Medical residents: Don't ignore preparing for accidents or illnesses

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Michael Winters
Contributing News Writer

A recent report found that young physicians are unprepared in key ways for accidents and illnesses that could leave them disabled or worse.

Planning for the unexpected

Preparing for unanticipated accidents or illnesses is an essential activity, but few young physicians take the time to make the necessary plans. Less than 25 percent of young physicians have an updated will, power of attorney documents and end-of-life or medical directives, according to a special report by AMA Insurance.

Residency can be one of the most stressful periods in physicians’ professional lives, leaving little time for tasks that don’t require immediate attention. But setting aside these crucial documents for later can put you and your family at risk.

In the “2015 report on physicians' financial preparedness: Young physicians segment,” AMA Insurance found critical gaps in financial and legal planning among young physicians. The lack of wills, medical directives and power of attorney stood out among survey respondents as one of the most glaring gaps:

- Just 24 percent of respondents have prepared a will.
- 23 percent have power of attorney documents.
- 21 percent have medical directives.
- 20 percent have end-of-life directives.
Preparations that can’t wait

The report analyzed three national surveys of 1,937 physicians under 40 years of age. With those physicians in mind, AMA Insurance asked Jerry Moran, a senior wealth strategist with Millennium Brokerage Group, to offer five strategies for building a strong financial foundation.

In a strategy that Moran titled “Prepare for the unexpected; protect the people you love,” he said wills, power of attorney and directives simply should not wait.

You might find it a low priority to prepare documents that seem more appropriate for physicians near the end of their careers. But the AMA Insurance research underlines some key reasons to look ahead and plan for the unexpected, for both yourself and your family:

- Most young physicians are married.
- Two-thirds are homeowners.
- 60 percent are working parents.

In some ways, putting off wills and kindred documents comes naturally. Tasks that don’t seem relevant at the time are easy to put off, procrastination researchers find. After all, most of us imagine we will die, preferably in bed, well into our twilight years.

Other reasons to delay include perfectionism and the feeling that we lack the resources to accomplish the task, according to the counseling center at Brown University.

Overcoming procrastination involves breaking down the task into small steps, and weighing the consequences of not acting. And according to financial experts, those consequences can be severe for residents and young physicians.

Learn more about financial security for physicians

- The leading financial planning mistakes physicians make.
- The basics of student loan refinancing.
- Kicking your financial plan into high gear.
- Finding a financial adviser that’s right for you.

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