



Letter to Editor **Cardiac Anesthesia**

Financial Literacy for Anesthesiologists

Deepanshu Dang¹

¹Department of Anesthesia, Atal Bihari Vajpayee Institute of Medical Sciences, Delhi, India.

***Corresponding author:**

Deepanshu Dang,
Department of Anesthesia,
Atal Bihari Vajpayee Institute of
Medical Sciences, Delhi, India.

dangdeepanshu94@gmail.com

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Dear Editor,

Financial literacy in modern days is more important than ever. With the increasing complexity of the financial world and the numerous financial decisions individuals have to make, having a good understanding of personal finance is crucial for long-term financial well-being. Money management for an anesthetist, like any medical professional, involves specific considerations and challenges. Here are some key aspects of money management that may be relevant to an anesthetist:

1. **Budgeting and income management:** Anesthetists typically have an average income due to their specialized medical training. It is important to create a budget and manage expenses accordingly. This includes prioritizing savings, paying off debts, and planning for short-term and long-term financial goals. 50-30-20 rule, the basic rule to divide monthly income into three different spending categories: 50% for needs, 30% for wants, and 20% for savings. By regularly keeping your expenses balanced across these main spending areas, you can put your money to work efficiently.
2. **Savings:** 20% of the regular income should go to savings as an emergency fund. Some of the available options are savings accounts, fixed deposits, recurring deposits, public provident fund, equity-linked saving schemes, national pension schemes, and post office monthly income schemes.
3. **Debt management/student loan repayment:** Anesthetists often accumulate significant student loan debt during their education. It is important to develop a repayment strategy and consider options such as loan consolidation, refinancing, or income-driven repayment plans to manage and pay off student loans efficiently. With easy access to credit, understanding how to manage debt is vital. Financially literate individuals understand concepts such as interest rates, credit scores, and debt repayment strategies. They make informed decisions about taking on debt and developing strategies to pay it off efficiently.
4. **Insurance and risk management:** Insurance coverage: Adequate insurance coverage is essential for anesthetists. This includes professional liability insurance (malpractice insurance), disability insurance, and life insurance. Understanding the coverage needs and securing appropriate policies can provide financial protection and peace of mind.
5. **Investment and wealth management:** As individuals strive to grow their wealth, understanding investment options and concepts becomes crucial. Financial literacy includes knowledge of different investment vehicles such as stocks, bonds, mutual funds, and real estate. It involves understanding risk, diversification, and the impact of compounding returns over time. Equity to debt contribution should be according to the rule of 100-age. More equity exposure early in life and a shift toward debt funds toward retirement. A systematic

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investment plan should be adopted as early as possible in life to attain a goal-decided corpus at retirement.

6. **Tax planning:** Anesthetists should be aware of tax strategies and deductions specific to their profession. Working with a knowledgeable accountant or tax professional can help optimize tax liabilities and maximize deductions, potentially reducing the tax burden.
7. **Practice ownership:** Some anesthetists may choose to establish their own practice or join a partnership. In such cases, understanding the financial aspects of practice management, including billing, reimbursement, and overhead costs, is crucial for running a successful and profitable practice.
8. **Continuing education and professional development:** Anesthetists should allocate funds for ongoing professional development and staying up-to-date with advancements in the field. This may include attending conferences, workshops, or pursuing additional certifications, which can enhance career prospects and potentially lead to higher income opportunities.
9. **Retirement planning:** As anesthetists typically have higher incomes, planning for retirement becomes even more crucial. Contributing to retirement accounts, such as individual retirement accounts, and taking advantage of any employer-matching programs can help build a substantial retirement nest egg. Retirement corpus can be placed in a debt fund, which gives stable returns with a lack of volatility compared to equity funds. Portfolio management schemes are a good option to avoid the stress of handling a large corpus.

Given the importance of financial decisions in our lives, promoting financial literacy has become a priority for many educational institutions, governments, and organizations. Improving financial literacy empowers individuals to make

informed choices, avoid financial pitfalls, and work toward their long-term financial goals.

Remember, consulting with a qualified financial advisor who understands the unique financial challenges and opportunities faced by anesthetists can provide personalized guidance and help develop a comprehensive money management plan tailored to individual circumstances.

Ethical approval

The Institutional Review Board approval is not required.

Declaration of patient consent

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Use of artificial intelligence (AI)-assisted technology for manuscript preparation

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