

FINANCIAL STABILITY

for medical residents

Welcome to the rest of your life, starting today. If you have no idea what you're doing, I was just like you a few short years ago. But you can catch up, I promise. It's time to learn the basics of personal finance.

If you're starting from nowhere, begin by tracking your spending for 2-3 months. You can use MonarchMoney, Empower or a number of other expense-tracking apps, or go old-school with a Google Spreadsheet; here's a [downloadable budget worksheet](#).

SECURITY

- | | |
|--|---|
| <input type="checkbox"/> EMERGENCY FUND* IN HYSA | <input type="checkbox"/> PAY OFF CREDIT CARDS IN FULL MONTHLY |
| <input type="checkbox"/> HOME/RENTAL INSURANCE | <input type="checkbox"/> MAKE MINIMUM PAYMENTS ON |
| <input type="checkbox"/> CAR INSURANCE | STUDENT/LOW-INTEREST DEBT |
| <input type="checkbox"/> DISABILITY INSURANCE** | <input type="checkbox"/> PET INSURANCE (AS NEEDED) |

ACCOUNTS TO HAVE

- | | |
|---|---|
| <input type="checkbox"/> CHECKING ACCOUNT | <input type="checkbox"/> CREDIT CARDS WITH HIGH |
| <input type="checkbox"/> 403B/401K EMPLOYER MATCH | CASHBACK/SUBS* |
| <input type="checkbox"/> ROTH IRA + <u>3-FUND PORTFOLIO</u> | |
| <input type="checkbox"/> HYSA FOR SHORT-TERM GOALS | |
| LEFTOVER MONEY? TRADITIONAL IRA | |

A 3-fund portfolio is meant to be simple & effective. The key is to put your money into: US stocks / international stocks / bonds, at a ratio that suits how "aggressive" you want your portfolio to be.

TIPS & ADVICE

Read my entire **blog post on financial advice** for residents [here](#).

Consider a **50-30-20 budget** (of after-tax money): 50% on essentials, 30% on investments, 20% on wants.

Your emergency fund should be about 3-6 months of your expenses.

Avoid whole-life insurance (and consider term-life only if you have dependents).

Use credit cards to your advantage: build credit, collect points, work towards SUBs (sign-up bonuses) smartly.

**DISABILITY INSURANCE

Consider getting disability insurance while still in residency. It will be cheaper, and allow you to forego any health screening (which is usually mandatory), so saves you a lot of money. You LOCK IN a rate while in residency.

Set up a [completely free, no-obligations call with PatternLife](#) to discuss your policy options.