

# From Medicine to Fee Only Planning

*[Editor's Note: I get an email several times a month from doctors who are considering going into financial planning. Apparently, the grass is looking greener over there for some reason for a few doctors. [Steven Podnos, MD, CFP](#) is a physician who has made the jump into the financial planning world. He is basically a full-time financial planner and a part time physician with the Air Force Reserve. I asked him to write an article about his experience having a foot in both worlds. This post is what he sent me. We have no financial relationship.]*



I began the practice of Pulmonary and Critical Medicine back home in Florida in 1986. Within ten years, I became disgruntled with the difficult lifestyle, increasing regulation and constant liability concerns. So, I began looking for another career that I might find satisfying.

## The Transition to Financial Planner



Steven Podnos,  
MD, CFP

Up until that point, I had been doing financial planning and investing for myself and several family members. I loved reading about many aspects of financial planning, although finding objective information was difficult. I also felt that my peers and I were easy game for financial hucksters of every type. Around 2000, I came across an article that mentioned fee-only financial planning. Being intrigued, I called the only such planner in my county and asked about his work. It sounded much like being a physician for a family's money instead of their health. He steered me towards getting the Certified Financial Planner (CFP) education and certification (this took three years). Before achieving the CFP certification, I took an exam called the Series 65, which allowed me to hang out a shingle as a financial advisor.

I told some friends and family that I would be doing planning on the side while still practicing full time. A few families stepped forward that first two years (still my clients!) and I was hooked. After about 3-4 years, I was getting busy enough by referral to tell my medical partners that I'd like to start a transition out of the practice. I did so between 2005-2007, gradually taking less call and hospital time, and then leaving the practice around 2009-10 completely.

Interestingly, many physicians were reluctant to hire me, and

I heard from some “what do you know that I don’t?” This was bizarre-they would give their life savings to a suit at a brokerage who maybe had a few weeks of sales training, but my CFP certification and some years of experience mattered little. In time, these barriers dropped and today about half my practice of 105 families are medical.

Around the same time I was leaving the practice, I realized that I was missing some aspects of medical practice. Military service had always been of interest, so I was pleased to find that the Air Force Reserve was interested in someone my age (started at age 50, almost eight years ago). Other than some rare locum tenens work to keep up my skills, my medical practice has been limited to my Reserve duty a few weeks a year.

### **Ethics in Financial Services**

One of the first things I learned entering the “business” of financial planning was that it was mostly a highly unethical environment. Well over 90% of all “advisors” and insurance agents in the field are paid to sell products regardless of their suitability for the client. To this day, I’d have to admit that I have yet to see fair and honest work done outside of the fee-only environment. I suspect it would be the same if we physicians were compensated by which drugs we prescribed, rather than for patient care. It would be hard to remain ethical.

Along this line of thought, I am astounded by how many smart physicians continue to use stockbrokers for their investments. In every case I've seen (when new clients bring me their brokerage statements), these physicians are paying very high fees for mediocre if not toxic portfolios. Fee-only planning is no longer a secret, and I can't understand why anyone would use any other method for their financial advice.

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## **Similarities to Medical Practice**

As I initially thought, fee only planning is very much like a medical practice. The process is along SOAP note guidelines- we take a subjective history, review objective data, come up with an assessment and follow through with a plan. We are fiduciaries, seeking to have our clients achieve their goals with a minimum of hassle and expense. I have found a great deal of support and camaraderie in the fee-only community, a breath of fresh air. I love my work!

## **Physicians are Too Trusting, But Not Bad Investors**

Physicians get a bad rap in the financial world. They are thought to be bad investors, and easily fooled. This is an unfair assessment. In medicine, we learn to function in a highly ethical world that depends on sensitive and important information being exchanged on a regular basis. We have to make critical decisions quickly over and over. In the "non fee-only" financial world, you have a highly unethical world, filled with salesmen waiting to sell you what pays them the best. Put these two groups together and the physicians lose out due to naiveté.

I can offer your readers no better life advice than to find themselves a fee only planner to guide them in the areas of estate planning, insurance issues, educational issues, asset protection and more. If a physician feels that they are a competent investor (unusual), they can obtain this advice on a retainer or hourly basis rather than paying the more common assets under management fee. Start at the [National Association of Personal Financial Advisors website](#) and search for a planner near you.

*What do you think? Have you ever considered becoming a financial advisor? How would you go about it? Would you choose an advisor who had previously (or still is) a physician? Why or why not? Comment below!*