



THE TOP FIVE MISTAKES DOCTORS MAKE

Over the past 20 years or so, we've observed doctors making numerous mistakes at all stages of their career. We have taken our observations, as well as enlightening discussions with well-established doctors, and compiled this list of critical errors. Our hope in providing this list is to continue our mission of helping doctors and their families grow their net worth tax-efficiently while minimizing exposure to litigation.

1) PROCRASTINATION

Do you suffer from IDILS – I'll Do It Later Syndrome? Do you continue to delay the planning process? There is no better time than NOW to begin. Thanks to your additional training years, you've already started your career years behind your undergrad friends. Don't put yourself behind even further.

Take this example of Marc and Anthony: Anthony begins investing \$2k/year at age 19 with a compound interest rate of 10%. After only eight years (age 26) he stopped investing and left his \$16k to grow until age 65. Marc begins investing \$2k/year at age 27 (the year Anthony stopped) until age 65 at the same ROR. Even though Marc invested \$62k more than Anthony, at age 65 Anthony has \$1,035,160, while Marc has only \$883,185. The law of compounding interest alone is but one reason to start STAT!

2) DISREGARDING BUDGETARY HABITS

This unfortunate BAD habit begins in medical school, develops in residency, and sadly continues well into your career UNLESS you get a handle on it. We encourage clients to track and categorize in detail their spending habits for 6-12 months. Several times every year we hear clients exclaim, "How is it possible I'm earning \$200k, \$400k, \$600k but it doesn't feel much differently than when I was in training?!" Solve the mystery.

3) NOT PROTECTING YOUR MOST VALUABLE ASSET

In most cases you've taken out a mortgage-sized student loan and delayed earning an income into your 30's. What would happen if your income is suddenly gone? Do the math: take your income and multiply by X years. It's a great sum of money. Our position is that losing your ability to earn an income is the single greatest risk you face.

4) NOT BUILDING A TEAM OF SPECIALISTS

You specialize in what you do, thanks to additional time spent in training. You would never advise a patient to try to treat themselves when a specialist will have more experience, information, and insight. Apply this logic to your financial life. Save time. Save mistakes. Seek to hire a trusted CPA, Estate Planning Attorney, Asset Protection Attorney, and Financial Planner to help maintain your financial health.

5) ONLY FOCUSING ON LOWERING TAXES TODAY

Are you saving or delaying taxes? Do you think taxes will be lower or higher in the future? To many doctors focus ONLY on lowering their tax liability completely ignoring the second greatest risk they will face – higher taxes when their net wealth is at its peak. Doesn't it make sense to approach taxes comprehensively?

For a comprehensive review of your personal situation, always consult with a tax or legal advisor. Neither Cetera Advisors LLC nor any of its representatives may give legal or tax advice.

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