
Personal Finance Tips for Orthopaedic Surgeons

— Opportunities Unique to High
Income Surgeons —

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Disclosures

- I am the founder and majority owner of physicianonfire.com
- I am a minority shareholder of passiveincomemd.com
- I am a minority shareholder of thephysicianphilosopher.com



Financial Independence Principles

- Spend MUCH less than you earn (live on half?)
- Simple investing works well (index funds)
- Correlation between excessive spending & happiness is loose
- FI over RE (do as you wish once financially independent)
- Personal finance is personal

Investments for Everyone, Including Orthopaedic Surgeons

- Retirement Accounts (401(k), 403(b), 457(b), Roth IRA / backdoor Roth, HSA, solo 401(k), SEP IRA, cash balance plan, etc...)
- Taxable Brokerage Account
- Real Estate (hands-on (active) or hands-off (passive))
- 529 Plans for child education (no state tax break for Californians)



Investments for Higher Income / Net Worth Individuals

- Accredited Investor: \$1M Net Worth or \$200k / \$300k income
- Qualified Client: \$2.1M Net Worth
- Qualified Purchaser: \$5M Net Worth

Fewer regulations to protect the investor (riskier investments OK)

Accredited Investor Opportunities

- Hedge Funds
- Venture Capital / Private Equity
- Real Estate Syndications & Crowdfunding
- Real Estate Funds



Investment Opportunities for Orthopaedic Surgeons

- May be great / may be terrible.
- Due Diligence is a must. Get as much data as possible.
- Surgery Centers, Imaging Centers, Lab, For-Profit Hospital, etc...
- Selling to Private Equity (Seller Beware?)
- Don't forget investments for everyone (tax-advantaged accounts)

My “Accredited Investor” Investments

- Investment Real Estate (20% of my portfolio)
- Cryptocurrency platform pre-IPO
- Republic.co (company that helps crowdfund startups)
- No medical office / surgery center / hospital, etc...
- “Play Money” plays a role



Pre-Retirement Prep

- 25x - 33x anticipated spending OR “passive income”
- Deferred Comp (457(b) / NQDC) / Defined Benefit w/d plan
- 401(k) w/d at age 54+ / SEPP at any age
- Roth conversions / Tax Planning
- Turn in your pager!

Retirement Readiness

- Health Insurance: bridge the gap to 65
- Term Life / Disability no longer needed
- Umbrella insurance more important than ever (asset protection)
- Estate planning (beneficiaries, will, +/- trust)
- Delaying Social Security to 70 usually the best option



Non-Financial Aspects of Retirement

- Spousal / Family Considerations
- Hobbies & Failed Retirements
- Retire to Something (Purpose)
- Social Life (Work friends)
- Volunteering / Charitable Giving

Questions?



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