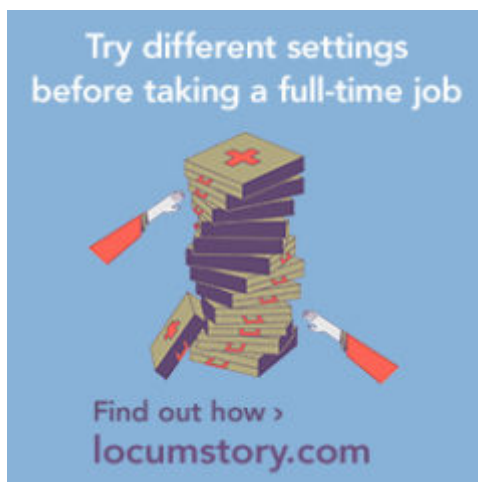


Financial Health: What Medical Schools (And Students) Are Doing Wrong



[Editor's Note: This is a guest post submitted by Zachary Landau, an MSIV at Touro College of Osteopathic Medicine. We have no financial relationship, although he did apply for the WCI scholarship. At the time I edited this post, I had no idea if he was a finalist or not.]

The White Coat Investor website has been a wonderful read. For the few articles that apply to those with no income or financial assets, I am forever grateful. The rest of the articles were still enjoyable, like *Fifty Shades of Grey*. I played make-believe, dreamed of financial prosperity, and imagined a very different life. Unfortunately, we medical students are as far from financial grounding and meaningful control as Anastasia in Thomas Grey's world. And, if we ever want to liberate ourselves from the sadistic bondage of student finances, we need to take control back from our academic institutions.

At the heart of the problem is a lack of transparency at most medical schools when it comes to money. These are real crisp green US dollars that are out of sight, out of mind, and out

of pocket for medical students. Let's work towards fixing things, with these concrete steps:

1 Demand Guidance

Schools provide health services, academic advisors, and counseling. Why are financial advisors noticeably absent from most medical schools? WCI readers likely don't need professional guidance to make every day financial decisions, but the average graduate is in a different place. Many of my classmates don't keep a budget. Those that do budget often slip during exams and holidays. A one-hour once-a-year sit-down with a salaried Financial Advisor would generate a better ROI at a medical school than the library coffee shop. *[At least one medical school, OHSU, now has a CFP on staff-ed.]* I imagine big financial institutions would bleed for the opportunity to gain an early relationship with the next generation of doctors. *[True, but that doesn't equal medical students getting good advice.-ed]*

2 Control How Your Money Is Spent



The world of for-profit medical schools is a scary place. However at all not-for-profit institutions, there should be an unspoken understanding that the purpose of the school is to serve its students. Is your university using tuition dollars to fund branch campuses and undergraduate programs? Does it

have building projects aimed at prestige? Is your school bloated with faculty? It is your responsibility to know the answers to these questions and to demand change. If a quick Google search doesn't land you on a budgetary report for your school, approach the school administration about this information. If you hit resistance, send an email to editor (at) whitecoatinvestor.com [*I have no idea what he is going to do with the email, but I might be a little cautious about too much activism as school administrators not only control the cost of your tuition, but also write your Dean's Letter as you apply to residency-ed.*] In general this is public information, and it may shock you. Your school may be funding affiliated hospitals with millions, making sizable commissions from on-campus retail, and subsidizing other university programs. Individual department heads may make seven figure salaries. Your school could be in the business of giving your money away as gifts!

Get this information. Share it. Organize a town hall meeting at your school, and ask direct and specific questions about financial conflicts of interest and wasteful spending. Demand quantifiable changes. Most importantly, use open discourse and public airing of financial "wrongs" to effect change.

3 Keep It Personal And Concrete

When you receive your financial aid disbursement it is neither a gift nor an allowance. It is a loan. Hearing classmates refer to this as "play money," attempting to shake guilt while spending frivolously, is disconcerting. A student shouldn't feel remorse every time he spends money, but he should recognize that he is making an educated choice. If you are the kind of person who has a hard time appreciating the cost of things, consider purchasing all non-essentials with cash. If that is impractical, consider keeping a personally tabulated ledger. When you are writing down the money that leaves your account each week, it will be hard to separate yourself from your spending.

In signing up for services, extrapolate the cost annually, and evaluate monthly. Put more simply; be sure that you are both willing to pay the full cost for a year of the service, and that you value it each month at the set price.

Total cost of large purchases should be your primary concern. Students are often easy marks for car salesmen. There are so many confounding factors: our lack of experience, our nebulous and false income, the common need for a cosigner, and the immediacy of our need. When weighing options and negotiating a purchase, always deal in terms of the total cost. Once you have settled on a price, you can then compare the interest rates of the car dealership, your local credit union, and your student loans. Car and furniture dealerships often shift the conversation towards monthly payments as a way to obscure the true cost of purchases.

#4 Be Greedy

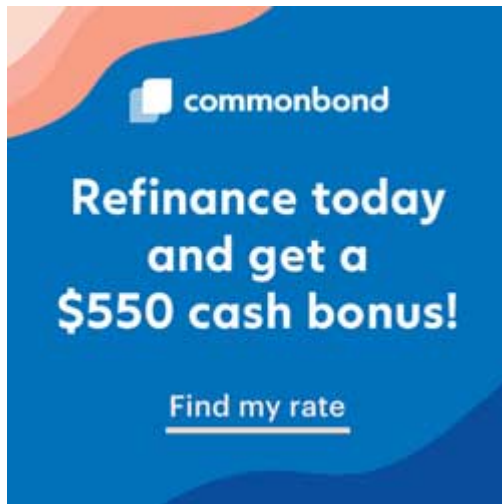
This is a challenge for many. Medicine selects for selflessness, as our profession is one of service to others. The Physician's Oath begins with a pledge to consecrate one's life to the service of humanity. To break yourself of a cycle of financial sacrifice and victimization, appreciate that you will be best positioned to help your fellow man from a point of financial independence.

If your school offers a limited number of federal work study programs, consider these opportunities yours. They are not given to the students with the greatest need, but rather to the students with the greatest initiative. Many library-based and office-based federal work study positions are nothing more than generously paid study hours. When federal work studies do require honest effort, they are usually self-serving. Tutoring classmates is an opportunity to further learning. Laboratory scutwork fortifies your resume. Teaching Aid positions are an opportunity to master a subject and secure a glorifying, trumpeting, immediately personal letter of recommendation.

Do not feel the need to reciprocate reckless spending. By dining out with a large group and then splitting the bill into equal portions, the frugal classmates are subsidizing Mr. Surf-And-Turf and Ms. Three-Martinis-With-Lunch. Ask for individual checks. Spend your time with like-minded individuals. Organize low-cost group experiences. Good financial habits are visible in your twenties; to those who matter, they can be quite attractive.

When food and other resources are free, avail yourself of them. While you might be teased for taking the serving tray of sandwiches at the end of a guest lecture, you'll have lunch for the week. When your school offers PPD testing, cleanings at the dental school, or a stocked Physicians lounge, have at it. Eating a soup or salad for lunch every weekday might be disappointing, but using hospital-provided food to supplement your breakfasts and lunches (and all-too-often dinners) can have a huge impact on your grocery budget.

Scholarship money, the holy grail of student debt avoidance, is something to fight, beg, and claw for. Like much in life, you cannot win if you don't play. Understand the number of applicants for a given fund and the time investment necessary to compete. When in doubt, bet on yourself. I have heard myriad classmates write themselves out of consideration. They say, "I'm not the best neurology student in our class" or "I am not even going into pediatrics." While scholarship opportunities often have specific focuses, the impact of a well-written application cannot be overvalued. If all else fails, persistence can triumph. Student Doctor of The Year is rarely awarded to a first or second year student, but it is often won by honorable mentions from prior years. Be that student under consideration for the fourth year running. It will be up to the scholarship committee to justify why you should not receive the money.



Conclusion

To borrow from my early analogy, unless you want to be on the rough receiving end of your financial dealings, demand guidance, control how your money is spent, keep things personal, and be greedy.

Personal finance is not Whose Line Is It Anyways. In this game, everything is made up and the points do matter. Talk to your preceptors and other practicing physicians about finance.

What do you think? How can medical students succeed financially? What is the long-term impact of the financial habits you acquired in med school? What can medical schools do to help? Comment below!