

General practice is a respected profession with a relatively high degree of employment flexibility compared to other occupations.

While GPs' salaries are greater than median incomes in Australia,^{1,2} increasing rates of part-time work within the sector suggest that effective financial planning is increasingly important. This may be particularly true for female GPs, who are, overall, more likely than male their counterparts to take significant career breaks or reduce their hours due to caring responsibilities.²

When it comes to investment in their financial future, GPs should be encouraged to think hard about owning a practice, regardless of gender. These days, partnership agreements are more likely to accommodate flexible hours, making ownership more accessible to GPs who wish to take career breaks or work fewer hours. Practice ownership should respect parental leave needs and flexible work hours.

GPs should also consider contributing extra amounts into their superannuation from an early age to compensate for any employment gaps. Where one partner is taking a cut in super due to family caring responsibilities, consider spouse super transfer strategies to equalise benefits. Self-managed or an industry super fund that specialises in health professionals is recommended. Appropriate tax-deductible life insurance and income protection insurance are vital.

GPs should undertake active career management and engage a life plan that emphasises direct asset acquisition strategies for property and shares, as well as smart tax planning. Preparedness to work harder, smarter and longer so physical effort creates a greater financial reward, in combination with successful financial husbandry to avoid over-spending, will help GPs attain a more secure financial position upon retirement.

With planning, it's not hard to protect your financial future. An extra \$100 a week into your super will cover employment gaps over a working life. Similarly, an extra \$100 a week to rapid home loan repayments will push you well ahead in the wealth accumulation stakes. But there are other aspects of financial management to consider.

Managing your own health is critical. The RACGP advocates for doctors to remain vigilant about their own health and safety needs, which can come second to feelings of responsibility to patients.³ Risks to GPs' health also have an impact on their financial future and ability to work to an older age. A person cannot work longer without regard for physical and mental health.

GPs are advised to create active health management plans to ensure they can work at a pace and in an area they control and enjoy. The flexible nature of general practice employment means doctors can work well into their 60s and even 70s with a proper balance of health, intellectual and financial needs.

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Gender differences in income

The flexible working conditions offered by general practice have made it a particularly popular choice for female doctors choosing a specialty.⁴

Child bearing and rearing realities are often key to a doctor's decision to pursue general practice. The higher instance of female GPs taking career breaks or working fewer hours means their financial position is less favourable than their male counterparts.⁵ The Australian Bureau of Statistics (ABS) has calculated that around one-third of female GPs (35%) work part-time, compared to around one in 10 male GPs (13%).¹

The Medicine in Australia: Balancing employment and life (MABEL) study – a national longitudinal survey of doctors run by the Melbourne Institute and Monash University – found that, on average, female GPs earn \$83,000 annually less than male GPs.⁵

Working fewer hours is an obvious cause of lower income for some female GPs. But there also remains a significant gender pay gap for GPs working full-time. ABS data shows that full-time male doctors earned an average of 14% more than female doctors in 2012.¹

These significant trends toward lower income for female GPs mean the role of careful financial planning becomes even more important to ensuring a comfortable retirement later in life. Considering women generally live longer than men, and often retire earlier, the need becomes even more acute.

However, the advice to female GPs remains the same as to all practitioners: consider practice ownership options, plan ahead to cover any superannuation discrepancies and aim to reduce debt as quickly as possible.

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