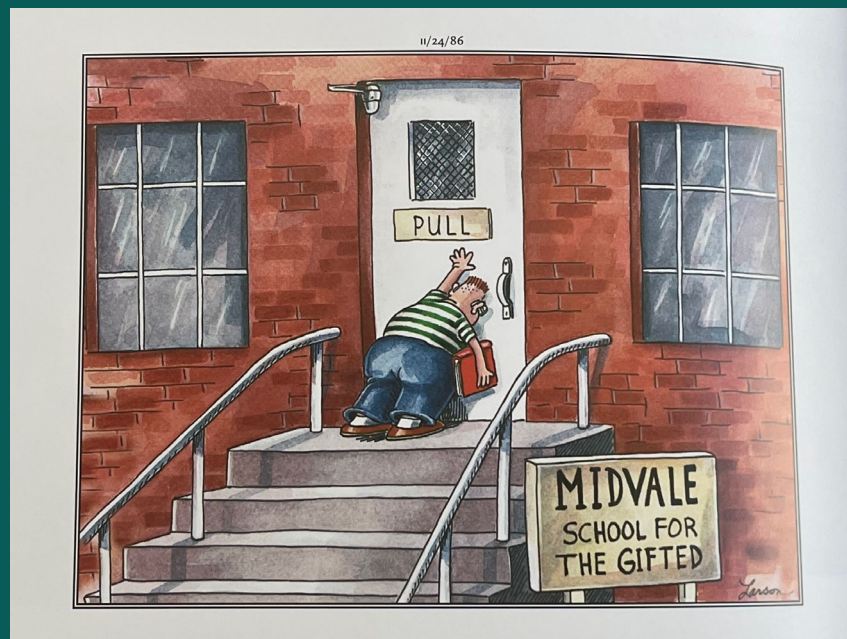
"That which must not be talked about."

- Most Med Schools and Residency Programs have "NO" formal training.
- Talking about "Money" is often a "Forbidden Topic" in our field.
- "Money" is not considered an "Academic Topic"
- NOT an Approved CME topic!!!



7

"We don't know!"



Larson - Far Side

8



"Calling for help is a sign of weakness!"

9

"We should not talk about Money and Medicine. We did not do medicine for the money."

- Anonymous



10

PHYSICIAN BURNOUT

Drummond et al Fam Pract Manage 2015; 122(5) 42-47

Symptoms

- Exhaustion
- Depersonalization
- Lack of Efficiency

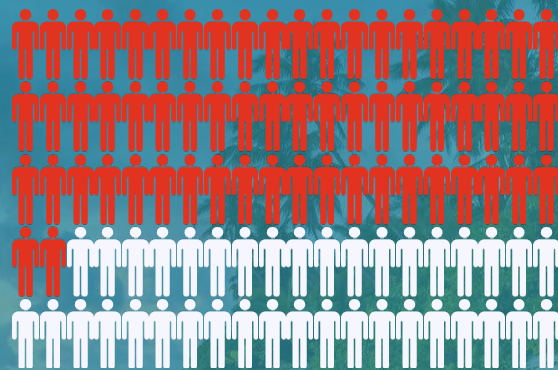
Outcomes

- Decreased Patient Satisfaction
- Medical Error
- Physician and Staff Turnover
- Drug abuse and Alcohol
- Suicide

11

Burnout - Survey of Physicians 2022 vs 2021

"62% of Physicians reported at least one symptom of burnout."



Shanafelt et al. Mayo Clinic Proc 2022; 97(12) 2248 -2258

12

Effect of Financial Burden on Physician burnout

Collier et al. Ann Intern Med 2002; 136:384-390

- Correlation between increased debt self reported cynicism and depressive symptoms.

Sharp et al. Chest 2021;159:733-742

-In pulmonary/critical care fellows financial concerns driven by educational debt were associated with higher odds of depressive symptoms.

West et a. JAMA 2011; 306:952-960

- Internal Medicine residents increased debt was associated with poorer self reported quality of life and work life balance

13



14

FINANCIAL FREEDOM

"Work because you want to, not because you have to!"

Job Choice

Work Hours

Empowerment

Balance



15

Disclaimers

- This talk is for your information, education and entertainment.
- This content of this talk is based on my experience and is my opinion.
- This talk does not reflect the opinions of the University of Hawaii, JABSOM or your organization.
- I am not a professional financial advisor.
- I have not received any formal financial advisor training.
- I do use financial advisors for my personal finances but I have NOT received any financial support from them for this talk.
- Please do your own due diligence and/or check in with your professional financial advisors before making any decisions.
- **The goal is help physicians to think and talk about money and financial literacy.**

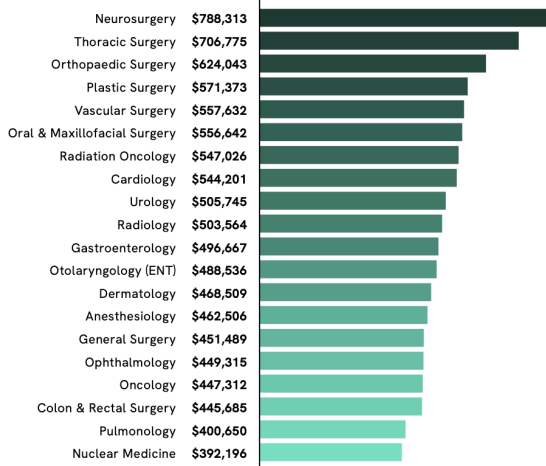
16



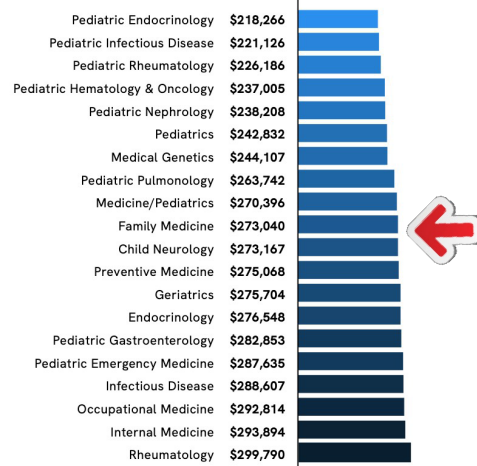
17

"High Income"

The 20 specialties with the **HIGHEST** average annual compensation tend to be surgical and procedural specialties treating adult patients



The 20 specialties with the **LOWEST** average annual compensation tend to be pediatric and primary care specialties



18



"Good Stuff"

19

What is Wealth? - Personal

- Family.
- Food on the table.
- Roof over our heads.
- Money in the bank and maybe some "real estate" investments.
- Investment in the future....Education.

20

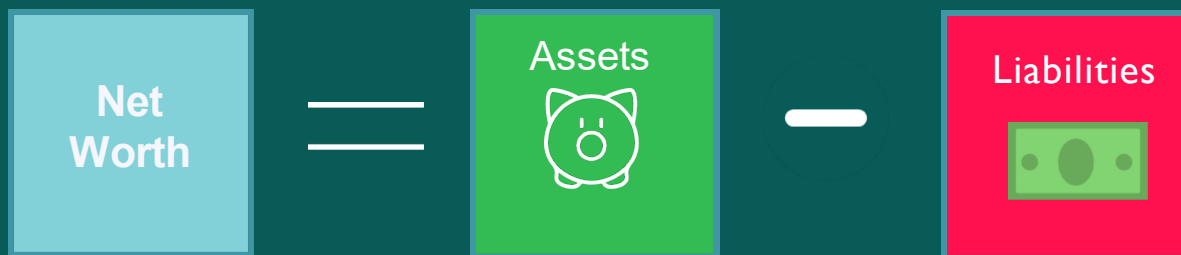
Wealth = Financial Independence

"Financial Independence is the point at which you no longer need to work to earn a paycheck because your Savings, Investments and Passive Income Streams can now support you exclusively. "

"Work because you want to not because you have to."

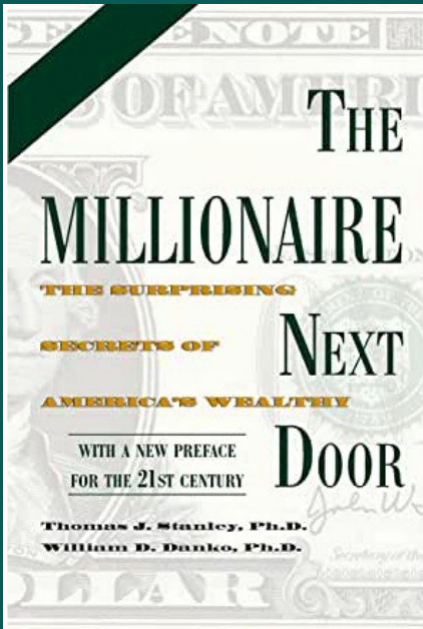
21

Wealth = Net Worth



Danko. The Millionaire Next Door. 2010

22



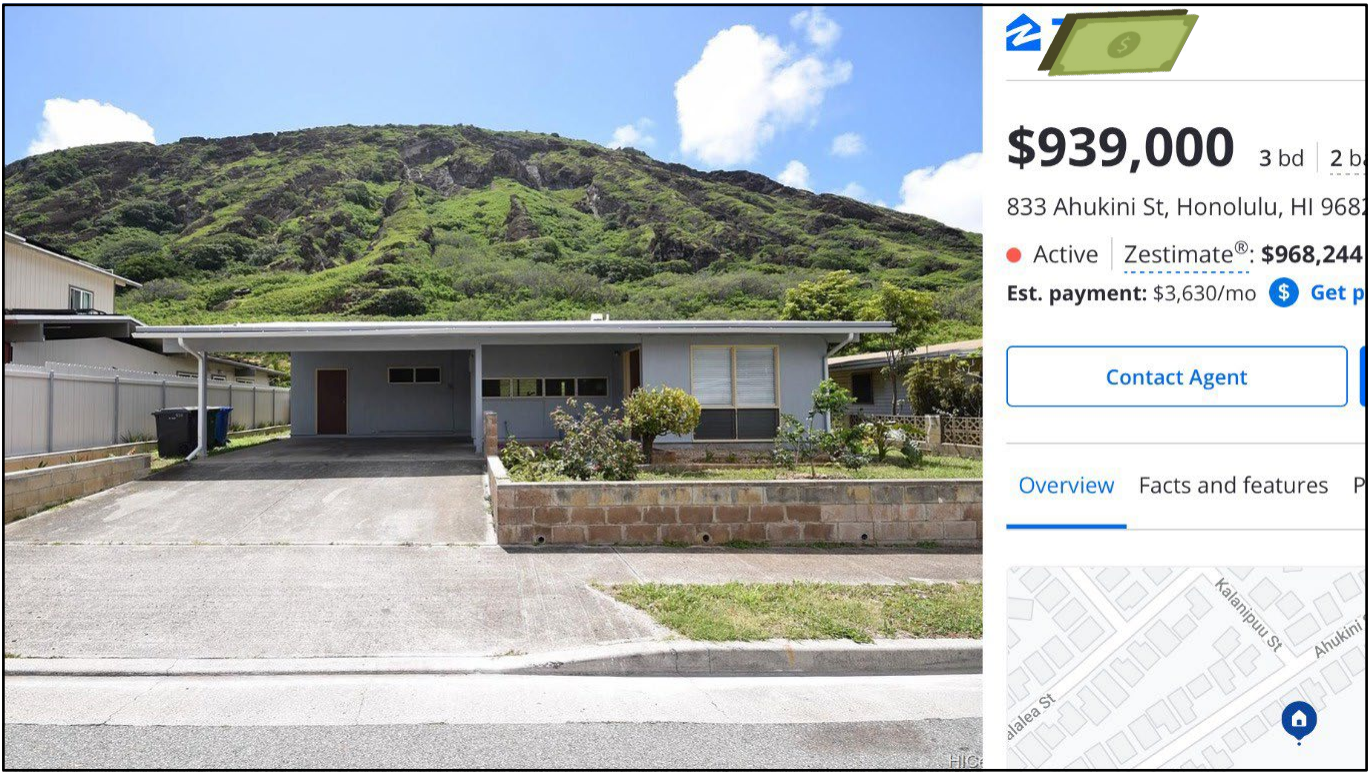
Wealthy = Net Worth > \$1 million

23



What "non locals" think it's like being a millionaire in Hawaii."

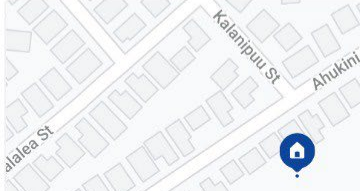
24



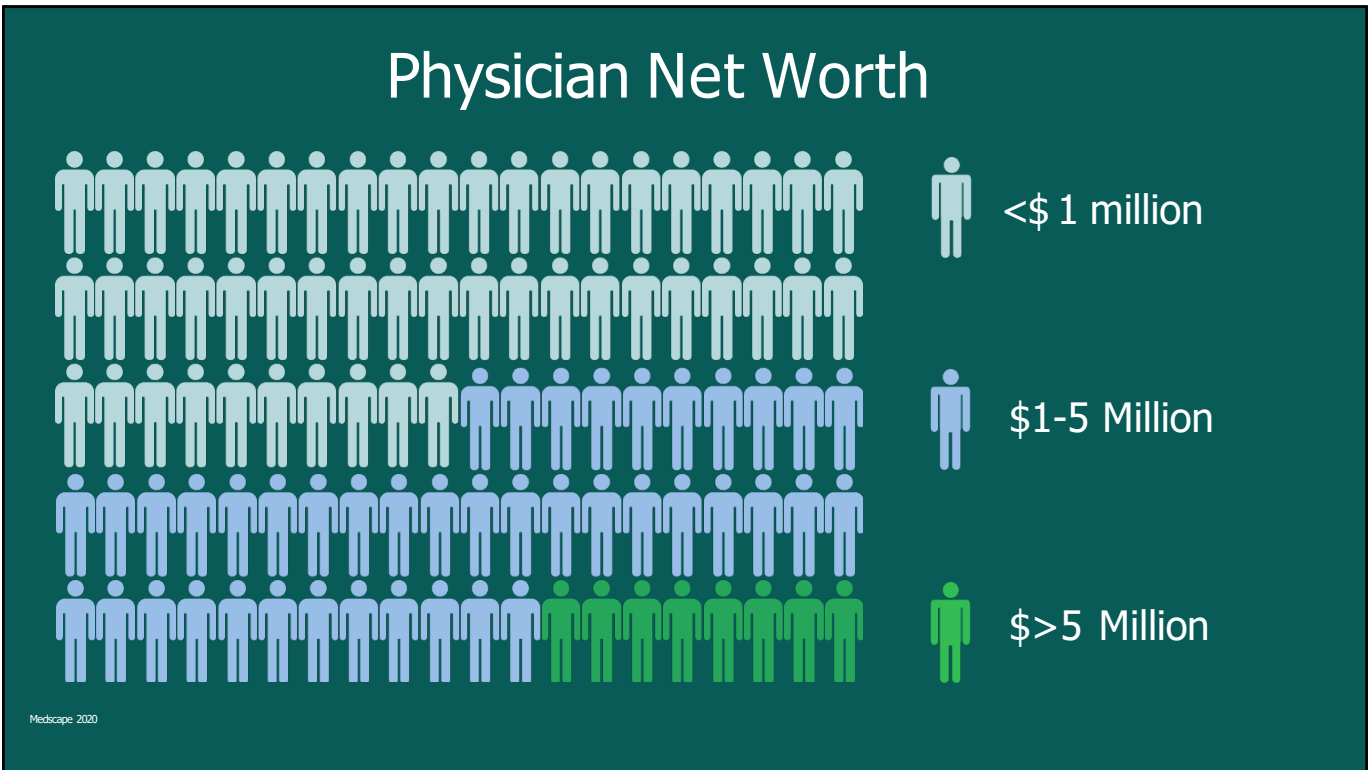
\$939,000 3 bd | 2 b
833 Ahukini St, Honolulu, HI 96813
● Active | Zestimate®: **\$968,244**
Est. payment: \$3,630/mo **\$** Get p

[Contact Agent](#)

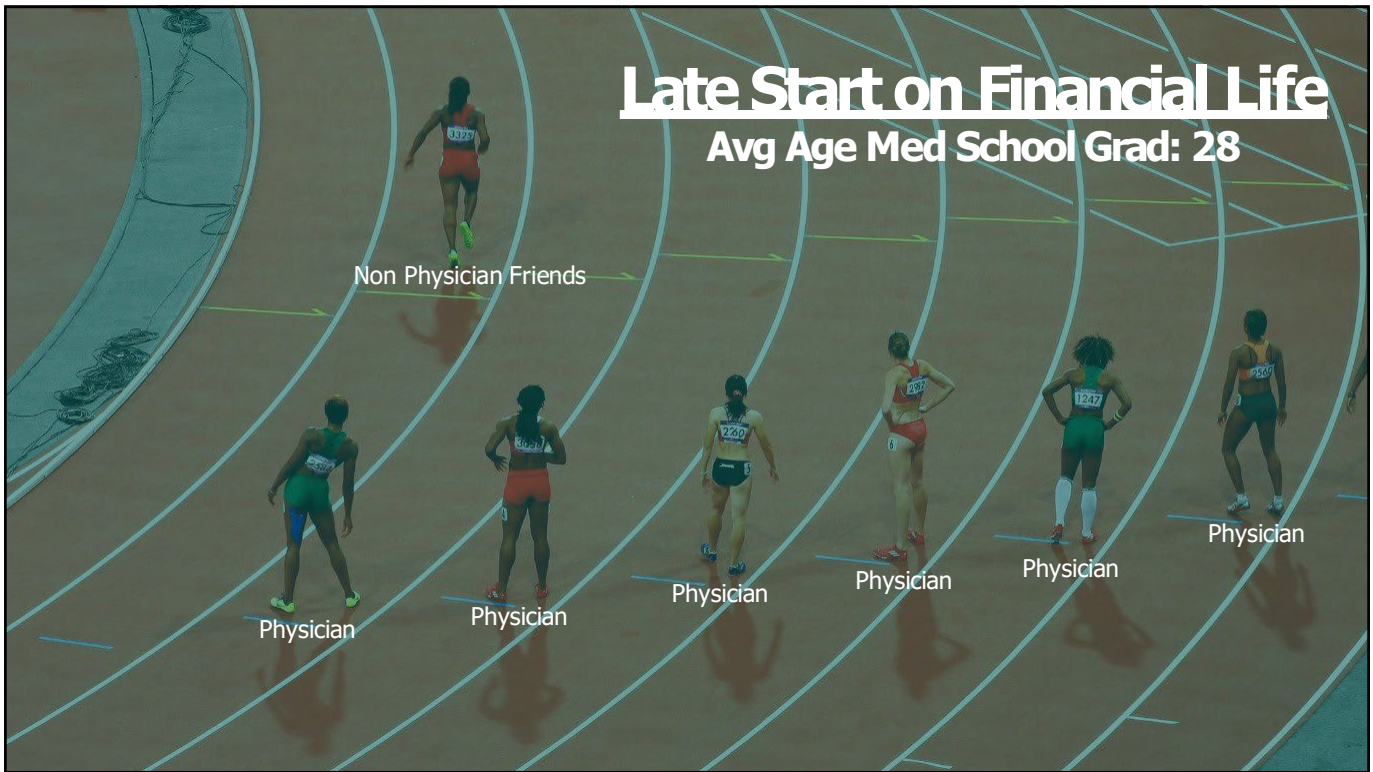
[Overview](#) [Facts and features](#) [P](#)



25



26



27



28

Our Constitution is now established.
Everything seems to promise it will be
durable, but in this world nothing is certain
except **DEATH AND TAXES!!!**
-Ben Franklin

29



"Personal Finance is 80% behavior and 20%
head knowledge." - D. Ramsey

30



#attendinglife

31



F.O.M.O.
Fear of Missing Out

32

Y.O.L.O.



33

The Simple Path to Wealth

YOUR ROAD MAP TO FINANCIAL INDEPENDENCE AND A RICH, FREE LIFE

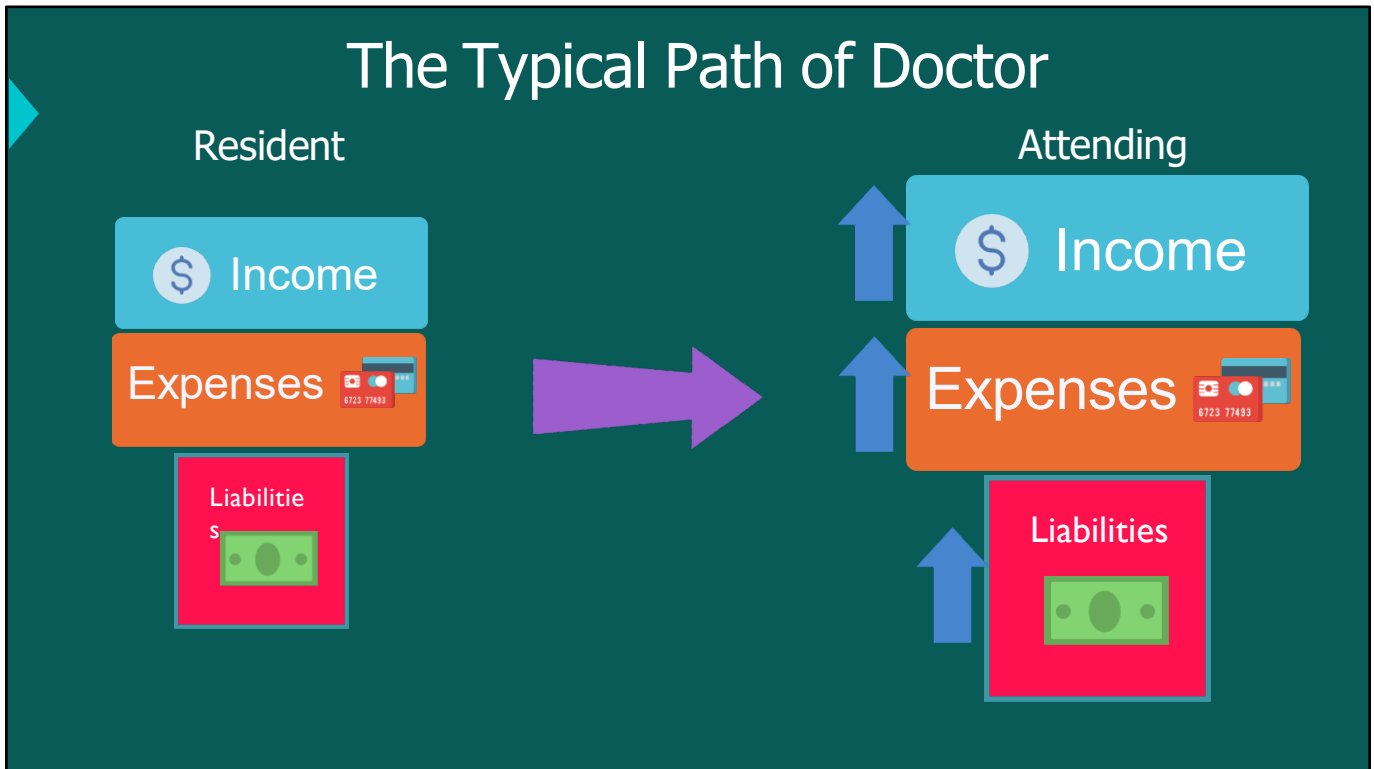


JL COLLINS

with foreword by
MR. MONEY MUSTACHE

"Spend less than you earn - invest the surplus - avoid debt. "

34



35

Budgeting

- Helps you keep track of how much money is coming "in."
- Help you keep track of how much money is really going "out."
- Data Gathering to help you understand how you can decrease unnecessary spending.
- Multiple Methods:
 - Apps
 - Excel Spread Sheets
 - Books

Pick the method that's right for you!!!

36

"Lead A Reasonable Lifestyle!"

Frugal

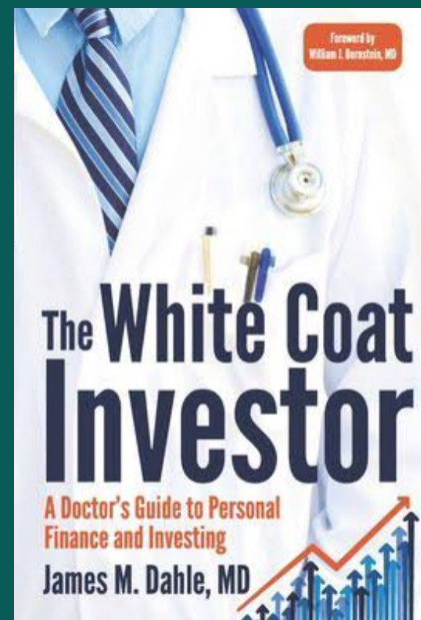
YOLO

Pick an lifestyle that meets your short, medium and long term goals!!!

37

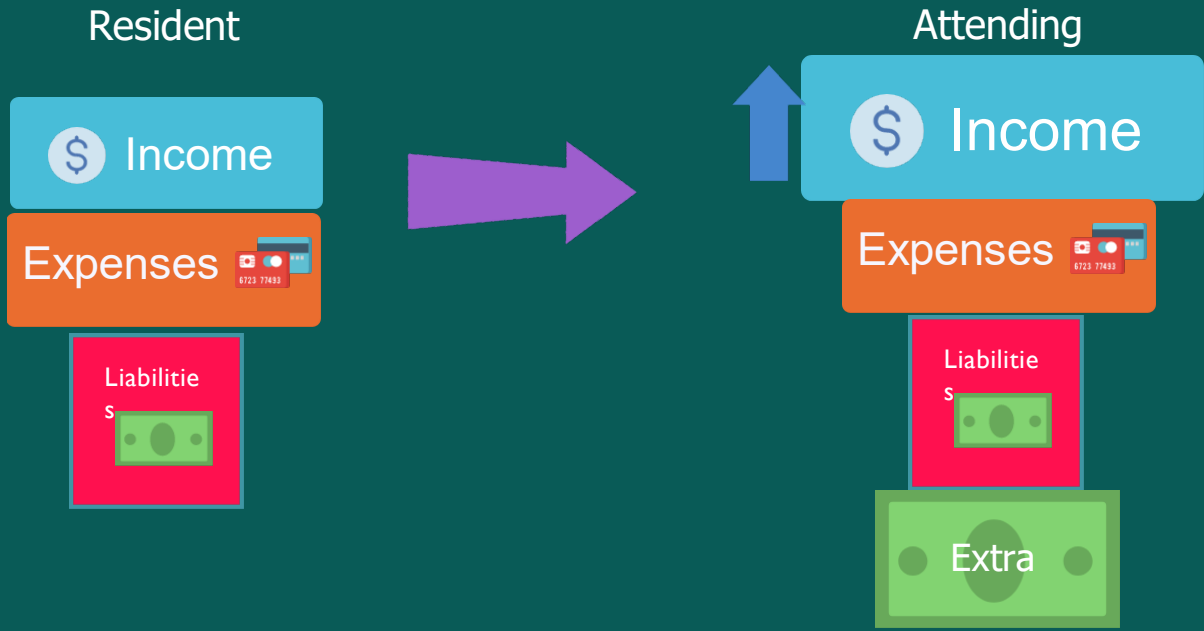
"The most important year in a physician's life is their first year out of training, and the most important advice this book and give you can be contained in four words."

"Live like a resident!"

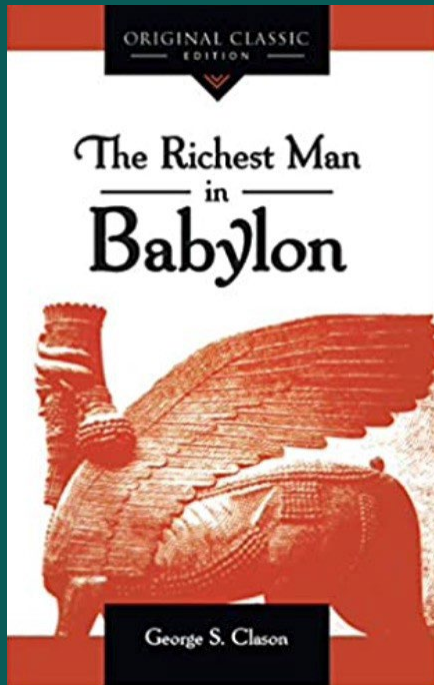


38

"Live Like a Resident.....As an attending."



39



"Start Thy Purse to Fattening."

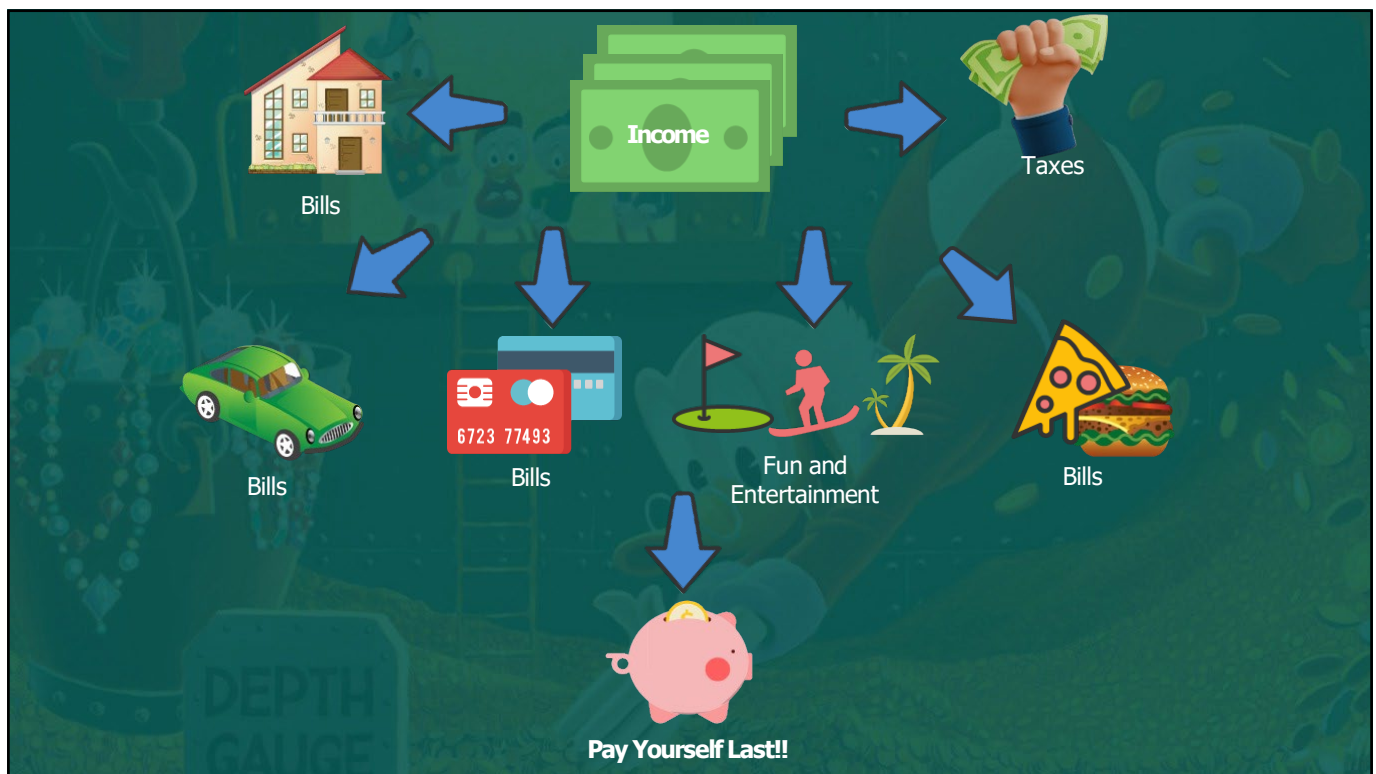
"For every TEN coins thou places within thy purse take out for use but NINE. "

40

Pay Yourself First!!!



41




42



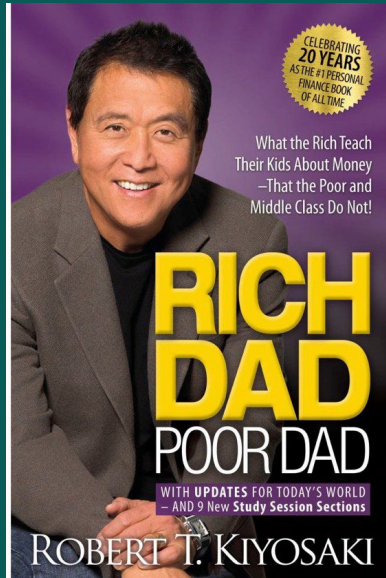
43

Warren Buffett
CEO- BERKSHIRE HATHAWAY

"Do not save what is left after spending, but spend what is left after saving!"



44



"Rule 1: You must know the difference between an asset and a liability , and buy asset."

R. Kiyosaki. Rich Dad, Poor Dad. 1997

45

Buy Assets!!!



"An asset puts money in my pocket"



Stocks



Mutual Funds



Index Funds



Bonds



Cash



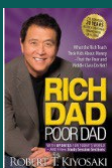
Precious Metals



Cryptocurrency



Real Estate Investments



R. Kiyosaki. Rich Dad, Poor Dad. 1997

46



"Liability takes money out of my pocket!"

Home Mortgage

Credit Card Debt

Car Loans

Consumer Loans

School Loans

"Decrease Liabilities!"

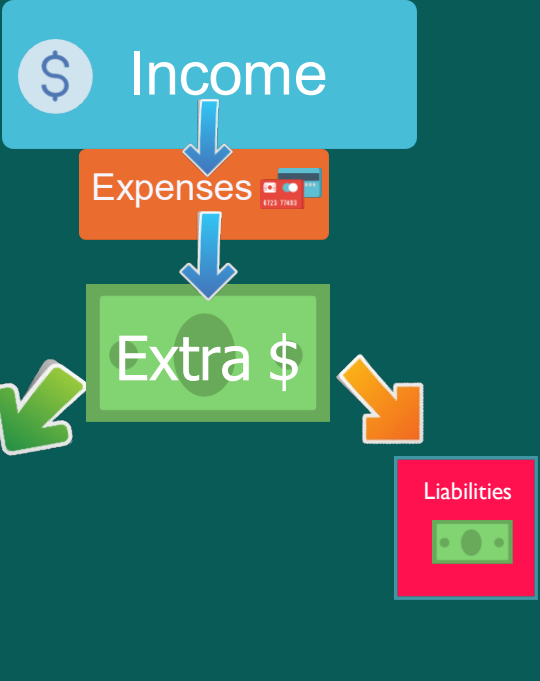
R. Kiyosaki. Rich Dad, Poor Dad. 1997

The slide features a dark green background. On the left, there is a pink piggy bank with several coins (gold, blue, red) falling into it. A large yellow arrow points from the piggy bank towards the right. To the right of the piggy bank are icons for a house (Home Mortgage), a car (Car Loans), and a graduation cap (School Loans). Further right are icons for a credit card (Credit Card Debt) and a bank building (Consumer Loans). The text "Liability takes money out of my pocket!" is at the top left, and "Decrease Liabilities!" is at the bottom right. The book cover for 'Rich Dad Poor Dad' is in the top left corner.

47

Extra \$

- Emergency Fund**
- Pay Down "Bad" Debt**
 - Credit Cards
 - Student Loans
- Buy Assets**
 - Retirement
 - Taxable Investments



Income

Expenses

Extra \$

Assets

Liabilities

The flowchart starts with a blue box labeled 'Income' with a dollar sign icon. A blue arrow points down to an orange box labeled 'Expenses' with a credit card icon. Another blue arrow points down to a green box labeled 'Extra \$'. From the 'Extra \$' box, a green arrow points left to a green box labeled 'Assets' with a piggy bank icon, and an orange arrow points right to a pink box labeled 'Liabilities' with a credit card icon.

48



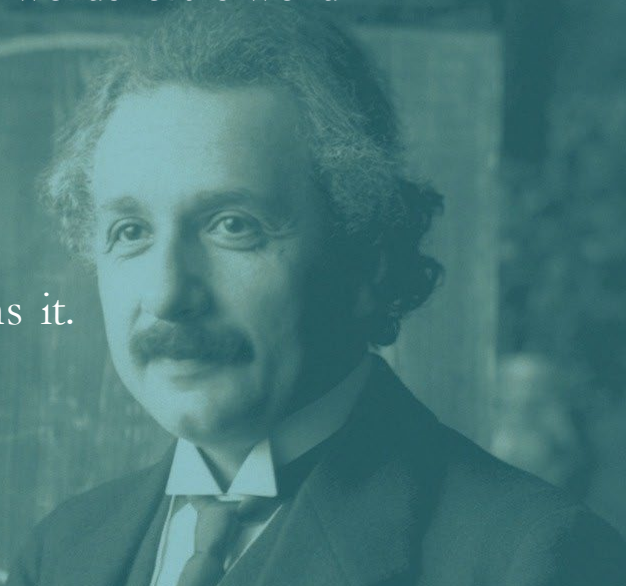
**Make your money multiply and
work for you!**

49

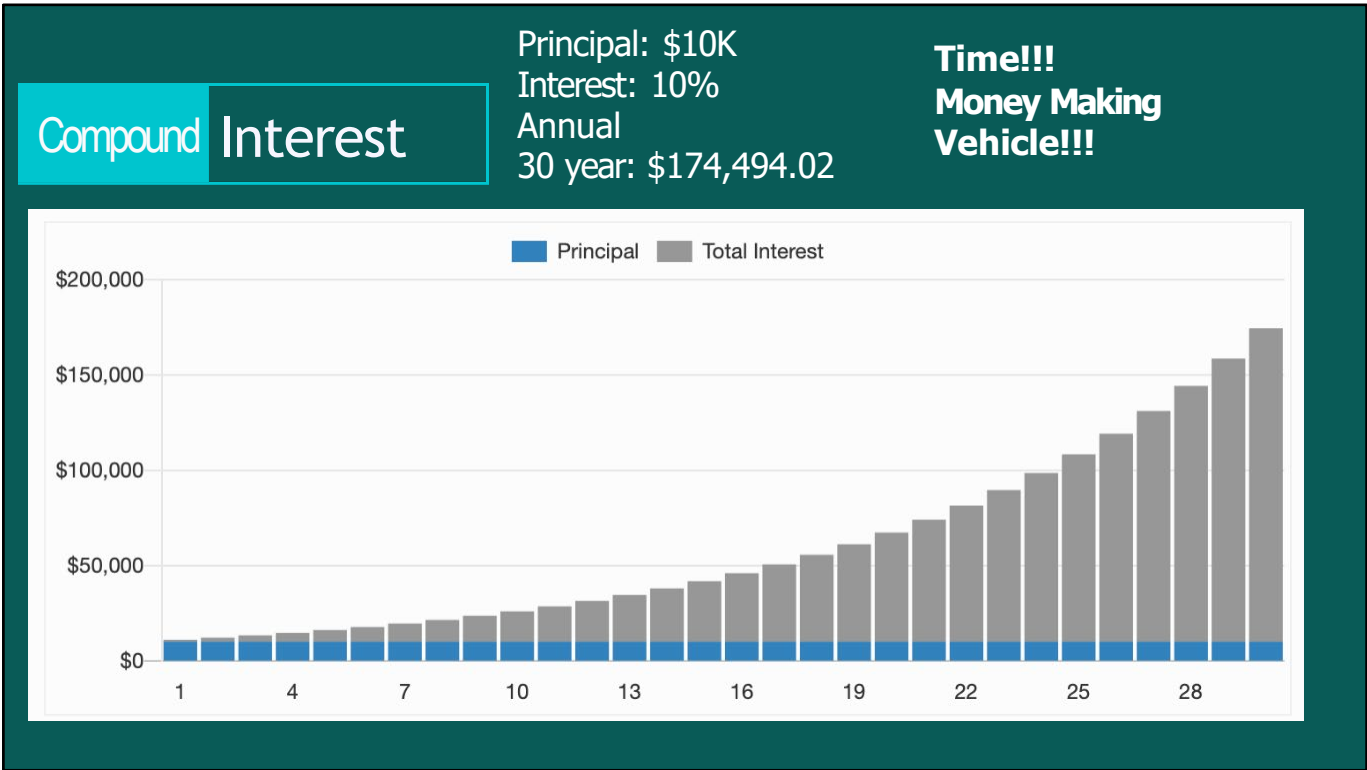
Albert Einstein:

"Compound Interest in the Eighth Wonder of the World."

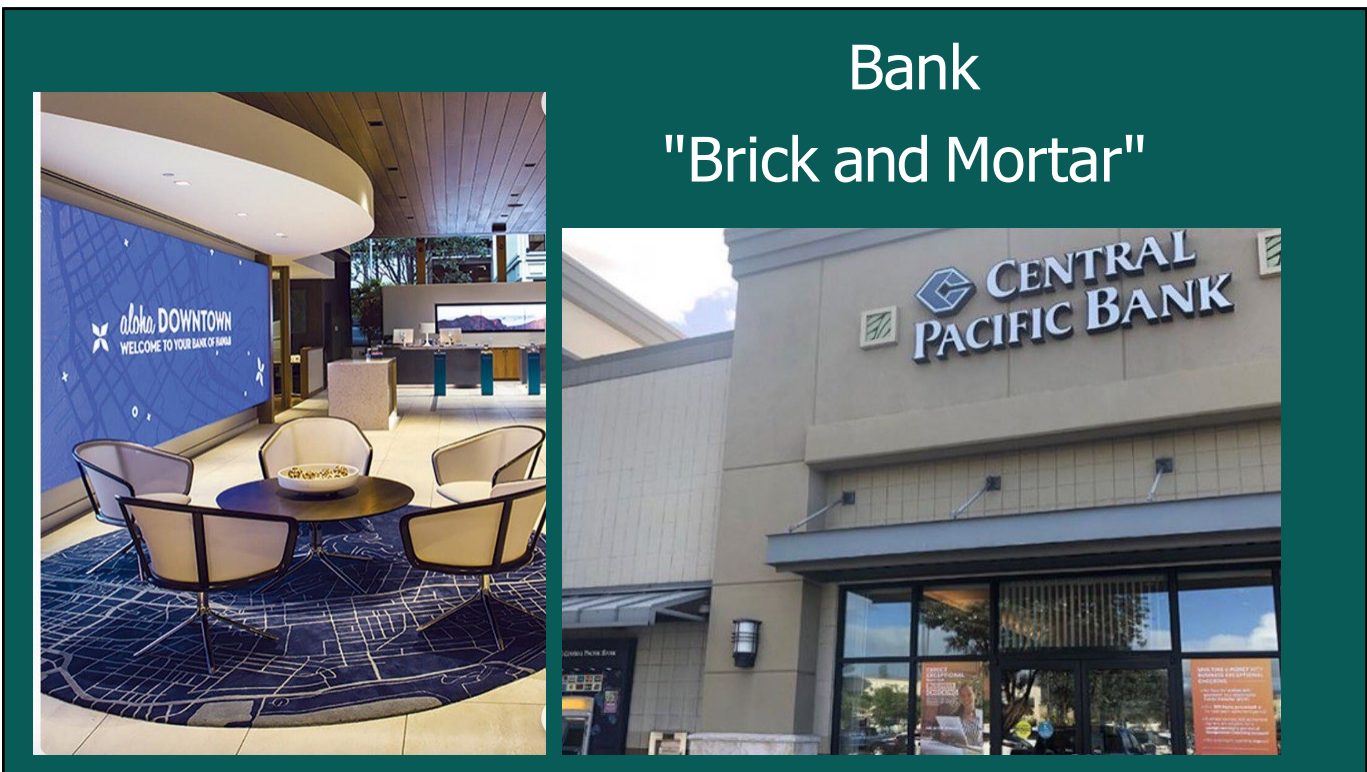
"He who understands it, earns it.
He who doesn't, pays it. "



50



51

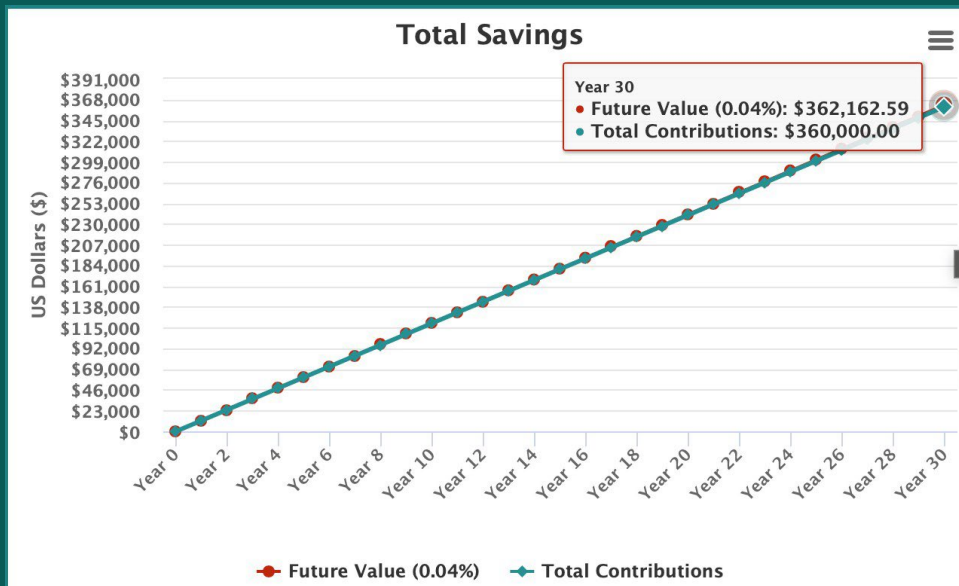


52

Consumer Savings Accounts	Minimum Balance to Open	Minimum Balance to Earn APY	Interest Rate	APY
Regular Savings	\$100	\$1	0.02%	0.02%
Kids Only Savings	\$25	\$1	0.02%	0.02%
Bankohana - Level I Savings	\$100	\$1	0.03%	0.03%
Bankohana - Level II and Level III Savings	\$100	\$1	0.04%	0.04%

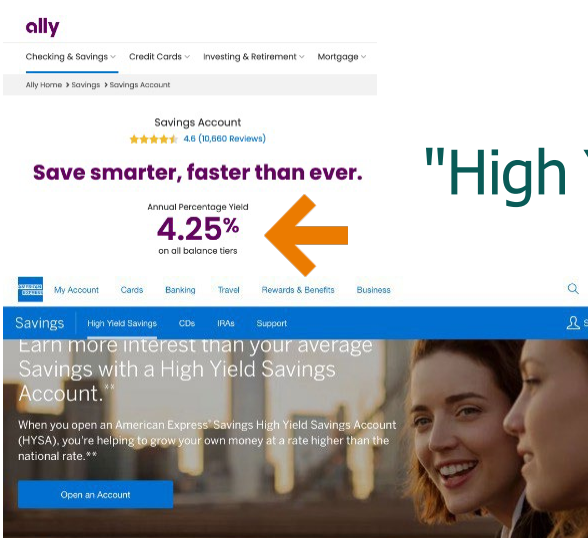


53



Bank: Deposit \$1000 q month x 30 years

54



Ally

Checking & Savings | Credit Cards | Investing & Retirement | Mortgage

Savings Account

★★★★★ 4.6 (10,660 Reviews)

Save smarter, faster than ever.

Annual Percentage Yield
4.25%
on all balance tiers

My Account | Cards | Banking | Travel | Rewards & Benefits | Business

Savings | High Yield Savings | CDs | IRAs | Support

Earn more interest than your average Savings with a High Yield Savings Account.**

When you open an American Express® Savings High Yield Savings Account (HYSA), you're helping to grow your own money at a rate higher than the national rate.**

Open an Account

Online Banking "High Yield" Savings Accounts

According to NerdWallet, our High Yield Savings Account ranks among the best with our combination of above-average rates and consumer-friendly features.

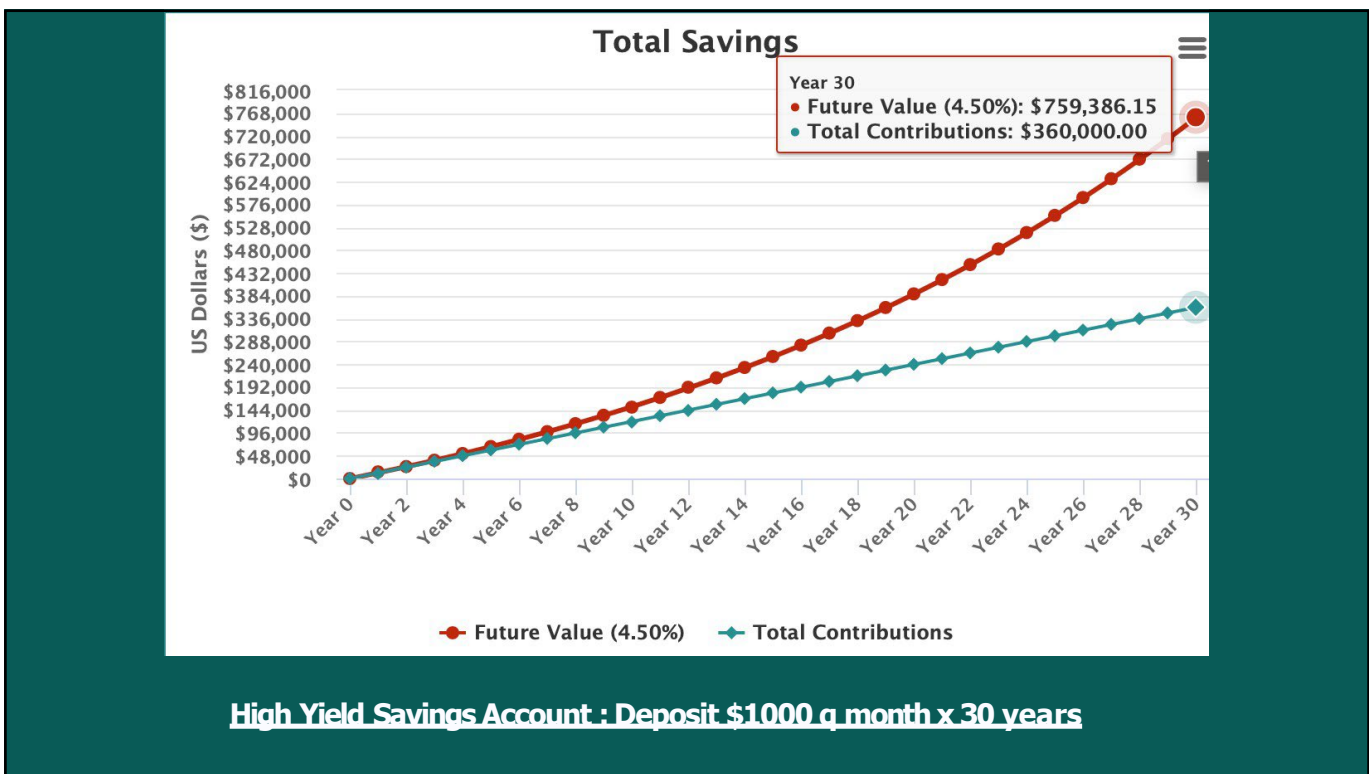
4.25% APY *

Apple Card

More Savings. Less effort.

Apple Card now makes saving and earning incredibly easy. Start by choosing to automatically deposit Daily Cash into a Savings account. Then, watch your account grow at a 4.15% annual percentage yield (APY). Boost your growth by adding funds from a linked bank account. It's Savings you can manage right in your Wallet app.

55



56

Wealth Accumulation



Target: Present to 3 years
 Liquidity and Access: Immediate
 Volatility: Low (Stable!)
 Growth: Low

Emergency Fund Operations Fund

- Pay Your Bills
- Day to Day Expenses

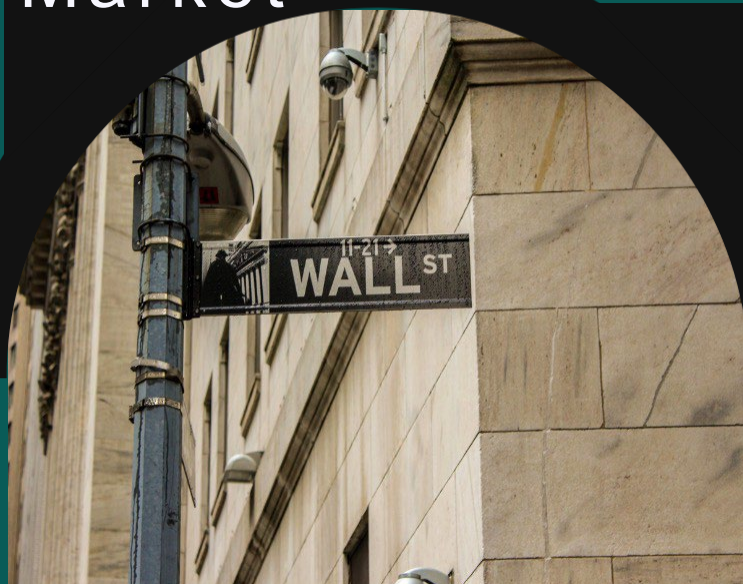
"Savings" - Short Term Buys

- Vacations
- Big Stuff - House, Car etc.

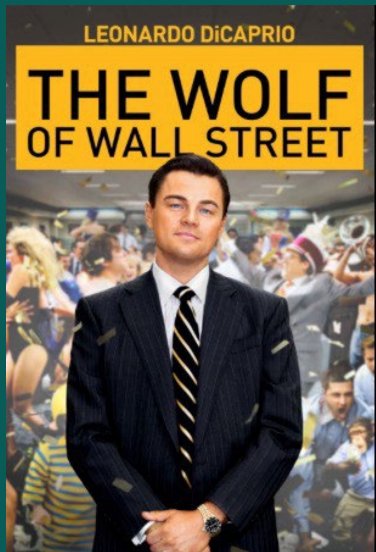
57

THE WORLD'S MOST POWERFUL WEALTH BUILDING TOOL!!!

Stock Market

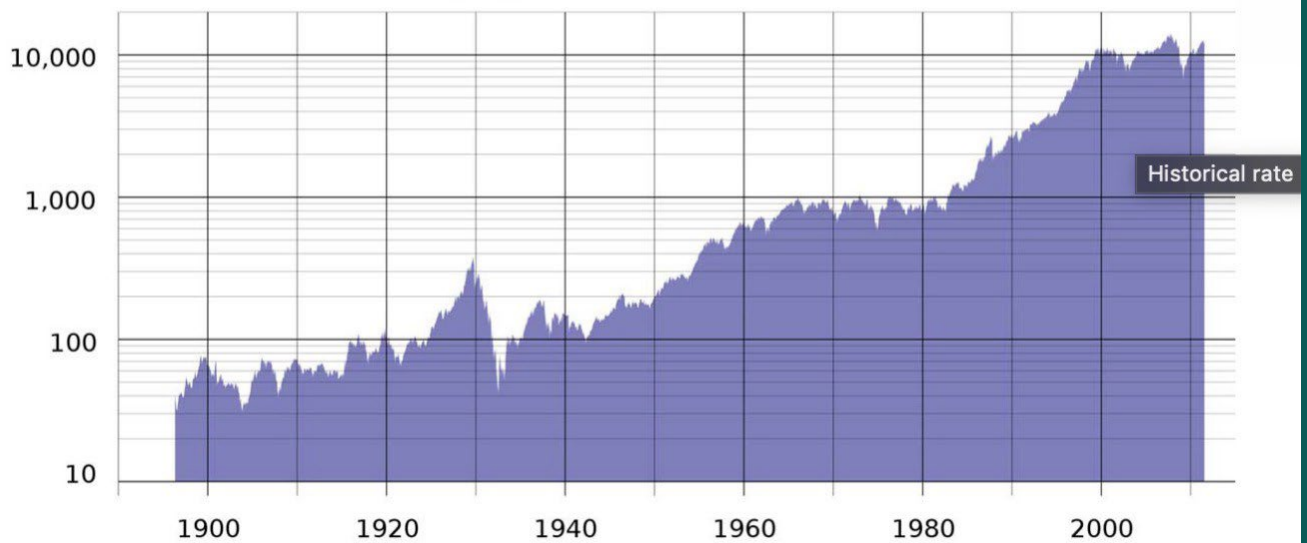


58



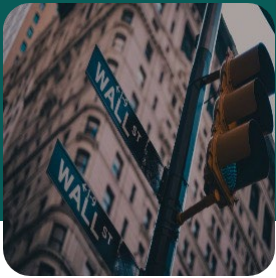
59

Dow Jones Industrial Average 1896 -2009



60

Stocks and Bonds



Individual



Mutual Funds



Index Funds



ETF

61

STOCK MARKET

Ways of Investing

"Taxable Investments"



- Individual Stocks, Mutual Funds, Index Funds, ETF's
- Middle to Long Term Investing
- Very Liquid and can "Cash out" any time
- Capital Gains Taxes

VS

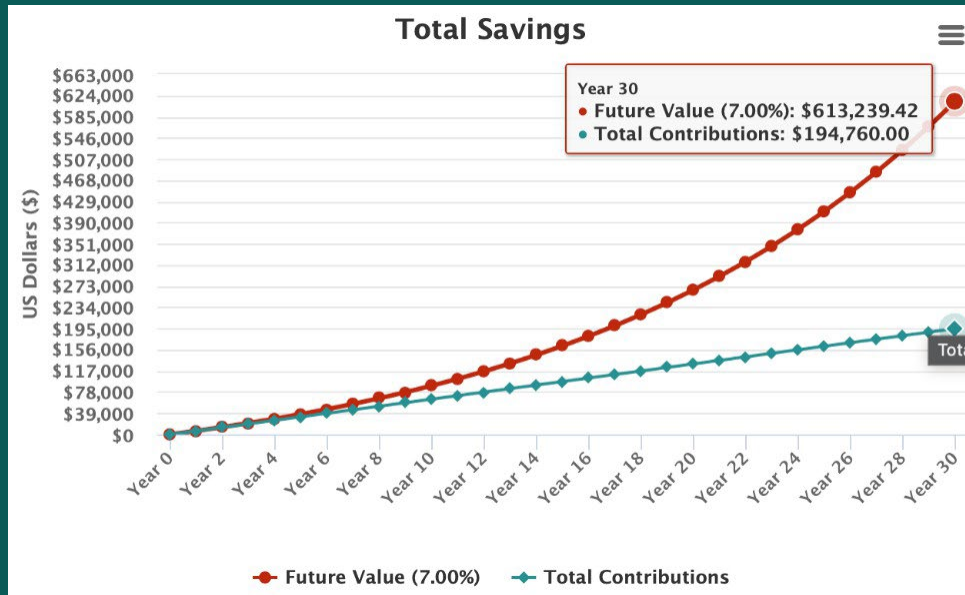
"Retirement Investments"



- IRA /401K / 403B/ Roth IRA
- Often Uses Funds and ETF's as Investment
- Long term Investing
- Illiquid until Retirement Age
- "Capital Gains Tax Free"
- Ability to Tax Defer to Retirement

62

Roth IRA: \$6500/Year, 30 years.



63

Real Estate

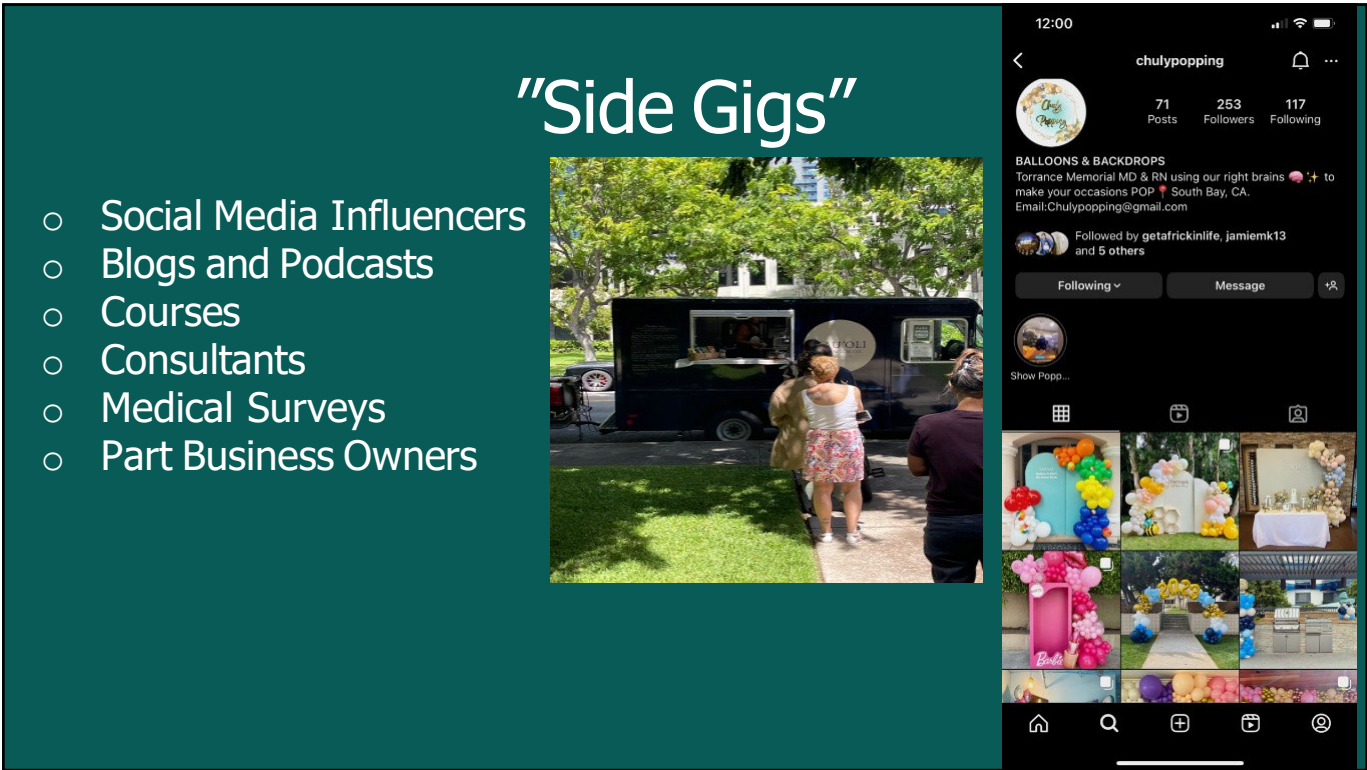
- "Buy and Flip"
- **Rentals - Single Family, Condo's**
- REITS - Real Estate Investment Trusts
- Private Real Estate Syndications
- Private Money Lending

64



"Speculative Investments"

65

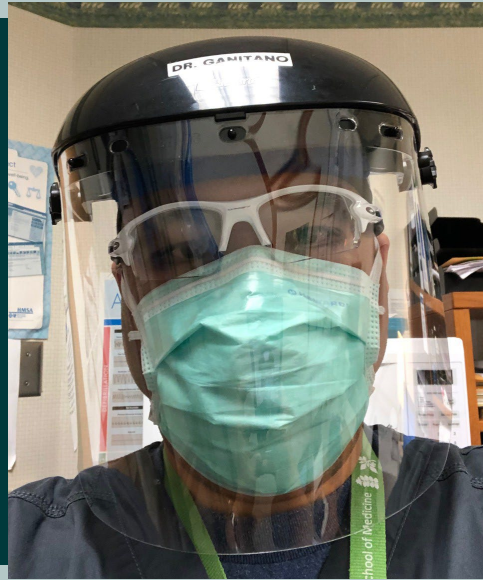


"Side Gigs"

- Social Media Influencers
- Blogs and Podcasts
- Courses
- Consultants
- Medical Surveys
- Part Business Owners

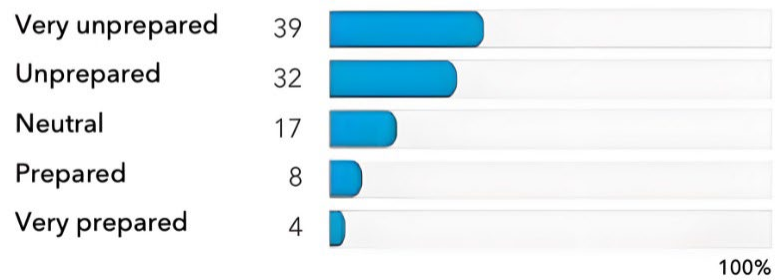
66

Protect What you Have!!!



67

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



2021 ACP Physician's Financial Preparedness

68



Emergency Fund

True Emergencies:

- Broken Car
- Broken Appliances
- Sudden Loss of Employment
- Insurance Deductible

Fund Size:

- Minimum: \$1000***
- 3- 6 Months of Expenses

Where to keep it?:

- Non Volatile Space
- Easy Access
- Example: High Yield Savings Account

69



“Okay, Williams, we’ll just vote. ... How many here say the heart has four chambers?”

Medical Malpractice

- Have Good Coverage!
- Do your job to the best of your ability!
- Communicate!
- Documentation!
- Good relationship with patient and their families!

70

Lawsuits and Divorce



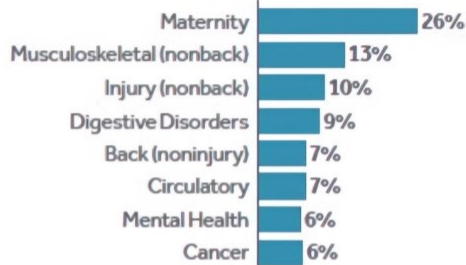
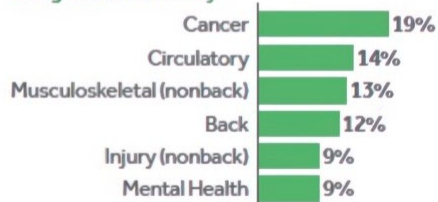
71

Disease - Disability and Death



Wes Ely MD www.iudforum.org

72

Leading causes of disability claims*:**Short-Term Disability****Long-Term Disability**

*Guardian internal claims analysis; Data; April 2018 – March 2019

"One in Seven Physicians use either short term or long term disability."

73

Disability Insurance

Own Occupation Specialty Specific Disability Insurance

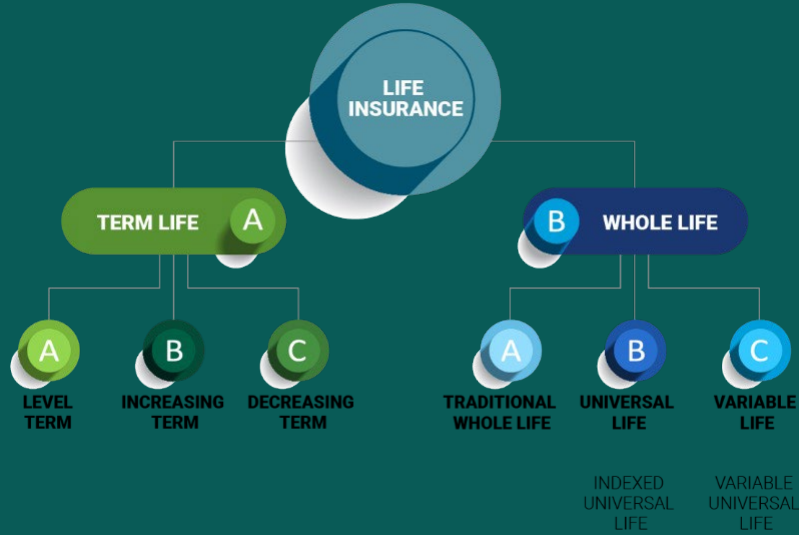
- You do not have to be completely disabled to collect benefits.
- If you can no longer do your chosen occupation, the policy will pay even if you can find employment in another occupation.

Make sure you have enough to cover your expenses!!!



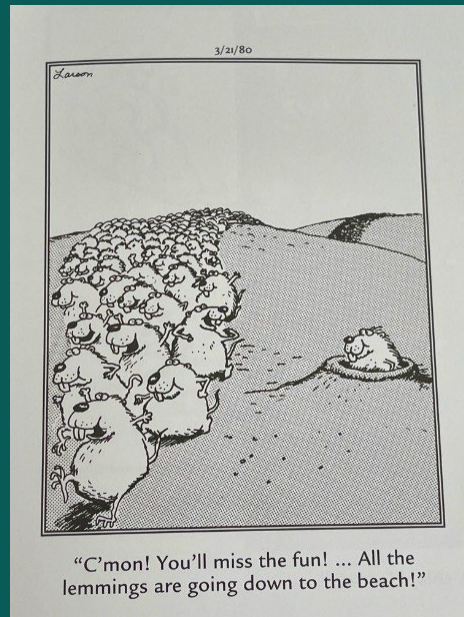
74

Life Insurance



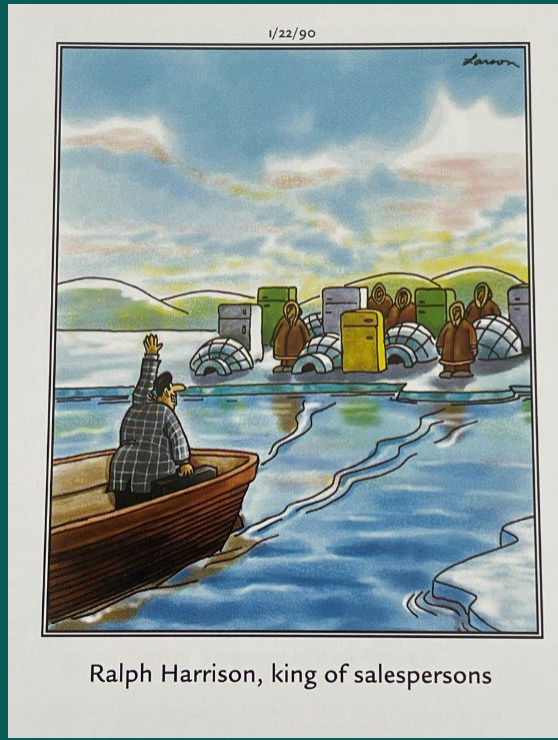
75

Bad Financial Advice and Mismanagement



76

"Financial Advisors"



Ralph Harrison, king of salespersons

77

Become Financially Literate



78

“Financial Literacy”

In same way we want our patients and their families to know enough about a medical situation to make an informed decisions, we should educate ourselves in financial topics so we can work with others to make good financial decisions.

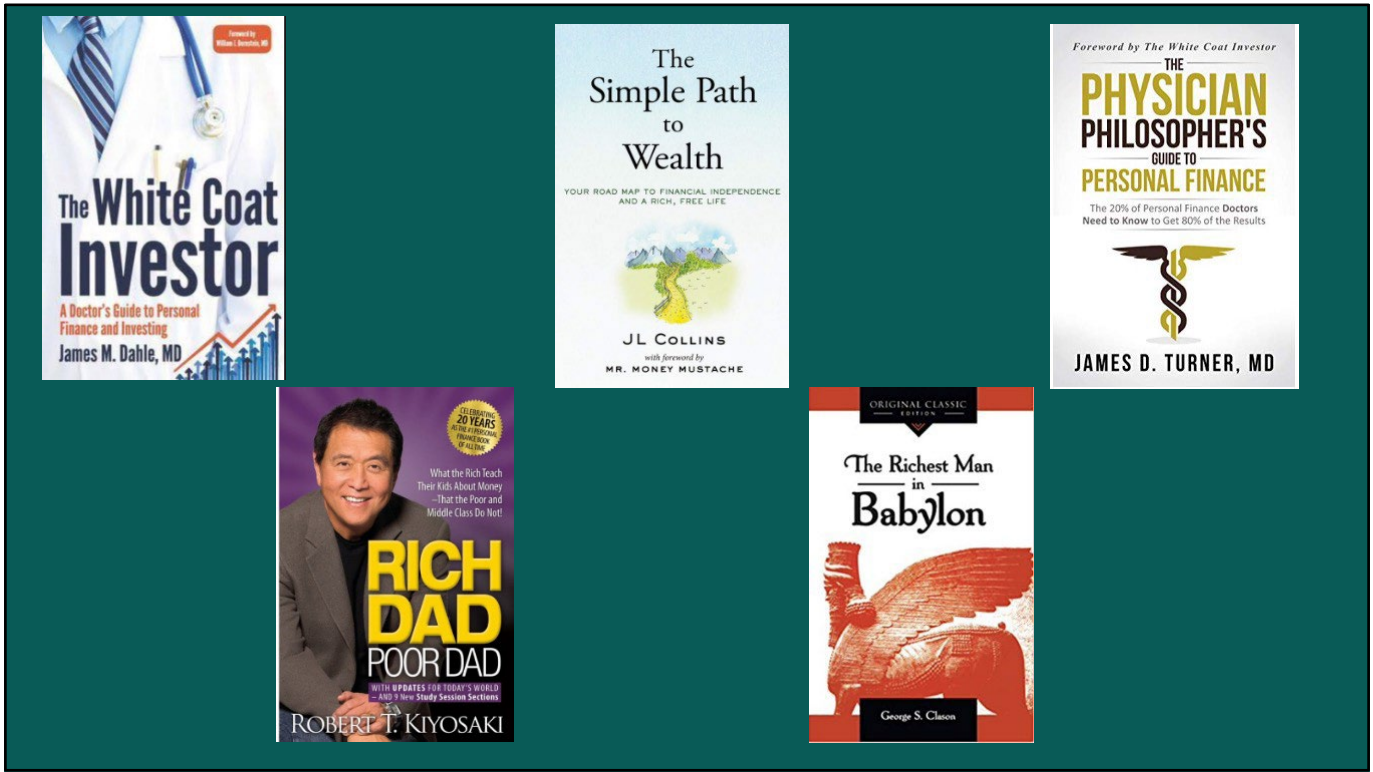


79

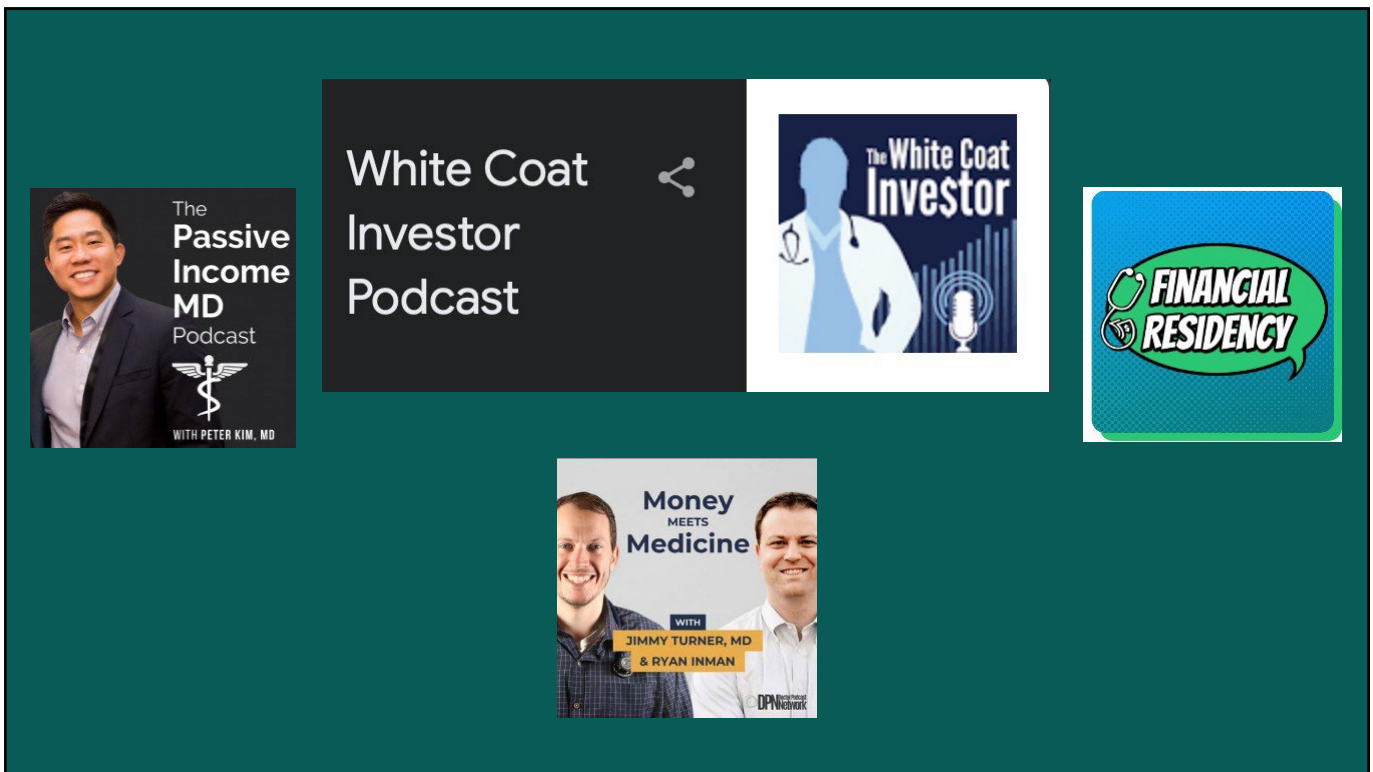
Where can you start learning about personal finance?



80



81



82

Need for Financial Literacy in Training Years

Gianokos et al. J Surg Ed. 2022; 80:597-612

- 79-95% agreed that finance should be taught during residency training.

Cawyer et al. AJP Rep 2022; 12:e64-e68

- Financial curriculum for OBGYN Resident sand Fellows
- After standardized curriculum overall improvement in their well being.

83

Final Thoughts....



- As Physicians we often lack Financial Literacy.
- Financial Literacy can be a powerful tool for helping us do our jobs better.
- Remove the "Taboo" on speaking about "Money and Medicine"
- Talk to one another, Teach our selves and consider getting help as needed.
- Add Financial Literacy to the multiple other things we teach our trainees to be successful as physicians

84

