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10 Ways Docs Are Cutting Costs and Saving Money

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As the COVID-19 crisis pandemic continues, many physicians are not only battling the medical challenges it has wrought but they're also dealing with its financial ramifications at home.

"Some of our physician clients have seen their income decrease by as much as 50%," says Joel Greenwald, MD, CEO of Greenwald Wealth Management in St. Louis Park, Minnesota. "Many physicians had previously figured that whatever financial obligations they had wouldn't be a problem because whatever amount they were making would continue, and if there were a decline it would be gradual." However, assumption is now creating financial strain for many doctors.

Vikram Tarugu, MD, a gastroenterologist and CEO of Detox of South Florida, Okeechobee, Florida, says he has watched his budget for years, but has become even more careful with his spending in the past few months.

"It has helped me a lot to adjust to the new normal when it comes to the financial side of things," Tarugu says. "Patients aren't coming in as much as they used to, so my income has really been affected."

Primary care physicians have seen a 55% decrease in revenue and a 20% to 30% decrease in patient volume as a result of COVID-19. The impact has been even more severe for specialists. Even for physicians whose practices remain busy and whose family members haven't lost their jobs or income, broader concerns about the economy may be reason enough for physicians to adopt cost-cutting measures.

In Medscape's [Physician Compensation Report 2020](#), we asked physicians to share their best cost-cutting tips. Many illustrate the lengths to which physicians are going to conserve money.

Here's a look at some of the advice they shared, along with guidance from experts on how to make it work for you:

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1. Create a written budget, even if you think it's pointless.

Physicians said their most important piece of advice is: "Use a formal budget to track progress," "write out a budget," "plan intermittent/large expenses in advance," "Make sure all expenses are paid before you spend on leisure."

Nearly 7 in 10 physicians say they have a budget for personal expenses, yet only one quarter of those who do have a formal, *written* budget. Writing out a spending plan is key to being intentional about your spending, making sure that you're living within your means, and identifying areas where you may be able to cut back.

"Financial planning is all about cash flow, and everybody should know the amount of money coming in, how much is going out, and the difference between the two," says Amy Guerich, a partner with Stepp & Rothwell Inc, a Kansas City-based financial planning firm. "That's important in good times, but it's even more important now when we see physicians taking pay cuts."

Many physicians have found that budget apps or software programs are easier to work with than anticipated; some even walk you through the process of creating a budget. To get the most out of the apps, you'll need to check them regularly and make changes based on their data.

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