

Final-Year Residents: Your Financial Transition Checklist

Your final year of residency marks one of the biggest financial transitions of your career. The decisions you make now will set the foundation for your financial trajectory—potentially more so than at any other point in your career. While your income will increase significantly, so will your financial responsibilities, making it crucial to plan ahead.

Here's an outline of key considerations and steps to take as you wrap up residency or fellowship and transition to your attending role.

Key Financial Considerations

- ❑ **Understand Your Compensation:** Determine whether you'll be classified as **W-2 or 1099**, as this affects taxes, benefits, and retirement savings. Review how your contract structure influences your earnings, including **base salary, RVUs, bonuses, and moonlighting opportunities**.
- ❑ **Secure Disability Insurance Before Graduation:** Lock in **resident discounts, future insurability options, and simplified underwriting** by securing an **own-occupation disability policy before completing training**.
- ❑ **Take a Financial Inventory:** Get a clear picture of your financial standing by assessing your **debts, savings, benefits, and insurance coverage**. Understand your **retirement plan options** and what employer contributions are available to you.
- ❑ **Build a Budget Based on Your New Salary:** With a higher paycheck comes greater temptation to spend. **Avoid lifestyle inflation** by creating a structured plan for how to allocate your new income toward savings, debt repayment, and long-term financial goals.
- ❑ **Establish an Emergency Fund:** As your income grows, so do your financial responsibilities. Aim to set aside **3-6 months of expenses** in an accessible account to provide a financial safety net.
- ❑ **Review & Optimize Your Loan Repayment Strategy:** Evaluate whether **PSLF, income-driven repayment plans, refinancing, or aggressive loan payoff** is the best path for you. Consider the tax implications and whether your employer offers **loan repayment assistance**.
- ❑ **Maximize Employer Benefits:** Take advantage of **retirement accounts, HSA/FSA options, disability and life insurance, and any student loan repayment perks** your employer offers.
- ❑ **Upgrade Your Insurance:** Your current coverage may not be enough as your **income and liability increase**. Review and update your **disability, life, and malpractice insurance** to ensure adequate protection.
- ❑ **Develop an Investment Strategy:** Start **investing early and consistently** to benefit from compounding growth. Explore options like a **Roth IRA, 401(k)/403(b), or a taxable brokerage account** as part of a well-balanced investment plan.

Schedule a Zero Meeting

Not sure where to start? Have questions? Just want to bounce ideas off someone? **Set up a Zero Meeting with us—Zero fee, Zero expectations, Zero obligation.** We're here to help you navigate this transition with confidence.



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Schedule Your Zero Meeting



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