

Medical Professionals: Financial Planning Priorities

July 2020

Perspectives on wealth and risk management for medical professionals

Background & methodology

Survey respondents: Northwestern Mutual advisors serving clients in the medical profession

Method: Online survey

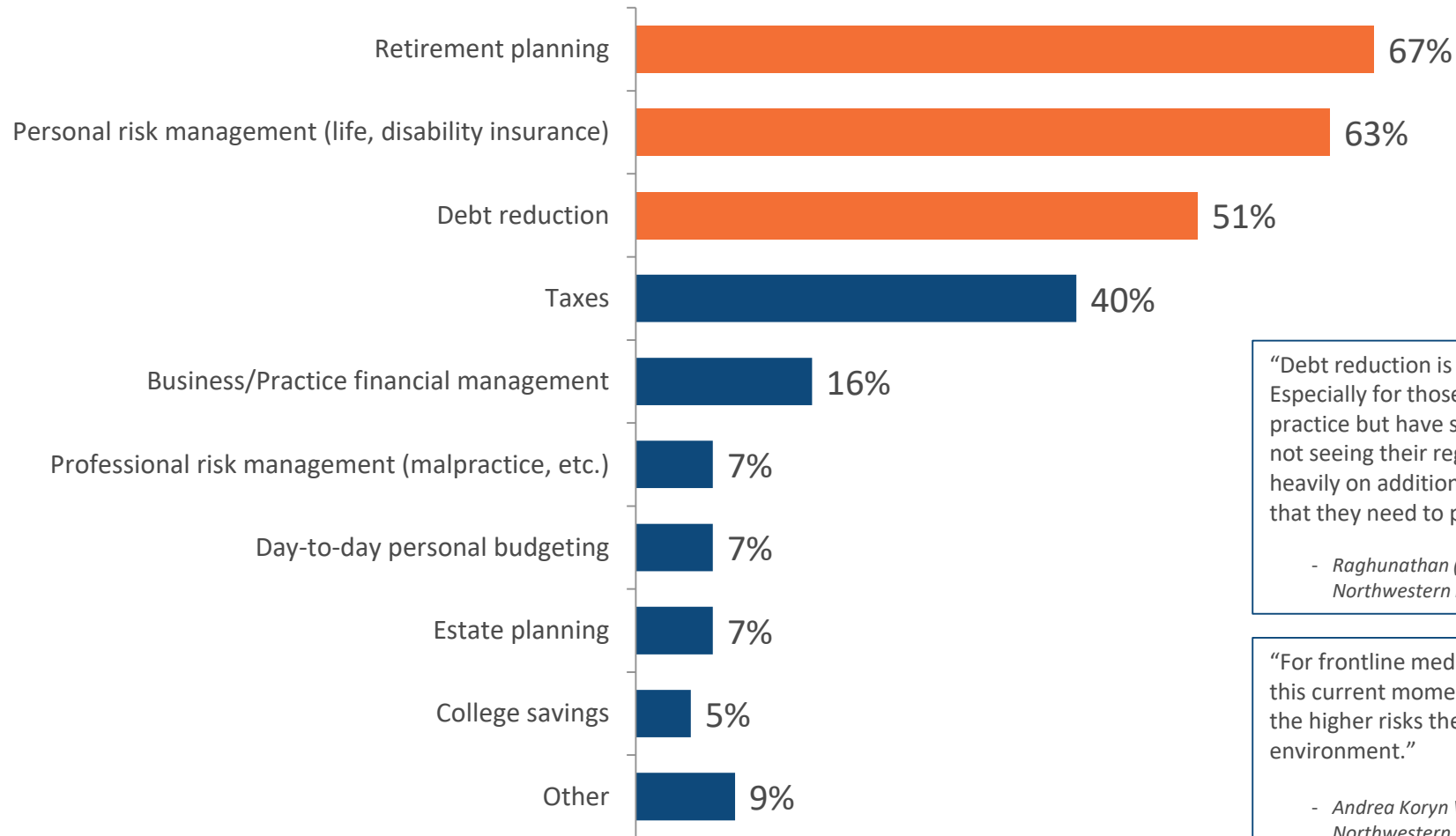
Field dates: March 3 – 9, 2020

Number of responses: 43

Overall response rate: 53%

Note: *This poll was fielded prior to the widespread shelter-in-place orders took effect in March 2020. Additional qualitative commentary has been included throughout to provide context for the results through the lens of the ongoing health and medical crisis and its impact on the financial security of medical professionals.*

Retirement planning, personal risk management and debt reduction are top financial planning concerns for medical professionals



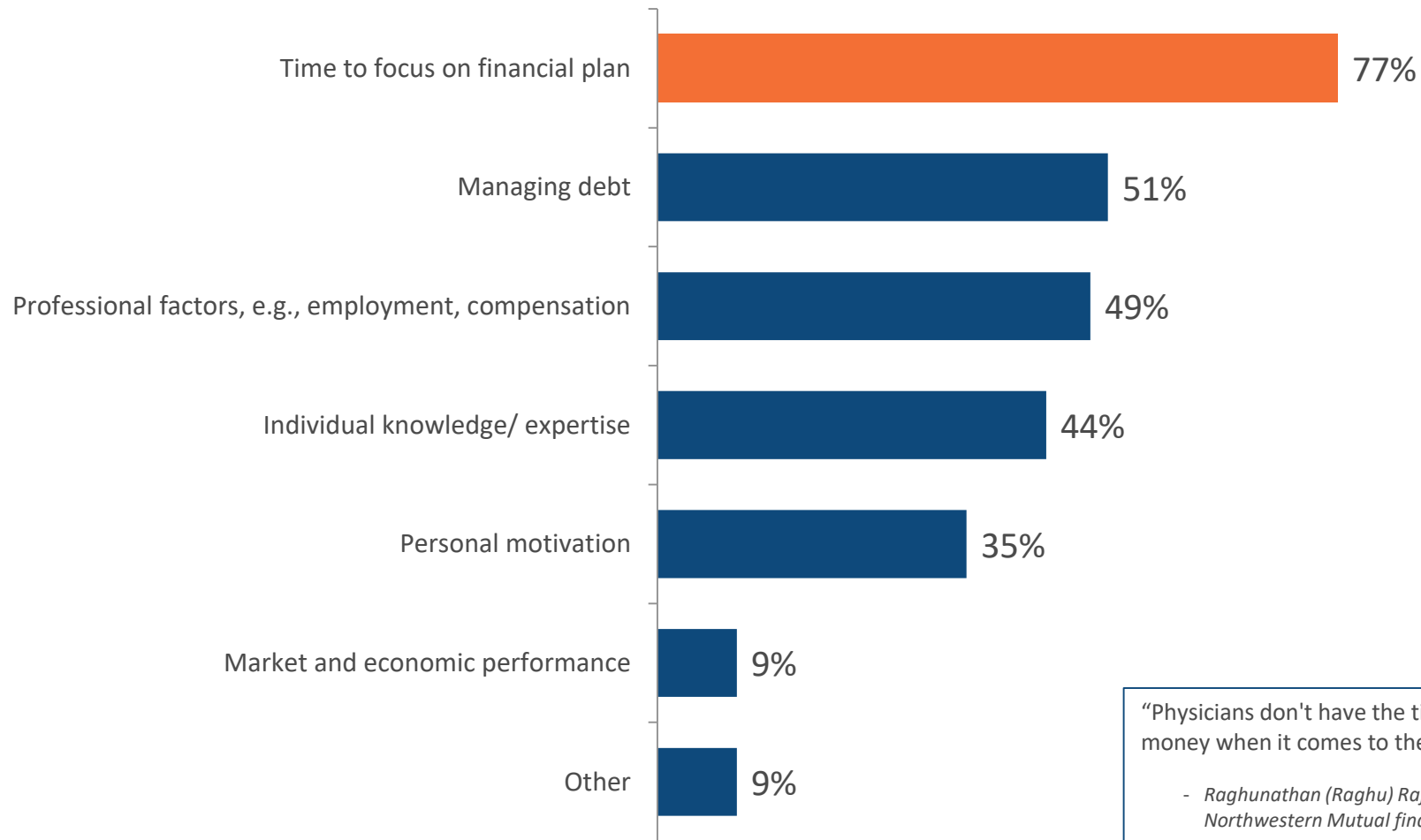
“Debt reduction is definitely one of the top priorities for many clients now. Especially for those clients in private practices as they still need to run the practice but have seen revenue drop due to COVID-19 which means they’re not seeing their regular patients. This means they may be relying more heavily on additional sources of credit and have other debt that is piling up that they need to pay off.”

- Raghunathan (Raghu) Rajagopalan, FLMI, AAPA, ARA, ACS, CLTC
Northwestern Mutual financial advisor

“For frontline medical professionals, there is without doubt a greater focus in this current moment on having adequate life and disability insurance given the higher risks these individuals are facing while working in a hospital environment.”

- Andrea Koryn Williams, CLU, CFP, ChFC
Northwestern Mutual financial advisor

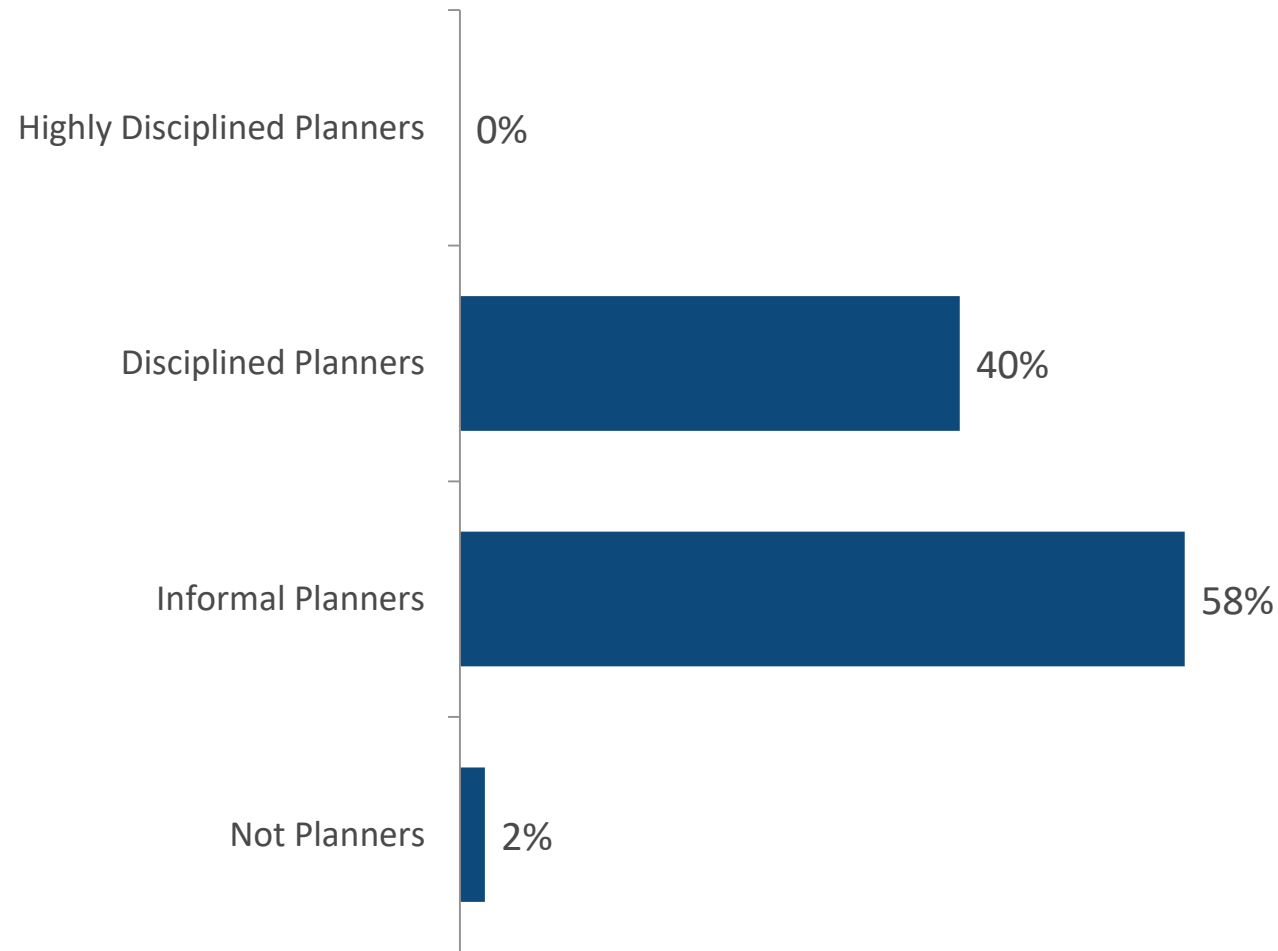
Time to focus on financial planning has the most significant impact on medical professionals' ability to reach their financial goals



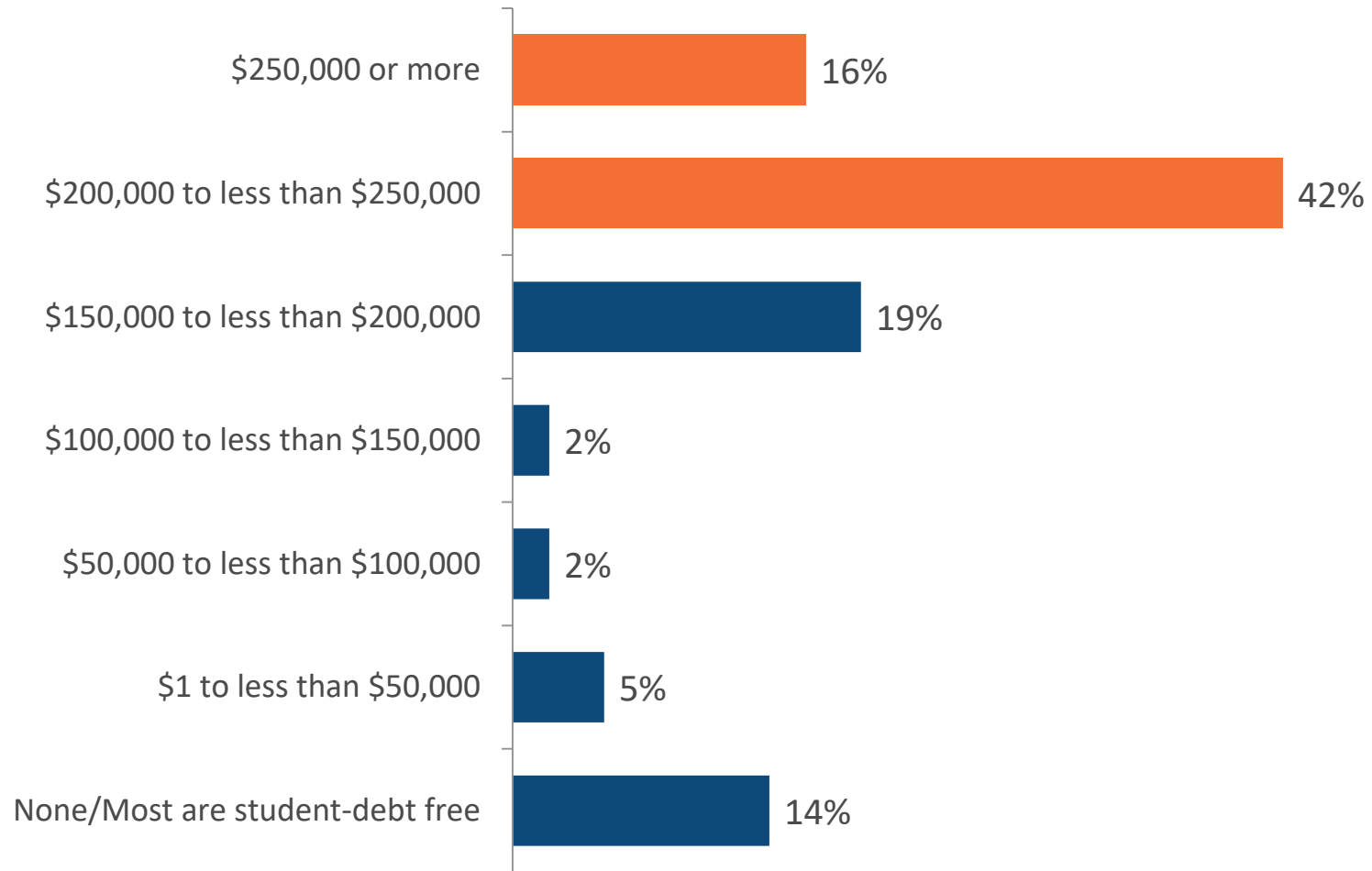
“Physicians don't have the time to focus on their financial planning and time is money when it comes to the compounding growth potential of investments.”

- Raghunathan (Raghu) Rajagopalan, FLMI, AAPA, ARA, ACS, CLTC
Northwestern Mutual financial advisor

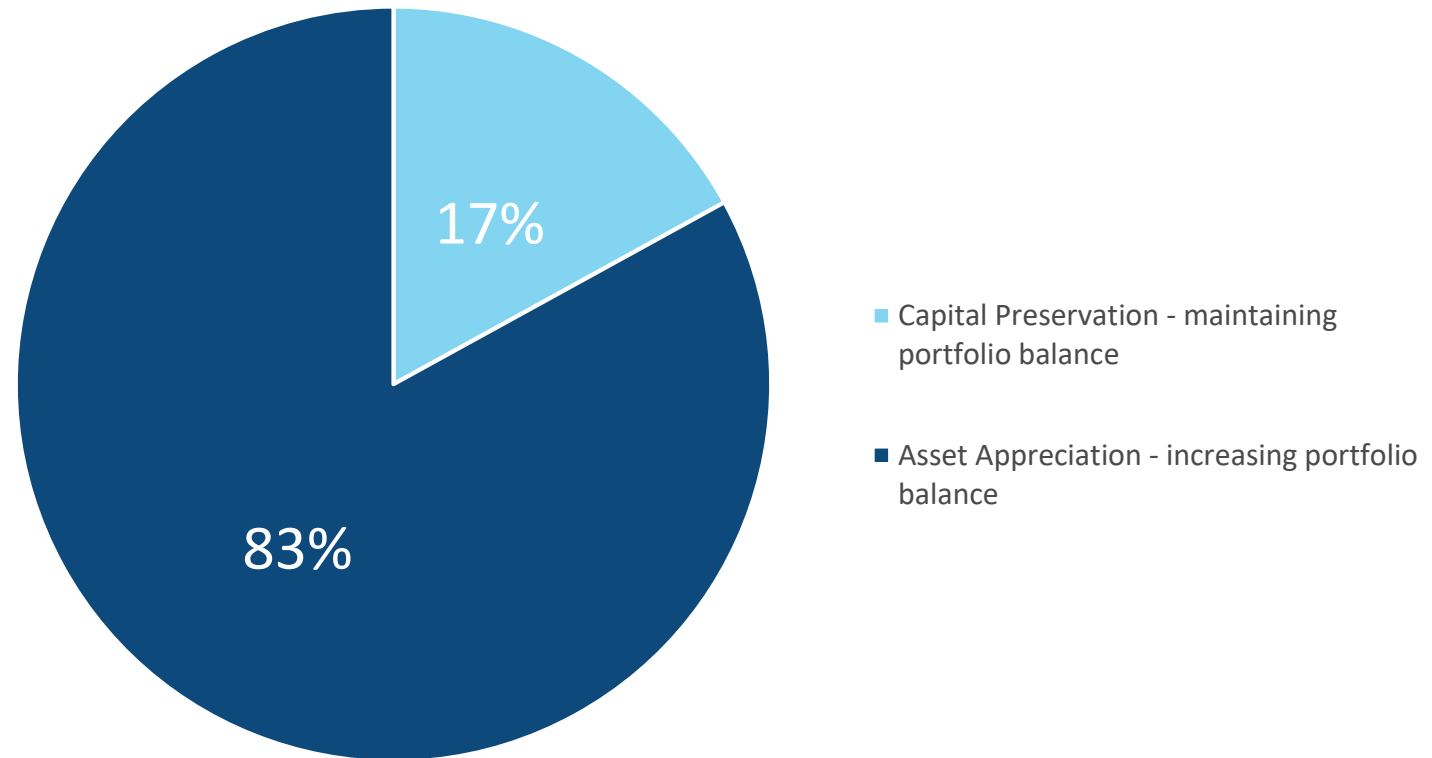
Advisors describe medical professionals as “informal” planners



Nearly 6 in 10 doctors and dentists have student debt of \$200,000 or more

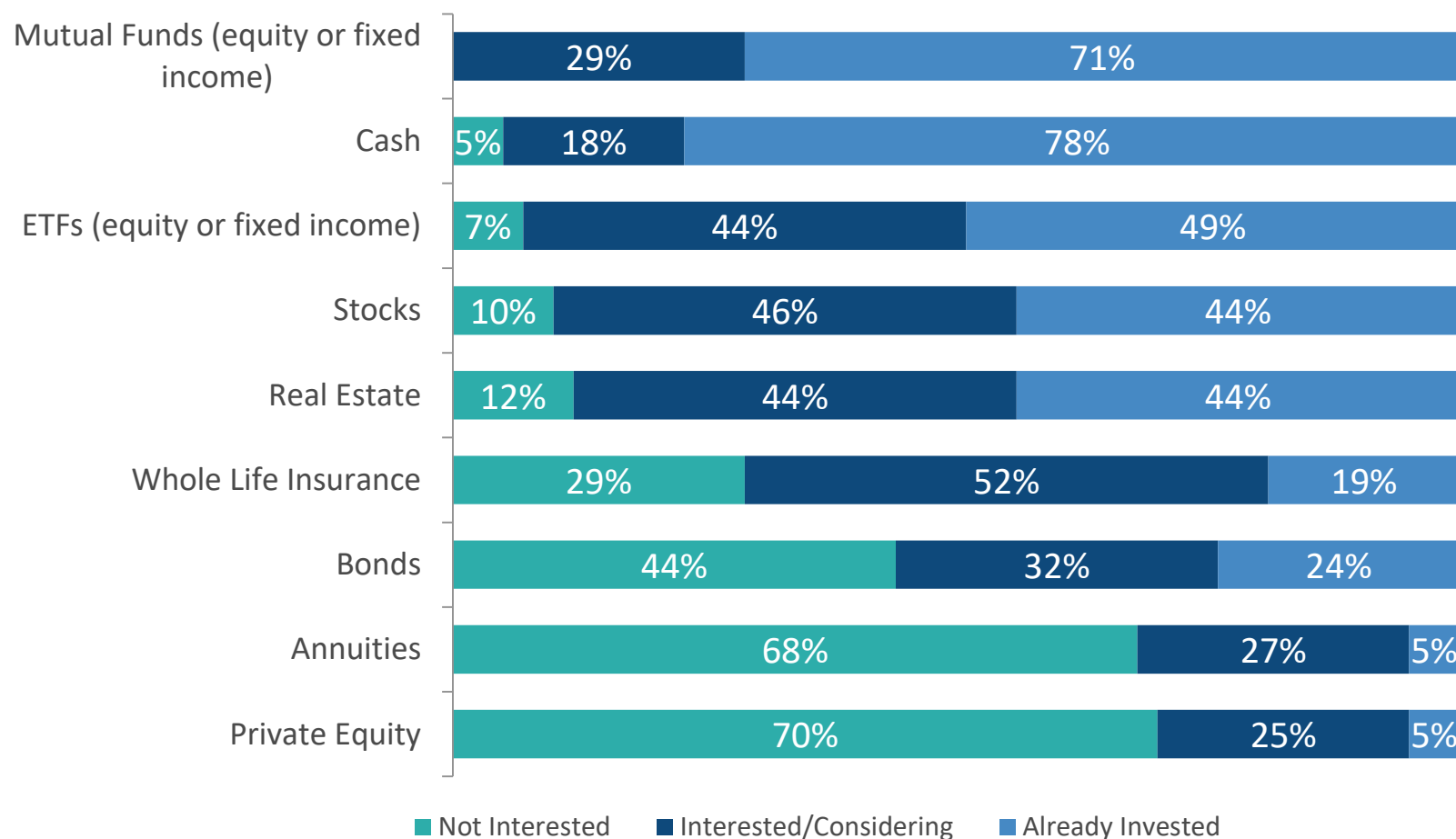


Most medical professionals are pursuing asset appreciation versus capital preservation



(Average Percentages)

While most hold cash and mutual funds, approximately half are interested/considering stocks, ETFs, whole life insurance and real estate



“Across my clients, the consensus is that now is not the time to wait on the sidelines with respect to the markets, now is the time to participate.”

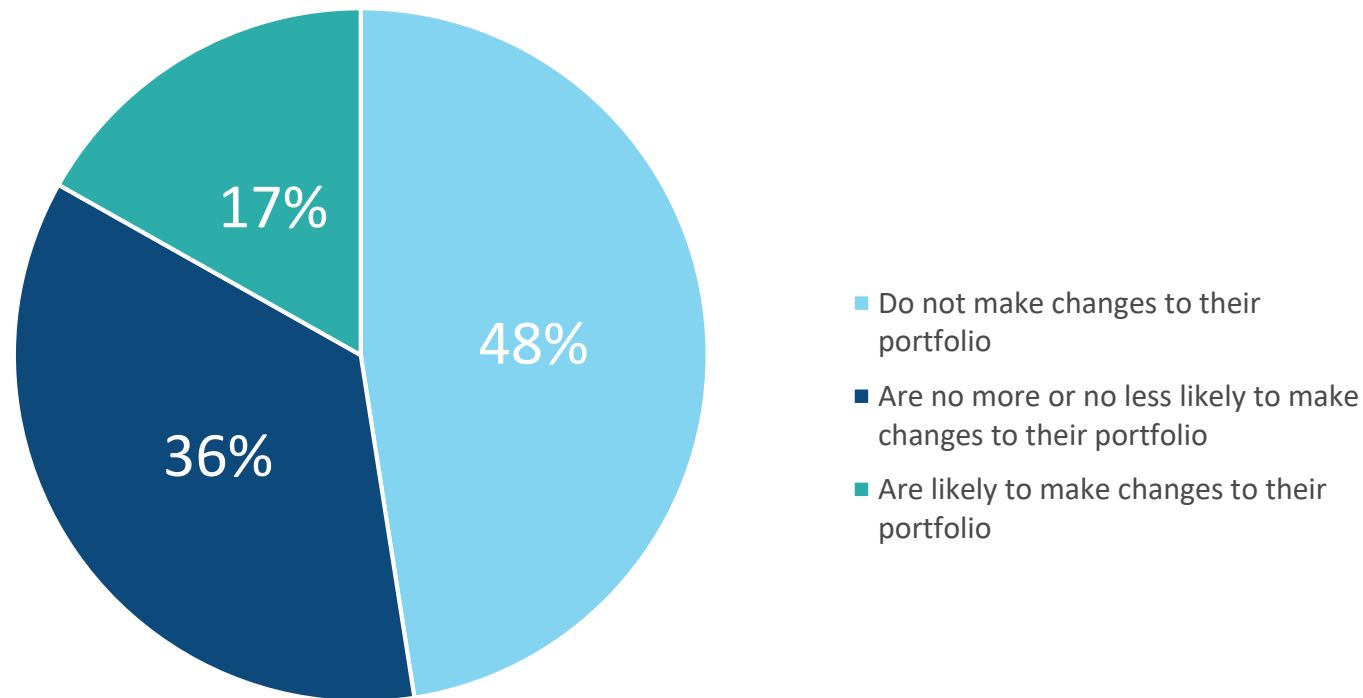
- Andrea Koryn Williams, CLU, CFP, ChFC
Northwestern Mutual financial advisor

“Clients want to be in the markets, but they are not always sure when the timing is right. So they need advice, and a plan, that helps them put their cash to work sooner.”

- Raghunathan (Raghu) Rajagopalan, FLMI, AAPA, ARA, ACS, CLTC
Northwestern Mutual financial advisor

Advisors report that many medical professionals do not make changes to their investment portfolios in times of market volatility

In times of market volatility, the majority of my medical market clients . . .

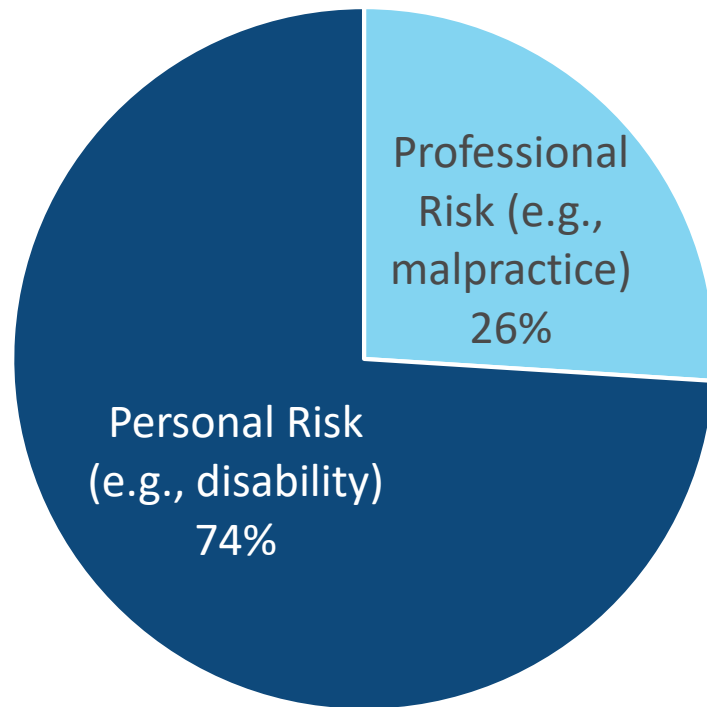


“Medical markets clients understand that it is best not to pull your money out of the markets in volatile times and in fact, they are willing to take advantage of a downturn. I didn’t see any clients move to cash. In fact I had more conversations about identifying opportunistic investments in the current environment.”

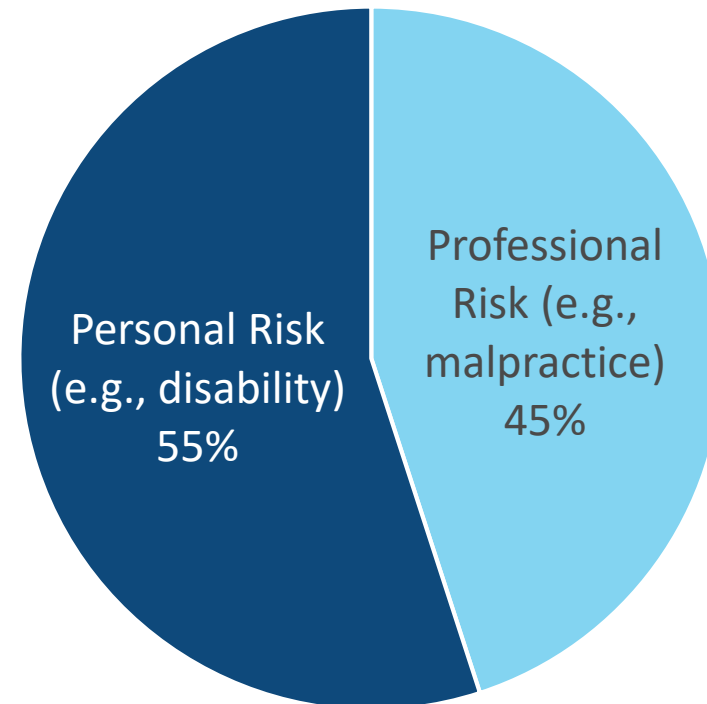
- Andrea Koryn Williams, CLU, CFP, ChFC
Northwestern Mutual financial advisor

While the majority are concerned about personal risk, only about half are likely to take action to address it

More Concerned About



More Likely to Take Action On

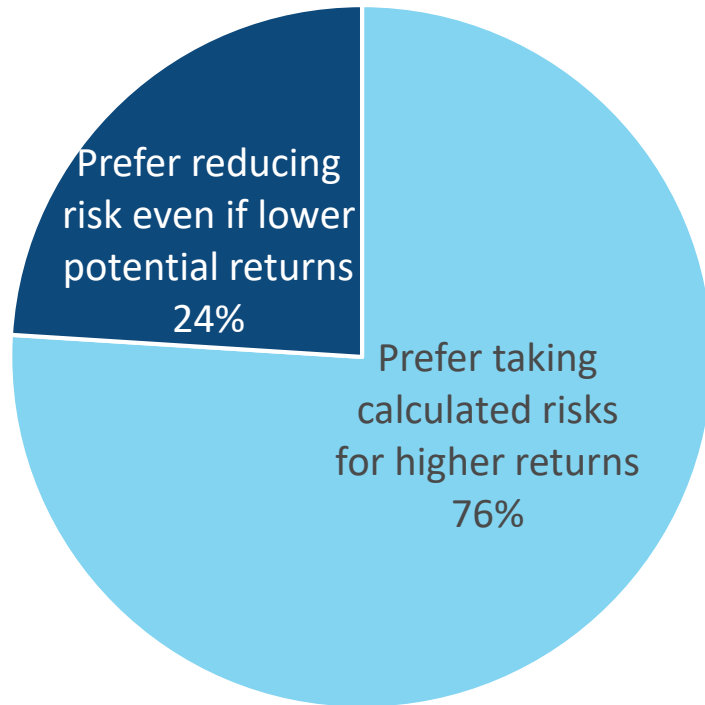


Q9. Are your medical market clients more concerned about professional risk or personal risk? (Select one)

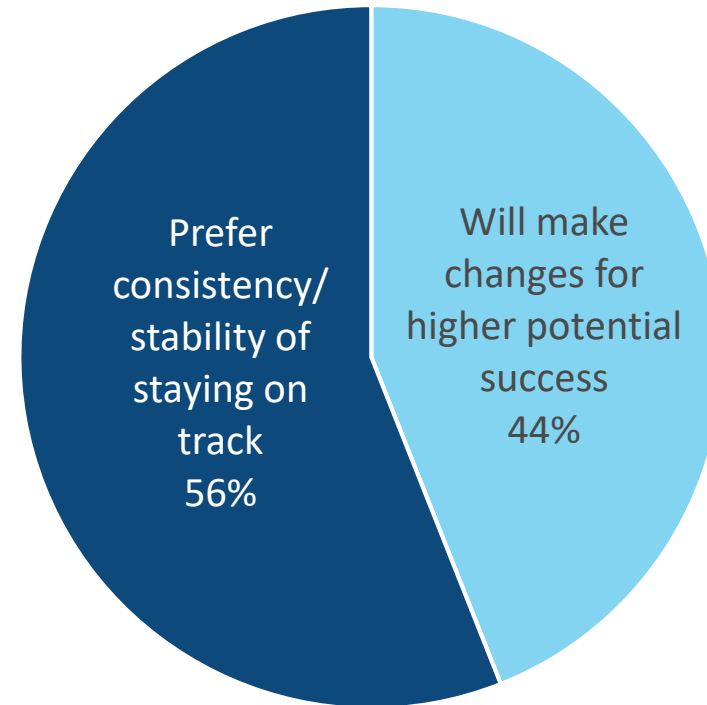
Q10. Are your medical market clients more likely to take action to protect themselves against professional risk or personal risk? (Select one)

Advisors believe doctors and dentists are more willing to take on investment risk than career risk

Investment Risk



Career Risk

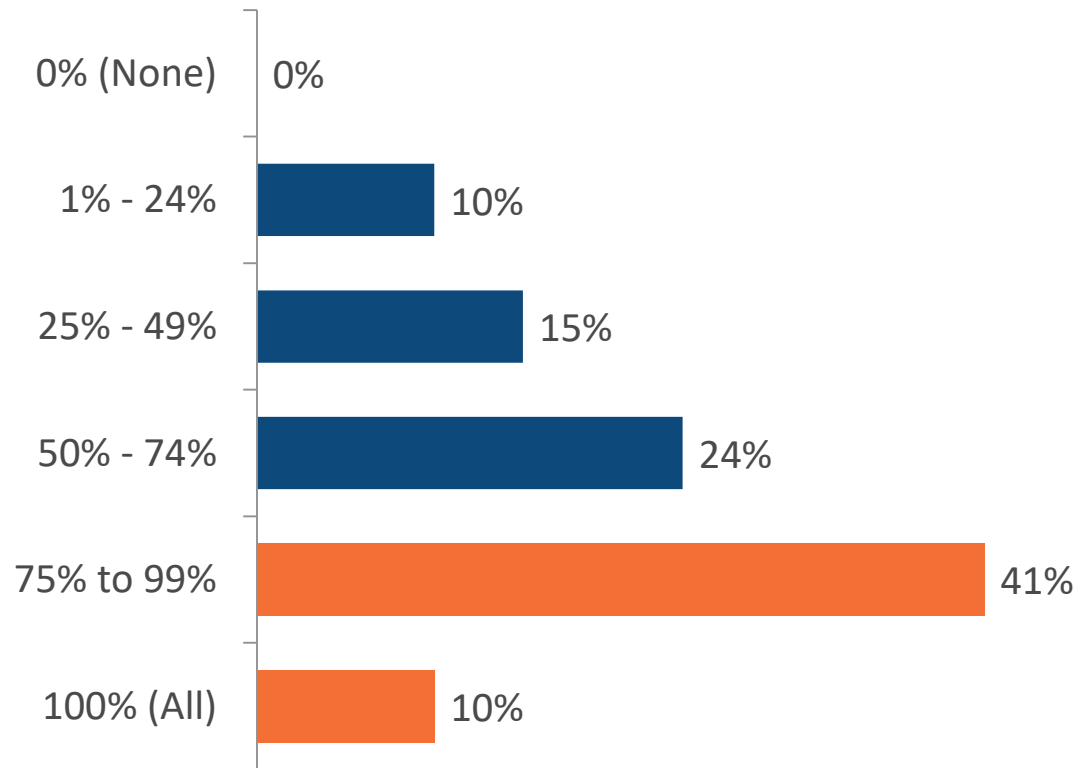


Q11. Please indicate which statement most closely represents your medical market clients' receptivity to investment risk. (Select one)

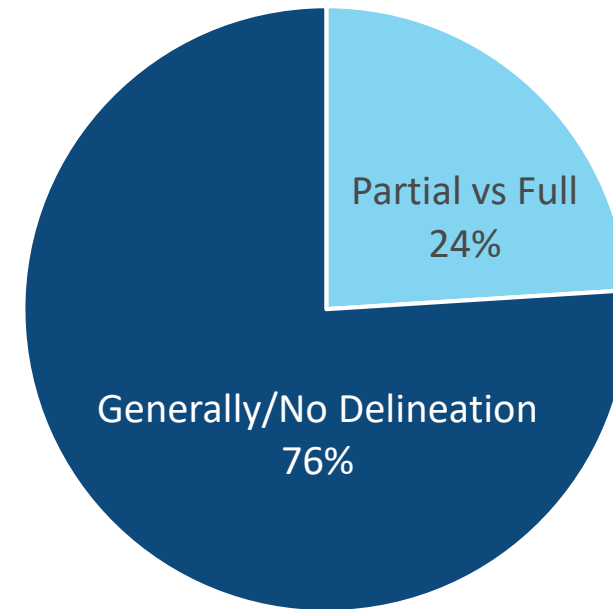
Q12. Please indicate which statement most closely represents your medical market clients' receptivity to career risk. (Select one)

Over half of advisors report that a majority of medical professionals are concerned about becoming disabled and not being able to practice in their field

Percent of Advisors' Medical Market Clients Concerned About Potential Disability That Could Prevent Practicing



Of Those Concerned, How They Think About Disability



“Risk management is a higher priority than ever for medical professionals.”

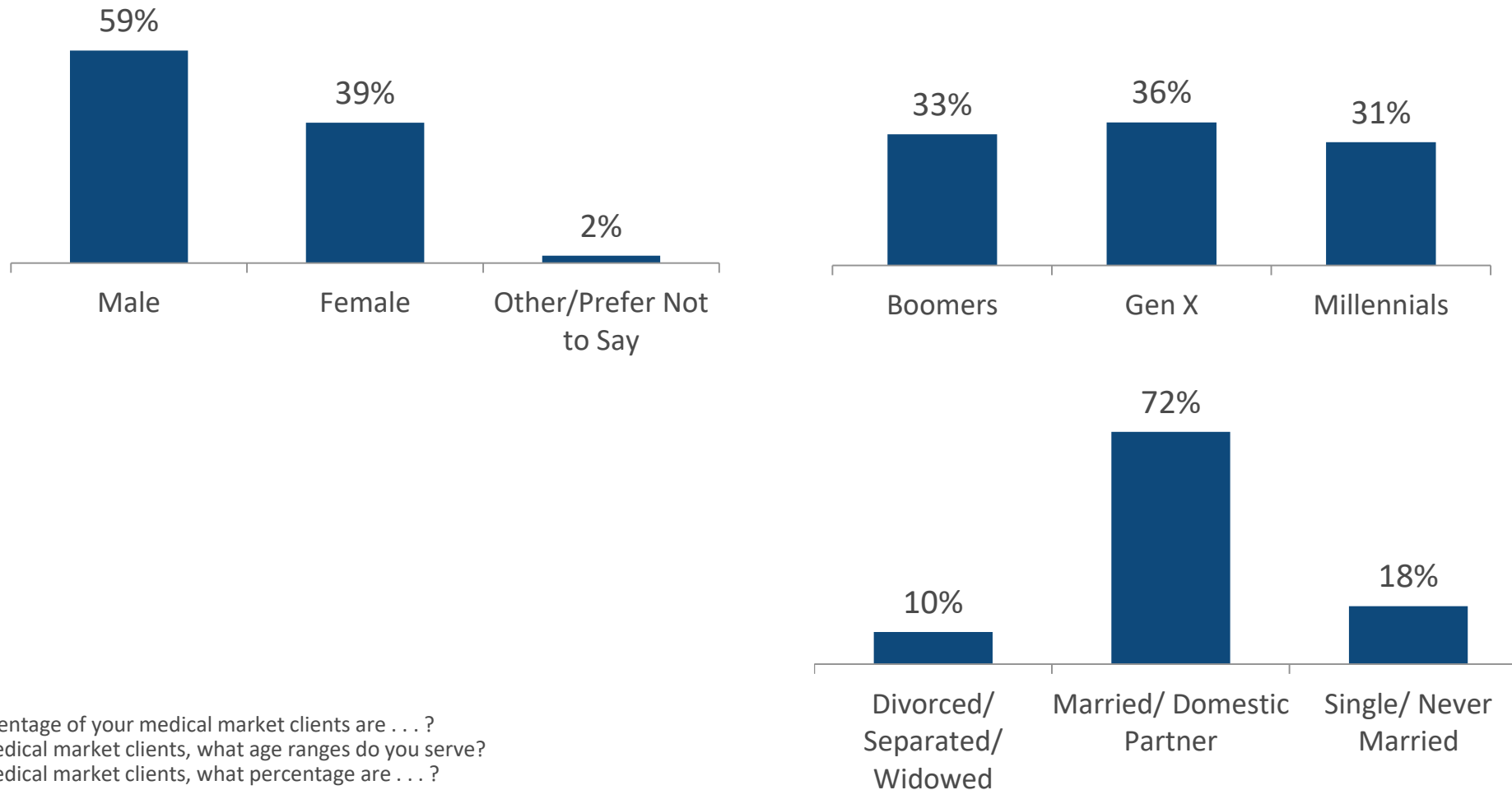
- Andrea Koryn Williams, CLU, CFP, ChFC
Northwestern Mutual financial advisor

Q13. How many of your medical market clients are concerned about experiencing a disability that could prevent them from practicing in their chosen field?

Q14. Do most of these clients think of their disability risk in terms of partial vs. full disability or just disability in general?

Demographic profile of advisors' medical market clients

(Average Percentages)



Q15. What percentage of your medical market clients are . . . ?
Q16. Of your medical market clients, what age ranges do you serve?
Q17. Of your medical market clients, what percentage are . . . ?