

A circular photograph of a smiling female dentist with dark curly hair, wearing a white lab coat, standing in a dental office with her arms crossed. The background shows dental equipment and a bright light fixture.

Wealth Planning Considerations for Dentists and Dental Professionals

Dentists and dental professionals face unique financial challenges at every stage in their profession, so it is important to work with an advisor who understands and can help navigate these challenges.



At every stage of their development, dentists and dental professionals might benefit from working with an advisor to create a personalized financial strategy to meet their unique needs.

The following are some areas where having a strategy that can change as needs change might help these professionals achieve long-term goals.

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Student Loan Repayment

According to the American Student Dental Association, the average debt for all indebted 2019 dental school graduates was \$292,1691, making debt repayment one of the most critical issues for recent graduates. While it is often difficult to see the light at the end of the tunnel with debt like this, an experienced wealth advisor can help formulate a plan. Typical questions an advisor can help answer include:

- Should I consolidate?
- Should I refinance?
- If I have federal loans, which payoff should I select?
- I'm married; will my spouse have to co-sign any refinancing options?
- How could my loans impact my/our ability to apply for a mortgage in the future?

Dental Practice Purchase/Partnership

As you consider purchasing an existing dental practice or entering into a partnership, it's important you have an accurate idea of the practice's valuation. You may also need help ensuring the accounting records are clean and all taxes are in good order prior to taking over. A qualified wealth advisor should be able to provide a business valuation and financial assessment of the practice. Having the facts could help you make a more informed decision.

Insurance Needs

As a dentist or dental professional, you likely understand the importance of insurance, but you may need assistance in navigating the various options to meet your specific needs.

It is important to work with an advisor who understands the pros, cons and requirements of term and permanent life insurance (for both income replacement and estate planning) as well as umbrella, long-term care and malpractice insurance.

Equipment Purchase

Oftentimes, one of the biggest expenses for a dental practice (both in terms of upfront investment and maintenance) is equipment. Your wealth advisor should be able to help you budget for these expenses, as well as evaluate various purchase options and payment plans.



Growing Patient Base

With any luck, you will face the “challenge” of a rapidly growing patient base. Choose a wealth advisor who will constantly reevaluate your wealth plan and approach in light of your changing situation. Your advisor should be able to advise you on how to achieve scale in your business and identify opportunities given your shifting financials.

Hiring and Managing Employees

With a growing patient base often comes the need to hire additional employees and provide them with benefits. Your wealth advisor should be familiar with the various retirement plan options and help you create a plan and investment lineup designed to meet the needs of your employees.

Practice Transition

Looking down the road, you'll likely want to retire someday. Choose an advisor who can help put your business in a good place for an eventual transition. Considerations may include:

- Maximizing the value of the practice prior to sale – clean accounting records, taxes in good order and an updated business valuation to help improve potential sale price.
- Helping to ensure that a loyal employee base will transition with the practice. That means building a retirement plan that rewards employees for loyalty and provides for their security, fostering relationships and a sense of a “work family.”

One of the most important functions of a qualified advisor is coordinating all of the above components into a coordinated and personalized financial strategy that can be periodically updated as your needs and objectives change. Due to the challenges of entering into a career with high debt, at an older age than many other professionals and with an income structure that will likely change dramatically over time, dentists and dental professionals must take a long-term view of their finances to help ensure they remain on track to achieve their long-term goals.

By working with an advisor who can walk you through the wealth planning process and incorporate all aspects of your financial life into a personalized financial strategy, you may be better prepared, both professionally and personally, to reach your long-term goals.

Please contact us to learn more about how Mariner Wealth Advisors can help you navigate your financial future.

For more information visit: marinerwealthadvisors.com

¹ ["Educational Debt,"](#) American Dental Education Association.

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