



A SEMINAR FOR THE MEDICAL PROFESSION

Healthy finances, happy life

The foundations, from medical school through to retirement.

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IMPORTANT INFORMATION

General advice only

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A high income is not the same thing as a plan

01

You start ten years late

Six years of study, then internship and training. Real earning often begins in your thirties, when others have a decade of compounding behind them.

02

Then it arrives all at once

Fellowship can double your income in a single year. Lifestyle usually expands to meet it before any structure is in place.

03

And there's little time to manage it

Long rosters, night shifts, exams, moving hospitals. Money decisions get deferred to the one weekend a year you finally look at them.

The four foundations of a good financial plan

FOUNDATION ONE

A cashflow budget

Know what comes in, what goes out, and what's left.

FOUNDATION TWO

A cash reserve

Money set aside for the month that doesn't go to plan.

FOUNDATION THREE

Insurance

Protecting the income everything else depends on.

FOUNDATION FOUR

Investment savvy

Knowing how to put your savings to work.



FOUNDATION ONE

Have a cashflow budget

Every other foundation is built on the surplus this one creates.



The 5 Rs of effective budgeting

A budget is just a plan involving money. Done well it is not number crunching – it is deciding what your income is for, and then making it go there.

1

Record

Understand your current cashflow before you change any of it.

2

Reallocate

Move money towards what matters to you, not cutting for its own sake.

3

Reinvest

Put the surplus to work: investing, super, debt, protection, advice.

4

Review

Compare actuals to plan, at whatever interval you chose.

5

Reward

Mark the milestone. The habit only survives if it feels worth keeping.

Supporting resources



My budget • Create a budget

Progress: Setup (✓) → Record income (✓) → Record expenses (✓) → Reallocate (✓) → Reinvest (✓) → **Review (6)** → Reward (7) → Confirmation (8)

Your budget summary

Review your budget before confirming. This will be your 12-month financial plan. Step 6 of 8

Category	Value	Additional Info
 INCOME	\$10,000/mo	\$120,000/yr
 BUDGETED EXPENSES	\$3,218/mo	Was \$3,718/mo
 EXPECTED SAVINGS	\$6,782/mo	67.8% of income
 SAVINGS IMPROVEMENT	\$500/mo	more savings vs before

Expenses budget

Type	Recorded expense	Target
Home & utilities - Rent	\$1,000.00 / mo	\$500.00 (-\$500.00)

Savings Reinvestment plan

Plan	Amount	Percentage
 Regular Investment Portfolio	\$500/mo	100%

The number it all runs on – your savings rate

~5%

The Australian household saving ratio — the share of income households keep, on average.

20%+

A realistic target on a medical income — the one number that shortens the path to everything else.

Source: ABS national accounts.



FOUNDATION TWO

Have a cash reserve

For day-to-day living, emergencies, and the expenses nobody budgets for.



Three to six months of living expenses, in cash

How much

Three months if your income is salaried and stable. Closer to six if you are contracting, in private practice, or the household has one earner.

Where to hold it

A high-interest cash account, separate from the everyday account so it is not spent by accident. Accessible within a day, not a week.

What it is not

A credit card limit, an investment you would have to sell at the wrong moment, or a balance you are also relying on for something else.



FOUNDATION THREE

Have insurance

Unless you have sufficient wealth already, or relatives who will step in, most families face real hardship if the income stops.

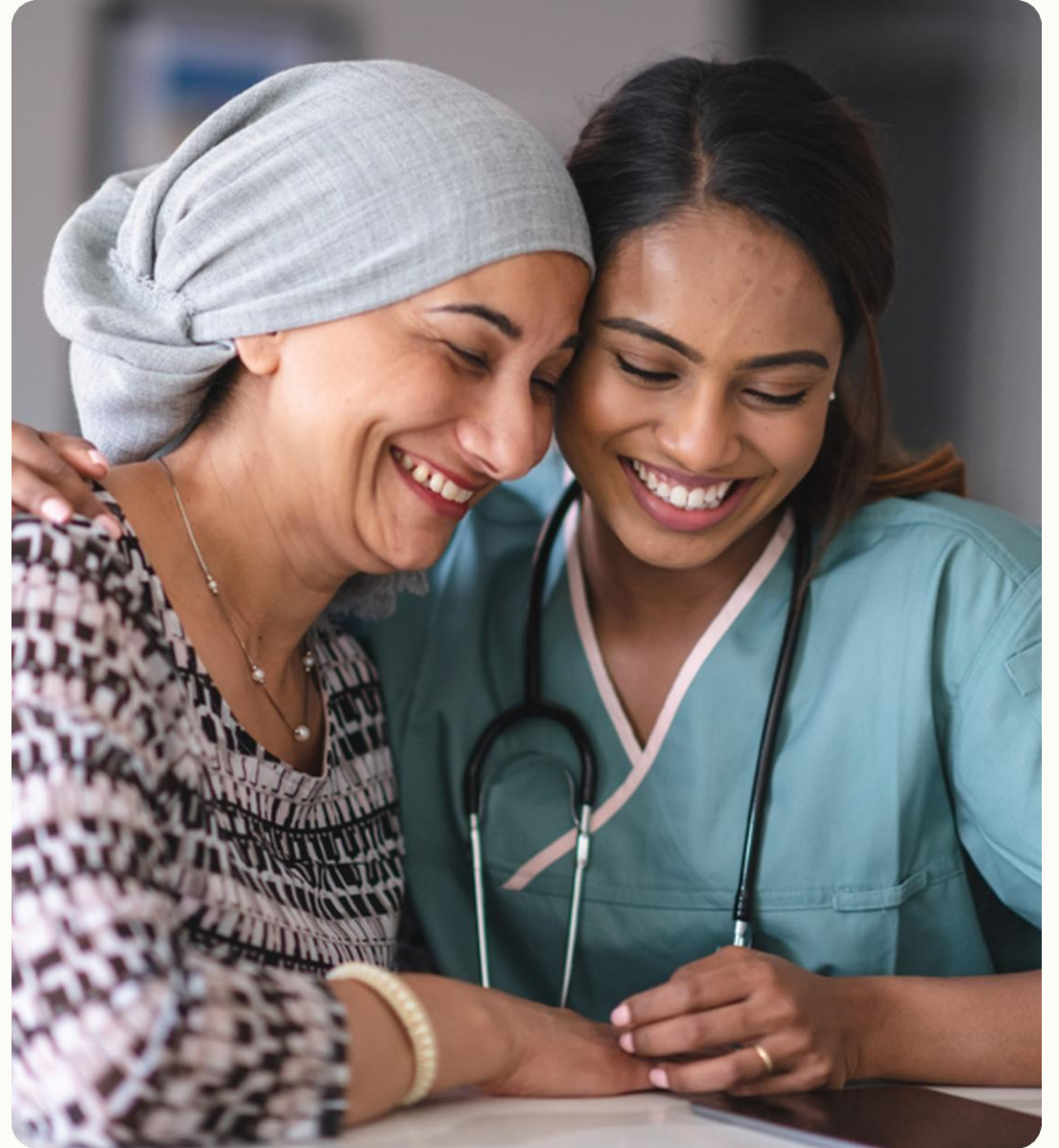


FOUNDATION THREE

Your income is your most valuable asset

- A 30 old registrar who earns \$100,000.
- Pay increases by 3% each year.
- At age 65, the value of accumulated lifetime earnings is:

\$6,046,208



Understand the types of cover

Income protection

Replaces part of your income while you cannot work. Ask whether it pays on your own speciality — not on any work you could still do.

Total and permanent disability

A lump sum for what income protection does not cover: the mortgage, home modifications, a partner stepping back from work.

Life cover

Sized to the debt and the dependants, reviewed whenever either changes. Inside or outside super, with different tax consequences.

Trauma and critical illness

Pays on diagnosis of a specified condition, whether or not you stop working — for costs that arrive before any income claim.

Get an idea on costs

Goals • Wealth protection

✓

✓

✓

4

5

6

Cover TypePolicy TermsYour DetailsCompareAcknowledgeNext Steps

Compare Policies

Step 4 of 6

Pick the policy that best balances price and features for your situation.

Indicative monthly premiums for **Liam Chen**, Age 46, Non-Smoker.

Income Protection (\$5,000/mo)

Life Cover (\$1,000,000)

Sort by:

Monthly Premium

Feature Score

Combined Score

 View: All policies

Logo	Name	Monthly premium	Feature score	Combined	Actions
	Zurich Wealth Protection	\$46.80 per month	★☆☆☆☆	★☆☆☆☆	Details Select
	Clearview ClearChoice	\$48.26 per month	★☆☆☆☆	★☆☆☆☆	Details Select
	OnePath OneCare	\$50.96 per month	★☆☆☆☆	★☆☆☆☆	Details Select
	MetLife Protect	\$57.15 per month	★☆☆☆☆	★☆☆☆☆	Details Select



FOUNDATION FOUR

Be investment savvy

Knowing how to invest your savings and allocate
your capital.



Case study

Would you rather have A\$1 million today – or a single dollar that doubles every day for 30 days?

OPTION A

A\$1,000,000

guaranteed, in your hand today

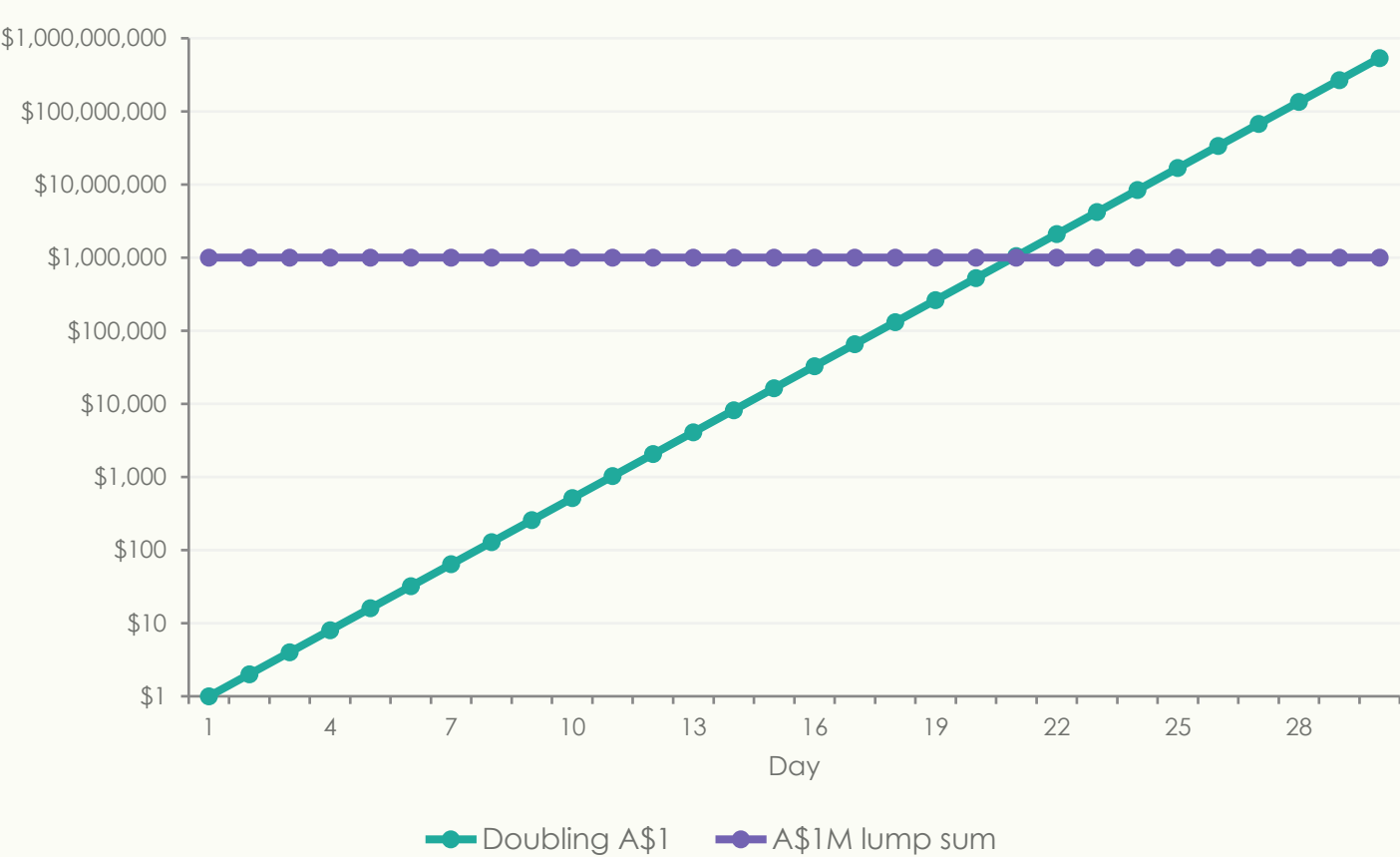
OPTION B

A\$1 that doubles

every day for 30 days straight

For 20 days the lump sum wins. Then it erupts.

A\$1 doubling daily vs the A\$1M lump sum — on a logarithmic scale, where each gridline is 10× the one below.



Day	Value (A\$)
1	A\$1
2	A\$2
3	A\$4
4	A\$8
5	A\$16
6	A\$32
7	A\$64
8	A\$128
9	A\$256
10	A\$512
11	A\$1,024
12	A\$2,048
13	A\$4,096
14	A\$8,192
15	A\$16,384

Day	Value (A\$)
16	A\$32,768
17	A\$65,536
18	A\$131,072
19	A\$262,144
20	A\$524,288
21 ♦	A\$1,048,576
22	A\$2,097,152
23	A\$4,194,304
24	A\$8,388,608
25	A\$16,777,216
26	A\$33,554,432
27	A\$67,108,864
28	A\$134,217,728
29	A\$268,435,456
30 ★	A\$536,870,912

♦ Day 21 crosses A\$1M ★ Day 30 final value

Take the doubling dollar. It ends up 537× larger.

A\$536.87M

VALUE AFTER 30 DAYS

vs the A\$1M lump sum

Day 21

OVERTAKES A\$1M

at A\$1,048,576

537×

TIMES GREATER

than A\$1 million

KEY LEARNINGS

- This is exactly how compounding returns work: slow early years, unbelievable later ones.
- Patience is the real edge.



OCTOBER 1999

- You have \$100,000 to invest.
- You decide to invest in two of Australia's most trusted names:
 - Telstra, just privatised by the government at \$7.40, and
 - AMP, an institution since 1849.
- Both felt like the safest choices imaginable.

26 years later: what \$100,000 became

AMP

Bought at ~\$10.00

\$21,500

Down 79%

10,000 shares now worth \$2.15 each

TELSTRA

T2 offer at \$7.40

\$68,700

Down 31%

13,514 shares now worth \$5.08 each

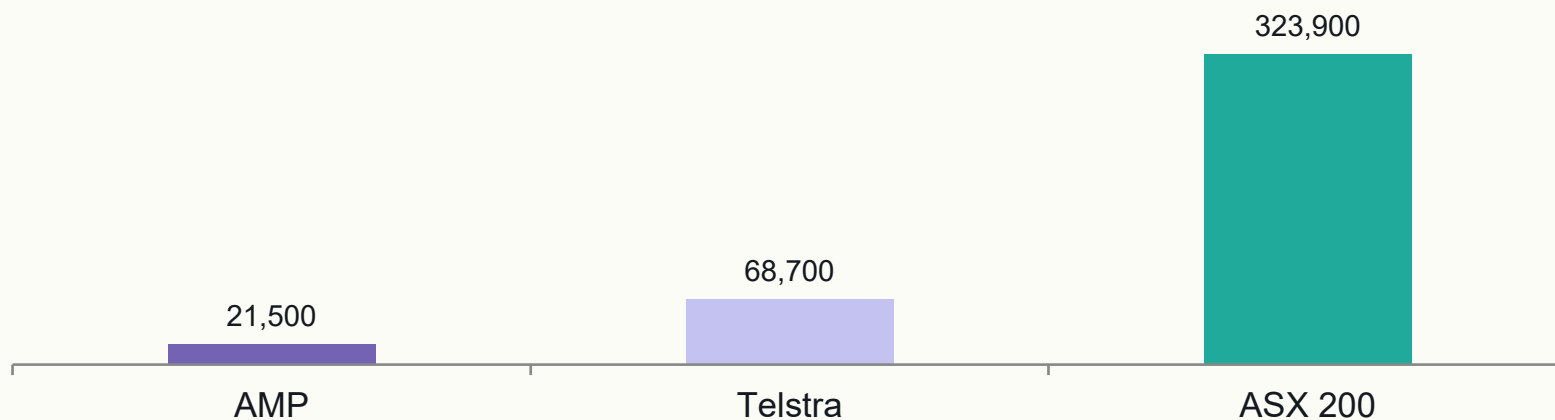
ASX 200 INDEX

Own the top 200 companies

\$323,900

Up 224%

Index 2,849 -> 9,228 (capital only)



THE REAL LESSON

Diversification is important.

In *The Missing Billionaires* (2023), Victor Haghani and James White ask where the great American family fortunes went. The answer: those families didn't pick bad investments - they concentrated too much in a single company, industry, or bet. When the world moved on, the fortune moved with it.

EVERYTHING IN ONE NAME

A trusted brand is not the same as a safe investment.
One company held their whole future - and lost it.

A LITTLE OF EVERYTHING

Diversification needs no forecasting and no stock-picking.
Spread widely, size sensibly, and let time compound.

Other things to think about...

01

Asset classes

Cash, fixed interest, property, shares. Each behaves differently, and few own as broad a mix as they think.

02

Tax

At a 47% marginal rate, where an investment is held matters as much as what it is.

03

Price volatility

How far the value moves along the way, and whether you would still hold it through the worst of that.

04

Liquidity

How quickly you could turn it back into cash, and what it would cost to do so in a hurry.

“The best time to plant a tree was 20 years ago. The second best time is now.”

CHINESE PROVERB

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