

AI-01761 MD Financial Aid

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I'm a 3rd year resident MD in New York and the financial numbers coming in to my bank is not enough. My parents early retired at 55 and currently running on their savings until 59.5. They are giving extra \$1000 at no regular pace since they just placed the \$1000 at my old debit account and I will grab it when needed. They have money but not super rich, is it time to ask for a regular help at this moment?

This is a complex situation, and it's understandable that you're feeling the financial strain as a resident, especially with your parents also navigating their early retirement. Let's break down the factors to consider before deciding whether to ask for regular financial help.

First, let's acknowledge the current financial landscape for you and your parents. For you, as a 3rd-year resident:

1. **Income:** Residency salaries, while a step up from medical school, are notoriously low for the hours worked and the level of responsibility.
2. **Expenses:** Living in New York is expensive. Rent, student loan payments (if you have them), daily living costs, and any professional expenses can quickly add up.
3. **Future Earning Potential:** This is a key point for you. Your income will significantly jump once you complete your residency and become an attending physician.

For your parents:

4. **Early Retirement (55):** This is a relatively young age to fully retire, and it means they need their savings to last a long time.

5. Running on Savings Until 59.5: This indicates a specific plan for accessing retirement funds (e.g., waiting for penalty-free withdrawals from 401k/IRA). This period is crucial for them to manage their existing capital.
6. Occasional \$1000: The fact they are giving you \$1000 irregularly suggests they are willing to help and have some liquid funds, but perhaps not an abundance of free cash flow. It also implies they are monitoring their own financial situation carefully.
7. "Not super rich": This is a critical detail. It means their savings, while enough for early retirement, likely aren't limitless and are being managed with a long-term perspective.

Now, let's consider the pros and cons of asking for regular help:

Pros of Asking for Regular Help:

8. Immediate Financial Relief: Even a few hundred dollars a month could make a significant difference in your day-to-day budget, reducing stress.
9. Allows You to Focus on Residency: Less financial worry can free up mental space to concentrate on your demanding training.
10. Temporary Support: This wouldn't be a permanent arrangement, as your income will increase substantially in a few years.
11. They're Already Helping: They've shown a willingness to provide support, so a more structured approach might simply be a logical next step for them if they can afford it.

Cons/Considerations of Asking for Regular Help:

12. Impact on Parents' Retirement Savings: This is the biggest concern. Every dollar they give you is a dollar less in their retirement fund, which needs to last potentially 30+ years.
13. Their Financial Plan: They've clearly planned to run on savings until 59.5. Regular outflows might disrupt this plan or force them to draw down principal faster than intended.
14. Potential for Strain on Relationship: While they are your parents, financial discussions can sometimes be sensitive.
15. Setting a Precedent: While your situation is temporary, it could subtly set an expectation that might be hard to shift later.

16. Your Own Financial Independence: While residency is a unique period, the goal is always to become financially independent. Relying on parents, even temporarily, can be a mental hurdle for some.

Is it time to ask for regular help? Here's how to approach this:

Instead of just asking, it's time to have a transparent and open conversation with your parents about your financial situation and theirs.

Here's a suggested approach:

- Express Gratitude: Start by thanking them profusely for the \$1000 they've been giving you. Acknowledge how much it helps.
- Explain Your Situation Clearly:
 - "As you know, residency salaries are quite tight, especially living in New York. Even though I'm working incredibly hard, my current income isn't quite covering my essential expenses comfortably."
 - You can outline some of your major expenses (rent, student loans, food, transportation, etc.) if you feel comfortable.
- Acknowledge Their Situation:
 - "I also understand that you're in an important phase of your early retirement, running on your savings until you can access your other funds. My biggest concern is making sure that anything I ask for doesn't jeopardize your long-term financial security."
 - "I know you're not 'super rich,' and I want to be mindful of that."
- Propose a Solution (Tentatively):
 - "Given this, I was wondering if it would be possible, and only if it doesn't put any strain on your finances, for a more regular, modest amount of support for the next X years until I finish residency and my income significantly increases. Even an extra \$X per month would make a huge difference."

- Be ready to name a specific, reasonable amount that would genuinely help you, but also be realistic about what they might be able to afford.
- Be Prepared for Any Answer:
 - They might say yes, no, or offer a different amount. Be respectful and understanding of whatever their decision is.
 - If they say no, ask if there are other ways they might be able to help (e.g., could they help you research budgeting tools, or review your expenses?).
- Offer a Plan for Repayment/Future Support (Optional but Recommended):
 - "Of course, my intention is to become completely self-sufficient and financially strong as soon as I become an attending. I would love to be in a position to help you both financially in the future once I'm earning more, to 'pay it forward' for all your support."
 - While not a formal loan, this acknowledges their sacrifice and shows your long-term commitment to their well-being.

Key Questions for You to Consider Before the Conversation:

- What is the minimum amount you need regularly to feel more comfortable? Don't ask for more than you truly need.
- How long do you anticipate needing this help? Be specific (e.g., "until I finish residency in X years").
- Have you thoroughly reviewed your own budget? Are there any areas where you can cut back? Even small savings can add up. This shows your parents you're doing your part.
- What are your parents' personalities like regarding money? Are they open to discussing it, or is it a sensitive topic? This will inform how you frame the conversation.

In summary:

Yes, it is a reasonable time to have the conversation about regular help, especially given your demanding and underpaid residency, and your clear future earning potential. However, the focus should be on a respectful, transparent dialogue that prioritizes your parents' long-term financial security. Frame it as a temporary bridge to your future financial independence, and be ready to adapt to their capacity and comfort level.