FINANCIAL WELLNESS FOR NEW FAMILY PHYSICIANS

Benold Financial Planning, Inc.

FUN INVESTING FACTS

If you bought $100 worth of Coca-Cola stock at the IPO in 1919, how much would it be worth today?

$2.0 Million

FUN INVESTING FACTS

If you bought $10,000 worth of Amazon stock at the IPO, how much would it be worth today?

Trick Question:
$0; you would have sold when it plummeted 95% in the dot-com bust. Took 10 years to reach the 1999 price!

FUN INVESTING FACTS

Which would you rather have:

1 million dollars

or

A penny that doubles every day for 30 days?

$10.7 Million;

Day 27 = $1.3M

AUGUST 22, 2026

Topics to discuss

- Financial Wellness
- Emergency Fund
- Consumer Debt
- Student Loans
- Types of Insurance for Physicians
- Investing

FINANCIAL WELLNESS

THE BUDGET (not a 4-letter word)

The foundation of everything financial in your life is a BUDGET!!!

DEVELOP AND TRACK YOUR BUDGET

- Track all expenditures over a 2–3-month period (Mint, YNAB, Tiller, Monarch)
- Compare your spending to your take-home pay
- Review and revise (the budget is a living, breathing entity, so UPDATE IT)

A SIMPLE APPROACH

- 50% - total living expenses (mortgage/rent, utilities, groceries, eating out, etc.)
- 30% - non-essential living expenses (travel, subscription services, etc.)
- 20% - savings, investing and/or debt repayment

Methods for Success

- Pay Yourself First:
  - Employer Retirement Plan (401(k), 403(b), 457(b), SIMPLE IRA)
  - High-Yield Savings Account (Over 3%)
  - Other Accounts (Roth IRA, Brokerage Act, Health Savings Act)
  - Set Bills on Autopay

- Set up a Direct Deposit

- Simplify your Bills (align them to the same day of the month, if possible)

EMERGENCY FUND

Savings Plan for Emergencies / Self-Insurance

- **Reasons for an Emergency Fund:**
  - Job Loss (*covers disability*)
  - Unexpected Medical Bills
  - Major Automobile Repair / Deductible
  - Major Home Repair / Deductible

- **3 - 6 months of Monthly Living Expenses (** *once Full-time* **)**
  - If Single, 6 months (*start with $1,000*)
  - If Married but your Spouse does not work, 6 months
  - If Married and your Spouse works, 3 months

- Use a High-Yield Savings account or brokerage account money market fund

- **Do not invest your emergency fund!!!**

- Do not commingle this account with your checking account (*1-month bills*)

CONSUMER DEBT

WHAT'S NEXT AFTER THE EMERGENCY FUND IS FULL?

Credit Card Debt
Auto Loan Debt
Personal Loans

DEBT SNOWBALL / AVALANCHE METHOD (s)

- Start with the lowest balance first.
- Use positive monthly cash flow from your budget and add it to the minimum payment of the loan.
- Pay it off as quickly as possible to get your first "win!"
- Next, add the above positive cash flow to the paid-off debt payment.
- Use that total and add it to the next lowest loan balance payment.
- Continue until all consumer debt is paid off.

STUDENT LOAN DEBT

5 STEP PAYOFF PLAN FOR STUDENT LOANS

1. Get Organized - you can't hit the target you cannot see

   - List each provider, interest rate, and balance for each loan.

2. Refinance Private Loans – consider refinancing private loans (not federal)

   - Consolidate and lock in a lower rate for one payment.
   - Look up Student Loan Hero and The Student Loan Planner.

3. Expediate Loan Repayment – Funnel extra funds to debt

   - Leverage a signing bonus, annual bonus, and extra cash flow.
   - When negotiating a contract, do not be scared to ask what assistance your new employer can give towards student loans.

STUDENT LOAN DEBT (CONT'D)

5 STEP PAYOFF PLAN FOR STUDENT LOANS

4. Determine Your Federal Loan Payment Plan – lower rates & flexibility

NO LONGER AVAILABLE (as of 2026):

- ~~SAVE~~ – eliminated (vacated by court order, March 2026)
- ~~REPAYE~~ – folded into SAVE; also gone
- ~~PAYE & ICR~~ – closed to new enrollees 7/1/2026; must switch off by 7/1/2028
- ~~Grad PLUS Loans~~ – eliminated for new borrowers 7/1/2026

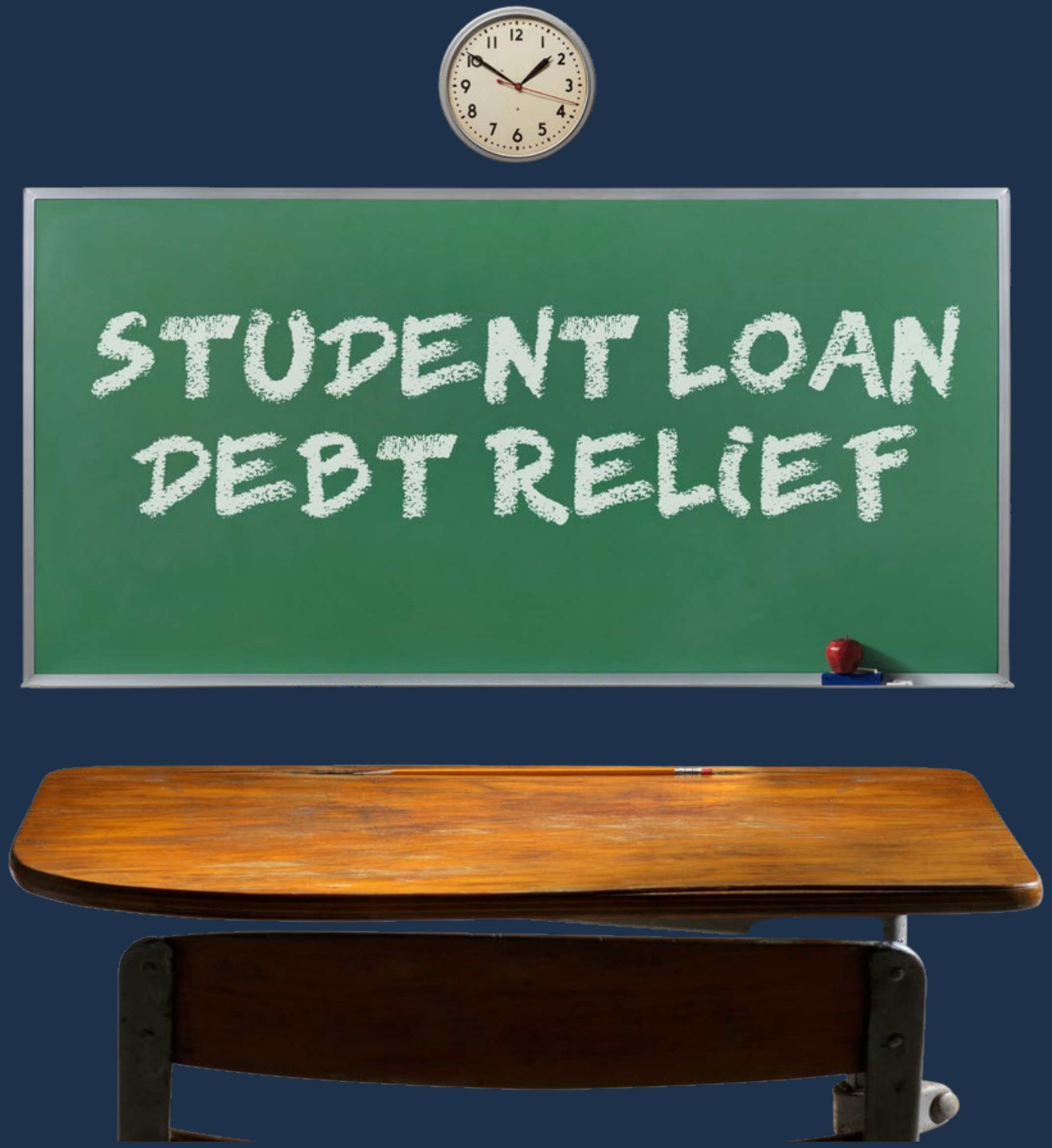
IBR (Income-Based Repayment) – for loans disbursed before 7/1/2026:

*Payment: 10% of discretionary income (loans since 2014) or 15% (older loans)
*Forgiveness after 20 years (post-2014) or 25 years (pre-2014)
*Payment capped at the 10-year Standard Plan amount

RAP (Repayment Assistance Plan) – the only IDR option for loans disbursed on/after 7/1/2026:

*Payment: 1–10% of gross income (tiered), $10/month minimum
*Forgiveness after 30 years; interest fully subsidized – balance never grows
*$50/month government match toward principal + $50/month per dependent

STUDENT LOAN DEBT (CONT'D)



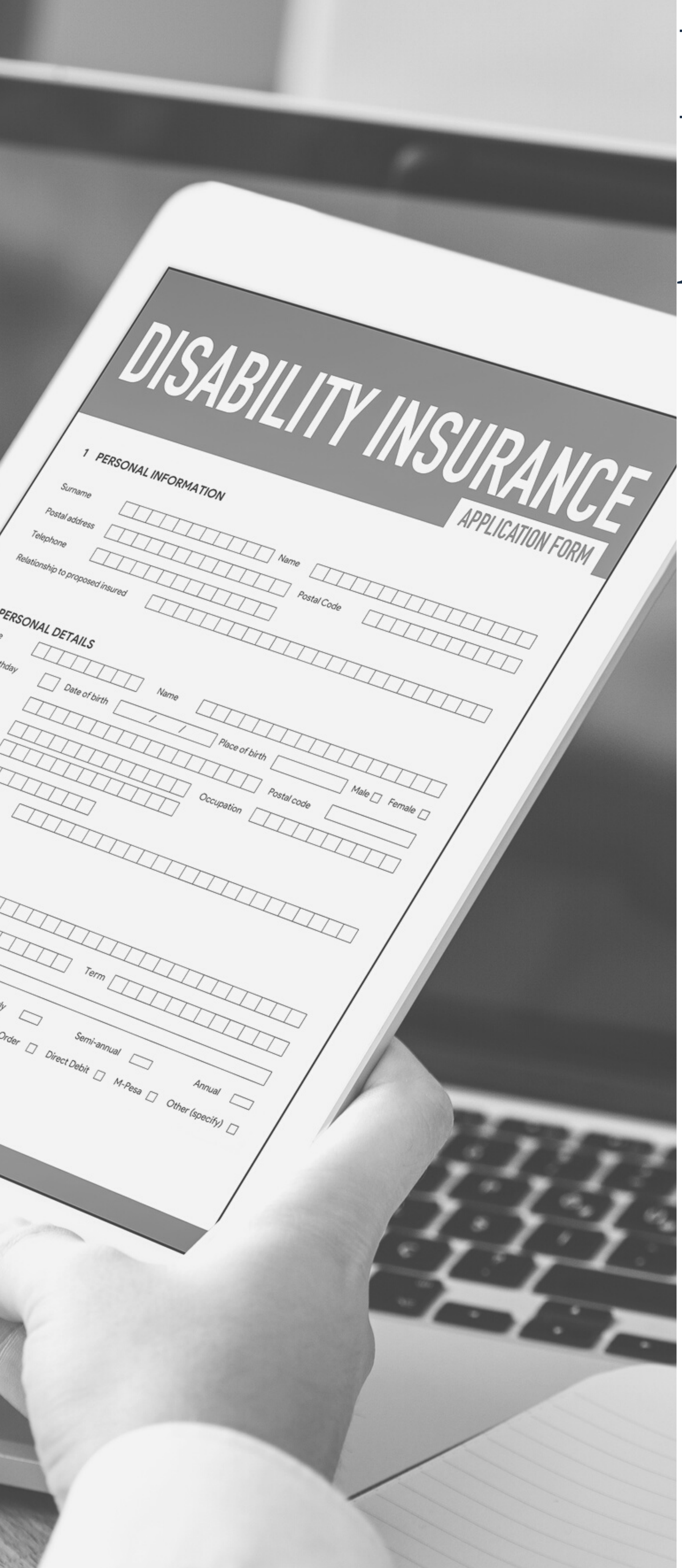
5 STEP PAYOFF PLAN FOR STUDENT LOANS

5. Know Your Forgiveness Options - there are a few options

- Public Student Loan Forgiveness (PSLF) is a national program. If you work for a government or non-profit sector and make 120 payments, your remaining loans are forgiven.

- Physician Education Loan Repayment Program (PELRP) is a State of Texas program for physicians who serve in areas where there is a healthcare shortage or Medicaid/CHIP patients. Reapply each year. Information: thecb.state.tx.us, or 833-597-0454

Year	Award (if balance ≥ $180k)	Award (if balance < $180k)
Year 1	$30,000	16% of loan balance
Year 2	$40,000	22% of loan balance
Year 3	$50,000	28% of loan balance
Year 4	$60,000	34% of loan balance
Total	**$180,000**	**up to $180,000**



INSURANCE

A Few Policies for Physicians

1. Life Insurance – replaces your income and pays expenses after death.
   - Level Term Life insurance between 20-40 years.
   - No reason to own insurance once your assets get large enough; RENTAL, YES!
   - **How Much?** Income for family, college education for kids, debts paid off
   - Do not insure children unless they provide needed income to a household

2. Disability Insurance – replaces your income while recovering from a disability.
   - Non-cancellable AND renewable, not ~~Guaranteed Renewable~~
   - Own Occupation policy (specific job, not "any" job)
   - Short Elimination period (deductible)
   - Partial Disability
   - Cost of Living Adjustments (maybe, depending on cost)

3. Umbrella Insurance - adds extra liability coverage to your auto and home policies.

INVESTING: CREATE AN INVESTING PLAN

SET YOUR GOALS

Short- and long-term investing goals.

Examples:
Retirement,
Buying a home,
College Education,
New car,
Home renovation, etc.

DETERMINE THE MONETARY VALUE OF EACH GOAL

Clear perspective on what is achievable and what is not in the given time for the given amount.

How much is needed to fund the goal?

PRIORITIZE GOALS

Which goal has the highest priority? Rank them accordingly

Example:
Retirement is more important than a 6-month sabbatical.

INVESTMENT VEHICLE BEST FIT

Retirement: 401(k), 403(b), 457b, Trad. IRA, Roth IRA

Education: 529 Savings Account

Health: Health Savings Account

Other Goals: Taxable Brokerage Account

HOW TO ALLOCATE ASSETS

Longer-term goals (20-30 years) can have more risk.

Shorter-term goals should have less risk, as principal cannot be eroded.

Asset – Liability Matching

Annual Returns for Key Indices Ranked in Order of Performance (2006–2025)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Real Estate 42.12%	Emerging Market Equity 39.38%	U.S. Fixed Income 5.24%	Emerging Market Equity 78.51%	Small Cap Equity 26.85%	U.S. Fixed Income 7.84%	Real Estate 27.73%	Small Cap Equity 38.82%	Real Estate 15.02%	Large Cap Equity 1.38%	Small Cap Equity 21.31%	Emerging Market Equity 37.28%	Cash Equivalent 1.87%	Large Cap Equity 31.49%	Small Cap Equity 19.96%	Large Cap Equity 28.71%	Cash Equivalent 1.46%	Large Cap Equity 26.29%	Large Cap Equity 25.02%	Emerging Market Equity 33.57%
Emerging Market Equity 32.17%	Developed ex-U.S. Equity 12.44%	Global ex-U.S. Fixed 4.39%	High Yield 58.21%	Real Estate 19.63%	High Yield 4.98%	Emerging Market Equity 18.23%	Large Cap Equity 32.39%	Large Cap Equity 13.69%	U.S. Fixed Income 0.55%	High Yield 17.13%	Developed ex-U.S. Equity 24.21%	U.S. Fixed Income 0.01%	Small Cap Equity 25.52%	Large Cap Equity 18.40%	Real Estate 26.09%	High Yield -11.19%	Developed ex-U.S. Equity 17.94%	Small Cap Equity 11.54%	Developed ex-U.S. Equity 31.85%
Developed ex-U.S. Equity 25.71%	Global ex-U.S. Fixed 11.03%	Cash Equivalent 2.06%	Real Estate 37.13%	Emerging Market Equity 18.88%	Global ex-U.S. Fixed 4.36%	Developed ex-U.S. Equity 16.41%	Developed ex-U.S. Equity 21.02%	U.S. Fixed Income 5.97%	Cash Equivalent 0.05%	Large Cap Equity 11.96%	Large Cap Equity 21.83%	High Yield -2.08%	Developed ex-U.S. Equity 22.49%	Emerging Market Equity 18.31%	Small Cap Equity 14.82%	U.S. Fixed Income -13.01%	Small Cap Equity 16.93%	High Yield 8.19%	Large Cap Equity 17.88%
Small Cap Equity 18.37%	U.S. Fixed Income 6.97%	High Yield -26.16%	Developed ex-U.S. Equity 33.67%	High Yield 15.12%	Large Cap Equity 2.11%	Small Cap Equity 16.35%	High Yield 7.44%	Small Cap Equity 4.89%	Real Estate -0.79%	Emerging Market Equity 11.19%	Small Cap Equity 14.65%	Global ex-U.S. Fixed -2.15%	Real Estate 21.91%	Global ex-U.S. Fixed 10.11%	Developed ex-U.S. Equity 12.62%	Developed ex-U.S. Equity -14.29%	High Yield 13.44%	Emerging Market Equity 7.50%	Small Cap Equity 12.81%
Large Cap Equity 15.79%	Large Cap Equity 5.49%	Small Cap Equity -33.79%	Small Cap Equity 27.17%	Large Cap Equity 15.06%	Cash Equivalent 0.10%	Large Cap Equity 16.00%	Real Estate 3.67%	High Yield 2.45%	Developed ex-U.S. Equity -3.04%	Real Estate 4.06%	Global ex-U.S. Fixed 10.51%	Large Cap Equity -4.38%	Emerging Market Equity 18.44%	Developed ex-U.S. Equity 7.59%	High Yield 5.28%	Large Cap Equity -18.11%	Emerging Market Equity 9.83%	Cash Equivalent 5.25%	Real Estate 9.58%
High Yield 11.85%	Cash Equivalent 5.00%	Large Cap Equity -37.00%	Large Cap Equity 26.47%	Developed ex-U.S. Equity 8.95%	Small Cap Equity -4.18%	High Yield 15.81%	Cash Equivalent 0.07%	Cash Equivalent 0.03%	Small Cap Equity -4.41%	Developed ex-U.S. Equity 2.75%	Real Estate 10.36%	Real Estate -5.63%	High Yield 14.32%	U.S. Fixed Income 7.51%	Cash Equivalent 0.05%	Global ex-U.S. Fixed -18.70%	Real Estate 9.67%	Developed ex-U.S. Equity 4.70%	Global ex-U.S. Fixed 8.85%
Global ex-U.S. Fixed 8.16%	High Yield 1.87%	Developed ex-U.S. Equity -43.56%	Global ex-U.S. Fixed 7.53%	U.S. Fixed Income 6.54%	Real Estate -6.46%	U.S. Fixed Income 4.21%	U.S. Fixed Income -2.02%	Emerging Market Equity -2.19%	High Yield -4.47%	U.S. Fixed Income 2.65%	High Yield 7.50%	Small Cap Equity -11.01%	U.S. Fixed Income 8.72%	High Yield 7.11%	U.S. Fixed Income -1.54%	Emerging Market Equity -20.09%	Global ex-U.S. Fixed 5.72%	U.S. Fixed Income 1.25%	High Yield 8.62%
Cash Equivalent 4.85%	Small Cap Equity -1.57%	Real Estate -48.21%	U.S. Fixed Income 5.93%	Global ex-U.S. Fixed 4.95%	Developed ex-U.S. Equity -12.21%	Global ex-U.S. Fixed 4.09%	Emerging Market Equity -2.60%	Global ex-U.S. Fixed -3.09%	Global ex-U.S. Fixed -6.02%	Global ex-U.S. Fixed 1.49%	U.S. Fixed Income 3.54%	Developed ex-U.S. Equity -14.09%	Global ex-U.S. Fixed 5.09%	Cash Equivalent 0.67%	Emerging Market Equity -2.54%	Small Cap Equity -20.44%	U.S. Fixed Income 5.53%	Real Estate 0.94%	U.S. Fixed Income 7.30%
U.S. Fixed Income 4.33%	Real Estate -7.39%	Emerging Market Equity -53.33%	Cash Equivalent 0.21%	Cash Equivalent 0.13%	Emerging Market Equity -18.42%	Cash Equivalent 0.11%	Global ex-U.S. Fixed -3.08%	Developed ex-U.S. Equity -4.32%	Emerging Market Equity -14.92%	Cash Equivalent 0.33%	Cash Equivalent 0.86%	Emerging Market Equity -14.57%	Cash Equivalent 2.28%	Real Estate -9.04%	Global ex-U.S. Fixed -7.05%	Real Estate -25.10%	Cash Equivalent 5.01%	Global ex-U.S. Fixed -4.22%	Cash Equivalent 4.18%

WHAT TO LOOK FOR WHEN INVESTING

- **Diversify**, dIvErSiFy, ***DiVeRsIfY*** – assets and investment accounts
- Do not invest in things you do NOT understand
- Trading vs. Investing – short vs. long-term
- How Taxes / Fees impact Return

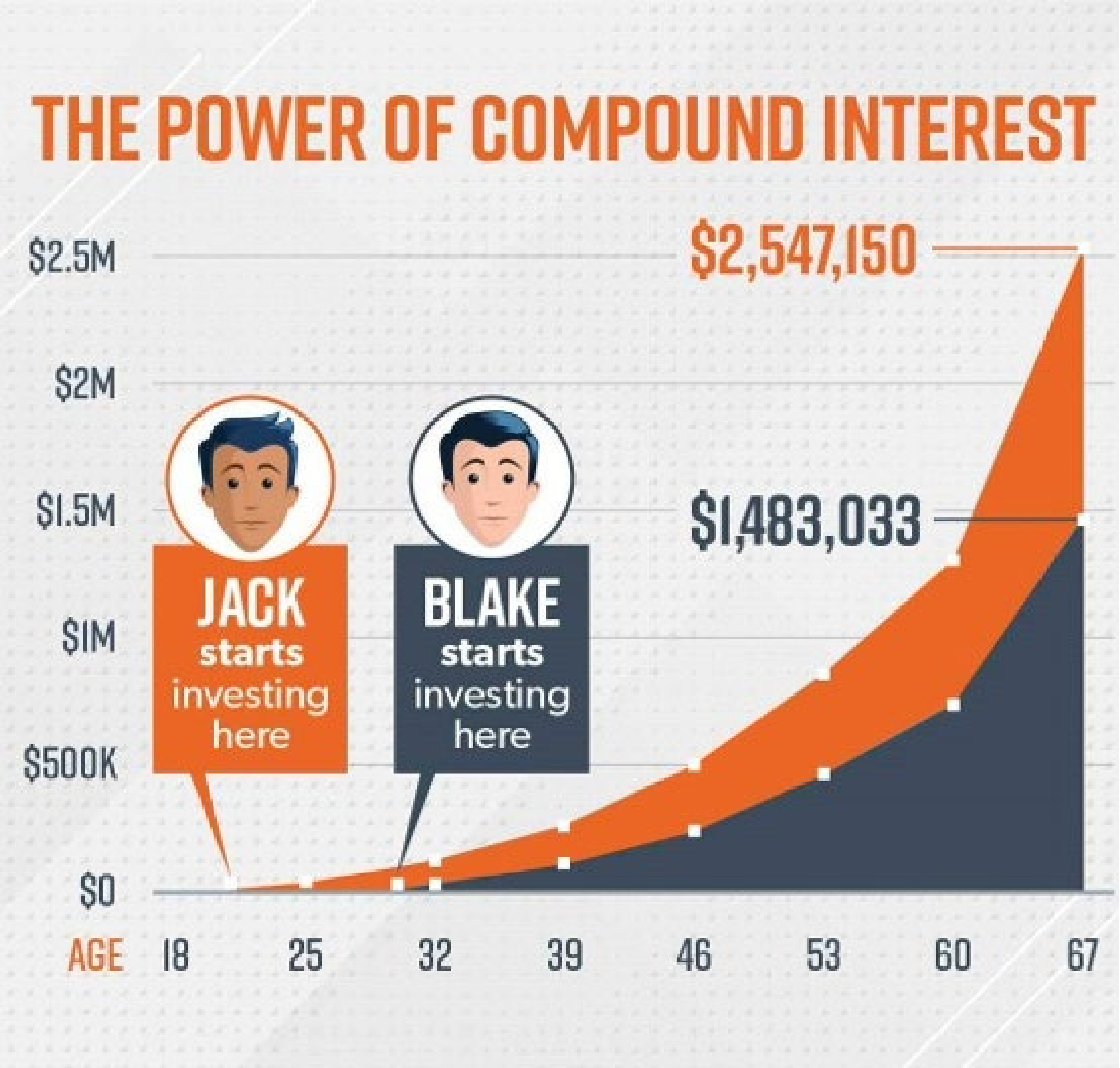
TIME IN THE MARKET

Time in the market > Timing the market

Example: Jack and Blake

- Jack invests $2,400 a year for 9 years, ages 21–30, and stops.
    - Total investment: $21,600
    - Rate of return 11%

- Blake invests $2,400 a year for 38 years.
- Total investment: $91,200
- Rate of return is 11%.



THE INVESTMENT WATERFALL

THE INVESTMENT WATERFALL - WHERE TO CONTRIBUTE YOUR INVESTABLE MONEY

- Up to the full match to your employer retirement program (Roth, pre-tax, or both)
- Max out Roth IRA or backdoor Roth IRA contribution ($7,500)
- Health Savings Account ($4,400 single; $8,750 if Married)
- Max out your employer retirement account ($24,500)
- Alternate income: Solo 401(k) or SEP IRA (up to $72,000)
- Taxable Brokerage Account (Unlimited)

<u>EXTRA Acts:</u>

- Salary Deferral
- 529 College Savings Account for young children
- Mega Backdoor Roth Conversion (if possible)

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