

My Journey: A Wealth of Opportunity

[Editor's Note: This is a humbling guest post submitted by Dr. Luis Acosta, a newly retired physician and a regular reader since the beginning years of WCI. It profoundly illustrates how hard work, perseverance, and living like a resident can lead to wealth and great family relationships. I'll always think of this post when someone in a low-paying specialty, or with \$400k in student loans or someone with a late career start doesn't think that they can ever retire and achieve financial independence. Dr. Acosta and I have no financial relationship.]

A Glimmer of Economic Opportunity for an Impoverished Physician



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In 1994 I was forty years old, my wife was thirty-nine and my son five. We were both physicians that had graduated in 1980 and were working in our native country under government-run healthcare. At an age most physicians in the United States dream to retire, I was earning about \$4 USD a month. That number is surreal but true. My wife made a bit more money but we had little to look forward to in a country with no economic

opportunity. The government of our country called the 1990's a "Special Economic Period", but there's nothing special or unique about the hunger we felt or the endless work we did for almost no compensation.

We decided to move to a country in Central America that would give us legal residency and see what we could do to improve our lives. We had family in the USA that supported us while we were in Central America but they were well into their sixties and blue-collar workers. We appreciated their help immensely but our financial desperation was a burden we couldn't place on them indefinitely. A friend of mine, already in a residency program in the United States, told us about the possibility of doing the [USMLE certification](#) steps while living out of the country. So, we squeezed together what little money we had and paid for the application and I began to prepare for the tests.

I spent the better part of a year locked in my room studying photocopies of books a friend had sent me. Our situation improved dramatically when my wife got a job as a physician and I got a part-time job teaching pharmacology and physiology in a small private dental school. Those years were my "happy fight". We were short of money but never short on hope. The best part of my day was sitting down late at night watching re-runs of [The Simpsons](#) with my wife and son before the next sixteen hour day started. My studying paid off eventually and I got my USMLE certification and applied for residence in the US.

A Goal-Oriented Life: Finishing Residency at Age 48

I eventually got a residency in internal medicine in New York City and it was one of the most challenging things I've ever faced. I've always tried to maintain a goal oriented life but my goals that year went from minute to minute. If I wasn't in

the car by 5 AM sharp, at 5:01 AM my wife knew to kick me out of bed and into the car if I refused to get up. Most days I would plop into bed without unbuttoning my pants because it would let me have three extra seconds of sleep. Residency is for kids who are flexible and resilient and I was none of the three!

The next year I changed to anesthesia and continued with the same demanding schedule. For personal reasons, I decided to move down to Florida to finish the third and fourth year of the program. Three different residency programs in the three years might have been ill-advised, but when you're the oldest new kid on the block you become the best raconteur in the surgical theatre. In the summer of 2002, I finished my residency at the fresh age of 48.

Finally, the Right Fit

Six months later I moved into a demanding new position covering vascular and congenital malformations in neonates. This was stiff work for my hardened coronary arteries. However, Goldilocks might have been onto something because my third job was just right. In fact, I just retired from there a few weeks ago. My advice to young doctors is to keep looking and don't get stuck in a job you don't like. It makes you and everyone around you miserable.



Dr. Acosta with his wife, son, soon-to-be daughter-in-law and beloved coworkers at farewell breakfast at his last day on the job.

My Financial Education

My knowledge of investing and wealth creation was almost zero. I intuitively knew the obvious fact that expenses had to be less than income, as well as other folk wisdom, but nothing more than that. After passing the written/oral board I began to educate myself about three topics: investment, real estate, and taxes. The first financial book I ever read was Suze Orman's, [The Road To Wealth](#). It was the last book of hers I ever read (sorry Suze) but the financial virus spread from there. What followed was a cascade of learning from mentors like [Jack Bogle](#), [William Bernstein](#), [Burton G Malkiel](#), [Henry Hebler](#), [Mike Piper](#), [White Coat Investor](#), and [the list goes on](#). We began investing in our [401\(k\)](#) with employer match and opened a non-deductible IRA for my wife. Then, converting my IRA to a [Roth IRA](#) and eventually to a [backdoor Roth](#).

My first financial mistake was right out of residency when I bought a house before I had even started my first job. By pure luck, the real estate market was starting to heat up immensely and we managed to sell this house soon thereafter for a profit. Another piece of advice: better lucky than good! When the time was right, we chose to purchase our principal residence in a middle-class neighborhood instead of buying the expensive “doctor’s house”. We were able to pay that home off in twelve years. A year after buying this residence we bought a second home on the beach in South Florida. A few a years later we bought two more rental properties that are literally a twenty-minute walk from our home. All four of these properties have been paid off.

Financial Education for Children



In an ideal world, children are supposed to learn from the experiences of others, including their parents and make rational decisions based on facts. Our son got his first paycheck at 17 working as a martial arts instructor. He gave each paycheck to his mother and from time to time asked for some petty money back for spending. We opened a Roth account for him with [T Rowe Price](#) and helped him by including our “parent match” on whatever income he invested.

After one year in college, he decided to join the Army and stayed with them for almost 10 years. His service included a one year trip to Iraq which was a stressful but great time in

our lives. Out of stress can come learning. We learned to love the sacrifices of our young soldiers. The support of the military we observed seems to be unique to the United States.

During his military years, we continued to “match” his retirement accounts to the maximum amounts and helped him invest a part of his earned money in a [taxable](#) account. Do you think when you are 18, 19 or 20 you are going to be thinking about retirement? My actual last piece of advice: [if you are a high earner help them along the way and teach them how to manage money](#). Think of it this way, a prosperous child won't need your help in the future, so this approach even passes the “selfish” test. Our son is home and back in college this summer using his personal savings and [GI Bill](#) to pay his way through school. At 28 he has more money than many physicians that I know.

Our Current Net Worth

- **Cash:** We have enough to cover expenses for two years.
- **[Investments](#):** Taxable accounts: 50% (muni bonds the bonds portion), Roth: 25% and traditional IRA: 25%. If we follow the [4% rule](#) we will accumulate \$75k per year. A very tax efficient mix, 60/40 stocks/bonds, distributed nationally and internationally, big and small companies, blending growth and value. The vast majority are in [index funds](#).
- **Real estate:** 1. Our principal residence 2. An apartment in a great location on the beach in South Florida (that can be a part or full-time rental) 3-4. Two decent rental properties. (Again, all of them paid off.)
- **Social security:** We will take this sometime in the future but for now, [delaying is the right thing to do](#).
- **Human capital:** I still can work and have been only been a few weeks into retirement.

Our core expenses are around \$60-65k per year and we are

confident our income is going to be OK even through an inevitable downturn in the market. It took me quite some time and reading to figure out our [drawdown plan](#) but the discussion of implementing that drawdown plan will have to be left to another occasion. We saved around 25% pre-taxes, NOT including the payments for the three properties (otherwise 30% plus). Not a bad little plan after all was said and done!

Supporting Others

We've donated money to traditional charities, especially related to childhood cancer and veterans, but we prefer to support others in need in a different way. Teach them how to fish is our slogan. One way we do this is by helping family and friends from my native country. We assist them by giving food and shelter for a variable time until they get a firmer footing and accomplish a desired goal. One of my nieces, who lived with us for awhile, has recently begun working as an attending in psychiatry at a prestigious hospital in South Florida. I'm also lodging another niece and her husband while they study full-time to pass the USMLE. We do this with immense pleasure because nothing can repay what my parents and others have done for us.

Many Blessings and Opportunities to Grab

My immediate and extended family have both been a great blessing to me. I have been married to the same woman for more than 37 years and we have always stuck together through thick and thin. This partnership has been essential. Our son, a wonderful kid (already 28), has never given me an unnecessary headache (but sometimes necessary headaches)! As a parent, your mission is only accomplished when you learn from your children. I consider myself frugal but do you want to know

someone who pinches pennies more than myself? My wife. More than my wife? Our son. He recently went to Europe for three weeks and expended less than \$2,000 in total.

Imperfect as it might look to some, we have been so fortunate to come to this great country. It's uniqueness and wealth of opportunity can't be disputed. Of course, opportunity is not enough, you still have to grab it.

After 37 years working as a physician in different fields (skin diseases, internal medicine, ICU, anesthesia), I feel like I have been running a 100M dash in ten seconds flat and suddenly stopped. In the United States, I worked a total of 15 years after I finished my residency and I'm stepping happily into retirement. My wife is placing bets that I'll be back to work in 2018. I'm not so sure about that, but maybe she's right and I'm a masochist after all. I have all the time in the world to prove her wrong.

What do you think of this story? Are you a foreign-born physician moved to the US? Do you think this "American Dream" is still available? How could an "immigrant mentality" help even a US-born doc? Comment below!