Wealth in Wellness: Physician's Real Estate Escape with Dr. Alexander Schloe Transcript

(Transcripts are generated by AI and may contain errors)

Podcast Introduction and Guest Background

Welcome to the Doctors Making a Difference podcast, where we help physicians to be empowered with the tools they need to be successful in medicine, in finance, and in life.

Join us as we highlight doctors and other professionals around the world who are making a difference. I'm excited to welcome Dr. Alex Schlow on the Doctors Making a Difference podcast.

A while ago, I had the opportunity to be on a podcast that he hosts and I thought his story was fascinating. He's a really interesting person to talk to and I'm excited to have Alex here on the show.

So Alex, let me just give a little brief introduction of who he is and I'll have you introduce yourself. Alex is a board certified family physician, real estate investor.

He spent years in the US Air Force serving his country and now continues to raise his family and is trying to help teach other doctors how to achieve financial independence, put themselves on a good financial path and be excellent physicians.

So would you mind introducing yourself briefly to our audience, Alex? Absolutely. I'd love to. Thank you, Dr. Crane. Thank you for having me on the podcast.

Really appreciate it and really valued our conversation that we had on mind. So thank you for taking the time to do that. That was a really great introduction.

I'm Dr. Alex Shiloh. I'm a Christian, a husband, a father, family medicine physician, Air Force veteran, as you mentioned, and a real estate investor and entrepreneur, and a podcast host.

And it's been a really, really fun journey. My whole mission really is pretty simple. It's really to help physicians build financial freedom without losing their soul in the process and to help them be free both at home and at the hospital.

And so I think that some degree of financial freedom can really give you that. And I more specifically got pulled into assisted living and senior housing the hard way by seeing what the end of life care can really look like when staffing stretch, when systems are broken.

And remember thinking like, man, if that was my grandma in that situation that I'd be sick. And so that led me into Boutique Residential Assisted Living.

These are small homes with consistent caregivers, personalized routines, and really a true sense of dignity. And so I'm excited for the opportunity to be on this podcast because I think physicians and that physician angle can really matter and make a huge difference because you can build income outside the hospital and you get your autonomy back, but you can help care for others.

And so it's a really great opportunity in real estate to provide true freedom and financial freedom, but also care for others.

A Difficult Assisted Living Experience

And so it's a beautiful blend of purpose and profit. So really excited to share more about it here on the podcast. Yeah. So Alex, let's rewind for just a minute.

Most of the people who listen to this podcast are physicians and you and I can relate both to having done a family medicine residency. We've all walked into a nursing home and you've seen some excellent ones where they have excellent lighting and the smells are good and the people are well entertained and it's staffing is great.

And we've all seen some that are like, Ooh, I wouldn't really want my loved one to be in this place. So I guess just kind of share your experience the first time you had that.

feeling because it was more than just a hunch and it's led to kind of a big part of your life. Yeah, absolutely. Yeah, I got started or my first kind of exposure into assisted living.

I was 15. I was my first W-2 job. I was kind of the jack of all trades, handyman, cook, all the above in this assisted living home. And it was a bigger box facility.

And that was my first kind of true exposure to the model and what that looked like. And they did some things well, they did some things poorly. But the story that you're alluding to, Dr.

Crane, was when I was in residency, I was rounding with another resident in an assisted living facility and we walked in and you were kind of immediately hit with that stench of like urine, feces, little bit of bleach, not enough.

And we looked around and we saw a bunch of mattresses with residents laying on the floor in the hallways because there wasn't enough space in the rooms for the residents that were there.

And we walked up and there was this frail demented lady. She was probably in her mid to late eighties. and unfortunately just delirious and completely out of it, but she was sitting in her feces and sitting in her urine and it was on the floor on a mattress.

And it was really evident that it had been like this for quite some time. And so we were looking around trying to find somebody to like help us with caring for her and we couldn't find any caregivers.

So the resident I was with and myself, we did our best that we could to kind of clean her up and restore some dignity as best as we could. And then a caregiver came running around the corner like her hair was on fire and she's like, Hey docs, I'm so sorry.

I've been taking care of like 15 or 20 other residents. And, you know, I just didn't have time to get to her yet. And so I remember like sitting there in that moment thinking about like, if that was my grandma, And that was her laying on a mattress on the floor, in her urine and in her feces for probably hours, how frustrated and angry I would be and disappointed by the fact like I'm paying thousands of dollars for her to be here and just really getting poor care.

Like you mentioned, there's a lot of great nursing homes who are doing fantastic work in assisted living facilities that are fantastic. But unfortunately, there are also a lot of ones that are like this.

And there's a lot of grandmas and grandpas who are not getting the care that they deserve. And senior care is broken. And so I think that residential assisted living is a way to really help improve that.

Yeah, and then it's probably made the headlines. Most physicians have probably seen this. The Center for Medicare and Medicaid Services has announced a pretty large requirement cut to try to reduce the staffing ratio requirements, and state by state that varies.

I know in my home state of Idaho, there was a large cut just announced across the board for all Medicaid providers including nursing home facilities and what I envisioned is these reduced staffing ratio requirements and reduced funding inevitably will lead to some more complexity and difficulty with trying to get those things staffed appropriately and so I think it's a really relevant topic for now and those of us that work in this space you know trying to help people manage the end of life It's really important.

And I like how you said it there, Alex, if you think of every one of those folks who lives there, somebody's grandma

or grandpa is someone who lived a valid, wonderful life.

And a lot of them have dementia. They have other things that have occurred toward the end of life, but they deserve the dignity and respect that we would want our own grandparents to get.

And so I, yeah, how did you respond to that? You know, what changes, I know you've made this boutique business and I'm curious how that went from an idea and an observation to something where you say, maybe I can actually do something to help this.

How Residential Assisted Living Began

Yeah, absolutely. Thank you for that. And I completely agree. I think, you know, our grandmas and grandpas deserve so much better than that. And we kind of have a duty and a service to provide that.

And I think physicians are uniquely equipped for that. And I'm sure we'll get to that a bit later on. Yeah, you know, that was something that really always stuck with me was those experiences.

And, you know, we all as family med docs have had those experience and unfortunately, there were more similar ones. And then you're working in the ER and you're seeing the other end of what happens when folks may or may not be treated appropriately and how that leads to all these other unnecessary hospitalizations and so forth as well.

And so I'm in a mastermind community called The War Room, which is for military members, active duty veterans and retirees. And I met my two partners there, Charlie and Luke.

And Luke was actually the first one who was like, Hey, I think we should get started in assisted living. And he heard a podcast episode with a gentleman who had mentioned residential assisted living.

And that was the first time we had heard that phrase before. I knew that there was obviously the big box facilities. I didn't even know that residential assisted living existed.

And so Luke brought that up during one of our weekly mastermind calls and was like, I'm really interested in this. I'm thinking I'm going to purchase one.

And the way we got started was purchasing these homes and leasing them out to operators. So we would vet an operator and then we'd essentially be providing the real estate to them.

And the operator would run the day-to-day care. And that was a more passive way to kind of get started on the assisted living journey and in residential assisted living while still working full-time.

So that's how we got started and how we got introduced to it was really through Luke, our partner. And then we ultimately bought five that we leased to an operator and we bought three more in Wisconsin that we partnered with an operator.

And then we've kind of grown from there and done some developments and so forth. But really, it just kind of blew my mind when you think about residential assisted living.

And for folks who are like, what does that even mean? I've never heard of it. I want you to picture like a large single story house with numerous bedrooms and bathrooms.

It's like I said, typically single story. And it's a nice single family home that's been renovated are retrofitted to provide exceptional care for seniors.

And typically this is six to 16 residents depending on your state. There's been some accessibility modifications, you know, fire suppression systems, a sprinkler system, fire alarm monitoring panel, a wheelchair ramp, maybe some widened door frames, grab bars in the showers, all those sorts of things.

but it's renovated or retrofitted to that. And then you're providing care in the home. And so it's a much more community-based. It's a lot more personalized care.

The caregiver ratio is typically one to five or one to eight residents compared to like one to 15 or one to 20. And residents actually live a lot longer in that community setting.

So it's a really, really fantastic model. I remember Alex, just kind of on a personal note, my grandmother, actually my great grandmother, I remember visiting her as a boy and she was in something like that.

Obviously I was a kid. I don't remember the details. It was a home and there were just eight or 10 people. They were living in a living room and there was obviously a nurse or a caregiver in the home facility.

And we went there and it felt like we were visiting her at her house. She was in the rocking chair and we talked to her. And I remember that. So it must have been around to some degree for a while, but it is kind of a neat model.

I'm assuming that, like you say, has the potential to make your staffing ratios acceptable. And then the other thing I think is interesting is, you know, most people would prefer to live in a home if it's reasonable, if you can make it work.

So that's interesting. What's been your experience with that? Yeah, absolutely. I think there's a ton of really cool things about residential assisted living.

I could go on forever, but in regards to that, I think some cool things to think about is a lot of times these homes are right in the neighborhood, right?

And so there's even potential for that senior to move from their house where they have been living independently. They really don't want to leave their neighborhood and they don't want to leave their community and they don't want to leave their friends.

And then potentially just go if they need that help with activities of daily living, they could move into that residential assisted living home right down the street.

And as more and more of these open and there's more and more opportunities in different areas, I think it'll be a really cool way to keep seniors in their community and in their neighborhood and really help keep them connected.

So I think that is awesome. And yeah, I agree. It has been around for a long time. It hasn't been really well known and hasn't been really well publicized until recently.

And I talk to people every day who have no idea that it even exists.

What Boutique Assisted Living Looks Like

And so many folks are like, man, I wish I knew about that when my grandma or grandpa needed an assisted living home. I think that would be such a better experience.

That's a big part of like my mission now is telling everyone I can about residential assisted living and going on awesome podcasts like this to be able to share it because all of us, you know, have aging parents or grandparents and they're ultimately probably going to need some sort of assisted living care.

And this is a really great way to do it. So what does that look like as far as the nuts and bolts of a payment structure? Because that's one challenge is a lot of folks end up in a situation where they're only payer, they've exhausted their resources, they're on Medicaid, or there's other situation where they say, look, the payment's not the issue.

We're just trying to find a place for our loved one. Who's kind of the ideal person to be in that? And if you're a

physician kind of thinking about something like this, what does that look like?

Yeah, great question as well. Yeah, so I mean it is expensive end of life care assisted living care is expensive and you know back in 2025 the median cost for assisted living as a whole.

This is also taking account. Some of the big box facilities as $5500 per month across the United States. Now, of course, that depends on where you're at.

Obviously, in California, they charge way more. Maybe in Alabama, they charge less. And so it just depends where you're at from that perspective. And if you look at kind of the cost of elderly care as a whole, and you look at that number as more the median for residential assisted living, when you're looking at, for example, having a one-on-one caregiver, 24-7 care, that's going to come out to about $90,000 or so per year.

When you look at more of these big box facilities, oftentimes what happens is you have like a application fee to just get you on a wait list. And that can be thousands upon thousands of dollars just to get on the wait list.

And then you have your base price, which is typically, you know, somewhere around $5,500 or more depending on what's provided. But then they're going to tack on like medication management, transportation, the salon, all these other extra costs.

So it ends up being much more expensive. Residential assisted living tends to be typically more all inclusive, right? You pay your monthly resident rate, you get access to everything.

And so it ultimately tends to be a much cheaper model for folks and also provide way better care. To answer the payer question, that's always a difficult topic of discussion for our mastermind and for us.

And what we typically tell folks to kind of optimize to right now is private pay. So these are typically folks who may have like a lot of equity in their house and they sell their house or their kids have quite a bit of capital saved up or they have long-term care insurance or something like that to help them pay.

And so that's a good way to do it. Reason why we kind of focus on private pay is, as we all know, Medicaid is frankly a pain. And in order to get paid through Medicaid, you have to submit all this different documentation.

And for example, if you're just missing like a period or a comma, there's a minor error on the forms that you're submitting to get paid. they don't pay you and they don't tell you what's wrong and then you're just submitting the paperwork again and hoping that that's right and then submitting it again.

So we've heard just so many headaches in the Medicaid space that we really tell folks to focus more on private pay and we have as well. Now I would be remiss if I didn't mention obviously there's a kind of a senior housing crisis not only in the lack of number of beds that are available, but also the cost, right?

It is expensive. And, you know, to be completely honest, like I would love to figure out how we can house seniors very well, more affordably, but this is a business and the margins are tight when you're paying for 24 seven care and you're paying for housing and all those sorts of things as well.

So we do not have the answer yet for that piece.

Costs, Payer Mix, and the Senior Housing Shortage

But I'm hoping as we continue to grow our business and generate some more revenue and talk with more and more people and network with more and more people, we can figure out that affordability crisis that's going to come as well.

But right now, from a demographics perspective, and it's important for folks to know this, there's 77 million baby boomers in the United States Seven out of 10 of them are going to need long-term care.

It's 59 million boomers. And depending on what different data you're looking at, there's like McDavid Senior Investments and NIC, which is N-I-C, a bunch of data looking at the number of senior living beds.

We're anywhere from 645,000 to a million bed short right now. And if you look at the baby boomers, the first baby boomers just turned 80, and the median age for assisted living is 82. So we're already 645,000 to a million beds short right now.

And we don't even have the majority of the boomers aging into these homes yet. So folks have heard of that silver tsunami and that's what's coming as the aging demographic is the United States continues to age and we already have this massive supply demand mismatch.

So Now's the time for folks who are interested in this to really get started, to really learn more, because the opportunity is massive. And I think the only way we're going to be able to really combat this crisis is by utilizing single-family homes and converting them into residential assisted living.

It takes a long time to build these. Haven Senior Investments looked at the number of new investment in new development for assisted living that would be needed to build enough beds.

And it was $1 trillion with a T to build enough. to combat this crisis. So there's just a lot of opportunity that's needed and unfortunately, affordability is a piece of that and just sheer number of beds is an enormous piece to that puzzle as well.

And I'm worried about what that's going to look like for my grandma and grandpa when they get to that point. You know, I'm just thinking every week I'm discharging somebody to either a care center or either a nursing home, assisted living facility, going to live with family members, going out of town to a bigger area to some sort of senior living thing.

And we don't really have that on our radar of a small. independent residential facility but it'd be just exactly the right answer for some folks especially if you say look it's economically viable and you get personalized care and instead of saying I got to go through 15 layers of administration to find someone to make a change you just talk to the administrator of the facility because it's just like your little group so anyway I think it's kind of a cool idea From a senior care standpoint, and I also think it's really interesting for physicians to be involved in this.

And you've talked a little bit about in your podcast and on your website and information, how physicians really are kind of ideally suited to lead this.

And again, you know, this podcast is about. Doctors who make a difference and making an impact on your community. This is one way probably you can make a difference and put your financial house in order.

So maybe just talk about that for a second. Why would you see physicians as being ideal candidates to own one of these or manage one, especially with the time constraints that the doctors have?

How could you make that work? Yeah, absolutely. Yeah, I think physicians as a whole, obviously, we know so much about caring for seniors. We know what really high quality care looks like.

And particularly, you know, family medicine physicians, internal medicine physicians, emergency medicine, the folks who are like really on the front lines of providing care for seniors in some capacity, we really understand that.

And unfortunately, we've seen a lot of the negative consequences and the bad that may or may not happen in some of these homes and facilities. A lot of times, too, you know, frankly, health care workers or physicians are burnt out and they want other opportunities.

And this is a way that from a financial perspective, you really can create financial freedom, which is one of these homes that's owned fully occupied and operated well.

And you can create financial freedom with that and still get that purpose and that profit that comes along with caring for seniors in the setting. So there's a really great synergy and win-win from that perspective.

In terms of physicians though, you know, yes, we're very time limited, especially if we're practicing full time. And so there's really kind of three to four different ways that you can invest in assisted living.

And some of those are more passive and some are more active. But I think it's important to hear the differences between the two and think about, okay, is this something that I could fit into my investments?

Is this something or an opportunity that I could maybe fit into my life and help me create some degree of financial freedom? And so, you know, you could always invest as a passive investor.

That'd be more of like a limited partner investment. Hey, I want to Partner with Alex on one of his development projects if he asked to raise capital I'm gonna do my due diligence on him in the project and I'm gonna invest with him and he's gonna send me a distribution Monthly or quarterly and that's passive investing that you could get started still and get that exposure to assisted living That's about as passive as you can get and that works really well for some physicians and there's tax benefits and other things too That we could talk about but that's one way to do it Then the next kind of little bit more active way to do it would be the least operator model.

I talked about earlier earlier, you know, Hey, you're really interested in real estate, you're really interested in assisted living, you want to get involved, you want to own the real estate and get all the benefits of owning the real estate, then you purchase the home and you lease that out to an operator who runs all the day to day care.

That's going to cashflow about as much as a short term rental. So usually two to $5,000 or so per month, depending on where you are and what level of care you're providing.

And without all the headaches, now the linchpin to that is you have to have an exceptional operator. You really have to vet the operators because that is your like potential point of failure would be putting in a really poor operator.

But if you do that, that becomes passive. It's a commercial lease. They're responsible for the licensing, the day-to-day care and the maintenance on the home typically.

So it's just a really great way to get started and get some real estate exposure. The next way, which would be the highest cashflow potential, but also the most active would be you own the real estate, you own the operating business and you go from there.

There's a lot of ways to kind of take a step back, right? So like as a physician, if I own the real estate and I own the operations, maybe I bring the capital, the healthcare knowledge, the real estate experience to the deal and I partner with an operator and we both own the real estate.

and the operations. That's a great way to do it. Or maybe you hire a manager and the manager is like a retired or a burnt out nurse who just still really wants to provide care to seniors, but they don't want to work on the floor anymore.

And they come in and they manage the home and they oversee the home and they handle all the hiring and the scheduling of the caregivers and run the day-to-day care.

So there's some other ways to kind of make owning the real estate and the operations more passive. But as I mentioned, if you do this and you do this well, you can cashflow quite substantially.

And you really could hit that kind of $10,000 per month of cashflow. If it's owned well, it's operated well, and you're providing high quality care and getting good leads that way.

So it's a really great way to do it. And I'd encourage you if you're listening to think about, well, hey, how does that

best fit into my life and my investment thesis and what my goals are going forward?

There's a way that you can help and get in on the silver tsunami and this assisted living. housing crisis that we're going to see going forward.

Why Physicians Are Well-Suited to Lead

Thank you for sharing that. I was actually really curious, kind of the nuts and bolts of it. So thank you for talking through that because it sounds nice, but then the actual operational side of it, you have to figure out a way to do, no matter what we do financially, we have to fit it in because you're busy with your family, you're busy with your practice, likely you're paying off student loans.

There's a lot of practical considerations of what you can do and you got to be wise with your time and your money both. And it sounds like You know, for the right person, this model could be a win-win.

It's kind of a different iteration of real estate investing, but it's specifically applied knowledge from what you have as a physician. Yeah, absolutely.

Especially owning the real estate and the operations. It's really a beautiful blend of real estate and business at the same time. Cause it's really, you know, a business within that home.

And so it can be a great way to do it. But yeah, if you're thinking, man, that sounds like way too much to handle, then maybe lease to operator model or investing passively would be a better option for you.

There's nothing wrong with that at all. Just know that there's a lot of different ways that you could invest and get involved in senior living. Yeah, I want to pivot for just a minute on why even worry about this because like you could say, well, I finished residency.

I'm up to my eyeballs in debt. I'm so busy. I'm trying to raise a family. I've got all these things. I don't even have time to think about this or Sometimes people get to where they say, I got into this and I don't know even how to, I'm just barely surviving.

I'm doing notes at home until 10 PM. I don't have time to think about real estate investing. I don't have time to think about anything. And so I think we've all been to that place of overwhelm and burnout.

and people sometimes get so frustrated, they feel like their only option is to just look for an exit strategy. And what I think I'm hearing you describe is a system where you stay engaged, you still work as a physician, and you develop a cashflow system that helps you be financially independent.

So talk to me a little bit about why it's important for physicians to seek tools to seek financial independence. I mean, it sounds obvious, but for a physician community that's so busy, we don't hear much about finances in our training.

educate us a little bit about that. Why did you find this to be so important? What would you tell others? Yeah, I would love to. I'm really passionate on this because I think real estate and entrepreneurship or some degree of financial freedom can make you a better doctor, can make you a better spouse, can make you a better parent.

And there's a lot of different reasons behind that. But I also did not get that investing knowledge. I didn't get any business education. I didn't get any of that in med school.

And I'm sure pretty much everyone listening to this podcast probably didn't as well. And so I think it's really important. And I think that a lot of times folks hear like financial freedom, or they hear real estate investing, or they hear just investing in general, and they kind of automatically claim up because either they don't know or they've all heard of like, that physician that they know who got taken advantage of and, you know, frankly, they probably got taken advantage of because they didn't have any of that financial literacy.

So I think it is really important to educate yourself. And I think that there's ways that you can get started and kind of plant the seeds early despite, you know, med student debt and despite, you know, kind of overwhelm A lot of ways, I talked to a lot of med students and residents about this.

And what I've recommended them typically to start thinking about it is like, Hey, just some degree of investing, right? When you're young, compounding is going to do its thing.

It's going to be beneficial. But if you think you want to invest in real estate, there's some kind of more simple ways to do that. That can be kind of less taxing.

And my favorite way to do that is house hacking and anybody can house hack in some variety. but it really works great for residents because you can get a home.

Typically you can purchase a home on a physician loan. I did this when I went into residency. I purchased a home with a physician loan, no money down.

It cost me $58 out of pocket. What I wish I did, I got married instead, which was a way better way to do it. So I guess I shouldn't say I wish I did, but what you can do is you can house hack.

And so what house hacking means is you live in the house, you live in one of the bedrooms and you rent out all the other bedrooms. to your other residency mates.

They're paying you rent, and then you're making money and or living for free. And you're taking down one of your biggest expenses, right? Imagine if you're a resident, you come out and you have $200,000 in debt, you buy a house with say, five bedrooms in it, all your residency mates are in there.

They're each paying you a thousand dollars a month. That's 4,000 plus you're living and say you're still cash flowing a thousand dollars a month on that home.

Well, what if you took that thousand dollars a month that you got from your house hacking and then you put that towards your student loans and just think about the different ways that you can kind of start stacking that cash up and start paying off student loans sooner or investing that in other projects and opportunities.

So house hacking is one of my favorite ways to get started. In fact, we still house hack our basement here in Colorado Springs. We have a separate walkout apartment here at our house and it's a little one bedroom, one bath apartment.

And if you average that out throughout the year, that apartment pays for our mortgage taxes and insurance. So we live for free in Colorado Springs, which is pretty, pretty amazing.

And so there's a lot of different ways that you can do that, but that's a great way to get that real estate exposure. And also, you know, like I said, take away one of your biggest expenses, which is housing and potentially make money along the way.

Oh, and also by the way, that house is most likely going to appreciate you have massive tax benefits of being in real estate is amortized. It's leverage.

You're paying down that loan. In fact, your tenants are paying down that loan because they're paying you. So there's a lot of great opportunities and great ways to get started.

that are kind of quote unquote less risky from that perspective. So I would just encourage you to start educating yourself early, start listening to podcasts like this.

Bigger Pockets is a great real estate podcast, Action Academy, Physicians and Properties, which is mine, I think is relatively decent. And so just getting that knowledge and starting to learn those things early on is going to be really,

really helpful for you going forward.

And then when you start getting to the point where that cashflow is being generated and you start saying, okay, I'm making money by not doing any more work.

You're going to get addicted to it.

Financial Independence and House Hacking

And then you're going to start investing more. And then you're going to see, Hey, my money that I am making, I'm now using to make more investments. And that snowball starts to happen.

And before you know it, you've generated a pretty significant amount of cashflow that's coming in relatively passively. And there's so many benefits to that.

Maybe now, you know, you have a few thousand dollars a month coming in from your investments. Now you only have to work four days per week or maybe you don't have to moonlight anymore.

There's just ways that you can start getting more and more freedom and buying that back over time. It's a marathon, not a sprint. This isn't a get rich quick scheme, but over time you'd be very surprised how fast that snowball.

grows and builds, and then the next thing you know, you've hit financial freedom. And then you kind of practice medicine because you want to, not because you have to.

You can practice medicine in a way that gets you a whole lot more joy. And I think that's going to make you a better doctor. I get some flak sometimes when I talk about real estate from other physicians who I think don't really understand where my heart is.

I'm not sitting here telling people, I think you need to invest in real estate and entrepreneurship so you can quit medicine. That's not the case. I think you should have some degree of financial freedom to make you a better doctor to keep you in medicine, because you have some autonomy, you have some control, you have some freedom back.

And I think that is huge. And I think that's what physicians need. Yeah, 100% agree. I mean, that's Doctors Making a Difference podcast. One of the ways to do it is to try to make medicine better for everybody, try to make it better for those who come afterwards.

And the financial piece of it, I just can't overstate how important that is. If you're a resident or if you're new attending, you may find yourself saying like, well, I've just started, I'll worry about that later.

But like you talked about the compounding power of time with your income is powerful and I think some good lessons that I've learned and I'm thankful that somebody taught them to me was live frugally in your first few years, invest early, take advantage of things if you have an employer that'll do a matching investment, especially if it's an income protected or tax protected modalities, like a 401k, take advantage of that stuff.

And then look for other opportunities that are not just a hundred percent in the stock market because real estate kind of operates in its own thing. And so you've described really well that a different way to do it.

One of the questions I wanted to follow up on with is, so this is going to be appropriate for a lot of people, this type of investing and looking for a residential assisted living.

I guess another question, who is it not appropriate for? I guess what career stage, some income level, debt level, who would it not be appropriate for among physicians?

Yeah, I think from an assisted living perspective, I mean, it first depends how you want to invest. And that's going to kind of determine what requirements are there.

Obviously you're going to have a lot more income reserve requirements, you know, kind of financial requirement. If you're doing say a new development or you're purchasing a home and you need that 25% down payment, if you're not going through SBA financing, or whatever that may look like.

So for those folks that are listening, and that's going to be much more active. So it's going to be really hard for maybe a brand new physician to come in and be like, Hey, I want to purchase land and build from the ground up, you know, a memory care home or residential assisted living home.

That's going to be a lot more difficult of a process. Investing passively may be an easier way to do that and get started because you don't have like those debt to income requirements.

You may or may not need to be an accredited investor. So accredited investors, that may impact that. But really, I think that there is a way for everyone, if they're interested in investing assisted living, to get started.

But typically, you have to, and I've kind of harped on this a few times, it's really important, I think, to sit back and figure out, okay, what is my five-year vision, my three-year vision, my one-year vision?

What are my investment goals? What am I trying to accomplish? And then figure out what investment vehicle is the best way to do that. If you haven't invested at all in real estate, then I think it is completely appropriate to kind of sample different markets and different asset classes.

Folks probably heard of like the shiny object syndrome. I don't think that's necessarily a bad thing. I think where shiny object syndrome becomes a bad thing is if you've been investing for a while, you figured out what you love and you just stopped doing it because you're bored and invest in something else.

But what I mean by shiny object syndrome is there's all these different asset classes in real estate, single family, long-term rentals, short-term rentals, midterm rentals, multifamily, industrial, all these different commercial real estate asset classes, assisted living.

It can be overwhelming just to figure out a path. And so I tend to think of it like you're going to an ice cream shop and each one of those different asset classes are a flavor of ice cream.

When you first go to the ice cream shop and you don't know what you want, you get a sample and you see. So maybe that's doing a small investment in mobile home parks syndication, for example, and see, Hey, do I like mobile home parks?

No, I don't. Okay, I'm going to take another sample and go from there. Once you figure out what you truly love and what flavor you really love, then you get the whole bowl of ice cream and you go from there.

That's what I did when it came to residential assisted living. I mean, we invested in multifamily and in short-term rentals and long-term rentals and a boutique hotel and a mobile home park and all these other different asset classes before we figured out like, hey, this is where we're really passionate and what we really love.

We're going to go all in on that. So bottom line, I think figuring out what your goals are, what you want your life to look like, kind of figure out what your dream life is or your vivid vision, and then work backwards and figure out, hey, what are the small steps I need to take along the way?

It's like that old saying of, do you know how to eat an elephant? One bite at a time. It's the same way when it comes to investing as well. Yeah. I would argue just like what you said, when you're first starting out and you're trying to get educated, fill up those initial buckets first on, you know, something where if you haven't really maximized your tax advantage savings accounts, or you haven't taken advantage of an employer match, or you're just barely getting started, maybe fill up those buckets first because a lot of times those are right there, they're kind

of low hanging fruit.

Pretty important to reduce your expenses and get your financial house set in the right direction. But pretty soon, I think a person goes on for a little bit and they realize, okay, I'm being really frugal and careful saving 15, 20% of my gross income.

And now I want to branch out a little bit. And I think that's really good advice, really good education. Start slow, figure out where you're at. because it can be overwhelming.

And there's a lot of talk about real estate investing, but this is a really specific area or ice cream flavor, like you said, of real estate investing.

And it's a nice way to kind of get exposed to it. Most people that I know that are using real estate pretty heavily in their portfolio have been in practice for five to eight, 10 years, something like that.

They filled up those initial buckets. They've got a good management plan in place. And then they're trying to say, how do I build cash flow? How do I do something so that I can achieve financial independence?

And then once you get financially independent, don't quit medicine, just be a better doctor and find a way to work on your terms. And anyway, what other thoughts have you had on that?

Yeah. I love that. I want to foot stomp that too. I am a hundred percent pro. Let's get that initial financial literacy. And I think white coat investor does a really great job at that.

Like, Hey, let's get our financial house in order. Let's have our emergency fund. You figure out how much you want that to be, whether that's three months or six months.

And then, yeah, take advantage of all those, you know, almost free money, right. And a match like it'd be silly not to do a match. And I know I talked a lot about real estate, but I still have a Roth IRA.

I still have a TSP. I still invest some in the stock market. The majority of my investments are in real estate. And I firmly believe that, but I don't think that there's anything wrong in being diversified.

And I think there's a lot of benefits as a whole. So I just wanted to definitely hit on that financial foundational education is really, really important.

And so be thinking about that as well. And rich dad, poor dad. That's another great book that you can read that kind of flips your mindset to think more about assets and liabilities and how, Hey, I want to accumulate as much assets as I can, and then use those assets to buy my liabilities.

And Dr. Green, you hit on something that's perfect. I think that a lot of folks fall prey to is they graduate residency where frankly you're making peanuts.

Who This Strategy Fits Best

You get that first attending salary when it's outside of the military and you're like, wow, this is a ton of money like I got to go buy the Tesla and the Rolex and you know the big house right don't do that the longer you can delay that as you mentioned the more you're going to set yourself up for success going forward so I just wanted to foot stomp that because I think that is most important and then once you have you know, some income saved up and you have your emergency fund and you're ready to start branching out.

That's when real estate can be a really beautiful thing. The only caveat to that I would say is do strongly think about house hacking because that can be a great way to take advantage of real estate early on that really the risk is more minimal from that perspective.

Oh, that's brilliant. And don't forget some disability insurance. I talk about this on the podcast. I've shared my own story and man, get that early. Try to make sure that it's shored up and re-examined every couple of years so that it really would replace the intended 60% of your income.

It's a mistake I made. I bought it when I was right out of residency. just kind of set it and forget it and let it kind of raise up with the inflation-based incremental increases.

But I never really said, would this actually still replace 60% of my income? And as we got busier in practice and do all that stuff, suddenly it really wasn't.

And then when I got a health problem that would make me ineligible for future increases, suddenly I can't go back and re-underwrite that. So that's an important piece of, you know, it's kind of a different topic for a different day.

If somebody's listening to this saying, what do I do? Cause I'm trying to start, start with those building blocks we just talked about. And then pretty soon in that financial journey, real estate ought to be one of the building blocks on that.

And you've given us some really sage, interesting advice, not just based on a book you read, but on your own lived experience. And I appreciate it. So thank you for taking the time to do that.

Thank you. Yeah, I appreciate it as well. And you know, I just want to say that I'm living proof that this is I practice medicine now part time, typically two days per week, because I still love practicing medicine.

And I'm now able to spend more time with my family. You know, I was able to go to Europe for a month with them on a camping trip for a month with them.

And I don't say that to like to brag, I just say that to show that like, I was able to achieve essentially financial freedom in about four years. And if you work hard and you're diligent for four years, you can do the same thing as me.

And then you get to that point where you're like, wow, this is amazing. Now I'm working because I genuinely love still to see patients and it has made me a better doctor.

It's made me a better husband and it's made me a better dad and grateful to have those experiences with my kids while they're young. So I think there's no time better than today to get started.

Awesome. Well, where can people follow your work? I've highlighted you, Alex. I think you're a doctor who's making a difference. You know, that's what we call the podcast, Doctors Making a Difference.

And I want people to be able to say, I want to follow his work or I want to learn more. What do they get a hold of you? I appreciate that. Physicians and Properties is the podcast, easy to find.

If you're really interested in the assisted living side of things, If you go to the RAL room, R-A-L room.com, there's a bunch of resources there.

Final Advice and Where to Find Alex

There's a free 10 step guide to get started. We typically do free webinars every other week, typically on Tuesdays. They're recorded so you can sign up for one.

That's a great way to do it as well. You can also find me on LinkedIn. I'm also the only Dr. Alex Schloes also investing in real estate are probably the only one I think in general.

So you can just Google me and find me there as well. But yeah, I'm grateful for the opportunity. I love what you're doing on this podcast. I think Doctors have such a huge potential to make a difference in our patients' lives, but

also in our own lives and the lives of our family members.

And we kind of owe it to them to do that as well. And so thank you so much for having me on the podcast. I really appreciate it. Yeah. Thanks, Alex. Keep in touch.

Thank you. Yes, sir. Thanks for tuning into the Doctors Making a Difference podcast. And thank you for what you do to help your patients and your community.

Your work truly helps so many people. We produce this content to help you have the tools you need to stay in medicine and to highlight the amazing work being done by physicians around the world.

Please note that while I am a physician, and many of the guests on this program are also physicians or other professionals, the discussions on this podcast do not represent my employer or any professional organizations to which I belong.

This podcast is for your information and entertainment only, and should not be taken as professional advice. You should seek appropriate professional advice pertaining to your own situation.

Please check out more of our content on our website, doctorsmakingadifference.com. Also, please follow, like, or subscribe on your podcast player or YouTube channel, and give us a five-star rating.

It really helps to spread the message. Finally, if you'd like to be a guest on the podcast, or if you'd like to nominate someone else to be a guest, please visit the website or email admin at doctorsmakingadifference.com.

See you next time.