

Earned

A Doctor's Guide to
Smarter Wealth and
Retirement Planning

Introduction

At Earned, we understand that doctors face unique financial challenges. High student loans, the transition to practice ownership, and the responsibility of planning for retirement all create a complex financial landscape. Our goal is to provide doctors with a clear, tax-smart roadmap to managing wealth – one that connects personal, family, and practice finances into one coordinated plan.

This guide introduces the **Doctor Wealth Playbook** – our framework that spans financial planning, investing, tax planning, insurance, estate planning, debt and cash management, and career advisory. While every doctor's situation is unique, the following insights reflect broad financial principles and research that can help anyone approach wealth with greater confidence.

Five Foundational Investing Principles

Markets are highly efficient

- Research by Paul Samuelson and others suggests that markets quickly incorporate information into asset prices. This means that consistently outperforming markets through timing or stock selection is difficult for most investors.
- *For doctors:* With a peak earning window that often comes later in life and less time to recover from major financial missteps, disciplined investing – rather than market timing – is especially critical.

Risk and expected return are related

- William Sharpe's capital asset pricing model shows that investors generally must take on more risk to pursue higher expected returns. Aligning your portfolio risk with your goals and time horizon is key.
- *For doctors:* While clinical risk is something you navigate daily, financial risk is different. Matching your investment risk tolerance with your long-term wealth goals helps ensure you don't take on more – or less – than your financial plan requires.

Diversification is essential

- Harry Markowitz's modern portfolio theory highlights the importance of holding a broad mix of assets. Diversification helps reduce risk by ensuring your portfolio isn't overly dependent on one stock, sector, or country.
- *For doctors:* Many doctors are heavily concentrated in real estate, employer stock, or even large cash reserves. Diversification spreads risk and helps protect against major setbacks that could impact your financial security.

Minimize tax and investment costs

- Over time, taxes and fees can significantly reduce investment returns. Structuring portfolios to be cost-efficient and tax-aware is one of the most controllable drivers of long-term outcomes.
- *For doctors:* Given the high tax burdens that come with medical income, tax-smart planning can meaningfully increase how much of your wealth you keep – without requiring additional investment risk.

Opportunistically pursue alternative sources of return

- Research by Geddes, Goldberg, and Bianchi suggests that certain private investments may offer diversification and return potential for taxable investors. These strategies are not for everyone but can play a role in a well-designed portfolio.
- *For doctors:* With strong balance sheets and high incomes, some physicians are positioned to thoughtfully allocate a portion of assets to private opportunities, while keeping their core portfolios stable and broadly diversified.

How Our Portfolios Are Built

At Earned, our approach reflects these principles:

- Efficient markets: We use low-cost, passive strategies to populate highly efficient asset classes.
- Active strategies: We populate less efficient asset classes with active investment strategies.
- Household tax efficiency: Asset location optimization – placing the right investments in taxable, tax-deferred, or tax-free accounts – can improve after-tax outcomes.

The result is an investment approach that blends academic research with practical tax-smart execution.

Retirement Plans Designed for Doctors

Retirement strategies are one of the most powerful tools doctors can use to build wealth and manage taxes. Key plan types for doctor practice owners include:

- 401(k) Plans – Widely available, flexible, and offering valuable tax deferral.
- Cash Balance Plans – A hybrid retirement plan structure often well-suited for practice owners with high income who want to accelerate tax-deferred savings.

The benefits of these plans extend beyond savings:

- Powerful tax deferral and asset growth
- Employee retention and recruitment
- Long-term financial security

With provisions from the SECURE 2.0 Act continuing to evolve, practice owners also have access to features including:

- Auto-enrollment
- Higher catch-up contributions
- Student loan matching contributions
- New tax credits for small businesses and practices

A Unified Approach for Doctors

Tax efficiency is at the core of everything we do – and it can become even more powerful when your services are streamlined under one roof. In addition to investment and retirement strategies, we support doctors with integrated tax, accounting, and payroll services. Connecting these areas under one roof helps prevent things from slipping through the cracks – and frees you from having to coordinate between multiple advisors.

Financial success for doctors requires more than just investing – it requires a coordinated strategy that integrates tax planning, retirement design, and practice support. By partnering with a fiduciary advisor who follows sound investing principles and stays current with evolving retirement legislation, doctors can better protect their wealth, reduce unnecessary tax exposure, and plan with confidence for the future.