

A Case Study Analysis  
on  
**Monthly Financial Budget for Working Professionals with  
Suggested Saving Strategies.**

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**A.Y.: - 2025-26**

## **1. Executive Summary**

This case study explores the financial management challenges faced by a general practitioner doctor managing his own private healthcare facility, Arogya Adhar Hospital. Despite having a steady patient base and professional expertise, doctors running small to mid-sized hospitals often struggle with balancing operational expenses, staff salaries, equipment maintenance, and personal financial goals. The dual responsibility of managing both professional obligations and household requirements creates unique pressures on overall financial planning.

The methodology adopted involves mapping the doctor's revenue streams from consultations, diagnostics, and minor procedures, while categorizing expenses into hospital operations, staff payroll, medical supplies, insurance, personal household needs, and savings. The analysis further emphasizes the role of reinvestment in medical infrastructure, creating contingency reserves, and following disciplined budgeting principles.

The key findings reveal that a substantial portion of earnings is absorbed by hospital overheads such as rent, utilities, and staff salaries leaving relatively less for personal savings and wealth-building. In the absence of structured financial planning, there is a risk of cash flow gaps, delayed equipment upgrades, and insufficient personal financial security.

The recommendations include establishing a clear separation between hospital and household budgets, creating an emergency medical corpus, diversifying income through small-scale diagnostic tie-ups, availing professional indemnity and health insurance, and initiating systematic investment plans for long-term financial growth. The expected outcome is enhanced financial stability for both the hospital and the practitioner, better preparedness for unforeseen expenses, and gradual asset creation despite recurring operational commitments.

## **2. Case Introduction**

### **2.1 Background**

Healthcare professionals managing private facilities face dual financial responsibilities: sustaining hospital operations and ensuring personal household security. Although general practitioners often generate higher revenues than salaried professionals, their incomes are irregular and significantly offset by high operational costs.

### **2.2 Profile of the Subject**

This case study examines a general practitioner running his own facility, Arogya Adhar Hospital. The doctor earns an average monthly revenue of ₹2,50,000, primarily through consultations, diagnostic services, and minor procedures. Unlike salaried employment, revenue varies with patient inflow and market conditions.

### **2.3 Income and Expenditure Pattern**

A detailed review of the monthly financial structure shows the following:

- ₹1,20,000–₹1,30,000 is allocated to hospital operations, including staff salaries, rent, utilities, and supplies.
- ₹30,000–₹40,000 is reinvested in equipment maintenance, consumables, and incremental expansions.
- ₹50,000 is required for household expenses, including housing, food, transportation, and children's education.
- The remaining ₹20,000–₹30,000 constitutes surplus funds available for insurance, systematic investments, or emergency savings.

This balance reflects the challenge of maintaining both professional growth and household stability.

### **2.4 Case Objective**

The objective of this case study is to evaluate how a doctor managing his own hospital can strengthen financial sustainability by separating hospital and household budgets, creating an emergency medical corpus, and diversifying savings through structured investments. The analysis aims to highlight the importance of financial discipline for ensuring long-term hospital viability and personal financial security.

### **3. Problem Statement**

A general practitioner running Arogya Adhar Hospital with an average monthly revenue of ₹2,50,000 faces challenges in balancing hospital operational costs and personal financial responsibilities. A significant portion of income is consumed by staff salaries, rent, utilities, and medical supplies, leaving limited surplus for household needs, systematic savings, or long-term investments. Without structured financial planning, the practitioner risks both professional and personal financial instability.

#### **Risks Due to Lack of Planning**

1. Cash flow shortages during lean months of patient inflow, affecting hospital operations and staff payments.
2. Delayed reinvestments in medical infrastructure, leading to outdated equipment and reduced competitiveness.
3. Insufficient personal savings for long-term goals such as children's education, retirement, or property ownership.
4. High financial vulnerability in case of medical emergencies, legal liabilities, or unexpected professional risks.
5. Stress and burnout from managing dual pressures of hospital sustainability and household security without a clear financial roadmap.

## 4. Methodology

The case study adopts a structured approach to analyze and enhance the financial management of a general practitioner earning an average monthly revenue of ₹2,50,000 from Arogya Adhar Hospital. The methodology includes the following steps:

### 4.1. Identifying Income Source

The foundation of financial planning begins with identifying the income source. In this case, the general practitioner (GP) earns an average monthly revenue of ₹2,50,000 from Arogya Adhar Hospital. This figure serves as the baseline for financial budgeting and planning. Since medical practice revenues can fluctuate due to patient inflow variations and seasonal trends, considering the average monthly inflow provides a more stable framework for planning. Establishing this net revenue ensures that the GP can design both professional and personal financial strategies with realistic expectations.

### 4.2. Categorizing Expenses

A structured breakdown of expenditures enhances financial clarity. For healthcare professionals managing both hospital operations and personal life, expenses can be categorized into six distinct groups:

- Hospital Operations – staff salaries, rent, utilities, medical supplies, and equipment maintenance.
- Reinvestments – acquisition of new medical equipment, diagnostic partnerships, and infrastructure upgrades.
- Household Essentials – housing, groceries, transportation, and children's education.
- Lifestyle Expenses – discretionary spending such as travel, entertainment, and personal consumption.
- Savings & Investments – contributions to emergency funds, retirement planning, and long-term wealth creation.
- Insurance & Risk Management – coverage for professional indemnity, health, and life risks.

By dividing financial obligations across these categories, the GP ensures that both professional responsibilities and personal needs are systematically addressed.

### 4.3. Applying Budgeting Principles

While the popular 50-30-20 rule is widely used for personal finance, healthcare professionals often face dual obligations requiring a tailored approach. For the GP, a 50-20-20-10 is recommended:

- 50% → Hospital Operations & Reinvestments
- 20% → Household Essentials
- 20% → Savings & Investments
- 10% → Insurance & Contingency Funds

This distribution ensures hospital sustainability while safeguarding personal financial security. Adopting such structured allocation methods prevents mismanagement and enables the GP to balance professional reinvestments with family and personal goals.

### 4.4. Suggesting Saving and Investment Strategies

Beyond expense allocation, effective financial management requires adopting practical savings and investment strategies. Recommendations include:

- Systematic Investment Plans (SIPs): Diversified mutual funds for long-term wealth creation.
- Retirement Planning: Contributions to Public Provident Fund (PPF) and National Pension Scheme (NPS).
- Liquidity Solutions: Fixed Deposits (FDs) and Recurring Deposits (RDs) to ensure predictable returns and emergency access.
- Risk Protection: Adequate insurance coverage against professional malpractice, health crises, and unforeseen contingencies.

Such a combination allows for wealth accumulation, financial security, and risk mitigation, aligning both professional and personal growth goals.

### 4.5. Reviewing and Monitoring Progress

Financial plans are dynamic and require continuous monitoring. The GP is advised to track hospital and household budgets using tools such as accounting software, hospital management systems, or personal finance apps. Regular audits monthly or quarterly help identify changes due to patient inflow, inflation, or evolving family needs. Revising allocations based on these audits ensures that the plan remains practical and effective. Research consistently shows that professionals who monitor and revise their budgets achieve greater long-term financial stability than those who adopt a static approach.

## 5. Case description

To understand the financial planning of healthcare professionals, we analyze the budgeting pattern of a General Practitioner (GP) at Arogya Adhar Hospital earning ₹2,50,000/month. The practitioner falls in the 35–45 age group, balancing both hospital operations and household responsibilities. Expenses are divided into essentials, savings & investments, lifestyle, insurance, debt, and professional reinvestments.

### Salary ₹2,50,000 per month (General Practitioner – Age 38)

Expense Category	Amount (₹)	% Allocation
Hospital Operations & Reinvestment	1,25,000	50%
Essentials (Household)	50,000	20%
Savings & Investments	45,000	18%
Insurance & Risk Management	20,000	8%
Lifestyle	7,500	3%
Debt Obligations	2,500	1%
<b>Total</b>	<b>2,50,000</b>	<b>100%</b>

### Challenges & Risks

The GP faces considerable financial strain due to high hospital operational overheads, which reduce flexibility in household budgeting. Cash flow risks also arise from fluctuations in patient inflow, creating unpredictability in monthly revenue. Furthermore, there is an ongoing challenge of balancing infrastructure upgrades and reinvestments with the need for long-term personal savings and wealth creation.

### Recommended Strategies

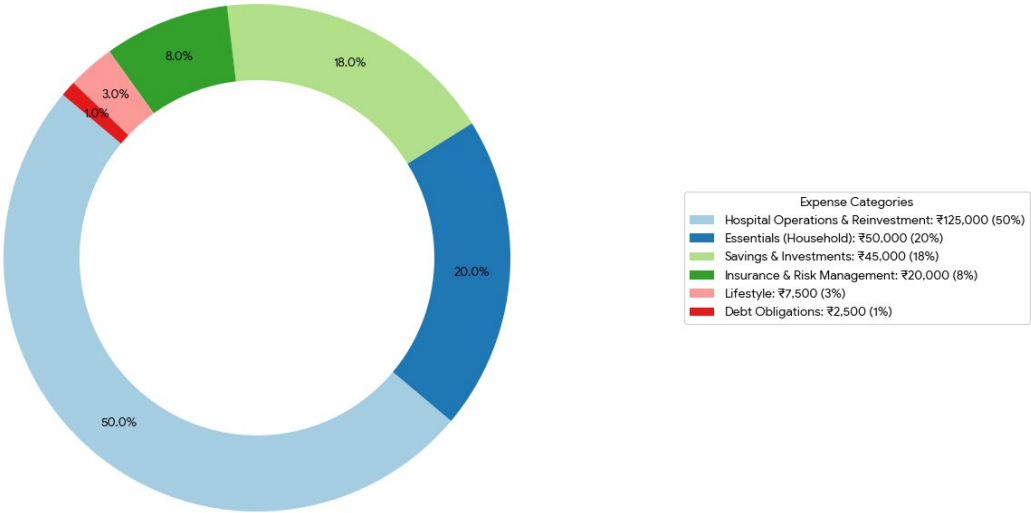
To overcome these challenges, it is advisable for the GP to maintain separate hospital and household budgets to avoid financial overlap. Regular investments of ₹20,000–₹25,000 per month in SIPs, PPF, or NPS can help in building long-term financial security. Establishing a dual emergency corpus one for hospital operations and another for household needs ensures preparedness against unforeseen situations. Finally, strengthening **insurance coverage** for professional indemnity, health, and life is critical to mitigate risks associated with medical practice.

## Comparative Insights

When compared with a private school teacher earning ₹40,000/month, **the** doctor earns significantly more, but also bears higher fixed obligations related to hospital operations and liability risks. Teachers, on the other hand, primarily struggle with household essentials but face lower professional risks. While doctors enjoy greater potential for savings and reinvestments, their financial planning must be more disciplined due to exposure to operational costs and malpractice liabilities.



Monthly Expense Allocation – General Practitioner (₹2,50,000)



## 6. Proposed Budget Plan / Saving Strategies

The following recommendations are presented under three strategic pillars to strengthen both personal financial security and hospital sustainability for the General Practitioner.

### Pillar 1: Building the Foundation of Financial Stability

- **Segregated Budgets:** Maintain independent accounts for hospital operations and household expenditure to ensure transparency, prevent financial overlap, and streamline reinvestments.
- **Emergency Reserves:** Establish dual contingency funds ₹5–6 lakh for household needs and ₹10–12 lakh for hospital obligations to provide a reliable cushion during revenue fluctuations.
- **Comprehensive Risk Cover:** Continue allocating approximately ₹20,000 per month towards health, term, and professional indemnity insurance to mitigate malpractice risks, medical liabilities, and critical illness exposures.
- **Prudent Debt Management:** Minimize reliance on borrowings for infrastructure or equipment upgrades, reinvesting profits where possible. Direct at least 5% of hospital surplus towards systematic debt reduction.

### Pillar 2: Driving Wealth Creation and Long-Term Security

- **Structured Investments:** Commit ₹20,000–₹25,000 monthly into diversified equity SIPs, while balancing risk through stable instruments such as PPF, NPS, and fixed deposits.
- **Goal-Oriented Planning:**
  - **Short-Term:** Build sufficient emergency reserves and upgrade hospital facilities without incurring significant debt.
  - **Medium-Term:** Allocate ₹20,000–₹25,000 per month towards children's higher education using a mix of SIPs and PPF contributions.
  - **Long-Term:** Secure retirement through disciplined investments in equity funds, NPS, and reinvestment of hospital surpluses.
- **Automated Saving Mechanisms:** Enable auto-debits into savings and investment accounts to enforce consistency, reduce impulsive spending, and strengthen long-term financial discipline.

### Pillar 3: Managing Lifestyle and Expenditure Discipline

- **Controlled Lifestyle Spending:** Limit discretionary expenditure (currently ~₹7,500 per month) and redirect surplus funds towards education, insurance, and asset-building opportunities.
- **Enhanced Expense Tracking:** Utilize hospital accounting systems for operational oversight and personal finance applications for household monitoring to maintain accountability and transparency.
- **Balanced Consumption:** Adopt a measured approach to leisure and lifestyle choices, ensuring present enjoyment does not compromise future financial resilience or professional sustainability.

# FINANCIAL STRATEGY FOR GENERAL PRACITIOERS

## Pillar 1

### BUILDING THE FOUNDATION OF FINANCIAL STABILITY



**SEGRGATED BUDGETS:**  
Hospital &  
Household Accounts



**EMERGENCY RESERVES:**  
₹6L Houssheld, ₹12L  
Indemity Insenity Insurance



**COMPREHESIVE RISK COVER:**  
Health, Terdemity Insurance



**PRUDENT DEBT MANAGEMENT**  
5% Hospital Surplus to Debt

## Pillar 2

### DRIVING WEALTH CREATION & LONG- -TERM SECURITY

**STRUCTURED INVESTMENTS:**  
Equity SIPs, PPF, NPS, FDS

**STRUCTURED INVESTMENTS:**  
SEUNE



**GOAL-ORINTED PLANNING:**  
Reserves, Education, Retirement

**AUTOMATED SAVING MECHANISMS**  
Auto-Debits

## Pillar 3

### MANAGING LIFESTYLE & EXPENDTURE DISCIPLINE



**CONTROLLED LIFESTYLE SPENDING:**  
Limit Discretienary  
(₹7,500/month)



**ENHANCED EXPENSE TRACKING**  
Hospital & Personal Finance Apps



**ENHANCED EXPENSE TRACKING**  
Hospital & Personal Finance Apps



**BALANCED CONSUMPTION:**  
Present Enjoyment  
& Future Resilience

## 7. Financial Analysis and Insights

For mid-career medical professionals in the 35–45 age group, prioritizing financial security is paramount. Adequate professional indemnity cover, comprehensive health insurance, and well-defined dual emergency reserves—separately earmarked for household and hospital contingencies—are essential to safeguard both personal and professional stability. Establishing this foundation ensures resilience against unforeseen medical, legal, or financial risks.

While current savings allocation of approximately 18–20% reflects a good starting point, there remains significant scope for optimization. Automating investments, particularly through systematic investment plans (SIPs), helps overcome the challenges of unpredictable patient inflow and demanding work schedules. A disciplined monthly SIP of ₹20,000–₹25,000, initiated at age 38, can potentially accumulate a retirement corpus of ₹3–4 crore by age 60, assuming long-term equity returns of 10–12%. This underscores the power of consistency and compounding in wealth creation.

Ultimately, financial freedom depends less on income levels and more on disciplined allocation. Doctors must resist lifestyle inflation as earnings rise, maintaining lifestyle expenses within 3–5% of revenue to allow greater focus on children's education, hospital reinvestments, and retirement savings. Systematic planning and reinvestment ensure not only sustainable hospital growth but also long-term personal wealth security, striking a balance between professional aspirations and financial well-being.

## **8. Conclusion**

This case study underscores that even for medical professionals earning a substantial monthly income of ₹2,50,000, disciplined financial management is critical to achieving long-term stability and growth. A significant portion of income is typically allocated to hospital operations, staff salaries, and household commitments, making it essential to balance reinvestments in the practice with personal wealth creation. By establishing and maintaining separate emergency funds for hospital and household contingencies, investing systematically through instruments such as SIPs, PPF, and retirement-focused schemes, and exercising strict control over lifestyle inflation despite rising earnings, doctors can ensure both professional sustainability and personal financial security. The analysis further highlights that financial success is driven not merely by high income, but by strategic allocation, consistent planning, and prudent reinvestment. With a combination of robust insurance coverage, disciplined savings, and structured wealth-building strategies, medical professionals can simultaneously secure a financially stable future and foster sustainable growth for their practice.

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