



WE VISIT DOCTORS TO MAINTAIN OUR PHYSICAL HEALTH

But who do doctors visit to maintain their financial health and well-being?

Helping us maintain good physical health is what doctors do. Helping us maintain good financial health is what financial advisors do. And interestingly, a good way to appreciate planning your financial future is to see it as akin to maintaining your physical health. The parallels are instructive.

Uncertainties Abound

In *Your Medical Mind, How to Decide What is Right For You*, authors Jerome Groopman and Pamela Hartzband make the statement that medicine is actually not an exact science. Financial planning is likewise inexact, even though answers often come from formulas. But these formulas use assumptions that change all the time.

“Uncertainty pervades much of medical decision-making,” the authors write. “And in situations where one cannot predict the outcome exactly, how the decision is made can be as important as what decision is made.”

Investing and retirement planning is completely fraught with uncertainty. For example, no matter what you read, no asset is totally safe, not even cash or U.S. Treasuries. This is why every investment product on the planet comes with the disclaimer that past performance is no guarantee of future returns. None of the financial experts can actually foretell the state of the markets. In medicine, you can't predict health or illness, nor can you determine one's lifespan.



Parallels Abound

There is a parallel between the probability of the person (longevity uncertainty) and the probability of the portfolio (market and economic uncertainty). It takes considerable finesse and prudent saving for a lifetime to make sure that the portfolio lasts at least as long as the person. Understanding those two probabilities—and their risks and benefits—are equally important in your financial decision-making.

In both spheres, all that you can do is plan, prepare, and hope for the best. You need to be as informed as possible to make good choices. Your chances of success are much better when you have an experienced and well-trained professional in your corner to make the right diagnosis and recommendation. Physicians, like advisors, give face-to-face advice, but of course, no professional service is perfect.

“As physicians, we’ve both found ourselves at times too quickly telling our patients which treatments we prefer, rather than working with them to understand their own thinking,” Gropman and Hartzband write. “Of course, patients want, and often ask, what their physicians think is best. But that should occur after information is presented in a neutral way.”

Doctors and Advisors Need to Match

A good financial advisor should spell everything out for you in ways that you understand. After all, it is your future that you are working on. If your doctor or advisor shoos you out without explaining problems and solutions, you can find a better one.

Decision-making in both areas changes with circumstances and works best with consistent, objective planning. Just as your health changes over time, markets and economies change even faster. And just as we need a doctor who we can work with and whose beliefs match ours, you have to understand yourself and your financial advisor.

Is it a good match?

The health of your financial future depends on it.