Since the day I started this site, I have recommended that readers spend some time with good financial books. You are likely to find more useful investing information in your library than on TV, radio, newspapers, and magazines combined. Even most of what’s in your email box and on the internet is garbage. That doesn't mean that all financial books are good, but your odds seem better to me.

This post will replace my “Recommended Books” link that I’ve had at the top of the site for years. Unfortunately, Amazon dumped their “aStore” concept that I had been using, forcing me to do the work to maintain the list manually. That’s okay, it gives me a good reason to update the list. In case it’s not obvious, all of these links are “affiliate links” and if you buy anything through Amazon after clicking on them, we get a tiny percentage of it at no additional cost to you.

How the List Works

I have divided the list into categories, and you can get to a given category quickly by simply clicking on the links below. Or you can stroll your way through the entire list. In any given category, I have placed the book I think you should read first at the top, and then the others in descending order of usefulness. But any book on the list is a great book. In fact, there are many great books that aren’t on the list, as we will soon see. Particularly excellent books that I think should be read first have an asterisk by them. My criteria? Accurate, high-yield, entertaining, and current, in that order.

If you’ve never read any financial book, I recommend you read one from each of the following categories: Doctor specific, personal finance, investing-basic, and investing- behavioral as your initial financial education, and then try to read one financial book a year (and follow the blog) as your continuing financial education. This list is going to be a “living” list, in that we will continually add books recommended by readers in each category. If you’d like to recommend a book, list it in a comment with 1-2 sentences
about why high-income professionals should read it as part of their continuing financial education and unless we think the book is terrible, we’ll add it to the list.

**Doctor Specific**

**Personal Finance**

**Investing- Basic**

**Investing- Advanced**

**Investing- Behavioral**

**Mortgages and Real Estate Investing**

**Taxes**

**Contracts and Practice Management**

**Estate Planning and Asset Protection**

**Doctor Specific**

**The White Coat Investor **

Were you really expecting another book to be at the top of this list? It’s here not only because I wrote it, but also because it is the best-selling, highest-yield book that I know of for someone reading this post. Almost 4 years after publication it is still number 2 in its category. It has 713 Amazon reviews, 98% of which are three stars or better. Why is it so good? Mostly because it was crowd-sourced from readers of this site. The
original version wasn’t nearly as good, I assure you, until I sent it out to a couple dozen of you and had it really tuned up. I reviewed it here. You can read a sample here. Or you can just buy it. Tell you what, if it wasn’t worth the money, send me the book and I’ll give you a full refund. In four years of offering that guarantee, I have yet to have someone take me up on it.

**The Physician’s Guide to Personal Finance**

Reviewed here. This is my favorite physician-specific personal finance book not written by me. Written by anesthesiologist Jeff Steiner, it is written in the review book format familiar to any physician who has ever taken the USMLE. It is packed with high-yield material. Its material on “treating” student loan debt and moonlighting in residency is particularly excellent. If my book is too long for you (at about 4 hours), read Jeff’s. As one reviewer puts it, “a thoughtful and well-constructed overview of basic finance, written specifically for young physicians, most of whom have never taken a finance course and have minimal real-world experience.”

**The Physician’s Guide to Investing**

Reviewed here. If my book was too short for you, you might want to consider this one by cardiologist Robert Doroghazi. This is one of the few in the genre that ever had a second edition. It is long, written in tiny type, and packed with his own personal anecdotes and quotations. Nevertheless, its sections on frugal living rival those of The Millionaire Next Door. The book breaks down a bit in the investing sections where tactics like individual security selection and market timing appear but overall is well worth a read.
The Doctor’s Guide to Eliminating Debt

This one by surgeon Cory Fawcett is short and focused on just one topic, but it’s an important one. I read the whole thing on a flight between Houston and Little Rock, so if you can’t get through this one, well, I guess there’s no hope for you. Think of it as “Dave Ramsey for Doctors, but without the bad investment advice.” Cory’s other books are also pretty good, including The Doctor’s Guide to Starting Your Practice Right and The Doctor’s Guide to Smart Career Alternatives and Retirement. At the rate he’s pumping these out, there will be another one by the time this post runs!

Doctor’s Eyes Only

Reviewed here. This is the best of the genre that is written by a financial advisor. The writing team also happens to be the main partners of Larson Financial, perhaps the largest physician-specific financial advisory firm in the country. While at times it seems a thinly-veiled advertisement for the firm, and briefly delves into their controversial Variable Universal Life Insurance investing strategy they have taken a lot of flack for on this website, the vast majority of the book is useful and well-written. The chapters on education planning, tax planning, estate planning, and asset protection are particularly well done. The chapter on practice management is also quite unique in the genre. There are now dozens more of these physician-focused books than there were when I started this website 6 1/2 years ago, but you’ll likely be better off reading some of the other books on this list rather than two dozen books written about the handful of financial aspects unique to doctors. I get sent about a half dozen a year to review. It isn’t that they aren’t good, it’s that the majority are written by financial advisors specializing in physicians trying to market their practice and the others tend to just repeat what has already been written in the books above.

Recommended by readers:

To Be Added
**Personal Finance**

**The Only Investment Guide You’ll Ever Need** *

I know the title says it is an investment guide, and that’s true, but it contains some of the best personal finance tips I know of. This is one of the few financial books out there that actually elicited some laugh out loud guffaws from me. He's a great writer. He’s been revising this book for decades, but it’s still a classic.

**The Millionaire Next Door**

This one is far from current, published originally back in the 1990s. I don’t put books on this list just because they’re “classics” (you’ll notice little Graham, Bogle, or Malkiel for instance) but this one has a message that every doctor needs to get through his thick skull and I’ve never seen it done better than in this book. My sister read this book and about halfway through asked me, “Do I really have to read the rest?” I asked, “What’s the message of the book?” She said, “Being rich isn’t making a lot of money or having a lot of stuff, it’s having a high net worth and most people who look rich aren’t actually rich.” There are a few methodological flaws in the “study” in the book, but every person in America needs to read enough of it to understand its main message. It even has a nice chapter specifically about doctors. If you find the fact that most (all?) of the millionaires in the book are male off-putting, consider reading Millionaire Women Next Door instead. Same message, different gender.
**Personal Finance for Dummies**

Want something comprehensive? This one by Eric Tyson will fit the bill. The first financial book I ever read was by Tyson, but it wasn’t this one. I should have read this one instead. If you don’t know the stuff in this book you’re a sitting duck on Wall Street AND Main Street.

**Living Rich by Spending Smart**

It was a tough choice between this one and *Your Money or Your Life*. This one is the best book I’ve read on how to spend your money in a way to maximize your happiness. A great philosophy and lots of practical tips. Reviewed [here](#).

**The Automatic Millionaire**

This classic by David Bach includes some ideas that are critical for everyone to understand. The main one is that becoming a millionaire isn’t complicated. That doesn’t make it easy, but you really only need to make many smart financial decisions one time, and then leave them on automatic mode. That idea can be applied to personal finance, investing, insurance, and other financial topics. For the person who doesn’t enjoy financial tasks but knows she needs to do them, this book is for you.
Recommended by readers:

- **Financial Fitness Forever**

**Investing- Basic**

*If You Can*

This very short volume by William Bernstein subtitled How Millenials Can Get Rich Slowly is perhaps the most high-yield resource on the topic out there. It is so good you should read it twice and short enough that you can easily do so. There are five hurdles for investors to get over:

- **Hurdle 1:** Even if you can invest like Warren Buffett, if you can’t save, you’ll die poor.
- **Hurdle 2:** Finance isn’t rocket science, but you’d better understand it clearly.
- **Hurdle 3:** Those who ignore financial history are condemned to repeat it.
- **Hurdle 4:** We have met the enemy and he is us.
- **Hurdle 5:** The financial services industry wants to make you poor and stupid. Each section also includes a homework assignment (usually another book you should read.)

**The Bogleheads’ Guide to Investing**

A classic written by three prominent Bogleheads. This is one of the best no-nonsense tomes on investing. Read this to not only understand why Bogleheads call Jack Bogle “Saint Jack”, but also to learn how to keep Wall Street’s grubby mitts off your nest egg.
The CoffeeHouse Investor

I’m a sucker for Bill Schultheis’s climbing stories. This book is part investing and part personal finance, but mostly a great philosophy on life and money. Even my dad got through this quick read.

The Investor’s Manifesto

Written by Doctor William Bernstein (a neurologist), this is a must-read for any physician investor. He speaks your language, and you can trust him. Bernstein’s Four Pillars of Investing was a huge influence on my investing. I consider this the updated and simplified version.

Investing Made Simple

Mike Piper blogs at The Oblivious Investor. This quick read is a great explanation of investing in index funds. Rick Ferri’s All About Index Funds is much longer and a bit more advanced.
If the Bogleheads Guide to Investing is too long for you, try this by Rick Van Ness. It’s the Cliff Notes version.

**Recommended by readers:**

- The Little Book of Common Sense Investing
- Simple Path to Wealth
- Simple Wealth, Inevitable Wealth
- Elements of Investing

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**Investing - Advanced**

**Risk Less and Prosper**

Zvi Bodie’s guide to safe investing. Reviewed [here.](#) Think you need a risky portfolio? Here’s the counter-argument.

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**The Intelligent Investor**
Subtitled The Definitive Book on Value Investing, A Book of Practical Counsel, this is by Warren Buffett’s mentor Benjamin Graham. If you have interest in individual stock investing, read this book then realize that later in life Graham recommended you use index funds for stock market investing.

The Bond Book

Here is what I think is the best book on bonds out there. Feel like you don’t understand bonds? You will after finishing this book by Annette Thau. It is appropriately subtitled “Everything Investors Need to Know About Treasuries, Municipals, GNMA's, Corporates, Zeros, Bond Funds, Money Market Funds, and More.”

Why Bother With Bonds

Speaking of bonds, read this book by Rick Van Ness if you think you don’t need them in your portfolio. Like all of Rick’s books, it’s short and very readable.
The Power of Passive Investing

This is Rick Ferri’s masterpiece defense of index funds. I find Ferri more readable than Bogle and Malkiel, his predecessors in this argument. If ever there were a rabid proponent of passive investing, Rick would be it. I once asked him why he keeps writing the same book over and over and he answered, “Because Wall Street keeps telling the same lies over and over.” Every investor ought to read at least one of Rick’s books early in his investing career. All About Asset Allocation is another favorite.

The Quest for Alpha

Still not convinced? Or just prefer Swedroe to Ferri? Here’s another explanation of why hunting alpha in the stock market is probably a fool’s errand. Larry Swedroe is one of the good guys out there. A proponent of passive investing who loves to dabble into alternative asset classes, his wisdom will help your nest egg grow.

Investing for Adults

These short books from William Bernstein should NOT be the first thing you read on investing. But if you’re looking for a more in-depth exploration of important investing and portfolio design ideas, look no further. I recommend them all. They include The Ages of the Investor, Skating Where The Puck Was, Deep Risk, and Rational Expectations.
The Only Guide to Alternative Investments You’ll Ever Need

Want to invest in gold? Hedge funds? Indexed annuities? Don’t before you take a look at this book by Larry Swedroe. Some “alternative” investments have a role in your portfolio, but most do not. Find out which is which. Great book to read before venturing away from a basic Boglehead-style index fund portfolio.

Your Complete Guide to Factor Based Investing

One more from Swedroe, this one for the DFA and other “factor-based” investing crowd. Should you tilt your portfolio to small, value, momentum, or profitability? Read this book to get the “Pro” case. Read Bogle’s Common Sense on Mutual Funds for the “Con” perspective.

The Truth About Buying Annuities
Reviewed here, this is a gem written by Steve Weisman, a true annuity expert. Finally, a book about annuities that makes these complicated beasts seem simple. The biggest strength of this book is that it is written by an expert in the field, but an expert who DOESN’T sell them. If you have an annuity and are wondering what to do with it, are considering getting one, or if you invest through a 403B, you owe it to yourself to read this book ASAP.

**The ETF Book**

Want to learn about ETFs? Here’s the best book. Again by expert Rick Ferri, you can learn that despite the fact that there are thousands of ETFs, you should only consider investing in a very few of them.

**The Website Investor**

Looking for something new in the way of alternative investments? How about a quiver (portfolio) of income generating websites? Reviewed here, this book by Jeff Hunt is the best one I’ve found so far on this subject.

**Recommended by readers:**

- [Protecting Your Wealth In Good Times and Bad](#)
• The Most Important Thing
• The Affluent Investor (Reviewed here)
• The Only Guide to a Winning Investment Strategy You’ll Ever Need
• A Random Walk Down Wall Street

Investing- Behavioral

How to Think About Money *

This one, by author, columnist, and WCI conference speaker Jonathan Clements is one of the best financial books I’ve ever read. It was so good I am literally jealous that I’m not smart or talented enough to have written it myself. The only reason it isn’t at the top of this list is because it is a bit more of an advanced book, that helps you get perspective once you know the basics. Reviewed here. I almost put this into the personal finance book category, but this category was a little light and it certainly includes a lot of behavioral finance and investing information.

Why Smart People Make Big Money Mistakes

This classic by Belsky and Gilovich details the role that behavior has in your financial life. There is a lot more than math to investing and finance. Behavior can have just as large of an effect, and often larger. Personal finance is both personal- the behavior aspect and finance- the math aspect.

Your Money and Your Brain
This one is by WSJ columnist Jason Zweig and is subtitled How the New Science of Neuroeconomics Can Help You Get Rich. If you can get control of your brain and your relationship with money, wealth is almost guaranteed.

Predictably Irrational

This one is not 100% finance focused, but points out all the ways in which we are not the completely rational homo economicus that is generally assumed by economists.

The Five Mistakes Every Investor Makes and How to Avoid Them

Subtitled, Getting Investing Right, this is a great beginning investing book that is particularly strong on the behavioral investing aspect. His chapter on “The Ultimate Mistake” (not spending the money you spent your whole life saving) is particularly excellent. Reviewed here.
The Great Depression: A Diary

This one is quite different from the others and will be loved by history buffs. This is a real-time journal from an attorney as he passed through the Great Depression including all kinds of financial notes about the prices of stocks, the overall market, main street businesses around him, and real estate. If you want to know what going through a serious downturn as a high-income professional is like, I know of no better book.

Recommended by readers:

To Be Added

Mortgages and Real Estate Investing

Best Practices for the Intelligent Real Estate Investor

There are tons of crummy real estate investing books out there. Most of them are 50% motivational, 40% bogus, and 10% useful. This book is no Rich Dad Poor Dad. Written by real estate investing expert (and real estate guru debunker) John T Reed, this one just throws out the motivational and bogus stuff and tells it like it really is. The book is subtitled “How to Profit From Skill and Boom Markets and Protect Yourself From Down Markets.” Don’t expect get-rich-quick no-money-down garbage here, just real advice from someone who has really done it, the slow, methodical, and realistic way. This was not Reed’s first book, but it is probably his best book. It is a sophisticated look at the fundamentals of real estate written after he had already written 22 other books on the subject and spent a career in the field. You may not be able to buy this one on Amazon, but Reed sells them directly on his site. His “beginner” book is called “How to Get Started in Real Estate Investing,” but I think this one is a better read for the beginner.

What Every Real Estate Investor Needs to Know About Cash Flow
Authored by Frank Gallinelli, this book covers 36 key numbers or calculations you really need to know if you’re serious about real estate investing. I cannot recommend it more highly. Everything you need to know about cap rates and net operating income and what they mean is in this book.

**How to Save Thousands of Dollars on Your Home Mortgage**

I read this book while shopping for my fourth mortgage. I sure could have used this information the first three times. It’s pretty surprising how complicated mortgages can be. Considering it is the largest purchase you’ll ever make, don’t you think you ought to spend a little time making sure you get a good deal? You can easily lose everything you gain in savvy negotiating over the price of a home by getting a lousy deal on a mortgage.

**How to Manage Residential Property for Maximum Cash Flow and Resale Value**

This is another of John T. Reed’s excellent real estate books, subtitled “How to Maximize Your Income and Minimize Your Expenses and Hassles.” See? Even the title is no-nonsense. Amazon says, “Providing solid, basic information on managing rental units and making money at it, a guide to property management offers tips on recruiting and supervising assistant managers, maximizing income, setting up a bookkeeping system, and saving on payroll taxes.” Sounds boring huh? But boring investing is good investing. If you want some get-rich-quick motivational book, there are plenty of those out there.
Why Physician Home Loans Fail

Written by long-term blog advertiser Josh Mettle, and reviewed here. Read this book before getting a “doctor” mortgage loan. Read all about the horror stories other physicians have had while trying to buy a house across the country before they even finish training.

Recommended by readers:

The Book on Rental Property Investing

Taxes

Taxes Made Simple *

Subtitled “Income Taxes Explained in 100 Words or Less,” this classic by CPA and Blogger Mike Piper is probably the best primer out there on the income tax. It might not teach you every little trick you need to know, but it’ll give you a great overview and won’t waste your time.

J.K. Lasser’s Your Income Tax 2018

I used to recommend Taxes for Dummies, but the last edition was in 2009, and tax law changes too frequently to recommend an 8-year-old book. If you’re looking for a comprehensive “how to do your taxes” kind of reference, this one will work better than Piper’s. If you can read this cover
to cover, you’re going to be very wealthy some day. That kind of discipline is pretty rare.

### The Overtaxed Investor

The best book on the market when it comes to investing-related taxes, Demuth can make a terribly boring subject interesting and even funny. Reviewed [here](#). This one is written by James Lange, who should be far more popular than he is as a financial author. While this delves into many aspects of the tax code, it really specializes in the use of retirement accounts and minimizing estate tax. While many authors get their recommendations about retirement accounts wrong, Lange nails it time and time again with well-done calculations and clear graphs and charts. CPA/JD James Lange is a recognized expert on retirement accounts and trusts. Highly recommended, although best if read slowly.

### Independent Contractor, Sole Proprietor, and LLC Taxes

Another inexpensive, easily read book on taxes from Mike Piper. This one hits a subject that many doctors want to learn more about.

### Aggressive Tax Avoidance for Real Estate Investors
This is another no-nonsense book from John T. Reed. Although aimed at Real Estate Investors, there is an awful lot in here about taxes that you might find useful. One of the best sections explains how an audit works and what it is like to go to Tax Court with and without an attorney. It is subtitled, “How to Make Sure You Aren’t Paying One More Cent in Taxes Than the Law Requires.” If that’s your goal, read this book! Again, you might not be able to find this one on Amazon for a reasonable price, but you can probably order directly from Reed.

Recommended by readers:

Every Landlord’s Tax Deduction Guide

Contracts and Practice Management

The Final Hurdle: A Physician’s Guide to Negotiating a Fair Employment Agreement

Not cheap, but the best book on the subject in my view. Chapter 5 alone on valuing a practice buy-in is worth the price of admission. I don’t expect I’ll ever write a book on this subject because I couldn’t do as good of a job as author and healthcare attorney Dennis Hursh.

Physicians Guide: Evaluating Employment Opportunities & Avoiding Contractual Pitfalls
This is a great book. Unfortunately, it is out of print either temporarily or permanently. Go ahead and take a look by clicking on the link, but don’t be surprised if there are only a handful of copies available from third-party sellers and they all want $600 for it. I’ll sell you my copy for 1/4 of that if you want! It includes these features:

- How to assess the micro, medial, and macro organizational cultures
- How to determine if there is enough volume to support your practice
- Ensure that your pay is competitive and understand how it is calculated
- Ensure that you have “tail” coverage that is paid for by your employer
- Mitigate the unwanted impact of an “equitable share” of call
- Forecast the long-term ramifications of upfront money
- Protection from standard termination covenants
- How to capture the “spirit” of the agreement

**The Business Side of Medicine**

Filled with tons of practical tips, this book is almost like a mini-MBA, but just the stuff you need and none of the stuff you don’t. Highly recommended. Plus way cheaper than the two books above!

**What They Don’t Teach You in Dental School**

A short, no-nonsense guide to starting your own dental practice. 95% of it is applicable to physicians and other small businessmen. Reviewed
The Physicians Comprehensive Guide to Negotiating

This one also suffers from a fairly high price and limited availability, but it is excellent if you can get your hands on a copy. It is specific to doctors and has over 200 examples showing you what to do and not do. Get what you deserve by using these techniques.

Contract Issues for Emergency Physicians

Limited availability on Amazon, but you may be able to get it cheaper at the ACEP Store. I paid $10 for my copy. It was definitely worth that. As I write this post it was available for $27, but I've also seen it listed for $200. I wouldn’t pay that much. But it’s EM specific, so a great read for a senior EM resident.

Recommended by readers:

How to Be a Rock Star Doctor (Reviewed here)

Estate Planning and Asset Protection
Living Trusts for Everyone

Subtitled “Why a will is not the way to avoid probate, protect heirs, and settle estates,” this book wonderfully explains why pretty much every doc ought to have a living (i.e. revocable) trust in place at their death. 117 short pages explaining why you need a trust instead of a will. If you don’t think you need a trust, read the book.

Make Your Kid a Millionaire

Subtitled “11 Easy Ways Anyone Can Secure a Child’s Financial Future,” this is a gem of a book that you don’t hear about very often. It describes all kinds of ways to help your kids get a leg up financially. It discusses all the kiddie type accounts such as Coverdell ESAs (Education IRAs), 529s, UGMAs etc. and contains lots of creative ways to take advantage of the extra decades of compound interest your kids have available to them. While not one of the first books you should read, if you find you enjoy learning this stuff, this is a great one to add to your collection.

Retire Secure: Pay Taxes Later

This one could have gone in both the Tax section and the Estate Planning section because it is so good with both topics. The entire second half of the book is all estate planning, and perhaps the best book on the subject I’ve read yet. Written by CPA/JD James Lange, a recognized expert on
retirement accounts and trusts. Highly recommended, although best if read slowly. Reviewed [here](#).

**Silver Spoon Kids**

Subtitled “How successful parents raise responsible children.” I know this is a concern for our family, and I’ll bet it is for many of you. Learn how to give them every advantage you can without spoiling them. Reviewed [here](#).

**Recommended by readers:**

To Be Added

What do you think? What books would you add to this list? Put your recommendations in the comments section with a 1-2 sentence description of why you think it should be on the list. Comment below!

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**Studying for the Boards- Peer IX Vs Rosh Review Vs Board Vitals**

[Editor’s Note: A couple of weeks ago I mentioned a new affiliate partner I have, ELFI, a student loan refinancing company known for low rates. The ELFI link and WCI deal ($325 cash back) are now live, so if you’ve been waiting for this one, now is the time! Also, if you are going to the ACEP Scientific Assembly at the end of the month, you can come meet me on Monday night (Oct 30th), get a free copy of my book, and some free food, but you do have to RSVP. ]
For about three months this summer I was pretty grouchy. If you didn’t notice it in my comments or emails, I’m glad, but my family certainly did. Why was I grouchy? Because it was time for me to take the ABEM ConCert Exam in order to maintain my emergency medicine board certified status. This test is very similar to the original qualifying (written) EM board exam, but it has been 11 years since I last took a high-stakes multiple choice test. Since my hospital medical staff requires me to maintain board certification, I had to pass this test if I wanted to keep practicing. In reality, you can fail it once or twice, but the last thing I wanted to do was spend all my available time for months studying for it AGAIN next year. Plus, I didn’t want to shell out another $1,850 to take the 5 hour computerized test at a local Pearson testing center. And pay hundreds of dollars for preparation materials. Which brings us to the subject of the post– preparation materials.

**PEER IX Review**

A well-known resource in Emergency Medicine is put out by the American College of Emergency Physicians and called PEER IX. PEER stands for Physician’s Evaluation and Educational Review and this is the ninth version of it as it gets updated every couple of years. It is basically a 460 question bank with a free pre-test. ACEP charges its members $295 ($0.64 per question) for this resource but throws in the last version (PEER XIII, another 350 questions, lowering the price to $0.36 per question) for free. So the first thing I did was take the free pre-test. I scored something like 64%, which basically sent me into panic mode since a passing score on the ConCert exam is 75. However, I confess that I was immediately suspicious that the pre-test questions were harder than the actual questions on the exam in order to get me to buy PEER IX. More on that suspicion later. There was also a written companion to the question bank, for another $118. While I hate “doctor pricing”, that was better than the other review book I used for the original exam that currently costs $400. I passed on both of the books this time and shelled out my $295 for the question bank.
I did the entire PEER IX question bank, ending up with a score of 75% correct. I also did a few of the PEER VIII questions. Overall, I think the PEER IX questions were the most similar in style and length to the ones on the actual exam, although the writers of the questions say they have no association whatsoever with the writers of the actual test. I did find the questions to be significantly more difficult than the ones on the actual exam.

Now, when using a question bank, the quality of the explanations of why some answers were right and some answers were wrong is pretty important. The idea is that you want to avoid having to go to another resource to look something up as little as possible. In this aspect, I found the PEER IX explanations adequate most of the time. They were certainly better than the PEER VIII explanations, which I found so bad that I moved on to the next question bank instead of doing most of them. Here’s an example of what you get with PEER IX:

An 84-year-old woman presents following an episode of dyspnea and near syncope. A systolic crescendo-decrescendo murmur is noted on examination.

Which of the following therapies should be avoided?

- Digitalis 8%
- Lisinopril 3%
- **Correct Answer** Nitroglycerin 89%
- Statins 0%
That’s pretty nice. You get a comprehensive explanation of the right answer, a brief explanation of the wrong ones, and usually a few extra tips below in the Peer Point and Peer Review sections, although those usually just include info that was in the comprehensive explanation above. But compare that to what you get with PEER VIII:
That's it. Not nearly as comprehensive as the explanations with PEER IX. There were also lots of references included with the PEER resources, but frankly, that was a waste. I mean, who's going to go look that stuff up? If I have a question about a subject, and the explanation provided wasn't adequate for me to refresh my understanding, I'm just going to look it up on UpToDate or even Wikipedia. This isn't cutting-edge research we're doing here, it's studying for the boards. I'm not going to the original literature.

Another annoyance I had with PEER was the CME system. While they do give you free CME with it (up to 150 hours) they only let you claim it after a practice test if you scored at least 75 on the practice test. Well, since I averaged 75, I clearly didn’t get a 75 on every test. So I didn’t get to claim anywhere near 150 hours, not that I’m running short anyway, but still. Very annoying. In the end, I claimed 15 hours for it but spent far more time than that with the database.

Rosh Review

After finishing PEER IX, I still had over a month until the exam so I looked around at what I was going to study next. I was intrigued by a private company called Rosh Review. Founded by Adam Rosh, an emergency physician in 2012, it enjoys a pretty good reputation among emergency docs studying for their written tests. But Rosh Review offers a little more than just EM questions. They also have FM, Peds, Peds EM, PA, and NP questions. So I emailed Adam and said, “Tell you what, if you let me use your database free for a couple of months, I’ll include it in a review I publish on my blog.” He graciously gave me access. Which is good, because being the cheapskate that I
am, I really didn’t want to spend another $419 (30 days) or $449 (90 days) for it.

In reality, I probably would have spent it if I had to and been glad that I did. I’m not sure what motivated Adam to start this business, but he clearly took a look at PEER IX, saw the problems with it, and figured he could do a better job, offer a great resource to the EM community, and make a buck on the side. I think he succeeded admirably. Let me explain why:

With PEER you get 460 questions (or 910 if you count PEER VIII) with some “adequate” explanations. With Rosh Review, you get 2,141 questions ($0.21 cents per question) with perhaps the most beautiful explanations on the planet. I mean, I saw pictures of conditions I don’t think I’d ever seen pictures of before. Wanna know what Koplik spots look like? Rosh will show you. These explanations were gorgeous. Let me show you what I mean:
Pretty impressive huh. I like it when they tell me how many of my peers are getting the question right (and which wrong answers they’re choosing), but PEER did that as well. But what I really liked was that every question in the database had a little bonus question down below, the “One Step Further” question. So in reality, it wasn’t just 2,141 questions you were getting, but rather 4,282! That’s just 10 cents a question!

But as you can see, the explanations are way above and beyond what you’re going to see anywhere else. It was very rare for me to need to go look up something in another resource while using the Rosh Review question bank. This is the real strength of Rosh.

Another great feature was the ongoing feedback about your progress.
It tracks your progress as you go along to see if you’re getting smarter. I don’t know how I aced the first two tests I took, but I became more consistent as I went along. Don’t pay any attention to the last 8 tests or so. That was Whitney playing around with it the night before I took the test. This was my favorite screen:

Not only does it track your progress as you go along and give you your overall percentage correct, but it also projects your ConCert score and your probability of passing. I thought this feature was really cool and very reassuring. I ended up doing about 700 of the 2141 questions with an overall average of 82% and it was projecting my score to be 91 by the time I was done. But that gave me a lot of confidence going into the test that I was going to be just fine.
Not only can Dr. Feinauer climb El Cap, but he can get 98 on his ConCert Exam too!

What didn’t I like about Rosh Review? Well, it’s the most expensive of the bunch to start with. I mean, you can cheap out and just get it for a month, but I can assure you that you aren’t going to get through all 2,141 questions in that time period. Plus, it doesn’t give you free CME. You have to spend another $100 to get 100 credits. Granted, that’s still pretty cheap CME, but you’d think if you were dropping that kind of money on software that they could throw in the CME credits for free. I found the questions to be the easiest of the three databases I used, but still slightly harder than the actual exam. Obviously Rosh agrees given that even at the end most of my scores were in the 82-86% range and they were projecting me to get a 91. That was pretty darn accurate, given that my final test score was 93. I was pretty happy with that, since it was higher than my original written boards score. At least until my climbing partner told me he got a 98 despite studying less. Punk. Incidentally, Rosh was all he used, but at least he had to pay for it!

**Board Vitals Review**

Board Vitals is an affiliate partner that has been with me for over a year
with a few scattered ads. In that time period, I haven’t managed to get a single one of you to purchase their services. That’s really too bad, not only because I haven’t made a dime, but also because they offer a great database.

In fact, they offer dozens and dozens of databases for physicians, nurses, students, podiatrists, dentists, pharmacists, PAs, NPs, and even naturopaths. There is everything from the USMLE and COMLEX to pediatric neurology, radiology, and sleep medicine. I count 132 different tests you can prepare for using a Board Vitals question bank. Obviously, I was only interested in one of those, so I asked for a freebie in hopes that I could eventually get some of you to check out this sweet resource. They graciously granted me access to the database for a couple of months, although just like with Rosh Review, didn’t get to give any input toward this review and in fact didn’t see it any sooner than you did. I did the Board Vitals questions at the same time as Rosh Review, both after PEER.

The emergency medicine database contains 623 questions and goes for $249 for a month, or $429 for three months. That works out to $0.39 or $0.69 per question. That’s not quite the value (price per question) you get with Rosh Review, but it is better than you get with PEER (assuming you get through the database in a single month). And who really has time to do 2100+ questions anyway? At $249, it is the cheapest of the three databases. Unless you want the CME, which will cost you another $200. Knock 10% off all those prices if you go through the links on this page.

I found the questions to be the hardest of the three databases and far harder than the test itself. In fact, they predict that if you can get at least 61% on their database that you’ll pass the ConCert exam. But they had some questions that were real doozies. Like stuff I would call the Poison Control Center to ask. And that the toxicologist would have to look up in a book to give me an answer. They had quite a few questions on medication side effects that were particularly challenging as well. There were also a few questions that seemed like they had been stolen from their databases for other tests. For example, the vignette would read about how the patient came into the urgent care or into a clinic. Those questions left me wondering why I was taking care of them if they just walked into a clinic. But overall, good solid emergency medicine questions. Nice and hard and humbling. The explanations were not Rosh quality, but adequate and about on par with what you get from PEER. Take a look:
This is pretty typical of what you see with Board Vitals. A tough question, perhaps on the edge of what is really expected of an emergency physician to know. It lets you know how many people got it correct, although doesn’t tell you what other test takers were guessing like PEER and Rosh do. In this case, 78% of exam takers got it right, which I found surprising since I missed it.

As I worked my way through the database, I was surprised by how many questions less than half of the takers got right. In some cases, only 25-30%. I felt good about myself, since I got many of those right, but I was worried that there were apparently many emergency physicians missing them. Which made me think that maybe those questions were being presented to other test-takers as part of other databases, thus explaining the low % correct.

They also give you a nice timeline (like Rosh but unlike PEER):
This report was nice to see as well:

<table>
<thead>
<tr>
<th>Subject Name</th>
<th>Total Questions</th>
<th>Questions Attempted</th>
<th>Student Score</th>
<th>Median Score</th>
<th>Percentile Rank</th>
<th>Questions Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>OVERALL</td>
<td>632</td>
<td>632</td>
<td>79%</td>
<td>69%</td>
<td>68th</td>
<td>0</td>
</tr>
<tr>
<td>Musculoskeletal</td>
<td>42</td>
<td>42</td>
<td>90%</td>
<td>72%</td>
<td>85th</td>
<td>0</td>
</tr>
<tr>
<td>Infections Disease</td>
<td>31</td>
<td>31</td>
<td>83%</td>
<td>69%</td>
<td>72nd</td>
<td>0</td>
</tr>
<tr>
<td>Trauma</td>
<td>34</td>
<td>34</td>
<td>88%</td>
<td>65%</td>
<td>88th</td>
<td>0</td>
</tr>
<tr>
<td>Cardiovascular</td>
<td>59</td>
<td>59</td>
<td>75%</td>
<td>73%</td>
<td>50th</td>
<td>0</td>
</tr>
<tr>
<td>Neurology</td>
<td>65</td>
<td>65</td>
<td>76%</td>
<td>69%</td>
<td>57th</td>
<td>0</td>
</tr>
<tr>
<td>Psycho-Behavioral</td>
<td>44</td>
<td>44</td>
<td>75%</td>
<td>68%</td>
<td>59th</td>
<td>0</td>
</tr>
<tr>
<td>Immune System</td>
<td>2</td>
<td>2</td>
<td>100%</td>
<td>66%</td>
<td>100th</td>
<td>0</td>
</tr>
<tr>
<td>OB/GYN</td>
<td>37</td>
<td>37</td>
<td>81%</td>
<td>74%</td>
<td>61st</td>
<td>0</td>
</tr>
<tr>
<td>Pediatric</td>
<td>29</td>
<td>29</td>
<td>69%</td>
<td>70%</td>
<td>44th</td>
<td>0</td>
</tr>
<tr>
<td>Reproductive</td>
<td>14</td>
<td>14</td>
<td>100%</td>
<td>81%</td>
<td>100th</td>
<td>0</td>
</tr>
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<td>Thoracic and Respiratory</td>
<td>49</td>
<td>49</td>
<td>78%</td>
<td>69%</td>
<td>63rd</td>
<td>0</td>
</tr>
<tr>
<td>Cutaneous</td>
<td>22</td>
<td>22</td>
<td>82%</td>
<td>69%</td>
<td>85th</td>
<td>0</td>
</tr>
</tbody>
</table>

Just like Rosh, it will break it down for you by category in case you only have time to do the categories you really suck at, but I was mostly interested in the top line. I think in the end I got 79% of the database correct. That put me at the 68th percentile as the median score was 69%. And again, since they predict you need 61% to pass the ConCert, that made me feel pretty good.
The Bottom Line

In the end, I liked different things about each database, so it is hard for me to give you one recommendation over another.

I think the PEER questions were most like the ones I actually saw on the test. But they don’t do anything flashy, the explanations are merely adequate, and they charge you quite a bit for the number of questions they’re giving you ($0.64 per question). But you do get the CME for free, even if you might have to take the tests twice to actually claim it!

Rosh Review is the premium product in the space. Way more questions (more than I did between all three databases in three months) and gorgeous explanations. But they also charge like it, at $449 for three months plus another $100 for CME. It offers maximal value at $0.21 per question, assuming you can get to all those questions in three months. It is pretty clear that Adam Rosh is an emergency doc, as this is a pretty EM-focused business.

Board Vitals is the discount product on the market at the low, low price of $249 (minus 10% if you use the links on this page.) It offers good value at $0.39 a question ($0.35 if you use my links) and is definitely going to motivate you to study given the difficulty of its questions. The questions aren’t quite as applicable to the exam as the other two databases, but there are still areas that showed up on the exam that the Board Vitals database prepared me for and the other two did not. Board Vitals also has the huge advantage that it isn’t just an EM focused product. While Rosh is branching out, they’ve got a long way to go to catch up to Board Vitals as far as other specialties go.

In the end, which of these you buy should come down to what you’re looking for. If you want it all, just buy all three databases. I was glad I used them all. They all helped me raise my score. Sure, it’ll cost you a cool $1,000, but when the test costs $1,850 to retake and when you consider the value of your time, that really isn’t all that much money.

If you’re looking for a deal, well, you get over 600 questions with Board Vitals for just $224. If you’re either not planning to study much or doing most of your studying using a course or a book and just want to take some practice tests, that should be adequate.

If you want to pick something in the middle, you won’t run out of questions going with Rosh Review or you could combine Board Vitals with PEER to again get plenty of questions for not much more than you pay for Rosh.

If CME credit is really important to you, PEER is likely your best bet since the CME is included, but you can get it from any of the three databases for a little more money.

If convenience is your main concern, it’s hard to go wrong with Rosh Review. You make one purchase where you get plenty of questions, a good predictor of
Thanks again to Rosh Review and Board Vitals for giving me free access to your fantastic question banks and your service to the medical community.

What do you think? How did you study for the EM boards? If you’ve used more than one question bank, which one did you like best? If you’ve used Rosh or Board Vitals for another specialty, how did you like it? Comment below!

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**Alternative Financial Medicine- A Review**

Kenyon Meadows, MD is a radiation oncologist and an author who submitted a guest post a while back. He sent me a review copy of his book, *Alternative Financial Medicine*, subtitled High-Yield Investing In A Low Yield World a while back and I told him I would review it. Be aware that Dr. Meadows has purchased advertising on the site, although this is not a sponsored post (as will be easy to see if you read through it.) Books links on this page, like every book link on the site, is an affiliate link, meaning I get paid if you buy stuff at Amazon after going through these links. (Don’t worry, it doesn’t cost you any more.)

*Alternative Financial Medicine* is a 118 page self-published book that reads like a 40 page book and is sold on Amazon for $14.95 at the time I wrote this review. He is obviously targeting physicians with the name and the content of the book.

**Book Structure**
It consists of 9 short chapters, 7 of which discuss various “high-yield” investments. These include:

1. Peer to Peer Lending
2. Peer to Business Lending
3. Mortgage Lending
4. Crowdfunded Real Estate Investing
5. Distress Mortgage Notes
6. Hassle-free Rentals
7. Student Loan Investing

The book has an “incomplete” feel. It is very much a compilation of his personal experiences with each of these types of investments. However, given that most of these are very new, and even a full-on high-yield advocate like Meadows hasn’t had very many round trips through these types of investments, there is little objective data or theory behind it. However, given the limited data and books on the subject, this might be about as good as it gets. Certainly my posts on these subjects have that same incomplete feel and so when I do recommend investments like these, I do so with great caution and many caveats.

What I Really Like
My favorite part of the book was the premise behind it and behind these types of investments. In today’s low-yield world, we have investment authorities (not to mention the most pessimistic of Bogleheads) prophesying crummy returns from both stocks and bonds going forward for at least a decade. I mean, if you’re really only going to get 2% nominal from bonds and 2% real from stocks, you can see the appeal of investments promising returns of 8%, 10%, 12%, or even more. Especially now as my portfolio begins to rely more on asset allocation and the future earnings that asset allocation provides than on my ability to save more money, I become more and more interested in investments that seem to be able to offer returns that are 5% higher than the rest of my portfolio, even if it comes with markedly more risk, offers far less liquidity, and requires more due diligence.

Dr. Meadows states his criteria:

It was important for me to come up with criteria by which to evaluate and potentially participate in certain asset classes. Number one, I wanted high yield, generally defined as at least double the official inflation rate. I therefore chose 5 percent annual returns as my minimum threshold. In reality, most have a track record of returns in the high single-digit to low double-digit range (8 to 12 percent). Number two, I wanted risk that was uncorrelated with the equities market, meaning the next time stocks took another precipitous decline, my investments wouldn’t necessarily go down in parallel.

Kenyon Meadows, MD

Who wouldn’t want higher returns and lower correlation to the rest of the portfolio? We all would. And this is why I find these investments intriguing. Boglehead-style investing (a mix of broadly-diversified, low-cost, passively-managed stock and bond mutual funds invested in the most tax-efficient manner possible) compares very favorably against picking stocks, picking actively managed mutual funds, technical analysis, or timing the market. But how does it compare against some of these other types of investments, many of which
are only available to accredited investors and many of which weren’t available a decade ago. Well, nobody really knows. There is no data and there are precious few of us who have done both. The information that is out there is anecdotal at best. Well, add Meadow’s anecdotes to the collection.

What I Didn’t Like

This was hardly a dispassionate look at these investments. Dr. Meadows comes across as an advocate and a cheerleader, which makes the book seem like a one-sided analysis at best. For example, in the Peer-to-Peer Lending chapter he tells about Renaude Laplanche, the founder of Lending Club, and his brilliance. But there is no mention of LaPlanche’s accounting “irregularities” that came to light prior to publication of the book. Later in the chapter, he talks about how he considers Peer to Peer Loans as a “new type of savings account.” The difference in risk between even a diversified portfolio of peer to peer signature loans and an FDIC-insured savings account is monumental.

To be fair, he does cover the risk aspect later in the chapter, but I think a savings account comparison is totally inappropriate, not only due to the massive difference in risk, but also in the amount of time and effort required to implement a strategy using his recommended $25 per borrower. He gives no discussion of the difficulty of liquidating a portfolio of these notes, other than “I count on holding the note for the stated duration when I make an investment through this platform.” So make sure you stop buying them 3-5 years before you want the money to spend or invest elsewhere. As another example, the chapter on crowdfunded real estate has no discussion of platform risk or fees, which are hardly insignificant.

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Overall, the book is short, inexpensive, easily read in a single sitting, and gives a broad overview of your options along with personal anecdotes about his own investments. It gives you real, first-hand information from someone who has been there and done that as much as anyone has. What it lacks in data
and theory, it makes up for in honesty and openness. Am I convinced to ditch “Boglehead-style” investing for higher-yield investments? No, and this book didn’t move me any closer to being convinced. But I am interested enough to dabble a bit with a small percentage of my portfolio. My experiment with 5% of my portfolio in Peer to Peer Loans had mixed results (not bad, but not as good as promised). Now I have investments with a handful of online syndicated real estate companies (again not a huge percentage of the portfolio), and so far have had an experience similar to that described by Dr. Meadows—higher returns, low correlation with the rest of my portfolio, and plenty of cash flow. We’ll see how it goes and I’ll keep you up to date. In the meantime, check out Alternative Financial Medicine to get another doctor’s take on these newer investment options.

What do you think? Have you read the book? What has your experience in high-yield investments been? Comment below!

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**Reviews of If You Can, The 13 Word Retirement Plan, and The Index Revolution**

Well, here we are at the end of the week. We’ve covered a lot of ground this week. If none of the books we reviewed this week appeal to you, be sure to check out my list of recommended books. We hit some physician specific books on Monday, some books aimed at more advanced readers on Tuesday, an “alternative” investment book on Wednesday, niche Social Security books on Thursday, and now today we’re going to cover some books on the basics. In fact, our first book is one of my favorites by one of my favorite authors, William Bernstein, MD.
If You Can

If You Can is perhaps the best first investment book for a millenial 20 something. Not only is it short, very readable, and correct, but it is also free (my favorite price.) Plus, when I recommend it I get to take advantage of the fact that it gives homework assignments which are basically a book or two for each of the five chapters. So those who read it really have to read several books, instead of just one, to do it correctly. Dr. William Bernstein, neurologist turned financial theorist, was one of the biggest influences on my personal finances when I started reading financial books more than a decade ago. As he went along from one book to another, he made each book more simple than the last, from The Intelligent Asset Allocator to The Four Pillars of Investing to The Investor’s Manifesto. Even the “adult” books were purposely kept quite short. This book goes one step further—nothing but the basics here.

It is subtitled “How Millenials Can Get Rich Slowly” and is a 16 page PDF, and 2 of those 16 pages have fewer than 10 words on them. Seriously. That’s it. You can do it. If you are one of those people who can’t read a financial book because it is so darn boring, you can read this one. Here’s how he introduces it:

Would you believe me if I told you that there’s an investment strategy that a seven-year-old could understand, will take you fifteen minutes of work a year, outperform 90 percent of finance professionals in the long run, and make you a millionaire over time? Well, it is true, and here it is: Start by saving 15 percent of your salary at age 25 into a 401(k) plan, an IRA, or a taxable account (or all three.) Put equal amounts of that 15 percent into just three different mutual funds:

- A U.S Total Stock Market Index Fund
- An International Total Stock Market Index Fund
- A U.S. Total Bond Market Index Fund...

[But] the most important word in this book is “IF” … because, you
see, it’s a very, very big if. At first blush, consistently saving 15 percent of your income into three index funds seems easy, but saying you can become comfortably well-to-do and retire successfully by doing so is the same as saying you’ll get trim and fit by eating less and exercising more….Dieting and investing are both simple, but neither is easy.

The “chapters” in the book are five “hurdles,” which are:

1. Even if you can invest like Warren Buffett, if you can’t save, you’ll die poor.
2. Finance isn’t rocket science, but you’d better understand it clearly.
3. Those who ignore financial history are condemned to repeat it.
4. We have met the enemy, and he is us.
5. The financial services industry wants to make you poor and stupid.

Amazingly, those five sentences sum up Bernstein’s first three books quite nicely! If I go on any longer about this book, I might as well just publish it here as a blog post. If you haven’t yet read it, do it today, then pass it on to someone you care about.

The Thirteen Word Retirement Plan

Like Bernstein, WCI reader Stephen Nelson, CPA, MBA, has been doing this financial writing thing for much longer than I have. The Thirteen Word Retirement Plan is his version of an ideal first book for a beginner investor. He subtitles it “A Simple Roadmap for Joining The Top Ten Percent.” Obviously not physician specific (in fact he aims this at the “average” American making $55k), but that can be a good thing. It’s only available on Kindle ($4.99) but as a Word document it is only 45 pages long, so you can get through this one too. Or if you can’t, well, at least you can get through all thirteen words which are, without further ado:

$5,500 annually into an IRA or 401(k) invested in cheap target retirement funds

It’s not exactly the same as Bernstein’s plan, but it’s awfully similar, and
that ought to tell you something. In chapter one, he sets your expectations. He shows how $5,500 a year will turn into $365K after 30 years or $497K after 35 years. Then he points out that only 14% of retirees retire with a nest egg larger than $365K and only 10% retire with a nest egg larger than $497K. So there you go, $5,500 a year gets you into the top 10% by the time you retire.

Chapter two explains why people fail at this simple task - they make the task too complicated, they misunderstand that they need to earn for 30 years, but spend for 60 years, that many people treat retirement savings like death (including five stages of grief), and they get bummed out by the difficulty of carving out 10% of their income a year. He offers great suggestions to help you avoid being bummed out, like the fact that between the match and the tax deduction, you don’t have to save nearly as much as you might think.

Chapter three explains why you should be using a 401(k) or IRA and why those retirement accounts are so valuable. Chapter four explains why you SHOULDN’T be using a Roth IRA. I love a little controversy, but he’s right. If you’re only making $55K a year, don’t ever expect to make any more, and are only saving $5,500 a year, you’re going to come out ahead with a tax-deferred account. This chapter also nicely includes the exceptions when a Roth account may be better. I love that Nelson “gets” the math on this, because many people don’t.

Chapter five tells you to keep your costs low because they matter a lot. That’s important, but I’ve already beaten it to death around here. If this is the first time you’ve heard that, I’ve failed you. Chapter six talks about target retirement funds, and why they can be awesome for those who save $5,500 a year. That’s not most readers of this blog (I hope) but it might be many of their friends and family members. Chapter seven talks all about “percentages”, like your savings rate, expected returns, the 4% rule, and other important rules of thumb in personal finance. This information is basic, but critical, and lacking in far too many personal finance and investing books.

Chapter eight includes 12 “tricks” to find money to save. Many of these apply to physicians just as well as the middle class and include things like a match, tax deductions, delaying Social Security, and making your IRA
contribution early in the year. Chapter nine talks about “awkward questions” like “Can I rely on Social Security?” and “What if my household can’t save $5,500 annually?”

All in all, this one might be three times as long as Bernstein’s, but it also contains three times as much high yield stuff. They both make excellent books for a beginning investor. If that is you, start reading. For less than $5 you can get two of the most easy to understand and highest yield investing books available anywhere.

**The Index Revolution**

The third book we’ll be reviewing today is *The Index Revolution* by investing legend Charley Ellis, with the foreword by another investing legend, Burton Malkiel. Although this is a real book, unlike the above “books” that are closer to pamphlet length, it is small (5×7 inches) and only 240 pages long and assumes that you don’t know much, if anything, about investing. If you have not yet been convinced that the best way to invest in publicly traded stocks is to buy low-cost, broadly diversified index funds, this book will convince you. The other two options—picking stocks yourself or hiring someone else to do it, not only introduce unnecessary, uncompensated risk and manager risk, but are very unlikely to increase your returns. This fact is mostly empirical, because it isn’t intuitive, and sometimes it takes a few books for you to really believe it. That must be why there are so many that continue to be published to basically demonstrate that fact. Despite the fact that Bogle and Malkiel wrote about it in the 90s, there are a plethora of books that continue to come out, perhaps most recently Ferri’s *The Power of Passive Investing* and Swedroe’s *The Quest For Alpha*.

However, Ellis’s book is a lot easier to read and understand than any of those other books. It is subtitled “Why Investors Should Join It Now” and is comprised primarily of two parts. The first part is his story, entitled “My Half Century Odyssey” of how he became a proponent of index fund investing. Then he begins the second part pointing out that the world has changed. It isn’t that active investing didn’t use to work, nor that it doesn’t work because active managers have no talent. It is primarily that active managers
are too good and there are too many of them doing it. They have basically eliminated all the available alpha. They can no longer overcome their own fees. The remainder of the book, aside from the appendices, is 10 Good Reasons to Index. If you understand and believe all of these reasons just from reading the table of contents, you probably don’t NEED to read the book, but it still provides good reinforcement. Here is the list:

1. Indexing outperforms active management (do you need any more reasons?)
2. Low fees are an important reason to index
3. Indexing makes it much easier to focus on your most important investment decisions (I love this one.)
4. Your taxes are lower when you index
5. Indexing saves operational costs
6. Indexing makes most investment risks easier to live with
7. Indexing avoids manager risk
8. Indexing helps you avoid costly trouble with Mr. Market
9. You have much better things to do with your time (so true.)
10. Experts agree most investors should index

Even the appendices of the book are good. The first talks all about “smart beta” (hint- Ellis wouldn’t think much of Swedroe’s recent book on Factor Investing.) The second is a “how-to” guide about how to get started indexing. The third gets into the nitty-gritty about index fund management. Here are some quotes from the book to give you a flavor for it:

For those who choose active management, getting started means committing to a long series of detailed and often difficult decisions–some large, some small, many fraught with uncertainty and risk, and many coming at inconvenient times. By contrast, the basic indexing decisions are simple and, once made, stay decided until the time comes for a change in your long-term investment strategy because your goals have changed in an important way.

Perhaps most important, some of [the academic work showing the value of indexing] has strongly suggested that certain elements of investment activity may not be particularly useful or not worth the cost. Can you think of any group that hasn’t resisted the idea that their contribution may be worth less than they are being paid?...I feel sorry for a lot of these guys. They were trained to do things a certain way and have spent years working hard to do it in that familiar way. Now, suddenly, they’re beginning to discover that what they’ve been doing all their lives hasn’t worked and they’ve been doing everything the wrong way. Think of the psychological shock these guys must be going through. Sometimes I wonder how they manage to get up in the morning.

The stunning reality is that most actively managed mutual funds fail to keep up with index funds that match those active funds’ chosen benchmarks. The problem gets worse as the time period gets
longer. (This is important because while they may change specific investments or managers, most investors will be continuously investing one way or another for the next 20, 30, or 40 years or even longer—and much longer when including the investing years of their heirs. The point on low success rates is made dramatically in a table showing the 10 year rate of beating an index fund in various asset classes ranging from 12-42%. The 20-30 year data, of course, is even stronger.)

Take a look from a different perspective and you’ll never again think...that fees can be fairly described as “only 1 percent.” Since you already have your assets, the right way to quantify investment fees is not as a percentage of the assets you have, but as a percentage of the returns that the investment manager produces. This simple first step into reality changes fees from a low “only 1 percent” to (assuming the consensus of 7 percent future returns on equities) a substantial 14 percent. This surely warrants deleting the four-letter word only. And that leap of insight turns out to be just the first toward a full understanding of investment management fees....Since all investors can invest via index funds...the true cost of active investing is the incremental fee above indexing as a percentage of the incremental return above investing...actually the grim reality...is that a majority of active managers, after fees, fall short of the index they chose as their target to beat, so for those managers, incremental fees as a percentage of incremental returns are over 100 percent—or infinity.

One of my favorite parts of the book was when Ellis explains how and when AUM fees came to be. Prior to the Great Depression, the main way investment managers were compensated was by hourly fees, since most were attorneys running trusts. One firm decided to charge fees based on dividends and assets under management. Then, when asset size fell in the Great Depression they switched to AUM only, and were commended for doing so as evidence of professional integrity. Ellis says:

Though they never do, every investment manager should celebrate that day with song, feasts, and much dancing. Changing the basis for fees from hours to assets would, in time, transform the economics of investment management. What had previously been at best a modestly compensated profession would, in time, become the world’s most highly paid professional business.

One more quote:

Investing is a continuous process like refining petroleum or manufacturing cookies, chemicals, or integrated circuits. If anything in the process is “interesting,” it’s almost surely wrong.
That’s why the biggest challenge for most investors is not intellectual; it’s emotional….the hardest work is not figuring out the optimal investment policy. It’s maintaining a long-term focus…and staying committed to an optimal investment policy.

Overall, The Index Revolution is an excellent book for those wavering in their faith about index fund investing, or who have never developed that faith in the first place. A committed Boglehead may find a few nuggets of wisdom and pearls of truth there, but little of what it teaches will be new. But the book isn’t written for committed Bogleheads. It’s written for investors who have not yet joined the index revolution, and so it is an excellent option for a relative beginner who needs a good CFE book for this year.

Buy If You Can Today! (Free PDF here.)

Buy The Thirteen Word Retirement Plan Today!

Buy The Index Revolution Today!

What do you think? Have you read any of these books? What did you like or dislike about them? Which one do you think is the best one for an investor who has read fewer than 3 financial books in his life? Comment below!

The Two Best Books On Social Security

It is day four of Continuing Financial Education week. Today we’re going to discuss two exceedingly boring books. I’m very sorry. They’re both extremely well done and written by talented authors, but the subject matter is worse than nephrology and pulmonology combined. Imagine nephrons in your alveoli. That’s what I’m talking about. What is this utterly dry, overpoweringly
boring subject? Why, Social Security of course. There are not a lot of books on the market on Social Security. That’s because the authors who attempted to write them fell asleep every time they wrote a paragraph.

**Social Security Made Simple**

Seriously though, you should read at least one of these two books at some point in your life. The ideal time is probably in your early sixties, but if you’re curious, you could muddle through one or both of them before then. The first book is Mike Piper’s *Social Security Made Simple*. Mike is a genius, by the way. He has managed to take this complicated, boring subject and make it very easy to understand, and tolerably interesting. It is best if you pick up the book with a specific question in mind. The ideal question is “When should I (and my spouse) claim our Social Security benefits?”

Mike wisely kept the book short, just 129 pages (including the appendices) in a 5 inch by 8 inch book. Despite the brevity, it is quite comprehensive (despite Mike’s claim that it “is not intended to serve as a 100% comprehensive guide to every aspect of Social Security.”) It begins with four chapters that explain how Social Security works. As you read it, you get the sense that this is all really important for you to understand. But if you’re not reading with a specific question, you never quite get the sense that you will remember all of the little rules, and even if you did, they’ll probably be changed before it comes time for you to make any important Social Security decisions. So why is it so important to read? Mike explains in the introduction:

> It’s common for retirees to make decisions regarding their Social Security benefits that cause them to miss out on tens of thousands of dollars (or sometimes even hundreds of thousands of dollars) over the course of their retirement.

So it is obviously really important stuff. Reading it helps me to understand how you guys all feel reading personal finance books. But trust me, as I’ve told you before, it’s worth it to read this stuff.
Chapter one is two pages on my Kindle. It shows you how to qualify for Social Security benefits (hit age 62 and earn 40 credits.) Chapter two is seven pages. It explains how retirement benefits are calculated. If you ever wondered, Mike can tell you how. But most importantly, he gives you the takeaways, and this is where the books excels. For example, the takeaways in chapter 2 are:

1. Social Security replaces a higher portion of wages for lower earning workers than for higher-earning workers and

2. There’s a maximum possible Social Security retirement benefit (Few people reach that maximum though, because doing so would require that you earn the maximum earnings subject to Social Security tax for 35 different years.)

Chapter 3 is 6 Kindle pages and explains the spousal retirement benefits and chapter 4 is six more pages and explains widow/widower benefits. That brings you on to part 2, “Rules for Less Common Situations.” This includes the rules if you’re divorced (6 pages), child benefits (4 pages), the rules if you have a pension from a job that didn’t require you to pay Social Security taxes (4 pages), and 6 pages about what happens if you keep working after taking Social security early (earn too much and your benefits are reduced.)

Part 3 is the meat of the book- when to claim your benefits. Chapter 9 discusses the decision for single people and chapter 10 for married couples. Then he discusses the restricted application strategy in chapter 11. Thankfully, Mike updated this book in November 2015 when changes were made to this strategy. But if you’re not already 62, forget it. Chapter 12 discusses how to account for an age difference between spouses. Chapter 13 discusses a strategy I’ve heard Dave Ramsey recommend- taking your benefits at 62 and investing it. I agree with Mike that the fact that you need a 4-5% real return to come out ahead with this strategy makes it a bit unwise for most.

The final part of the book, Part 4, has some other miscellaneous topics such as how to check your earnings records (4 page chapter 14), how Social Security is taxed (4 page chapter 15), how Social Security should affect your asset allocation (3 page chapter 16), and a few “do-over options” (4 page chapter 18) like withdrawing an application and suspending benefits. I enjoyed Mike’s idea of splitting your portfolio into two parts- one to get you until you claim Social Security, and the other to be used throughout retirement. Brilliant!
The conclusion is really useful, where Mike gives Six Social Security Rules of Thumb. They’re worth reproducing here (not a direct quote as a few of the comments are my summary of his rule.)

Rule # 1 The longer you expect to live (or the more worried you are about running out of money if you do live to have a long retirement), the better it is to hold off on taking benefits.

Rule # 2 For an unmarried person trying to decide between claiming early and late, the break even is age 80.5. Once you know the life expectancy of a 62 year old is age 83, you will probably realize you should wait to claim.

Rule # 3 In a married couple, having the person with the higher primary insurance amount delay benefits increases the amount the couple will receive per month as long as either spouse is alive.

Rule # 4 In a married couple, having the spouse with the lower primary insurance amount delay benefits only increases the amount the couple will receive per month while both spouses are still alive.

Rule # 5 The restricted application rule can give you a few years of “free” benefits, but not if you’re not already 62!

Rule # 6 The higher the after-inflation rate of return you can earn on your investments, the better it becomes to take Social Security early and invest the money. As a result, if inflation-adjusted interest rates are very high (they’re not right now) or if you have a very high risk tolerance…you may be better off taking the money early.

Kudos to Mike for tackling this important, although boring subject. I confess I didn’t read the entire book. I don’t think you should either. But I do think you should read the chapters applicable to you. With any luck, you can make the correct decision on claiming your Social Security benefits without having to read any more than about half the book!
Our second book today, *The Little Black Book of Social Security Secrets*, is by another of my favorite authors, James Lange, author of Retire Secure, and is subtitled “Couples aged 62-70 Take Action Now, Retire Secure Later.” This book is even shorter than Mike’s (61 pages of a 5 x 3 inch book), and is aimed squarely at those who can still do the File and Suspend/Restricted Application strategies. He rushed it out this Spring to get it into the hands of those who needed it, but if you weren’t already 62 when 2015 turned into 2016, you can skip chapters 4, 5, and 6. The rest of the book is short enough and cheap enough that is still probably worth your while, but this was definitely the meat of the book. However, Lange adds some detail not found in Piper’s book, specifically when looking at how your Social Security benefits can work together with Roth conversions. The bottom line is it can often be worth delaying Social Security and making Roth conversions in the mean time.

Mr. Lange’s conclusions are worth reproducing here:

If you apply at age 62, or as soon as you are eligible, your benefits starts lower and stays lower for the rest of your life.

COLAs magnify the impact of early or delayed claiming.

Delaying taking benefits becomes more advantageous the longer you live, but it is frequently a game changer for the surviving spouse.

The Apply and Suspend (also called File and Suspend) strategy adds significant value for married couples.

The Apply and Suspend technique is being phased out and qualified couples must apply by April 29, 2016 to take advantage of this strategy.

The Restricted Application or the Claim Now, Claim More Later strategy is another way married couples can get more from Social Security.
Since the survivor gets the higher of the two Social Security benefits, a good strategy is to plan for at least one benefit to be as high as possible.

A series of Roth IRA conversions combined with the best Social Security strategies is a powerful combination....

Please review all of your options with a qualified professional (not your local Social Security office) before signing on the dotted line, because your financial future depends on it.

Although Mr. Lange’s book is now a bit outdated, it is so short and cheap I’d probably read it along with Mike’s if I was facing this decision any time soon.

Buy Social Security Made Simple today!

Buy The Little Black Book of Social Security Secrets today!

What do you think? When do you anticipate claiming Social Security? Why? Have you read one or both of these books? What did you think? If you’re older, did you learn about File and Suspend and Restricted Application before it was too late? Comment below!

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Review of The Website Investor

Here we are moving into day 3 of Continuing Financial Education week. Sometimes I read a book (and review it on this site) because I think it would be a great book for you, my loyal readers, to read. Other times I read a book because I want to learn something myself. I read a lot of non-fiction, both for pleasure and for business purposes. Over the years I’ve taught myself a ton about personal finance, investing, writing, publishing books, and
internet entrepreneurship. So when I found this book about investing in websites, I actually paid good money for it ($10 on Kindle) and read it. My main interest, to be honest, was to try to determine the value of my own internet business. But the more I got into the book, the more interested I became in investing in (buying) websites built by other people as a source of semi-passive income.

A Website is a Business

In the same way that some people buy franchises and other people buy real estate, one can buy a portfolio or quiver of websites. At the end of the day, there are really only three investments. The first is something that you hope will appreciate in value, such as gold but which has no business value. The second is a loan, where you give someone or something money and they pay you interest for it, such as CDs or bonds. The third is an equity investment, where you are a full owner or a part owner of a business, and as the business succeeds, you reap the rewards. The stock market, at its most elementary level, is simply a place where you can buy and sell portions of successful businesses. But lots of people dislike the fact that those businesses are revalued all day long as it makes them feel like their money is in a casino, even if they don’t actually go into the “casino” for years at a time. So they prefer to invest in something they have a little more control over. The most hard-core of these folks denigrate stocks and bonds as “paper assets” and prefer “hard assets” like real estate, despite the fact that owning part of an apartment complex is just as much a “paper asset” or “hard asset” as owning part of Amazon. They’re both just businesses. One you may have more control of than the other, but over the long run you’re going to do as well as the business does.

Enter The Website Investor: The Guide To Buying An Online Website Business for Passive Income. Real estate people like investing in real estate because they know real estate. Now I know a little about the real estate business, although I’m no guru. One thing I have discovered is that while I appreciate the returns and low correlations of real estate, I don’t actually enjoy buying, selling, and managing real estate. Nor am I particularly good at it. But you know what also has good returns and low correlation with the stock market that I know well, am good at, and actually enjoy? Internet
entrepreneurship. So while it makes sense that a real estate guy would have a little higher allocation to real estate in his portfolio, it also makes sense that I would have a higher allocation to websites!

**How to Invest in Websites**

So how do you invest in websites? Well, like any other new activity you want to do, it is probably a good idea to read a book about it. And this book, by serial entrepreneur and full-time website investor Jeff Hunt, is a great place to start. Like any other business, a website has product, customers, profits, and expenses. It can also be valued using standard business principles. However, there are lots of unique aspects to an internet business that don’t apply so much to other businesses, like search engine optimization, whether it qualifies as a Google News site, domains, and hosting. It is also open all the time to the entire world and extremely scalable, aspects that I absolutely love about these types of businesses.

The book begins with some introductory content to get you excited about the concept. It is a bit like real estate books that way, because like real estate, and unlike index funds, investing in websites is going to take at least a little work and the amount of work you put in will have real effects on your return. Then the first chapter discusses why buying websites may be right for you, and just how passive the income might be for you.

The second chapter goes through the various websites and brokers where you can buy or sell a website. Chapter three helps you narrow down your search and consider the niches and purposes of the sites you are interested in. The fourth chapter gets into the various business models of websites. This is old hat to those of us working in this world for years, but could be new to you. But consider the ways this website makes money- we sell a product (the book), we sell ads to people who want you to know about their business, and do affiliate marketing (for example if you refinance your student loans through links on this site, not only do you get the specially negotiated WCI deal [usually something like $300 in cash back,] but we also get paid for “making the sale.” Or if you buy this book from links on this page, Amazon gives us 70 cents.) In addition, the website allows me to line up other related work, such as being paid to speak or write.
How to Evaluate a Website

Chapter five is the reason I bought the book. It is all about evaluating the website. I wanted to see what the book said about what my website was worth. I've basically tracked it the last few years as being worth 2 times the passive income it generates in a year. According to Mr. Hunt, that was reasonable, but there is a huge range. Obviously, something is only worth what someone else is willing to pay for it, and every website, like every piece of real estate, is unique and an appropriate level of due diligence should be done.

Since websites have a passive and an active component, it is important that you are a good fit for the active component. Hunt suggests you ask these questions:

Am I willing to do the work this website requires to maintain or grow its earnings?

Am I interested in the subject area of this website?

Do I have the right skills and desire to do the kind of work required? If it requires marketing, copywriting, programming, cold selling, administration, design, email writing, analysis, or research, can I do those things? Do I want to?

Am I comfortable with the level of risk inherent in this website? Do I even know what those risks are?

Is there anything objectionable about the website, its products, its customers, its suppliers, or the seller?

Do I completely understand how this website gets its traffic and earns its revenue?

When it comes to valuing a website, Hunt says that “sites with long, consistent revenue streams are more valuable than those with short sales histories.” He also notes that “depending on what kind of website you are evaluating, estimating the cost of time investment may be critical or may be unimportant. Website owners are notorious for underreporting the amount of time they invest in their websites.”

He discusses how to do a mini-audit of the financials of a website, as well as its traffic sources. This entire chapter is packed with “how-to” information for those serious about buying a website.

Chapter six talks briefly about evaluating the potential to increase the traffic and revenue of the site. Chapter seven talks about buying websites in
other countries, and the unique challenges and opportunities available there. Chapter eight talks about flipping websites.

**How Much to Pay**

Chapter nine is all about valuation, i.e. how much you should pay, or expect to be paid, depending on which side of the transaction you’re on. Hunt explains his method:

I determine the price I’m willing to pay for a website business based on three factors:

1. The risk profile. This is a high, medium, low risk assessment that reflects the stability of the business and probably life span.
2. The average monthly net income. Revenue minus expense equals net income. For very seasonal businesses, this needs to be averaged over a full year...
3. The future potential. Future potential includes every change I might make to the website that has the potential to increase revenues or reduce risk.

Website valuation is almost always expressed in net income earnings multiples, so if a site nets $1,000 per month and sells for $24,000, it is said to have sold for 24X earnings. If it continues to earn $1,000 per month, then the payback period on the investment is twenty-four months. Admittedly, I have aggressively pursued the purchase of sites at low multiples. I’ve often tried to get my money back in less than a year, and I have succeeded on many occasions. But the truth is that it is increasingly difficult to do this. The vast majority of sites sold at low multiples have a high-risk profile.

Hunt then gives you the two most important charts in the book. The first teaches you how to determine whether the site is high, medium, or low risk. A high risk site depends on organic search and social media for traffic. A low risk site uses paid ads and a proven email list. A high risk site requires highly specialized staff. A low risk site can use low cost, easy to find and train staff. A high risk site sells a single product that is easy to duplicate and unproven. A low risk site sells multiple, difficult to duplicate products to a proven market. A high risk site has no formally tracked financials, but a low risk site has a fully controlled process. And of course, there is some risk that depends on the buyer. If you are inexperienced in the niche, the site is higher risk than if you are experienced.

The second chart says a high risk site is worth a multiple of 6X-14X monthly earnings, a medium risk site is 12X-24X, and a low risk site is 18X-48X. So at most, you shouldn’t expect your site to be worth more than 4 times your
annual earnings, and no less than 1/2 of your most reliable, passive, annual earnings. So what is WCI worth? I have no idea, and neither does anyone else, but somewhere between $250K and $2.6 Million. So if someone wants to offer me $3 Million, I’d probably take it. In some aspects, it is a high to medium risk site (most traffic is organic search and direct traffic and the staff is awfully specialized and the product is readily duplicated.) In other aspects, it is a low risk site- multiple products, proven market, and a fully controlled financial process. One would also have to replace my labor. I can’t imagine finding someone willing and able to do what I’m doing on this site for less than $100K a year. So let’s call it $200K. So if I bake it all in, subtract out my costs, and call it a medium risk site, it is probably worth something like $700K, and I’m not willing to sell it for anything near that.

Chapter ten discusses the auction (most sites are bought in an auction) and negotiation. Chapter eleven talks about the handoff, and chapter twelve discusses what to do when you first acquire a new site. Chapter thirteen finishes the book talking about how our world is becoming increasingly more mobile (i.e. people access the internet more and more from mobile devices and that creates serious risks and opportunities for an online business.)

Overall, this is definitely a niche book. Most WCI readers aren’t going to be interested. But if you have even a little bit of interest in online entrepreneurship, this book is for you. If nothing else, it will help you to realize that you can be a business owner and an online entrepreneur without having to start and build your own website. And if you’ve got $3 Million laying around, I know of a great site for sale.

Buy The Website Investor: The Guide To Buying An Online Website Business for Passive Income today!

What do you think? Would you consider investing in a quiver of websites? How much active work would you be willing to put in? What do you think of Hunt’s valuation method? Comment below!
Welcome back for day two of Continuing Financial Education week here at The White Coat Investor. On tap today are two excellent, although not necessarily physician-specific, books written by popular and talented personal finance writers Phil Demuth and Jonathan Clements.

The Overtaxed Investor

Up first is The Overtaxed Investor by Phil Demuth. I’ve referred to this one in the free monthly newsletter and in a post earlier this year and it has been discussed on the forum a bit as well. It’s a bit longer than most of the books I review, clocking in at 279 pages, not including the notes at the end. The thing I like about Demuth’s writing is that it is very readable. He’s actually funny, at least if you think jokes about taxes are funny. He explains the origin of the book in the preface, after his client told him that the client paid no taxes on a recent six figure capital gains distribution:

Great Caesar’s Ghost! I had no idea a wormhole existed inside the tax code so that someone could pay nothing on a six-figure capital gains distribution. I naively assumed that tax rates were continuous and connected to reality. I needed to educate myself on this topic, but I could find no readable, up-to-date book on taxes for investors. This left me with no choice but to write the damn thing myself. Believe me, I didn’t want to. If you had bothered to write one, it would have saved me a lot of trouble.
The book is all about reducing investment related taxes, so don’t expect anything about how to claim more of your expenses as business expenses and that sort of stuff. But with regards to investment related taxes this book is the best (perhaps only) book on the market. In the first chapter, he teaches you how to be a Tax Alpha Dog. He spends the first four pages detailing all the taxes you pay. By the time you get to the end of that list, you’ll be so hopping mad that you’ll read the rest of the book. He also explains why it’s tough to just hire a CPA to deal with this:

Sadly, my clients rarely have a good word to say about their accountants. As one succinctly put it, “I point out his mistakes, and then he charges me $350 an hour to fix them.” To be fair, I think we may be expecting too much from these beleaguered chaps. We dump shoeboxes of receipts in their laps on April 14 and expect them to work miracles. This is not a recipe for success.

He then suggests you go meet with your accountant in November, or even do your taxes yourself once:

Here is another novel thought: try doing your own taxes, at least once. I don’t mean fire your accountant—are you crazy? No, you need him. I mean get Turbotax or H&R Block tax software and actually enter the information yourself and see how the whole thing works. You will lose your tax virginity. This will let you collaborate more intelligently with your tax planner going forward.

The rest of the first chapter is dedicated to the idea that you need to pay far more attention to the tax “tail” than the investment “dog” than most investors do “because investment returns are speculative, but investment expenses are certain.”
Chapter two goes over tax-free accounts, tax-deferred accounts, and taxable accounts. My only beef with this chapter is he falls into the two common asset location trap where high return assets go into a tax-free account and lower returning assets go into tax-deferred. He tried to address it in the “objections” section at the end of the chapter, but I felt it was done inadequately (“Investing is not an exact science!” was basically the answer to the important objection.) A relatively minor beef in a lengthy book.

Chapter three is all about the various legal means investors use to reduce their taxes. Excellent stuff. He even gets into Oil and Gas, MLPs, and real estate. Chapter four discusses the stages in life and how your tax outlook changes as an investor. While I’m glossing over these chapters in this review, either of these alone is worth the time and money you’ll spend on this book. Of course, like any tax book, much of it may soon be out of date, especially with the changing of the guard at the White House.

Chapter five is dedicated to one of Demuth’s pet topics, investing with zero dividends. He tries to make a case for buying individual stocks that don’t pay dividends. I felt this was unsuccessful. I don’t think the tax benefits outweigh the uncompensated risk you’re taking on, not to mention the massive hassle required to achieve any sort of diversification with individual stocks. I mean, you’ve got to be really anal about investment related taxes to complain that a 5 basis point total stock index fund is so tax-inefficient that you’re going to try to run your own mutual fund instead. If you want to make the book shorter, this is the chapter to skip. Or you can side with Demuth in this argument (What!? Reasonable people can disagree on the best way to invest?) I won’t think any less of you.

Chapter six is all about estate taxes. It is short, but well done. The perfect length for the topic.

Overall, this is a very important book, and Demuth is right that it wasn’t available before he wrote it. I highly encourage you to not only pick up a copy, but to read it! I’ll certainly be referring to it as I plod my way along toward completing my own book on tax reduction for physicians.
This is another excellent book that I sent a few tweets out about earlier this summer when I read it. Both of these books are so good I feel terrible about lumping them both into one blog post, but such is life. You know a book is good when Bill Bernstein writes the foreword, and the latest from WSJ columnist Jonathan Clements doesn’t disappoint. In fact, How To Think About Money might be the best financial book I’ve read in the last 5 years, certainly for me now with where I am at in my financial life. I confess right now that Jonathan Clements can do no wrong in my eyes. Even if I found out he was a cattle rustler on the side I would still think the world of him. In this book, he gives us the “big picture.” He helps you to get your mindset right about your money- to use it to make your life and those of others better and happier, but also keeping it in its appropriate place.

I was delighted to read the foreword where Bernstein mentioned me briefly, and in the middle of one of the most important paragraphs in the book:

Academics tout the idea of so-called consumption smoothing: borrowing heavily when you’re young then paying off those debts when you’re old, so as to maintain a constant standard of living throughout your life. This is a really, really dumb idea, since it ignores habituation: Get used to the Beemer and business class when you’re young, and by the time you’re middle-aged you’ll need a Bentley and private jet. My medical colleague and fellow financial author Jim Dahle advises newly established doctors to continue “living like a resident” for several more years after starting practice. That’s good advice for just about everyone else too.

Who doesn’t like a book they’re mentioned in? Clements introduces (and sums up) the book in this way:

There are those who think the goal of investing is to beat the market and amass as much wealth as possible, that street smarts and
hard work ensure investment success, and that the road to happiness is paved with more of everything. And then there are those who get it. I realize that sounds horribly arrogant. But in truth, those words are born of the humble realization that very few of us will beat the market, that saving diligently is the key to amassing wealth, that money buys limited happiness and that much of the time we are our own worst enemy.

Chapter one is all about how to buy happiness. I cannot recommend it more highly. Well worth the price of admission. I just want to quote page after page here, but here are a few nuggets:

Money can buy happiness, but not nearly as much as we imagine.

We place too high a value on possessions and not enough on experiences.

Spending money on others can deliver greater happiness than spending it on ourselves.

We’re often happier when we have less choice, not more.

Working hard toward our goals can bring great pleasure—but achieving our goals is often a letdown.

Raising children isn’t nearly as life-enhancing as many parents claim.

Satisfaction through life appears to be U-shaped, with reported happiness falling through our 20s and 30s, hitting bottom in our 40s and bouncing back from there.

Other insights are less surprising: Those who are married, or who are surrounded by friends an family, tend to be happier. Ditto for the self-employed and those who exercise regularly. We also get a lot of pleasure from helping others. Meanwhile, commuting, ill health, unemployment, and financial problems can bring unhappiness....

We all have different happiness “set points” that are genetically determined....This set point might account for 50 percent of an individual’s happiness level. Circumstances—our age, income, whether we’re divorced—might determine another 10 percent. What about the remaining 40 percent? That’s up to us. We can influence our level of happiness by how we choose to lead our life.

I’ve got 5 times as much as is in those quotes that deserves to be cited in this review, just from chapter one. That’s how good it is.
Chapter two, *Bet On A Long Life*, talks about how we are likely to live a long time and the financial implications of that. He points out that the retirement age needs to climb and that this will be driven by lower investment returns, rising inflation, cuts in Social Security, or some combination of these and other factors that put financial pressure on older Americans and prods them to stay in the workforce longer. I love his advice to college students:

> When I talk to college students, I don’t tell them to follow their dreams. Instead, I tell them to focus on making and saving money. I even suggest that they might deliberately opt for a less interesting but higher paying job, so they can sock away serious sums of money. All this might sound deadly dull and horribly reactionary. Aren’t those in their 20s meant to pursue their passions, before they become burdened by the demands of raising a family and making the monthly mortgage payment? Underpinning this is an implicit—but rarely examined—assumption: that pursuing our passions is somehow more important in our 20s than in our 50s. I think this is nonsense. In fact, I think just the opposite is true.

Clements points out that

> There is a reason the world’s gardens are full of benches that nobody ever sits on. As distant relatives of our hunter-gatherer ancestors, we aren’t built for leisure or built to relax. Rather we are built to strive. We are often happiest when we are engaged in activities that we think are important, we are passionate about, we find challenging, and we think we are good at.

At this point in the book, I asked myself, “Self, why are you such a terrible writer? Why can’t you write like Clements?” Darn that guy. I’m so jealous of his talent. If I had written a book as good as this one, I would consider my life’s work complete.

Chapter three is all about behavioral finance and teaches you how to rewire your brain for financial success.

> There are all kinds of rational reasons to be a good saver: By socking away money early and often, we can avoid a lifetime of financial anxiety, enjoy decades of investment compounding, buy ourselves the financial freedom to pursue our passions and ensure a comfortable retirement. Meanwhile, as we learned in chapter 1, spending less today isn’t any great sacrifice, because much of our spending delivers little happiness.

Appeals to rationality, however, are no match for our lack of self-
control and our instinct to consume as much as possible today. What to do? Consider a two-part strategy. First, we should make it possible to save by keeping our fixed costs as low as possible. We’re talking here about recurring expenses such as mortgage or rent, car payments, groceries, utilities and insurance premiums. In particular, we should focus on the sum we devote to housing and cars...Second, we should make saving as painless as possible [by automating investing.]

He also mentions a truism that I have found (and preach often — “Grow into your income as slowly as you can”) and that Bernstein mentions in the foreword:

By being frugal early in our adult life, we will enjoy the pleasure of a gradually rising standard of living. If we start out in economy, but eventually we can afford to fly first class, sitting at the front of the plane will seem like a treat. What if we start out in first class? It won’t seem all that special—and, when our skimpy retirement nest egg forces us to the back of the plane, sitting in the cheap seats will seem especially grim.

So true, and it reminds me of this awesome bit by Louis CK (profanity and crudeness warning) about flying on a plane.

Chapter four is about “thinking big” and what he means by this is to use your paycheck to bring financial order to your life.

Amassing enough for a comfortable retirement is our life’s greatest financial task: During our working years, we need to take the income from our human capital and use it to amass a heaping pile of financial capital so that one day we can live without the income from our human capital. To achieve this goal, we might need to save 10 to 15 percent of our pretax income every year for 30 or 40 years. Yet retirement often gets short shrift, in large part because we are so focused on immediate goals and so bad at planning for the distant future.

Clements says that he would like the distinction between working and retirement to get a whole lot murkier and that retirement should be redefined as an opportunity to take on new challenges without worrying about whether those challenges come with a paycheck. Now where have I read that before? He also talks about the appropriate use of debt— a reasonable mortgage is okay, a reasonable amount of student loans is okay if they increase our earning potential, but have all your debt paid off by the time you retire. I agree.

Chapter five is all about not losing your wealth, not only quickly (through
financial catastrophe) but slowly through investment costs and taxes, and I would add, inflation. He talks about focusing less on the odds of success or failure, and more on the consequences. I agree.

Maybe we can get through life successfully with no health or disability insurance. Maybe we will be okay with a handful of hot stocks or a few heavily mortgaged rental properties. Maybe we will win again and again at Russian roulette. But all it takes is one loss, and our happy financial future will die a quick death.

So true, and we all know someone who has fallen prey to that. This post is far too long, now that I’ve tried to give you a taste of not just one, but two awesome books. Do yourself a favor. Buy them both and actually read them. You’ll be healthier, wealthier, and wiser for doing so.

Buy The OverTaxed Investor Today!

Buy How To Think About Money Today!

What do you think? Have you read either book? What did you like and dislike about them? What do you do to limit your investment taxes? What have you done to improve the ways you think about money? Do you focus on happiness when spending? Comment below!

Reviews of The Doctor’s Handbook and The Business Side of Medicine

Welcome to Continuing Financial Education (CFE) week here at The White Coat Investor. This week seems like a wonderful time to focus on continuing
financial literacy. Many of us will have a little extra time to read while traveling for the holidays, and New Years resolutions will soon be coming up. In addition, many people start purchasing gifts on Amazon about this time of year, so you might as well pick yourself up a book while you’re at it.

After your initial financial education (typically done the last year of residency and the first year or two out) of reading a handful of good financial books, blog posts, and internet forums, I recommend you read one good financial book per year (in addition to continuing to follow the blog for topics of interest.) This week I’ll be reviewing seven financial books on the site. I’ve actually gotten really far behind on book reviews this year. The problem with reviewing a book on a popular blog is that every time you do it, you get sent five more books by authors hoping you will review their book! Then you check what you actually earned from people buying the book through the links in your post and discover that you did all that work for a grand total of $4.73 and you realize this is not a profitable way to run an online business. (Unless readers also decide to buy a big screen TV while picking up the book.) So, while I like reading books, and I like doing book reviews, I’ve got to limit how many I do or else I’ll never have a chance to read anything but financial books, I’ll never write anything but book reviews, and the site will never generate much profit! But I think it’s something useful to do from time to time, and this week you’re going to get a big dose of reviews of some fantastic recently published books.

The books this week were selected from books I’ve been sent over the last year or books that I actually purchased from my own interest. I chose them because I thought they were books that readers would enjoy and learn from. So the fact that I’m reviewing them at all is an endorsement, no matter what negatives I might mention!

The Doctor’s Handbook

Today we’re going to review two physician-specific financial books written by physicians. The first is The Doctor’s Handbook, by Tennessee neurosurgeon Gregory Corradino, MD, MBA. The MD came a long time ago, as he had been practicing for 25 years when he wrote the book in 2015. The MBA came just a few years ago, in 2012. He now runs a physician coaching
business called *Success Strategies for Physicians*, although if the book is an ad for the business, it’s a pretty soft sell as you have to get to the last page before you learn about it.

The first thing you notice about the book is that it is really thin. For better or for worse, you won’t spend much time reading this one. I count 60 pages, not counting the two page introduction, but the book is relatively small, is double-spaced, and there is plenty of white space in there. So, while I think calling something quite so short (I mean, some of my blog posts on whole life insurance are longer than this book) a “handbook” is a little odd, that doesn’t mean what is in there isn’t good, high-yield stuff.

The first chapter is a tale of two doctors, one who didn’t pay much attention to building a business and a career and one who did. Obviously, the one who did came out ahead and the message is that you want to be that doctor. Each chapter ends with “action steps” and this chapter’s action step is “there is more to success than practicing medicine.”

In chapter three, he discusses the importance of having an overall strategic plan for your career. I like his discussion of his own mistakes- picking the wrong practice for him not just once, but twice when he came out of residency. Those job changes were complicated by the fact that he purchased a house right away. He also says,

“In addition to business planning, personal strategic planning can and should encompass personal finances such as debt management, savings, high dollar purchases (house, cars) and investment strategies....That’s not something many doctors are particularly adept at, hence the reputation that many physicians enjoy of being poor financial planners...Due to doctors’ reputation of high earnings and lack of financial forethought, we make easy targets for unscrupulous advisors...Developing more than a basic understanding of investing and financial management should be a priority for all physicians, but generally it is not, and that is a recipe for disaster.”
Chapter three also includes a valuable list of steps to go through to achieve your business and personal goals. It reads like something out of an MBA class, and I suspect that is where it came from, but there is too little of that in medicine and medical training. Going through this process once in your life will more than make up for the price of entrance to this book. Basically, it helps you align your time and your money with your values.

In chapter five, he discusses why many physicians are so terrible at networking, social events, public speaking and negotiating and what can be done to improve these “soft skills.”

In chapter seven, he talks about surrounding yourself with winners, including partners, advisors, and a “mastermind” group. I’ve always thought the mastermind concept was kind of dorky, until I realized that is exactly what is going on over on the forum or in the comments section of this blog. In Corradino’s words, “this is a group of people that meet with the intention of helping each other achieve goals. More than simply a group meeting, a mastermind combines brainstorming, accountability, and support.” In our busy, fast-paced internet era, this works a heck of a lot better online than in person.

The book ends strongly with some great ideas about how to market your practice in the internet age, including a website, blogging, social media and even a book.

Overall, the book is a super quick read, but filled with a few very useful pearls.

**The Business Side of Medicine**

The second book I would like to review today is one I’ve been sitting on for close to a year. So apologies to Tom Harbin, MD, MBA, an Atlanta ophthalmologist, for that. It’s called *The Business Side of Medicine*. It’s not quite as interesting as Tom’s other book, *Waking Up Blind: Lawsuits Over Eye Surgery*, which details all the gory details of how a doctor went bad, and then got away with it for far too long, but is much more relevant for this site. Dr. Harbin, like Dr. Corradino, went back for an MBA
after practicing for 15 years, and so much of what is found in the book reads like MBA-style coursework. That’s not a bad thing, and in fact I think is a very good thing for most physician readers.

The book is co-marketed with Student Doctor Network, whose forums I’ve been on since med school and whose finance forum we co-sponsor. It is “standard” size, 177 pages and double-spaced. It is divided into five parts- getting started, learning business, early career, mid career, and late career. It is relatively light compared to my writing on personal finance and investing topics and relatively heavy on practice management topics, making it an excellent companion to my book. Most importantly, he gets it right. There is precious little in this book that I could argue with, and it deserves much more attention than it has received so far. Let’s read a few excerpts:

“My central thesis is this: there is a business side of medicine, and indeed all the professions, the knowledge of which makes you a better doctor or academic. When you begin a practice or build a research program, you become the CEO of a small business. The CEO knowledge that you were never taught makes for better productivity, better patient flow and satisfaction, happier staff and family, and a more stress-free doctor….This material is just as important as medical knowledge and should be taught at some point during professional training. It’s ignored during our training, in part because medical school leaders themselves have no clue…”

The book is filled with lots of practical tips, gems, and pearls, including how to get a job:

“Don’t necessarily be deterred by a lack of a job listing in a given area. If you have decided on a specific city and don’t see opportunities, knock on doors. Call a doctor in each group in that city.”

How to buy into a practice:

“If you pay an upfront amount, you take all the risk of patient retention and you have to pay with after tax dollars that you borrow from the bank. If you pay a percentage of income for a few years, the retiring doctor takes the risk that you turn off the patients and he gets less. Moreover, you are paying with pre-tax dollars.”

Why non-compete agreements are not all bad:

“From the point of view of a group that wants to protect the
enterprise it has built over time, a non-compete is essential. In our group, you either sign one or we find someone else.”

On living like a resident:

“You might think now is the time to buy all those things you’ve wanted: a new car, a big house, a boat…Yes, you’ve sacrificed and you’re almost there, but hold on—at least for a little while. Most young physicians have debts to pay…and you won’t net as much income as you thought when you looked at that contract.”

On financial advisors:

“You may want the help of a professional, but here you have to be careful. They all want to sell you something. Along the way they may give you good advice, but they are not attracted to you because of your personality or character. They’re in the business of extracting fees for their services and you’re no exception.”

How to write a letter to a referring physician:

“Get to the diagnosis and treatment plan quickly….think about how to make the letter easy for the reader and after a while, it will be second nature.”

How (and if) to run a meeting:

“Meet only when the personal presence of several people is essential to the meeting’s objectives. If the meeting can be reduced to a handout and no decisions need to be made, send that out and cancel the meeting….You’ll be amazed at the gratitude you engender simply by ending a meeting on time consistently.”

The final sections give excellent practical advice to those in early, mid, and late careers. At least I think so, as I can really only relate to the first two sections. But I have great confidence in Dr. Harbin after reading the rest of the book that he got it right for the late career folks too.

Overall, either or both of these books is an excellent choice for your continuing financial education book this year.

Buy The Doctor’s Handbook: Four Foundations for Success today!

Buy The Business Side of Medicine: What Medical Schools Don’t Teach You
What do you think? Have you read either book? What did you like or dislike? Why do you think it is important for physicians and other high-income professionals to learn business principles? Comment below!

The Other Guys- A Review of Physician Financial Blogs

I have been blogging here at the White Coat Investor since May 2011, 5 1/2 years ago. Before I started writing and especially since, there have always been a number of other blogs out there on similar subjects aimed at the same audience (doctors and other high income professionals.) I put a few out of business. A few others started their blog, then discovered mine and quit when they realized what they were trying to do had already been done. Others quit because it is a lot of work, often doesn’t pay well, and they are busy doing something else that pays well. But in the last year or so, a fair number of people have started blogs and don’t seem likely to quit any time soon.

Frankly, a lot of that has to do with the fact that I actually publish what I make doing this every year, and the last couple of years I have actually made quite a bit of money. People have realized that if you put in some hard work, write some good content, and provide a little bit (or maybe a lot) of value to lots of people, that you can eventually make a doctor-like income doing it, even if it isn’t really passive income. “Since the barriers to entry are low,” they say, “why not give it a try?”

Some have realized that it isn’t quite as easy as I apparently make it look. Others have been able to take a few shortcuts by adopting the business model I worked out over several years, writing for the same publications/sites that
I do, and approaching those who advertise with me. Readership, of course, takes time to build and there isn’t a lot of income in blogging when you don’t have much readership. I’m not surprised that most of them decided, like I did, that they didn’t want to write for free and that doctors are too cheap to buy a subscription to the site/newsletter. Some are more polished writers than others, but all seem to be making an important contribution to the physician financial blogosphere.

Apple batteries, Verizon coverage, and a personal hotspot- I take more working vacations than anyone I know.

Most are surprised at the amount of encouragement I give them when they approach me. I have learned over time that blogging is far more collaborative than competitive. Sure, there might be a limited number of advertisers and every affiliate sale they get is one I don’t, but the truth is I am turning down two out of three advertisers who approach me because I am uncomfortable endorsing them. At least half of those I approve decide not to follow through anyway once they learn the price. That’s fine, almost everyone I have renews anyway. Besides, we can very comfortably live on half of what this site makes and I still have that side job seeing patients in the ED, rapidly diminishing debt, and a rapidly growing net worth. Some competition for advertisers isn’t going to affect us personally very much. One of the more interesting experiences I had with this was a blogger who emailed me asking about a potential advertiser (that I had turned down.) He said he wasn’t sure what to do since this was his first advertiser that wasn’t advertising with me first!

The real reason I encourage other bloggers is because it enhances my mission- “To Help Those Who Wear The White Coat Get A Fair Shake on Wall Street.” The more they do to encourage and increase physician financial literacy, the less I have to do and the faster it occurs. If they get a nice side income while doing it, all the better. I encourage doctors to pursue their entrepreneurial interests, even if their business ends up looking very similar to mine. In my experience, blog readers will read as much high-quality content as can be created anyway. Without further ado, let’s do a brief survey of the physician
(and other high-income professional) financial blogosphere. I hope you find some gems that you did not know about before.

**Physician On FIRE**

POF is still trying to maintain a bit of anonymity, although I don’t know how long that will last. He is an anesthesiologist who self-describes as a “family man” about my age who became Financially Independent by age 39. It didn’t do him any good, of course, since he’s still practicing medicine (maybe not for much longer though)) and now has picked up a second job as a blogger. He started in January 2016, but has been very active with his posts, on the WCI forum, in the comments section on this site and most of the others on this list, and on social media. He featured a post about me [here](#). His focus is primarily on FIRE- Financial Independence and Retire Early. He writes, “What sets my site apart? I started from the standpoint of financial independence. I don’t need additional dollars to live our current lifestyle, and my site has a charitable mission to donate half its revenue.” Some of his better posts include:

- **Guide to Retiring at 45**
- **Money Used to Buy Me Stuff. Now It Buys Time.**
- **Top 5 Reasons I Chose Not To Retire at 39**

**Dr. Wise Money**

This blog is written by a radiology resident and a single mother who also seems to be trying to maintain some of her anonymity (definitely a good idea for a doc still in training in my opinion.) She started emailing me back in January 2014 and has been blogging for over a year under various names including Debt Free Doc. She sent me a guest post about hitting a net worth of $0 as an intern. She had paid off her student loans by her PGY2 year. Her writing is not terribly polished, but where she really excels is in the personal finance and extreme frugality areas. For example, I tell people to live like a resident for a few years. Meanwhile she is paying off student
loans, maxing out 401(k)s and Roth IRAs, and buying investment properties as a resident. In other words, she isn’t even living like a resident as a resident. To say that she will eventually be very wealthy is a dramatic understatement. She has already written five books, including Debt Free Doctor. I am honestly amazed at her industry and work ethic. I guess that’s what happens when you don’t waste weeks at a time in slot canyons. She always has lots of nice things to say about me like “mentor,” “hero,” and “godfather of physician finance.” Here are some of her better posts:

8 Ways To Reduce The Doctors Price Tag
10 Weapons to Terminate Your Student Loans
All the Right Plastics in All the Right Places

Future Proof MD

This one was originally called White Coat Money, until I pointed out to him (and Dr. Wise Money who also briefly had a name with “White Coat” in it) what my trademark attorney thought about that. (Please don’t start a physician financial blog with the words “White Coat” in it. Attorneys are expensive and White Coat Investor is a valuable registered trademark I intend to defend.) He is also a radiology resident. He does regular posts about his net worth (it’s still negative like most residents but is a great case study), various deals he finds, and a random assortment of other financial topics. He writes that as a resident “there are many who can share in my experience. In addition, my focus is on providing succinct digestible tips that can be consumed in a very short period of time – think of my posts as flash cards for personal finance.” Here is a sampling of his posts.

Net Worth Update
Chinese Grandma Versus American Grandma
Why I Don’t Bet Against Warren Buffett

Miles Dividend MD

This one is written by an electrophysiologist who loves to travel. The main focus is on hacking credit cards and getting travel associated deals. He also focuses a lot on early retirement. Actually, I don’t really know what he is focusing on these days. Despite starting with a bang in September 2013, he hasn’t published a post since November 2015. Lots of good stuff in there between those two dates though. He is nice enough to call my site the “The Best Financial Site for Doctors. Bar None.” Here is a sampling of posts:

Birds Eye View
Warning: This Post May Change Your Life

Everything You Need to Know to Manufacture Spending

Wealthy Doc

I’m told this one began in 2007, although I can’t seem to find blog posts older than the last couple of months, probably just an issue with site structure. Like POF and unlike me (because we spend too much) he is already financially independent. Blog posts tend to be pretty short, so he’s easy to follow. He did a nice review of my book here.

Ten Simple Rules of Personal Finance

Are you Financially Literate

Could You Retire Right Now?

Passive Income, MD

This one is a lot of fun too. Written by an anesthesiologist in an “expensive West coast city” who is looking to uncouple his income from his work. The blog is about 4 months old but there is already some good stuff on it. The focus is on passive income, although he readily admits the blog isn’t so passive! One of the most fun aspects is his quarterly passive income report. He’s featured me too.

Making Passive Income as Dr. Mom

The 5 Most Important Lessons I Give To My Residents

5 Key Characteristics of Physicians Ready for Retirement

I Am 1%

This one isn’t written by a doc, but it is written by a high income professional and it’s been around for quite a while. He only posts once or twice a month, and I haven’t seen a net worth update any time recently, but there’s still plenty of good stuff over there.

5 Things That Can Make Your Taxes More Complicated

How to Negotiate a Raise With Your Boss

Does Your Personality Match Your Career?
The Financial Pharmacist

This one is also written by a WCI reader, Tim Ulbrich, a real life pharmacist, who decided to give professional financial blogging a whirl. I think it’s about a year old now and seems to be successful.

My Journey Paying Off $200K in Student Loans

5 Lessons My Swagger Wagon Taught Me

Why Every Pharmacist Should Be A Multimillionaire

Senior Resident

Written by Walter Nguyen, a radiologist, this blog puts out three posts a week. Only the Friday posts are about finances, but he’s been going long enough there are quite a few of those.

Actively Managed Funds (Gambling)

TIPS and REITs

Financial Advisors

The Happy Philosopher

This one is written by a physician and a WCI reader who considers it a guide to freedom and happiness. I think it is about a year old. He writes “I don’t write specifically about money and finance, nor is it specific towards physicians right now, but I am starting to write more physician specific material. As you know I’m a big advocate for creating financial independence as a means towards freedom. Money, depression, burnout, suicide: they are all intertwined in strange ways and on the blog I hope to explore these. There are tons of blogs on the nuts and bolts of finance, but fewer that delve into the psychological aspects and ‘softer side’.
Debt Freedom Journey

This one is written by a veterinarian about his journey to become debt free. He graduated in 2015 with $205K in debt and a salary of $69K and then just as he was about to lease a new car, he read a Dave Ramsey book. He hasn’t blogged in months as near as I can tell, but hey, it was unique in that it was a veterinarian financial blog.

8 Money Habits of the Wealthy

InvestingDoc

This one is written by a brand new attending. He seems to be slowing down already, as I only see about one post a month the last few months. I guess that blogging stuff is hard work. There’s some good stuff there though that’s probably worth a few of your valuable minutes.

How I Spent My Emergency Fund

Should You Pay Off Debt Or Save?

My Retirement Mistake in Residency

Med School Financial

This one, despite the name, is written by an attending and is a little over a year old. Posting frequency varies from a whole bunch to once a month at times.

Before You Buy A Home Or Sign A Lease

Education Debt and the Role of 529 Plans

Avoid These Investment Mistakes

Smart Money MD

This one is about a year and a half old and is subtitled “Financial and Lifestyle Principles for the Busy Professional.” If you think my posts are too long, you’ll appreciate the brevity. Check these out:
How to Make a Doctor’s Salary and Still Feel Poor

The Real Cost of Owning A Swimming Pool

How to Become a Rich Doctor- Ride the Wave

Son of a Doctor

This one is written by the Pearces- he’s an attorney and an investment advisor who writes most of the posts and she’s an MFM doc who writes occasionally. It’s a nice combination and it’s about 6 months old. Richard even says nice things about me. Here’s a sampling:

5 Things You Need to Know About MLPs, REITs, and BDCs

How Investment Fees Destroy Wealth

Physician Wellness- Parent Win

Wealth Formula

This one is written by physician and entrepreneur Buck Joffrey. It’s mostly podcasts, but there is a short blog with a few posts. He leans more toward the Robert Kiyosaki school of thought than the Bogleheads one so a lot of the topics slant more toward real estate and entrepreneurship rather than tax efficiency and correlations. He emailed me saying, “We have the same mission, but our perspective could not be more different.” I disagree. I have no idea why I get lumped in as being anti-entrepreneurship when I have a going entrepreneurial concern that makes more than my physician practice or as being anti-real estate when I’ve owned real estate in many forms over the years, still own portions of multiple properties, and plan to increase my real estate holdings in the future. He just had me on his podcast last week. At any rate, I wish Buck success just as much as all the other bloggers on this list and hope he keeps it up. Here’s some good stuff:

Market Orders vs Limit Orders
The Concept of Scalability

What Is The Foreign Exchange Market?

I'm positive I've forgotten somebody out there, so I'll apologize in advance. But I think this gives you a sampling of all the great resources now available for doctors. I hope you find something useful for you out there and hope to provide a little encouragement and support to these bloggers to help us fulfill our mission to Help Those Who Wear The White Coat Get A Fair Shake On Wall Street.

What do you think? Which of these blogs do you enjoy? Have I forgotten any I should have included? Why do you think so many of these have popped up in the last year? Comment below!


Now available in print, e-book, and audiobook!

Almost three years ago I self-published The White Coat Investor: A Doctor’s Guide to Personal Finance and Investing. I knew it was the best book in its niche (physician-specific financial information) when I wrote it because I had read all the other ones and stole all the good stuff. But it got even better after I got you, my loyal readers, involved. The initial draft, read by perhaps twenty of you, was 30% shorter, less polished, and not nearly as good as the final version that eventually came out after incorporating your feedback. In many ways, it is a crowdsourced book written by the early readers of this blog.
Since its publication, it has remained in the top five in its categories and in fact is currently one of the top 5,000 books ever sold by Amazon. It has nearly 550 reviews on Amazon and still sells about 1,000 copies per month. To say its success exceeded my expectations and is far beyond my wildest dreams is a dramatic understatement. Much of that success, I owe to you, the readers, and your sharing of its core message with your peers, colleagues, and loved ones. Dozens of you have bought it in bulk for your residency and even entire classes of medical students. (Bulk rate is $15.99 a book, including shipping and handling, for at least 25 copies. Email katie@whitecoatinvestor.com to order.)

You have asked me to put it in the iBooks store, and I have done so. You have also asked me to make it available as an audiobook, and after a few months of work, the audio version is now available on Audible. In fact, due to the odd way Audible prices books, it is actually cheaper to get the audio version than the print version ($14.95 vs ~ $20.) In fact, if you read the Amazon listing carefully, you can get the audible version for $2 if you buy the Kindle version for $10. So for those of you who listen to books on your commute, on road trips, or while exercising, here is your chance to finally get to the best-selling The White Coat Investor: A Doctor’s Guide to Personal Finance and Investing.

No, I didn’t narrate it myself. The narration is by Troy Hudson, who was picked by WCI staff from dozens of producers. I did the first and last section myself, which will help you to understand why I had Troy do the rest!

In celebration of this event, I thought it would be fun to do a couple of things. First, we’re going to give away five free audiobook copies over the next 48 hours. In order to enter the drawing, simply add a comment to this post with your correct email address (if you read by email, don’t reply to the email, you need to actually click on the title of this email in the post and come to the website.) In a couple of days we’ll hold a random drawing and send the winners their download code. However, there are two rules you have to follow if you win- the first is you actually have to listen to the book and the second is that you have to leave a review on Audible. It doesn’t have to be a good review, although I would obviously appreciate it if you left a nice five star one, but leave us something. [Update 11/11/16- The drawing is now over. If you didn’t win, you can always buy on Audible!]
Second, I thought it would be fun to pull some of the “best of” from the 545 reviews of the book on Amazon. Let’s begin with some of the bad reviews, although there aren’t very many to pick from. Only 1% are 1 star reviews and only 4% are 3 star or worse.

The Poor Reviews

My favorite poor reviews are the ones that say, “The book is pretty good, but the blog is way better.” Can’t beat that. But here are a few others:

This book is a ripoff of the Bogleheads and claiming that financial advice is something special/different because it is for doctors. What a schtick. I suggest you read the Bogleheads forum and the Bogleheads Guide to Investing unless you want your financial advice from a charlatan doctor that claims to be a financial guru. His writing style comes off as patronizing typical of the know it all type of doctor.

Darn know it all doctors.

Awful. Written for morons and nothing to add to basic financial planning advice. I would return it if I could. And that is one reason to not buy Kindle again…

I particularly enjoyed the fact that this reviewer apparently was not aware of how easy it is to return Kindle books.

Amazingly awful financial planning advice from someone who has stated that they have little formal financial training. His return from his portfolio would get him fired from any investment bank and sued by his clients for malpractice.

I have a feeling this reviewer sells either loaded mutual funds or whole life insurance.
Hats down to Dr. Dahle for saving so much money. The book was written actually to improve his wealth by educating himself and making money on sale. There is actually nothing magical or even anything new presented in a new way.

I guess on my next book I’ll put a banner on the front that says, “No Magic Inside!”

The Good Reviews

It was really tough to pick from these as there were so many kind ones.

From Alexi Zemsky:

In between emergency room shifts, and pumping out blog posts, Dahle has written a concise and readable treatise on financial planning for the physician. The results are an original, and well-documented blueprint for how to achieve wealth as a doctor. But very little of this information is specific to doctors. His advice is perfect for other high-income earners, like lawyers, engineers, etc. but it is also very useful to lower income earners. For at it’s core sound financial advice is all the same: spend less, save more, invest wisely (ie passively,) avoid taxes, and insure against disaster. Here then are five concepts from the book that taught me something cool….

From Paul Butts:

In short, if you were an investment banker prior to getting into medicine and already have hundreds of thousands in investments, this book really isn’t for you. If you’re like most of the docs I know, though, and clueless about what to do once you finally start earning an attending’s salary, this book is for you. It covers the basics solidly and has plenty of references at the end of each chapter for further information on the topics covered. I cannot recommend it enough.

From Ken:

I’m a personal finance junkie and recently discovered the White Coat Investor online. I don’t impress easily, and count myself a devotee of Warren Buffet and John Bogle. Now add Dr. Dahle to the list. This book is one of the best personal finance books you can read anywhere. You don’t have to be a health professional despite the title, although you’ll get more out of it if you’re a non-MD
who makes 6-figures or has a high net worth. He’s easy to read, follow and understand. He pulls no punches. I really enjoy his approach to life, finances and family. Count me a huge fan. A must add to any personal finance collection. Bravo.

From Joseph Craft:

This is a fantastic book. While some of the information I have learned before, I have never seen it presented so succinctly and memorably. Probably more important, Dr. Dahle simply gets it. As a mission-driven professional, he knows intuitively all the unique financial challenges, concerns and opportunities that come with the life of a doctor. I will need pointers from it again, and it is well organized to facilitate topical reference. This is the best financial advice book I have ever read. I highly recommend it.

A more recent one from Sheflys3:

I now feel that I can make good decisions with my money for the future—I felt completely lost about everything prior to reading this book. I had been aware of the website and even gone to it a few times since I’m finally starting my career after finishing training, but this helped make much more sense of all of the concepts. Retirement doesn’t seem like such a black box anymore, and I now have an idea of how to prioritize my financial commitments. Just wish I had read it in Med School to have planned even better.

If you’re still not convinced from those reviews, consider reading my own review of the book, or better yet, the first two pages, entitled, “Why You Should Read This Book.”

Then enter the drawing by leaving a comment below. If you don’t win, or if you’re reading this after the initial contest is over, you can still buy it for the low, low price of $14.95. Not bad for what may turn out to be worth hundreds of thousand to you. [Update 11/11/16- The drawing is now over. If you didn’t win, you can always buy on Audible!]

Buy The White Coat Investor on Audible Today!
Chuck Hinners recently sent me a free review copy of his short book, *Insider Trading in the Life Insurance Market*, subtitled “A Smart Buyer’s Guide.” The book was quite good (I’ll have a few criticisms later as usual) but more important than a book review, the book reminded me of a concept I had vaguely heard of in the past, but really had never learned a lot about or written about. That is the concept of a Fee-Only Insurance Advisor. This is not the same thing as an insurance agent. In fact, those few people who do this work don’t actually sell life insurance. They simply advise on the subject.

I’m sure there are a few fee-only advisors who would consider themselves sufficiently smart about insurance that they could do this work for the vast majority of docs, but as long-term readers know, I’ve been both underwhelmed by the average competency of advisors, (including fee-only advisors but especially commissioned insurance and mutual fund salesmen masquerading as advisors) and disheartened by the price at which this advice is usually offered. There are a handful of people out there who are fee-only advisors where all they advise on are insurance related topics. Of those I’ve found, I’ve been impressed by their credentials. Many of them sold insurance for years. Some were attorneys or accountants. Often they’ve acquired the highest credentials available in their fields including CFP, CLU, and ChFC. They typically have years of experience.

Why Fee-Only Insurance Advice?
Why would you see a fee-only insurance advisor? For the same reason you’d see a fee-only advisor about your investments. The guy selling you the insurance cannot give you completely unbiased advice about how much insurance you need, what type of insurance you need, which company to go to for that insurance, how to get rid of a policy, when to replace a policy etc. But a fee-only advisor can. When you need to actually purchase insurance, he can then send you to a solid agent knowing exactly what you need to buy. Most importantly, he can make sure your policy is a “minimal commission” policy. More on that later.

Does Everyone Need One?

Now, before you run out to find a fee-only insurance advisor, the truth is that most doctors don’t need one. All most doctors and other high-income professionals need when it comes to insurance is a term life insurance policy, a reasonable disability insurance policy, an umbrella policy, a health insurance policy, a malpractice policy, and the usual auto/homeowners policies. Where these fee-only insurance advisors really earn their fees is with cash-value life insurance policies, which are completely optional for almost everyone. But if you have one and you need advice about what to do with it, if you’re the type who might actually need one, or if for some reason you want one, I would highly recommend getting and paying a fee-only advisor prior to buying the policy. I think the term life insurance market is sufficiently competitive and sufficiently straightforward that it’s fine to go without formal advice as long as you educate yourself a bit. Disability insurance policy commissions don’t vary all that much between policies. I think if you’re seeing a good independent agent who is clearly looking at policies from all of the big six companies and showing you why one is better than the others for your gender, state, specialty, and health, then I think you’re fine. I wouldn’t expect much good advice from a fee-only advisor on malpractice, umbrella, auto, homeowners, or health insurance policies either. So this is a bit of a niche field for the handful of people doing this.

Insider Trading
Let’s talk for a few minutes about *Insider Trading in the Life Insurance Market*. Chuck Hinners is NOT a fee-only insurance advisor. Instead, he is an experienced (started the year before I was born), high-volume insurance agent who works with at least one fee-only advisor to place minimum-commission insurance policies. He has degrees in business and law and admits that unlike most successful insurance agents, “Frankly I sucked as a salesman, and shared many of my customers’ frustration with lack of disclosure by the insurance companies.”

The book, despite being short (only 51 quick pages,) provides a general overview of the various types of life insurance. However, the main point of the book can be found in the preface-

“Fortunately...[in 1985 the] best insurance companies began designing life insurance that allowed agents to reduce both premiums and commissions. Most agents that bothered to learn the details thought it was a dumb idea since their commission income declined. These agents are generally all great sales people. They work very hard to get buyers to buy their products. They tell me that their sales process is generally confrontational and ends when either they or their customer gives up.”

Sound familiar? It does to me and many of my readers. Who hasn’t been “confronted” by a Northwestern Mutual agent to buy some whole life insurance by the time they’ve been out of residency a year or two? At any rate, I find this idea of a reduced-commission life insurance policy very interesting. Henners, and his favorite fee-only advisor who wrote the preface, Scott Witt, both claim that commissions can be reduced up to 85%. Now the main problem I have with the use of cash value life insurance is the low returns, which are frequently caused, at least in the early years, by high commissions. Eliminating that ought to help, no? So I read on.

**How To Reduce Commissions**
So how do you reduce the commissions on a whole life policy? You buy a “blended” whole life policy and Hinners loves them. What does blending refer to? It refers to mixing whole life with term life in order to reduce the commissions. According to Hinners there are actually three components to a Blended Whole Life (BWL) policy:

1. Whole life or base coverage, which can actually be kept quite low,
2. Term insurance or additional protection with either an increasing or level premium, and
3. Additional premiums.

The key to the whole scheme is that the commission on the additional premiums, or paid up whole life, is dramatically lower than the premium on the base coverage. The Bank On Yourself folks also take advantage of this fact by buying as much paid up coverage as policy. This gives you a lot more cash value in the policy early on. If your plan is to Bank on Yourself, that’s the money you can then borrow against to buy your car. If your plan is simply to get a better return on your cash value life insurance, it lowers your commission, gets your cash value up quicker, and ought to dramatically improve short-term returns and significantly improve your long-term returns on the policy. For example, Hinners says a typical million dollar whole life policy with a $16K a year premium could have a cash value of $55K after 5 years but a blended (minimal commission) one could have a cash value of $80,000 at that same point. The first policy would have an annualized return those first 5 years of -12.2%. The second, a return of 0%. Yes, I know it’s hard to get excited about a 5 year return of 0%, but as whole life goes, that’s actually pretty good, and it does eventually get better.

The Book Review

While we’re on the subject of Hinners’ book, let’s finish off a review of it. You know I think it’s a good book when I tell you every single thing I think is wrong with it. I disagree with enough in most books that I can’t include all the bad stuff in a review. So don’t take this section to think I didn’t like the book.

In the introduction, he says “you are better off keeping your policy because if you surrender it you must pay income tax on the cash value in excess of the premiums paid.” That told me right off the bat that his experience with cash value life insurance and its purchasers was dramatically different from mine. The majority of those I interact with who own a whole life policy don’t have a gain at all. Surrendering or exchanging the policy for something else is often the right thing to do for these folks. Even with a gain, exchanging it into a variable annuity or even a long-term care insurance policy may be a better option. So that’s my first criticism of the book. I think Hinners should have acknowledged more clearly that the vast majority of whole life insurance sales are inappropriate and 80% are surrendered prior to death. I think it would have also been nice if he had pointed out the low returns issue on these policies and had a much more robust discussion of why buying term and investing the rest is the right answer for almost everyone. In fact,
at one point he says he thinks the best way to buy life insurance is to get a Blended Whole Life policy. If you read carefully, however, you’ll see he doesn’t really mean it. For example, he later gives a list of those who should not buy a whole life policy including

1. “Buyers who do not have a permanent need” (who should buy term)
2. “Buyers who do not value cash value and are willing to take on the incremental guarantee risk associated with Guaranteed Universal Life policies” (most of those who have a need for a permanent death benefit.)

I would argue that’s almost everyone, so I had a hard time reconciling those statements.

“Vanguard” From An Insurance Agent?

I was extremely impressed to be reading along in Chapter 1 and see a reference to Vanguard. That would be the first time I’ve seen that in a book written by an insurance agent. He discusses it while talking about how he thinks mutual life insurance companies are better than publicly traded life insurance companies. I’ve always felt that way too - I mean what bad can come out of eliminating shareholders that expect to be paid a decent return on their money? However, I have seen smart people argue that mutual companies aren’t always better than stock companies, and in fact may be worse on average.

Hinners’ discussion of whole life insurance was interesting as he pointed out that the illustration is not the product and that despite The Life Insurance Illustrations Regulation (which wasn’t even put in place until the 1990s) companies can still monkey with lots of things like projected mortality improvements, interest rate bonuses, and lapse supported pricing to make their illustration look better, even though their product actually isn’t!

Universal Life, VUL, GUL, IUL, SLI

Hinners dedicates five short chapters (2-4 pages) to each of these various types of life insurance.

His brief chapter on Universal Life is perhaps the most concise and explanatory review I’ve ever seen on the subject. He follows it with a good, short chapter on VUL. He has a very different opinion on the product than Larson Financial by the way, mostly because they are exempt from the Illustration Regulation but also because good investments like index funds are rarely found in them (although to be fair the ones Larson recommends do have them.)
I liked the chapter on Guaranteed Universal Life, my favorite life insurance product for those who have a need for a permanent death benefit. His chapters explain why I like it so much. A GUL policy with a million dollar benefit may have a premium of $6K a year whereas a WL policy with the same benefit may run $16K a year. It’s just the cheapest way to get a guaranteed permanent death benefit. No cash value to borrow in retirement, of course, but it’s not like whole life buyers get both- their death benefit is reduced by any cash value they’ve borrowed out of the policy. Hinners is also quite negative about indexed universal life insurance, as am I. He also has a nice chapter on survivorship life insurance and its role in estate planning.

Case Studies

The last third of the book are case studies, each of which illustrates a very costly mistake made by a very wealthy person in choosing the right permanent life insurance policy for his situation. The moral of the stories is that if you’re going to buy a permanent life insurance policy, you should see a fee-only insurance advisor first.

Annoying Habit

Hinners has an annoying habit in his writing. Four or five times in the book he refers to a company or two who is different from the others in a certain respect, but never actually names them. For example, in the VUL section he mentions there is one company that offers a commission free product, and I happen to know it is TIAA-CREF, but you’d never know it from reading the book. I’m not sure why he does that, perhaps so you come and hire him, because he doesn’t think it’s important, because he’s worried about some kind of liability, or because he thinks it might change and make his book out of date, I have no idea. But as someone who likes specifics, I found it annoying.

The Bottom Line

So, if you are in the market for permanent life insurance, I would suggest seeing a fee-only insurance advisor. A quick Google search found me 2 or 3, and I’m sure there are more out there. Reading Insider Trading in the Life Insurance Market would also be a good idea.
What do you think? Have you read the book? What did you think of it? Have you ever hired a fee-only insurance advisor? Who? What was your experience like? Have you ever bought a minimum-commission policy? How much lower was your commission than the industry standard (50-110% of the first year premium?) Just want to rant about the fact that you were sold a full commission policy? Comment below!

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**6 Steps to Refinancing Your Medical Student Loans with Earnest**

[Editor’s Note: This post is one of five sponsored posts being run this summer as part of The White Coat Investor Scholarship program. Earnest (student loan refinancing) is one of five platinum ($2500+) sponsors of the scholarship, and each of those sponsors gets a sponsored post about their business. What’s a sponsored post you may ask? Not only is the post all about their business, but they also get editorial control over what is written. If you have not yet matched my daughter’s $10 donation to the scholarship fund, you can do so here. Be sure to thank Earnest for their generous donation to the scholarship fund in the comments section and especially with your business.]

You are nearing the end of your residency, and it’s time to start paying off your medical school loans in a meaningful way. You have options to manage your debt, including refinancing your student loans.

Here’s a **mini-checklist** to see if you’re ready for refinancing:

1. You have a full-time job offer for a position starting soon.
2. You are currently working in a job with a regular income.
3. You’re ready to save money!
When you refinance, you consolidate some or all of your loans and get a new loan at a lower rate. Doctors who refinance with Earnest save more than $36,000 on average.

At Earnest, you can set your monthly payment to an amount that fits your budget—Earnest will then customize your loan with a term and interest rate to match that amount.

Read on for a step-by-step guide to refinancing your medical school loans with Earnest.

**Step 1: Set your personal student loan budget.**

When weighing your student loan payments, it’s important to consider the bigger financial picture. Are you planning on buying a house? Will you be starting a family of your own soon? What are your financial goals and priorities over the next few years?

Depending on your response to these questions, think of a comfortable monthly repayment budget. With Earnest’s Precision Pricing feature, you have the option to set a monthly payment that works for your budget—whether that’s $500 per month or $2,500—when you’re approved for your refinancing. By using this feature, you will have greater flexibility over how you manage your monthly cash flow—and it allows you to use some of your monthly income to both pay down your loans and save for other financial goals if you need.

In contrast, most other lenders dictate to you the payment to make. We work the other way—you tell us what you want to do. We’ll customize your new Earnest loan with the precise term and interest rate to match your payment.

**Step 2: Check your new rate.**

Before formally applying, see what kind of rate you will qualify to get—it only takes two minutes.

[Check your rate in two minutes here](#)

We only conduct a soft credit inquiry to generate this preliminary rate quote, which does not affect your credit score and does not show up on your credit report. Compare the rate quote with your existing rates. Give us a call at 1-888-601-2801 if you have any questions.

Your full loan application builds on the information you provided in the initial rate check. When you apply, we will ask that you submit the supporting document for each item listed and that you link your financial accounts.

**Step 3: Gather all your documentation to apply**

Your entire application can be submitted online. During the review of your loan application, our underwriters will need documentation of your income, assets, and liabilities. Be assured that we take your online privacy and account safety very seriously.
We also recommend getting a copy of your credit report before submitting a full application. Carefully review it to ensure that the information is accurate. If something is inaccurate, you have the right to dispute it with the credit reporting agencies.

Earnest only reports to or pulls from Experian, so consider getting your Experian Credit Report. You can get a free copy of your credit report through AnnualCreditReport.com

**Step 4: Submit your application.**

After you submit your application, our specialists get right to work. It will take between three and five days to review your application thoroughly. When we review your loan application, we take into consideration all kinds of factors that go **beyond your FICO score**

Our approach to underwriting is holistic—we consider your education, specialty, other assets you may have saved, and the overall picture of your financial responsibility to provide you with the best possible rate.

When you’re approved, we will contact you by email to let you know we’re ready to get your new loan started. There are never any origination fees to start a new loan with Earnest.

Remember that monthly budget number you figured out in Step 1? You’ll need that to set up the exact terms of your new loan.

**Step 5: Pay off your old loans and start your Earnest loan.**

Your last to-do is to contact your previous lenders and obtain what’s called the “10-Day Payoff Amount”—this is different than your current balance as it also includes any additional interest accrued. Once we have this information, we’ll start the process of your loan payoff based on the exact amount you shared with us. We have electronic payment agreements with many of the large servicers, so this typically can be done very quickly—however, a few loan servicers could take a little longer.

[Read a more detailed explanation of what to expect during the payoff period.](#)

**Step 6: Get set up with your loan dashboard.**

Once the payoff to your old servicer clears, we will send you a confirmation email. That marks the “activation” of your Earnest loan! Hooray!

You can manage your Earnest loan account through an online dashboard or with the mobile app. Through either, you can schedule payments, make extra payments, and get up-to-date information on your loan balance.

We always recommend setting up autopay—it both saves you money (**we offer a .25% APR discount for using autopay**) and ensures that you’re never behind on a loan payment. We never charge any prepayment penalties or fees.

Earnest also offers **radical repayment flexibility** for the life of your
loan—and we are ready to work with you for the life of your loan. We never
hand off your loan to a third-party servicing company—once an Earnest client,
always an Earnest client. Welcome!

Got Questions? We’ve got answers! Call, Chat or Email in with any question
big or small for Earnest. Our number is 1-888-601-2801.

Refinance with Earnest today and get the special WCI Deal for $300 cash back!

What do you think? Have you refinanced with Earnest? How did it go? How much
have you saved so far? Comment below!

The Great Book Giveaway Part Three

We’ve been having fun this summer giving away free books and cleaning out our
shelves. Two months ago, we gave books away to those who like us on Facebook.
Last month, we gave books away to those who follow us on Twitter. This month,
we’re going to give away books to those who sign-up and post on the WCI
Forum. It’s all free to you and you can find stuff in those locations that
isn’t available on the free blog and the free monthly newsletter. (Notice the
theme, everywhere to serve you and all for free.)

The forum has been pretty fun, ever since it was launched last January.
Interactions are polite and the discussions can be at a surprisingly high
level. Maybe too high level as I worry it intimidates beginners!

Over the years, I’ve acquired a lot of financial books. Some are books I
bought. Some are books I was given. Others are review copies. Some I
occasionally go back to and reference, but many I do not. I also have
multiple copies of several books. I need to make a little room, and you, dear
readers, will be the beneficiaries. Be aware that only a few of these books
are in brand new condition. Some are autographed, some are dog-eared, some
are review copies, and some even have my notes in them. But the price is right for you! Some of these books are selling on Amazon for over $50 right now.

So here are the rules-

- **# 1** You must sign up for the forum and post a comment on any thread. (There are thousands, surely one is interesting to you.)
- **# 2** If you are already a forum member, you must start a new thread on something interesting.
- **# 3** You must come back to this post, post a comment using your correct email address, state “I’m on the forum and posted a comment” and list up to three books whose drawings you would like to be included in. After a week or two, we’ll hold the drawings, contact the winners via email for their shipping address, and ship off the books. Easy peasy.
- **# 4** If you really think the book sounds great, but don’t win it, go ahead and buy it from Amazon using the links on this page.

Now, without further ado, here are the books available to win this month:

[Image of The White Coat Investor]

Yup, that’s right. Not only am I giving away a brand new, autographed copy of my book, I’m giving away three of them as part of this promotion. It is still #1 in its categories more than 2 years after publication and has changed the lives of thousands of high-income professionals. You can be next! Want to
read a review first? Here’s a totally unbiased one.

**Taxing Ourselves**

This isn’t a do-it-yourself kind of book so much as it is a dispassionate academic treatise easily understood by the layman on the many options for reforming our tax system. It is subtitled “a citizen’s guide to the debate over taxes.” It covers the basics of our tax system but spends most of its time talking about frequently mentioned alternatives like The Flat Tax and The Fair Tax. I thought it was really interesting, but it’s not going to give you a lot of actionable information. I’d totally hire the authors if I were elected president though. Be aware the one I’m giving away is not the latest edition.

**Personal Finance for Dummies**

Next up is another book by Eric Tyson, MBA. I’ve been recommending this one to people for years but after sitting on my shelf for a decades, it’s clear I’m not going to take it down and read it again. It’s a great personal finance primer.

**The $1,000 Challenge**

This intriguingly titled book has a subtitle of “how one family slashed its budget without moving under a bridge or living on government cheese.” This book is a guide to frugality with tons of personal examples. I’m glad that doctors only have to be relatively frugal to become wealthy, but if you’re looking for ways to cut your expenses without cutting your happiness, this book will probably help. It would certainly be great for a med student, a resident, or anyone else living on an average American income or less.

**The Everything Homeselling Book**
Here’s a book I bought before trying to sell my own house in 2010. Eventually, after failing and hiring a realtor to do the job, I realized it wasn’t me or the realtor but rather the market keeping the place from selling and I eventually rented it out. At any rate, if you anticipate selling a house soon, either with or without an agent, this book should function as a “how-to” guide.

**Why Bother with Bonds**

This is another one from Rick Van Ness, a retired engineer who excels at simplifying investing topics. I [reviewed it here](#) and am secretly hoping that forum moderator Johanna Turner (who happens to be rather anti-bond) wins it. It is praised by William Bernstein, Allan Roth, and Taylor Larimore and the foreword is by Larry Swedroe, so you know it is Boglehead approved.

**How to Save Thousands of Dollars on Your Home Mortgage**

Buying a mortgage is something you’ll only do a handful of times in your life. Trust me when I say the guys selling them know a heck of a lot more about mortgages than you do. If you would like to level the playing field, read this book. The book is 15 years old and some things have changed in the mortgage market since then, but the basics of what you need to understand to get a good deal stay the same.

**The Medical Entrepreneur**

I reviewed this book by Steven M. Hacker [here](#) and still recommend the book whether you need help running your practice or whether you’re ready to start a medically-related business.

**Pensionize Your Nest Egg**

Moshe Milevsky subtitled his book, [reviewed here](#), “how to use product allocation to create a guaranteed income for life.” As you can tell from [this article](#), I’m a little skeptical about product allocation, but he makes an excellent case for the use of SPIAs in this book and his other work.

**A Doctor’s Basic Business Handbook**
Brandon Bushnell, MD, MBA subtitled his book, reviewed here, “Things I Wish I Had Known When I Got Started.” It’s a quick read and contains the most important advice out there when it comes to marketing your practice- “Be nice.”

Whew! 12 books total! I’m not sure what your strategy should be, but I’m sure some of these books will be more popular than others so I’d recommend only using one or two of your three picks for popular books and save the other one for a book that few people are trying to win. And if you can’t handle waiting a couple weeks to read it, just go buy it on Amazon. Most of these are pretty inexpensive.

Now get on over to the forum, sign up and post a comment and I’ll see you in the comments section! Remember- correct email address, state “I’m on the forum and posted a comment”, and list up to three books.

The Great Book Giveaway Part Two

We had so much fun giving books away last month in exchange for people liking us on Facebook that this month we’re going to do it again. This time you’re going to have to follow us on Twitter to win.

While this blog has been posted on Twitter automatically for years, it is just this year that I’ve figured out just how fun tweeting is. It is a great medium for sharing articles and observations with others. Now that I’m actually paying attention to it, my Twitter followers are increasing by about 100 a month. If you’re not following me, you’re missing out on tons of stuff that isn’t showing up on the blog, the forum, the Facebook page, or even the
monthly newsletter. Following me on Twitter is just as free as all that other stuff too.

Over the years, I’ve acquired a lot of financial books. Some are books I bought. Some are books I was given. Others are review copies. Some I occasionally go back to and reference, but many I do not. I also have multiple copies of several books. I need to make a little room, and you, dear readers, will be the beneficiaries. Be aware that only a few of these books are in brand new condition. Some are autographed, some are dog-eared, some are review copies, and some even have my notes in them. But the price is right for you! Some of these books are selling on Amazon for over $50 right now.

So here are the rules-

- # 1 You must have a Twitter account. (Just do it- you’ll be surprised how much you like it.)
- # 2 You must “follow” @WCInvestor on Twitter (If you already follow me, pick your favorite post and Tweet it.)
- # 3 You must come back to this post, post a comment using your correct email address, state “I follow you on Twitter” or “I tweeted about WCI” and list up to three books whose drawings you would like to be included in. After a week or so, we’ll hold the drawings, contact the winners via email for their shipping address, and ship off the books. Easy peasy.
- # 4 If you really think the book sounds great, but don’t win it, go ahead and buy it from Amazon using the links on this page.

Now, without further ado, here are the books available to win this month:
Yup, that’s right. Not only am I giving away a brand new, autographed copy of my book, I’m giving away three of them as part of this promotion. It is still #1 in its categories more than 2 years after publication and has changed the lives of thousands of high-income professionals. You can be next! Want to read a review first? Here’s a totally unbiased one.

**The Bogleheads Guide To Retirement Planning**

This excellent book, crowdpublished by the Bogleheads, gets into the deep stuff with regards to retirement planning. This isn’t a read for a rank beginner, but if you’ve read a few financial books I guarantee this one contains some stuff that is new to you and well worth your time if you’re anywhere near retirement. Highlights include Chapter 4 on IRAs, written by yours truly. This is a hardback book, in brand new condition, and signed by Taylor Larimore and Mel Lindauer.

**So You Got Into Medical School…Now What?**

This book, by Daniel R. Paull, MD, reviewed here, is subtitled “A Guide to Preparing for the Next Four Years.” It is ideal for a pre-med to read between acceptance and matriculation, but is still quite useful for any medical student who hasn’t yet matched.

**Changing Outcomes**
This is another short book by David Burd, CFP and James Hemphill, CFP aimed at physicians. I wrote a little bit about it here, and it is subtitled, “a financial recovery strategy for peak career physicians.” The book, Pay Yourself First, is aimed at early-career docs and this one is aimed at mid to late career docs. It is well-worth the small amount of time required to read it.

**Cash Flow Forever**

Subtitled “the real secrets of real estate investing” this 241 page book by Jeff Johnson contains 40 chapters, many of which I found very interesting, but in particular one by the title of “But what if you live in LA” and another by the title of “Parking is king.” If you’re interested in direct real estate investing and looking for some inspiration and good tips, check out this book.

**How To Survive A Medical Malpractice Lawsuit**

I reviewed Ilene Brenner’s excellent book here, and this copy even has her autograph. I realize I’m tempting fate by giving this book away, but if I get sued, I’ll probably buy another copy and read it again. Recommended for all physicians, but especially those who have been served. Although short, it’s going for $44 on Amazon right now.

**Not One Dollar More!**

This is a book I bought while doing research for the purchase of my “doctor home.” It is an excellent book, but no longer relevant to me. Its subtitle is “How to save $3,000 to $30,000 buying your next home.” You can probably multiply those figures by 5 for doctors. It is really all about the negotiation strategy that goes into buying a home. I am confident that the
material I learned in this book saved me at least $50K buying my home. The book is a little bit old as evidenced by its pledge to donate 10% of its profits to those “comforting” people with HIV (who back then were still dying of AIDS), but the material is timeless.

**The Physician’s Guide to Personal Finance**

Next up is Dr. Jeff Steiner’s excellent, physician-specific primer, reviewed here, and subtitled “the review book for the class you never had in medical school.” It’s a great book I’ve been recommending for a long time, but I’m probably never going to go back and read it again. Great for a resident or young doc and written in a concise, bullet-point, “review book” style.

**Low Fee Socially Responsible Investing**

This short book by Tom Nowak, CFP was reviewed here back in 2013. While I’m not a big fan of philosophical investing, whether “socially-responsible” or “sharia-compliant” I recognize that these issues are a big deal to a certain subset of people. If that’s you, this is a great manual explaining how you can keep your costs down (and hopefully your returns up) without supporting causes you don’t agree with.

**Going for the Gold**

Are you a gold bug? Or perhaps you’re just interested in dedicating a small portion of your portfolio to the shiny stuff. This comprehensive book by William A. Storum, JD, explains all kinds of ways to invest in gold, including physical gold, mining stocks, ETFs, annuities, and even trusts.

**The Final Hurdle**

Platinum Level Scholarship Sponsor

Here’s a great gift for a senior resident, as reviewed here. This copy, autographed by the author, attorney Dennis Hursh, would have been in better condition if I hadn’t enjoyed it so much, but it is hardback and will last a
lot longer than you will need it. It is all about physician contracts and negotiations. It’s not long, but it’s going for $70 on Amazon right now.

Whew! 13 books total! I’m not sure what your strategy should be, but I’m sure some of these books will be more popular than others so I’d recommend only using one or two of your three picks for popular books and save the other one for a book that fewer people are trying to win. And if you can’t handle waiting a couple weeks to read it, just go buy it on Amazon. Most of these are pretty inexpensive.

Now get on over to Twitter, follow @WCInvestor and I’ll see you in the comments section! Remember- correct email address, state “I follow you on Twitter”, and list up to three books.

The Great Book Giveaway

One of the tasks assigned to my wife when she started working here at The White Coat Investor was to get our social media presence going a little better. I spent years trying to get the website to automatically update our Facebook page, all to no avail, so she now cares for it manually. She has also now experienced the fun of interacting with whole life salesmen trying to start an argument. At any rate, Facebook is a great way to spread the message of The White Coat Investor (helping high-income professionals get a “fair shake” on Wall Street) and so in an effort to encourage you all to like us on Facebook and help spread the word, we’re going to do a massive book giveaway. It’ll cost us a few bucks in postage, but hopefully it will be totally worth it. (I’m sure there is no ulterior motive behind my wife’s idea to do this giveaway using the books cluttering up the shelves in the office.)

Over the years, I’ve acquired a lot of financial books. Some are books I bought. Some are books I was given. Others are review copies. Some I occasionally go back to and reference, but many I do not. I also have
multiple copies of several books. I need to make a little room, and you, dear readers, will be the beneficiaries. Be aware that only a few of these books are in brand new condition. Some are autographed, some are dog-eared, some are review copies, and some even have my notes in them. But the price is right for you! Some of these books are selling on Amazon for over $50 right now.

So here are the rules-

- # 1 You must have a Facebook account.
- # 2 You must “like” The White Coat Investor page on Facebook. (If you’ve already liked us, pick any post and “share” it.)
- # 3 You must come back to this post, post a comment using your correct email address, state “I liked the Facebook page” or “I shared a post” and list up to three books whose drawings you would like to be included in. After a week or so, we’ll hold the drawings, contact the winners via email for their shipping address, and ship off the books. Easy peasy.
- # 4 If you really think the book sounds great, but don’t win it, go ahead and buy it from Amazon using the links on this page.

Now, without further ado, here are the books available to win:

**The White Coat Investor**

Yup, that’s right. Not only am I giving away a brand new, autographed copy of my book, I’m giving away three of them as part of this promotion. It is still # 1 in its categories more than 2 years after publication and has changed the lives of thousands of high-income professionals. You can be next! Want to read a review first? Here’s a totally unbiased one.

**The Bogleheads Guide To Retirement Planning**

This excellent book, crowdpublished by the Bogleheads, gets into the deep stuff with regards to retirement planning. This isn’t a read for a rank beginner, but if you’ve read a few financial books I guarantee this one contains some stuff that is new to you and well worth your time if you’re anywhere near retirement. Highlights include Chapter 4 on IRAs, written by yours truly. This is a hardback book, in brand new condition, and signed by Taylor Larimore and Mel Lindauer.

**What They Don’t Teach You In Dental School**
This excellent book by Jeff Anzalone, DDS, reviewed here, is short but packed with excellent stuff for the dentist who has just graduated or soon will. It goes over all the stuff you need to know to start your own practice.

**How To Avoid Bag Lady Syndrome**

Here’s an interesting one, subtitled “A Strong Woman’s Guide to Financial Peace of Mind” by Lance Drucker, ChFC, CLU. It was sent to me as a review copy, but as you can see, I don’t review every book I’m sent on the website. I didn’t review this one not because it isn’t a good book, but mostly just because it isn’t particularly physician-specific. It is, however, female-specific. It is fairly entry-level and reasonably entertaining.

**Pay Yourself First**

This is a very short book, reviewed here, by David Burd, CFP, and James Hemphill, CFP. It is subtitled “A Financial Guide For Doctors Entering Practice.” You should be aware this was a review copy and I think a few changes were made before publication.

**Mutual Funds for Dummies**

This is the 4th edition of this book by well-known personal finance author Eric Tyson, MBA. It is an excellent, entry-level book and also has the additional bonus of being the book that got The White Coat Investor to fire his financial advisor. Not just the book title, this is THE ACTUAL BOOK read over a ten day period during a road trip from Tucson to British Columbia to climb on the Stawamus Chief (El Capitan’s little brother.) Upon arriving home and realizing that my mutual funds were C shares and not “no-loads” the rest is history. As I look back at the dog-eared pages, I realize I starred a bunch of Vanguard mutual funds. I don’t think I had even heard of Vanguard before reading this book. Thank you Eric Tyson. Hopefully by passing on this book it can have just as much impact in your life as in mine.

**Why Physician Home Loans Fail**

Next up is Josh Mettle’s excellent primer on Physician Mortgage Loans, reviewed here. I say primer, but the truth is this is the only book on the market on this subject. If you’re considering getting a doctor loan, read
this book to “avoid the land mines for a flawless home purchase.”

Common Sense Investing

This is a review copy of Rick Van Ness’s excellent primer, reviewed here, subtitled “Ten Simple Rules to Finance Your Dreams.” This one is less than 100 very short pages. If you can’t get through this book, go get a financial advisor, there is no hope for you becoming a DIY investor.

The Future Of Your Wealth

Gold Level Scholarship
Sponsor

This is a fairly quick read by Matthew Shafer and has two subtitles. The first is “How the world is changing and what you need to do about it” and the second is “a guide for high net worth individuals and their families.” Based on the dog ears in the book, I did actually read it, but based on the fact that I didn’t write a review probably means I didn’t like it much. Many books like this perhaps should be subtitled, “My marketing tool for attracting high net worth clients” but if you’d like to give it a try, I’ll send it to you! At least the price is right.

Killing Sacred Cows

This book by insurance agent, entrepreneur, and multimillionaire Garrett Gunderson, reviewed here, is subtitled “overcoming the financial myths that are destroying your prosperity.” I think there is a lot of great stuff in it, although a fair amount I don’t agree with as you’ll note in the review. If you’d like to read something not Boglehead approved, this should fit the bill. I love the parts about entrepreneurship.

The Unofficial Guide To Buying A Home

This was another book I read while researching what will hopefully be our final home purchase. If you have never bought a home, you ought to read a book before you do so and this one is as good as any. It is quite
comprehensive with everything from new construction and the nine most popular home styles to “the lowdown” on real estate agents.

**Financial Planning Handbook for Physicians and Advisors**

This one comes from the Marcinko group. It is very comprehensive and crowdwritten, with every chapter written by a different expert. It is listed for $83 on Amazon right now. I don’t think I’d pay that, but it’s not a bad book at the price I’m offering it for.

**Insurance and Risk Management Strategies for Physicians and Advisors**

Another crowdfunded book from the Marcinko group with chapters written by people with as many as 26 letters behind their name. I actually planned to review this one on the site someday, but couldn’t actually ever finish the book. Maybe if I took it on a mountaineering trip involving a three day storm and a small tent I could finish it. This book is comprehensive and expensive ($223 on Amazon) but certainly not entertaining. But if you don’t like it, maybe you can sell it for a couple hundred bucks. Or trade it for some Ambien.

Whew! 15 books total! I’m not sure what your strategy should be, but I’m sure some of these books will be more popular than others so I’d recommend only using one or two of your three picks for popular books and save the other one for a book that few people are trying to win. And if you can’t handle waiting a couple weeks to read it, just go buy it on Amazon. Most of these are pretty inexpensive.

Now get on over to our Facebook page, give it a like and I’ll see you in the comments section! Remember- correct email address, state “I liked the Facebook page”, and list up to three books.