

Fiscal Fitness for Life

Financial Planning: Making Informed Decisions

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Helping physicians think accurately about how financial decisions made today impact being able to enjoy the tomorrows that you hope for can be a significant challenge. Not surprisingly, many physicians often undertake their financial decision-making without a plan, or just ignore the subject altogether. That is why the Medical Society has partnered with the Baystate Financial Medical Division (Baystate MD) to offer our *Fiscal Fitness for Life* program to help New Hampshire physicians better manage personal financial decisions across your professional life span – whether you are a resident with a large debt load to a physician nearing retirement who wants to firmly grasp the financial and tax implications of winding down your career.

Informed decision-making is the foundation of good financial planning. Building a perspective from which you can make informed decisions regarding your finances is imperative to understanding how those decisions are made. While one may believe that this is a rather simple and straightforward statement, the groundbreaking research done by two Israeli psychologists, Amos Tversky and Daniel Kahneman on human error in decision making, was worthy of a 2002 Nobel Prize in Economics! (Their work and their lives are the subject of Michael Lewis's 2017 book, *The Undoing Project*.)

Their 1981 paper *Evidential Impact of Base Rates* and their development of the heuristic



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concepts availability, representativeness, and anchoring in decision-making not only served as a catalyst for the movement toward evidence-based medicine, but also stood long-held theories on rational decision making in economics on their head and served as the foundation of behavioral economics.

By first positioning yourself to make an informed decision prior, you can have confidence that you are putting forth a best effort in addressing your most important financial priorities. Experience over the years has shown that individuals often confuse *financial planning* with *investment advice*. Taking a truly comprehensive view of your financial circumstances to ensure that the right things get done, the right way, at the right time, increases the likelihood that the future you hope for is the future you may actually get to enjoy.

With the increasing demands (both professional and personal), on your time and energy (both physical and emotional) it is no wonder that important personal financial planning concerns are placed on the “I’ll get to it someday” list. In their Alpert School of Medicine at Brown University mindfulness workshop, *Optimizing Your Inner Operating System in a Technological World*, Drs. Ronald Epstein and Michael Krasner from the University of Roches-

ter Medical Center, addressed how stress leads one’s mind to engage in one of two behaviors. It seeks to either “block out” or to “simplify.” While “blocking out” certainly takes less energy, it often leaves one vulnerable to bad timing. On the other hand, while “simplifying” does take a bit of forethought, it provides an avenue for moving forward and gaining control.

Financial planning is complex. Accessing professional expertise and technical support to help “simplify” the process will make it easier to take it off the “I’ll get to it someday” list and can help to ensure that time spent addressing important personal financial issues will be time well spent!

We look forward to working with the professionals at Baystate to create a wide range of financial education and planning services for Granite State physicians. On behalf of the Medical Society’s leadership, it is our hope that providing you access to quality advice in this very important area of your life will enhance your ability to transform a career of caring for the well-being needs of your patients and communities into a lifetime of financial well-being for you and your family.

To learn more about our *Fiscal Fitness for Life* program, please visit the Medical Society’s Baystate MD website at www.lifeassuringstrategies.com