5 ways to partner with a physician-friendly financial advisor

JUL 16, 2015

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If you want to get your finances in order, working with a financial planner is a great way to start. Follow these expert-approved tips to find a trusted advisor who understands physicians' unique needs and get the insights you need to build financial success.

Robin Robertson, a senior wealth advisor for the Millennium Brokerage Group, specializes in partnering with physicians and has three decades of experience. She said partnering with a credible financial advisor is the best way for physicians to strategically develop a strong portfolio and roadmap for achieving secure retirement.

But before you start talking dollars and figures, here's what you'll need to know to find a physician-friendly planner who meets your financial needs.

Find your planner through referrals in the medical community

Begin your search by asking people or organizations you trust for potential contacts. AMA Insurance offers their Physicians Financial Partners program that can pair physicians with vetted financial advisors, which Robertson recommends as an ideal starting point for physicians.

“Referral is the best route—either through AMA Insurance, a friend or a colleague. Also, some hospitals have programs where they refer physicians to advisors, but that really depends on what’s available in your area,” she said.

Ensure your advisor understands diverse aspects of financial planning for physicians

Money management is only the beginning. Your advisor also should be able to assist you with such things as:

- **Risk analysis.** “Physicians want a comprehensive financial advisor,” Robertson said. “For instance, they’d want someone who understands disability, medical student loan debt and how to assess risks,” she said, noting that helpful advisors should be able to evaluate physicians’ finances holistically and address common questions around timing and payments. Questions a physician-friendly financial advisor should anticipate include: “Do I pay my loans off first? How much life insurance do I need? Should I save for my children’s education or for our retirement first? What debt refinancing program should I look at?”
- **Personalized macro- and micro-analysis of finances.** “Physicians need someone to help them think through their options,” Robertson said. This is especially true when discussing loan repayment strategies and public loan forgiveness. Make sure you find a planner who can help you critically devise a plan that aligns with all aspects of your long-term personal and career goals—not simply your debt, she said. “Physicians are constantly hammered with deals, which is why they need someone who can step back, enter the ‘financial helicopter’ and help them see the whole picture [of their plan].”
- **How to advise on specific topics that impact physicians, especially disability.** While individual finances vary, Robertson said there are certain wheelhouse topics that financial advisors working with physicians have experience discussing. These include “debt reduction, life insurance programs, efficient savings programs and the best disability policy they can find.” “A physician needs the Cadillac of disability policies,” she said. “They need a policy that is portable, guaranteed renewable and protects them in their own medical specialty because their livelihood completely depends on their ability to work.”

Pair yourself with an advisor in the early stages of his or her career if you're a resident or new physician

When it comes to financial planning, the earlier you start, the better. But if you're a resident or young physician, finding a planner with enough experience in your budget range can be tricky—but not impossible, Robertson said.

The key is to find "a CFP—certified financial planner—but a younger one," she said. "If they're a CFP, they would have had at least four years of experience and passed the CFP exam. So in terms of their education and experience, they're in a similar life stage as young physicians, and they're more willing to take on newer clients."

Comparatively, fees for veteran financial planners can start at more than $2,000, she said, so it's important to take the time to find a planner with the proper experience level. Plus, finding a CFP in your career stage offers the added opportunity to develop a strong professional relationship with your planner throughout your careers as your finances grow.

"I have 30 years of experience, so [I may not be the best fit for] that young resident or physician just starting out," Roberston said. "But for my partner who is 29? He'd be the perfect fit [for them] because he's still building his practice. In 30 years from now, they'd be 60 together and would have built [financial success together]," Robertson said.

Be careful about fees and expenses

Full disclosure about costs is essential. "We try to keep our fees and expenses down as low as possible and still provide great service to the client," Robertson said. "If you're just starting to invest, normally you're investing in mutual funds because you don't have enough to diversify a stock portfolio. [Advisors for] these mutual funds [charge] a range of fees from 50 basis points, which is half of a percent, all the way up to 2 percent, so you want to watch those fees."

"These mutual funds can pay the advisor a commission, or the advisor can charge a fee. You obviously don't want someone who [charges] both," Robertson said.

Avoid hidden expenses by carefully reading the fine print on all documented agreements—not simply for what's written but for information that may not be there as well. For instance, "Let's say you're at the point where you have $50,000-100,000 saved and now you're going to a fee-based financial advisor. When you begin working with this advisor, there will be a fee agreement that you sign, which fully discloses what fees your planner will charge and what they will do in exchange for those fees." Read this agreement with a keen eye, and "make sure your advisor really shows you their value for every expense," Robertson said.

When establishing trust, let the numbers be your guide

In a new study of the financial preparedness of U.S. women physicians, AMA Insurance found that 58 percent of women physicians work with a professional financial planner as a trusted advisor. However, of those physicians who reported not working with a financial planner, 45 percent of them said they haven't partnered with an advisor because they haven't found one they trust.

But there's a way avoid such distrust. To maintain open relationships with clients, Robertson said her company offers data analysis of clients' portfolios so they know how their financial progress compares to that of people with unmanaged accounts on the general market.

"We do an analysis of the portfolio a client [initially] has and compare it to the portfolio we would [offer] to illustrate how our investment choices, our structure and model portfolios outperform the portfolio the client currently has. We also do a risk analysis of our own portfolios on an ongoing basis," Robertson said, noting that she uses this information to offer measured insights and research to clients, so they have full disclosure about their financial performance at all times.

Offering this data builds transparency and trust, she said. "The more straight-forward details and data your planner gives, the better. [Avoid] the guy who says, 'Oh honey, don't worry about it. I'll take care of you.' That's when you worry. You want facts and an analysis."

Explore more on financial planning and retirement

- Read these top personal finance tips from experienced physicians
- Find out if you have the 6 traits of a financially prepared physician
- Review benefits available through AMA Insurance on retirement and legacy planning