

TOD STILLSON MD

20 REASONS

A portrait of a middle-aged man with short, graying hair, a beard, and glasses, smiling. He is wearing a light-colored, short-sleeved button-down shirt. The background is a solid dark blue.

**EVERY DOCTOR SHOULD FORM A
MICRO-CORPORATION DURING
RESIDENCY**

[SimpliMD™](http://SimpliMD.com)

1

Your professional license is special.

You are provided an entry ticket into an exclusive club when you earn your medical license after your first year of training. The right to form a micro-corporation is limited to professionals, including lawyers, entertainers, engineers, dentists, accountants, and doctors.

2

It preserves your professional autonomy. Micro-incorporation is the best preventative measure against burnout within a broken physician labor system. That is because it keeps you in control of your professional life. It is alarming that over half of you will experience burnout and risk losing everything you have worked so hard to earn. You can best combat this risk by preserving your professional autonomy in a micro-corporation and entering the marketplace as a micro-business.

3

It improves your financial well-being.

Self-employed doctors earn nearly 10% more annually than their traditionally employed peers. On top of this, by implementing small business strategies, you can retain an additional 10-15% of those earnings.

4

Business-to-business professional contracts offer better preservation of your professional autonomy. The truth is that traditional employment is an individual-to-business contract (W-2) that results in a loss of control over your professional life.

Your employer will have to power to dictate, manage, and oversee your professional practice of medicine. In comparison, business-to-business contracts provide a framework that allows you to maintain control over your practice and make decisions that align with your professional values and expertise. By entering into business-to-business contracts, you can ensure that you have the freedom to make independent medical decisions without interference from external entities. This autonomy is essential in upholding the highest standards of patient care and ensuring that medical decisions are made based on what is best for the individual patient. Furthermore, these contracts offer protection against potential conflicts of interest or pressures from third parties. You can negotiate terms and conditions that safeguard your professional integrity, enabling you to prioritize patient well-being above all else. In addition to preserving professional autonomy, business-to-business contracts also provide you with financial security. By establishing clear terms regarding compensation, billing practices, and reimbursement policies, you can focus on delivering quality care without worrying about administrative or financial burdens.

5

A micro-corporation can lower your education loan payback payments. The most common way to lower your loan payments is to get married, and have children because they lower your adjusted gross income (AGI). But young doctors often overlook how self-employment through your micro-corporation provides you with the power to control and reduce your AGI as well. AGI is one of the secret powers of self-employment work—you get to determine your reasonable salary. In most federal student loan income-driven repayment (IDR) programs, a lower AGI leads to a lower calculation of your discretionary income which is the lever for determining your payback terms. In the end, the lower your AGI, the lower your loan payments, and the greater your federal subsidy.

6

Job stacking. Job stacking involves working at more than one job, and earning income from multiple professional sources. Due to physician labor shortages, and massive demands for your professional services, there is a surge in job stacking with over half of doctors currently having side jobs. Functionally job stacking involves building a combination of W-2 and 1099 work that leads to a preferred quality of life. For many Gen-Z and Millennial doctors lifestyle is the target and stacking multiple income sources is the preferred way to reach this. In this new professional work paradigm, a micro-corporation serves as the ideal infrastructure to support it. A micro-corporation offers diversified contracting options, allowing you to pursue both individual and business contracts for various jobs.

7

Physician labor changes are needed because the status quo is broken. When you sign an individual-to-business contract such as traditional employment, you enter the marketplace as someone else's asset. Large corporate entities view you as a piece of business machinery in their healthcare factory. You are a revenue-producing asset to them, distilled down to a commodity that they impersonally control. This control is exemplified by the burdensome corporate cash register in the exam room called the EHR that you have to populate for them with a "just one more click" mentality. In contrast, when you are an individual micro-corporation, you are empowered to define and control your entry into the labor marketplace as an individual or micro-business via a business-to-business contract. Instead of passively allowing the marketplace to force you into their mold, you can now take charge of your own path.

8

You are a quick learner and teachable.

While your medical training may not have included business or personal financial education, you can easily acquire the practical skills needed to succeed personally and professionally. You don't need an MBA for this; all you need is a trusted self-service business competency source exclusively created for doctors like SimpliMD. Here you can join a like-minded community of doctors who are committed to growing their micro-business skills and competency. Micro-businesses are not complicated, and their management can easily be mastered by you with just a little support.

9

Residency is a crucial time for building the best foundation for your career. It is much easier to build a solid career foundation, including a micro-corporation, right from the beginning, rather than trying to deconstruct and rebuild it later in your career. Even if you plan to enter the marketplace as a traditional employee, having your micro-corporation available for use when the time arises will provide you with the flexibility to engage in any job contract for your professional services as an employee or as a contractor—whichever is better for you.

10

A micro-corporation during residency will allow you to scale your business skills and knowledge slowly. By starting off with a simple structure and very small cash flow through moonlighting or other side jobs, you can slowly get a feel for how to operate your business. This will instill confidence as you manage the larger income associated with being an attending physician, and then later can layer in more sophisticated business and income retention strategies.



A micro-corporation allows you to retain more of your income. As a self-employed doctor or independent contractor, you have more options to retain income than you will as a highly taxed traditional W-2 employee. This is because small business owners have more control and influence over their adjusted gross income (AGI) and have more cash flow channels to get money into their household beyond just salary. While your large income as an attending may make this point seem insignificant, I must admit that my unawareness of this professional small business option cost me a million dollars in the first half of my career.

12

You have the flexibility to outsource the operation and management of your micro-corporation. Due to your lack of small business training, many doctors fear the burden of running a micro-corporation.

But managing an employee of one (yourself) is not too difficult. However, you also have the option to outsource your operations to a team of accounting, business, and legal professionals. Unlike many small business owners, your large income will make this an easy business expense to consider. The other option is to choose to handle it all yourself. Either way, you remain in control of how your professional life is managed.

13

A micro-business structure allows you to FIRE faster. Due to higher compensation, income retention strategies, and greater retirement funding options, micro-business owners can grow their net worth more quickly. By starting out this structure at the beginning of your career you will reach financial independence faster.

14

A micro-business only requires you to manage one person: In your professional small business, you only have to manage yourself! The simplicity of this business structure, in comparison to its positive impact on your professional well-being and household financial wealth, is truly remarkable.

15

Starting your micro-corporation is an inexpensive professional capstone. The \$ 4,000 investment associated with starting your micro-corporation serves as the final step after the substantial costs you have incurred over the past 10+ years to become a medical professional. Although the cost of incorporation may seem large with your paltry residency salary, it is actually a minuscule final step compared to the average student loan debt of \$300,000 it has taken for you to reach this point. Every physician should pursue this, whether they plan to enter the marketplace as an employee or not. The importance of this asset creation associated with your medical license is often overlooked due to the belief that it is no longer necessary in the healthcare marketplace. However, the system and your trainers have led you astray with this mindset.

16

Micro-incorporation does not equate to private practice. Although micro-corporations are often mistakenly associated with this declining medical business model, they are entirely different from private practices. A micro-corporation doesn't have the overhead of employees, buildings, medical equipment, or third-party mash-ups. You are essentially a virtual business with the ability to offer your professional services for any job that you encounter. Your lack of knowledge about the medical business and your marketplace options only strengthens your vulnerability to believe this narrative perpetuated by large corporations. That narrative discourages you from starting a micro-business and funnels you toward their safe harbor of employment—which ultimately enables their control over you and their commodification of you as an employee.

17

Your own micro-corporation enables you to develop your personal brand and influence.

While the practice of medicine in every specialty follows a standardized approach, the artful application of it to patients is unique to you and your own style. You will enjoy medicine more when you are not forced to conform generically to a large corporate brand that wants you to be an impersonal endorser of their business. It's my opinion that patients are still attracted to your unique style and specialty brand, and you get to have greater control over that brand when you are a micro-corporation. Whether it be within social media, or even a website—you have the power to self-determine what that looks like rather than be shackled by restrictions from an employer's marketing and media department.

18

Your own micro-corporation offers portability and is not dependent on location. This means that you can now change employers or positions more easily while still maintaining control over your professional medical influence. In the past, influence was limited by geography.

However, in today's world, professional services and influence are increasingly independent of location as the internet has broken down many of these walls.

19

Starting a micro-corporation sends a clear message to the marketplace. It conveys that you intend to enter the market as a micro-business rather than as an individual. This will inform recruiters and potential employers that you prefer to be considered as a contractor for your professional services rather than an employee. Due to the growing physician shortage, young doctors are receiving an overwhelming number of job offers, with some receiving over 100 offers during their training. I strongly encourage you to proactively enter the market on your own terms, rather than on their terms. Due to the marketplace competition for your services, you have the power to define the terms of your professional relationship in any job.

20

Every job or marketplace structure that allows you to practice medicine can be connected to your professional micro-corporation. I like to describe a micro-corporation as an invisible glove that surrounds you personally. In essence, any imaginable job that you could perform professionally can be constructed to flow through your micro-corporation rather than you individually. For example, a little-known parallel alternative to the dominant traditional employment model is the "employment lite" option through your micro-corporation. It is important to be aware that you have unique professional options in the marketplace and empowering yourself with this knowledge can help you thrive and live your best life as a doctor.