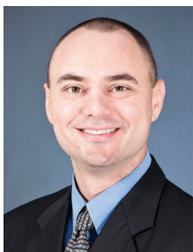


Dollars & Sense

Joel M. Schofer, MD MBA RDMS FAAEM
 Secretary-Treasurer, AAEM
 President, Virginia AAEM
 Commander, U.S. Navy Medical Corps



Personal finance is of extreme importance in the personal and professional lives of emergency physicians, emergency medicine residents, and medical students. “Dollars & Sense” is a new, on-going feature of *Common Sense* that will explore the financial components of a successful medical career. In order to give readers a head start in any particular financial area they want to learn more

about, I’ll start with some resources that offer sound advice and can be read quickly. Let’s face it, we’re all busy.

General Personal Finance

If you want one book to guide you in nearly all aspects of your financial life, I’d recommend *Get a Financial Life: Personal Finance In Your Twenties and Thirties* by Beth Kobliner. It is undoubtedly the most comprehensive and useful financial book I’ve ever read and offers sound advice in a concise format. It covers investing, banking, insurance, real estate, taxes, and nearly every other topic you can think of. With many used copies available for under \$10 on Amazon.com, this is the best money you could spend if you are in your twenties or thirties.

Another oldie but goodie is the book *25 Myths You’ve Got to Avoid — If You Want to Manage Your Money Right* by Jonathan Clements. It was published in 1999, but the advice is timeless. In it Clements debunks myths like:

- Stocks are risky.
- You can beat the market.
- Buy the biggest house possible.
- Life insurance is a good investment.

Investing

For investment advice I turn to two authors, Burton Malkiel and John Bogle. Malkiel is the Chemical Bank Chairman’s Professor of Economics at Princeton University and is most famous for his bestselling book, *A Random Walk Down Wall Street: The Time-Tested Strategy for Successful Investing*. While I highly recommend this book and have read each of the three latest editions from cover to cover, it is 500 pages long and only for the reader who is interested in the theory behind the

recommendations. His lesser known book, *The Elements of Investing: Easy Lessons for Every Investor*, would fit in the pocket of your white coat, is less than 200 pages, was published in 2013, and provides all of the advice without the in-depth theory. It’s like skipping to treatment without having to learn pathophysiology, and we all know most of us hate pathophysiology. In addition, you can check out *The Random Walk Guide to Investing*, which is only 224 pages but a bit dated — the last edition is from 2007. The principles, though, remain unchanged. It is still a worthwhile read.

Bogle, founder of The Vanguard Group, is also famous for a book that I highly recommend, *Common Sense on Mutual Funds*. Again, this book is heavy on theory, but if you don’t want a degree in finance, you can get the *Reader’s Digest* version by reading his other book, *The Little Book of Common Sense Investing*. This book will also fit in your coat pocket, is 216 pages long, and will teach you how to get rich slowly, the only surefire way to do it.

Real Estate

Although the title makes the book sound like a late night infomercial, *The Automatic Millionaire Homeowner* by David Bach provides solid advice and can be read in a few hours. In the book he makes the case for building wealth through home ownership, provides practical advice on obtaining a mortgage, and discusses building equity by paying your mortgage off early and automatically.

If you are about to relocate and are trying to figure out whether you should rent or buy, try this new calculator: http://www.trulia.com/rent_vs_buy/. You can make calculations based on economic analysis of the top one hundred real estate markets in the United States, and use the calculator to change all sorts of variables and assumptions so that the answer you get is specific to your situation.

Contact Information

If you have ideas for future columns or have other resources you’d like to share, email me at jschofer@gmail.com.

The views expressed in this article are those of the author and do not necessarily reflect the official policy or position of the Department of the Navy, Department of Defense or the United States Government. ■