

The Five Big Money Items You Should Do as a Resident



Residents are busy folks. Their time is consumed with clinical work, clinical learning, and sleep. What extra time they have should be spent with their loved ones and on other activities that keep them sane. But at some point, there are a few financial chores that it would be foolish for a resident to ignore.

1. Life Insurance

If someone depends on your income (AKA a spouse or children) you need life insurance, you need a lot of it, and you need it now. Read about how to do that [here](#)

2. Disability insurance

Not only is a resident uniquely exposed to the risk of disability since he has a low, or even negative net worth, but he also has years of living ahead of him which will need to be paid for by either his career earnings or his disability insurance. Remember that if he is disabled and has to declare bankruptcy, his student loans WON'T be discharged (erased) in

the proceedings. He has to die to have his student loans discharged. He can also often get disability insurance cheaper as a resident, since he is probably young and healthy AND often in a separate class of physicians than attendings in his specialty. (Some classes of doctors such as ophthalmologist or orthopedists actually have to pay more for disability insurance. Residents are often put into the same category as family docs and internists.) Although he cannot qualify for, nor afford, as much disability insurance as he needs, every little bit helps, and he can get a future purchase option rider that will allow him to upgrade as his income grows. Learn more with the series of posts starting [here](#) and continuing [here](#)

3. Roth IRA

Using a Roth IRA is a no-brainer for a resident who is probably in the 15% bracket and will likely spend the rest of his career in a bracket twice as high. Beginning it in residency not only preserves that tax-advantaged space (if you don't use it now that "space" is gone forever), but also gets the resident in the habit of saving. If you cannot save anything as a resident, you probably won't be able to do it later as an attending. Saving also keeps you from taking on new debt as a resident, including car loans, credit card loans, or even inappropriate mortgage loans.

4. Financial Education

Residency is a great time to begin your financial education. Time is limited, but there is still time to read a blog such as this one and discuss finances with attendings while at work. I also recommend you read [one good financial book](#) per year.

5. Billing/Coding Education

Most residency programs spend at least a little time teaching you the coding and billing specifics for your specialty. Pay extra attention at these sessions, realizing it will pay huge dividends down the road for you. This is just as important to your future career as learning how to manage the clinical issues. Specifically, discuss these issues with the community doctors that you work with. Your academic attendings are much more likely to be salaried and probably won't be as well-versed in these details.

Taking these steps as a resident will put you in good standing to begin your career on the right financial foot.

What do you think? What else should residents be concentrating on besides learning medicine? Comment below!