

Letters

A Reader and Author Responds to "The Training of the "Helpless" Physician"

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To the Editor,

In a commentary entitled "The Training of the 'Helpless' Physician" posted on Medscape 09/04/2007, Charles Bond, Esq, conjectures as to how lack of business knowledge affects us after our training period. He then presents constructive alternatives to the problem.^[1]

As a board-certified neurologist turned financial adviser and now investment educator, I can say unequivocally that there is another area in which physicians are generally helpless in their lives. It is knowing how to invest their hard-earned money. As a result, they often lose it to high fees, inappropriate portfolio allocation and lack of diversification, plus excessive unwarranted risk for little gain. This means less investment return and more additional strain for the MD beyond his workload. This approach is hardly a way for doctors, whose earnings are decreasing, to continue.

There is a solution. Physicians could make up their lost earnings, and more, if they knew how to invest their dollars. This would alleviate high financial adviser fees and put the physician in control so she/he could make sure that the result-driven, scientifically proven asset allocation and diversification models are practiced. These are responsible for 90% plus of return. Low-cost vehicles such as broad-based index funds could further enhance returns and provide safety.

To actuate this plan, doctors need to appreciate that there is no magic bullet. "Optimism over realism" is not a financial plan. It is simply wishful thinking. May I remind the reader that 80% of managed mutual funds fail to beat their relevant index in any 1 year? Over time, the results are even worse. Is there any reason to think an individual manager does better?

An aid to a physician's financial education would be for that subject to be part of the medical school curriculum and continuing education for physicians. An unbiased individual, not someone from the financial industry who has a service or product to sell and thereby is consciously or unconsciously prejudiced, should teach it.

Doctors are smart. We just need to act like it.

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Reference:

1. Bond C. The Training of the "Helpless" Physician. *MedGenMed*. 2007;9:47.
Available at: <http://www.medscape.com/viewarticle/561725> Accessed September 24, 2007.