

Current Trends in Debt and Specialty Choice

GEA Small Group Discussion
Moscone 2022
1:30 – 3:00pm

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Nov. 6, 2012



How we will pass your time

- Quick overview of current debt & cost trends
 - 2012 data on debt and specialty choice
 - Brief summary of forthcoming research paper
 - A few insights from counseling indebted medical students
- ~15 min.**
- Discussion, Discussion, Discussion
This will be most of our time
- 60+ min.**



Class of 2012 Indebtedness

	All Schools	Public Schools	Private Schools
Mean	\$166,738	\$156,018	\$183,002
Median	\$170,000	\$160,000	\$190,000

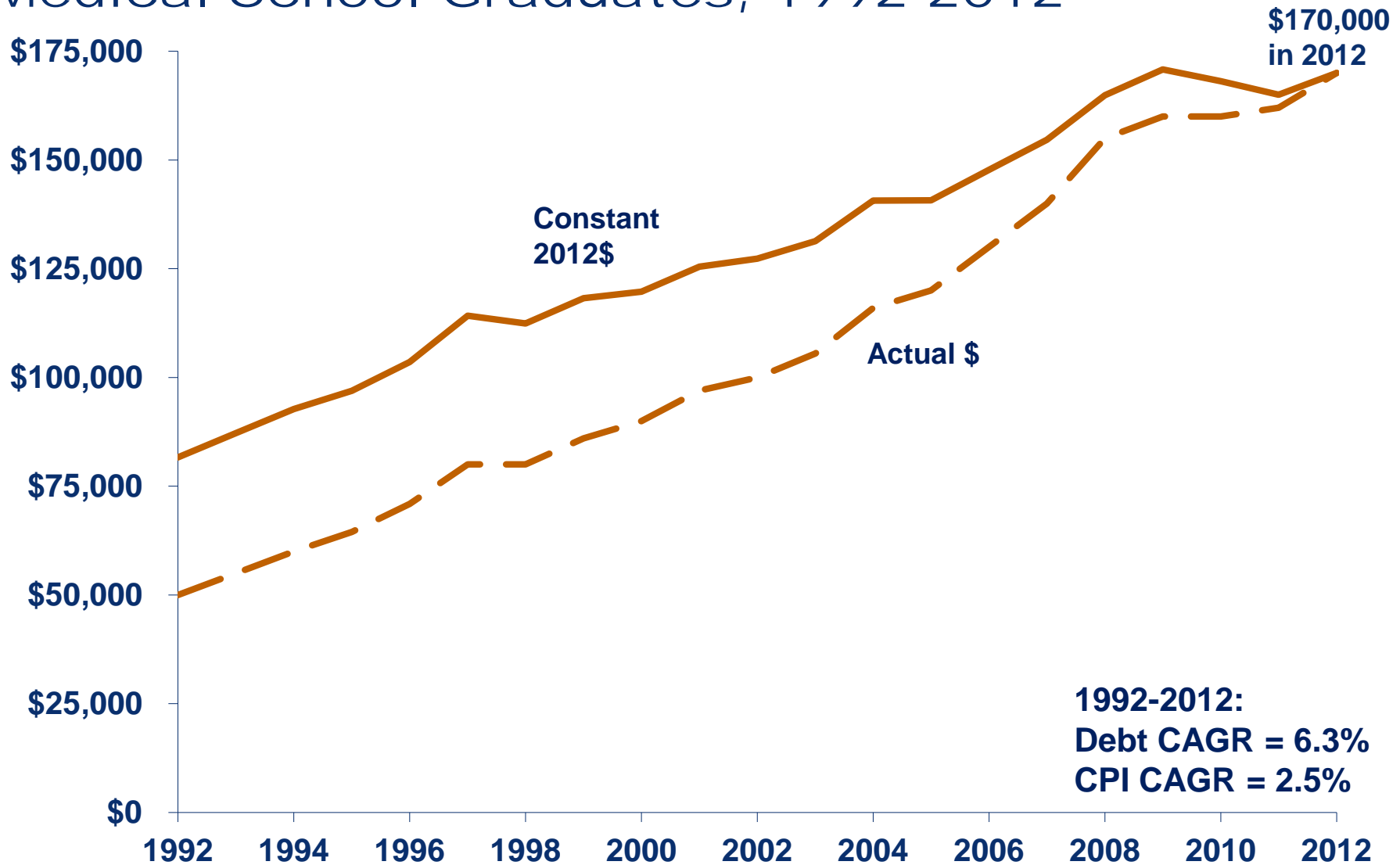
86% of graduates report having educational debt

36% of graduates report debt \$200,000 or higher

Data includes medical and premedical/undergraduate debt



Median Education Debt of Indebted Medical School Graduates, 1992-2012

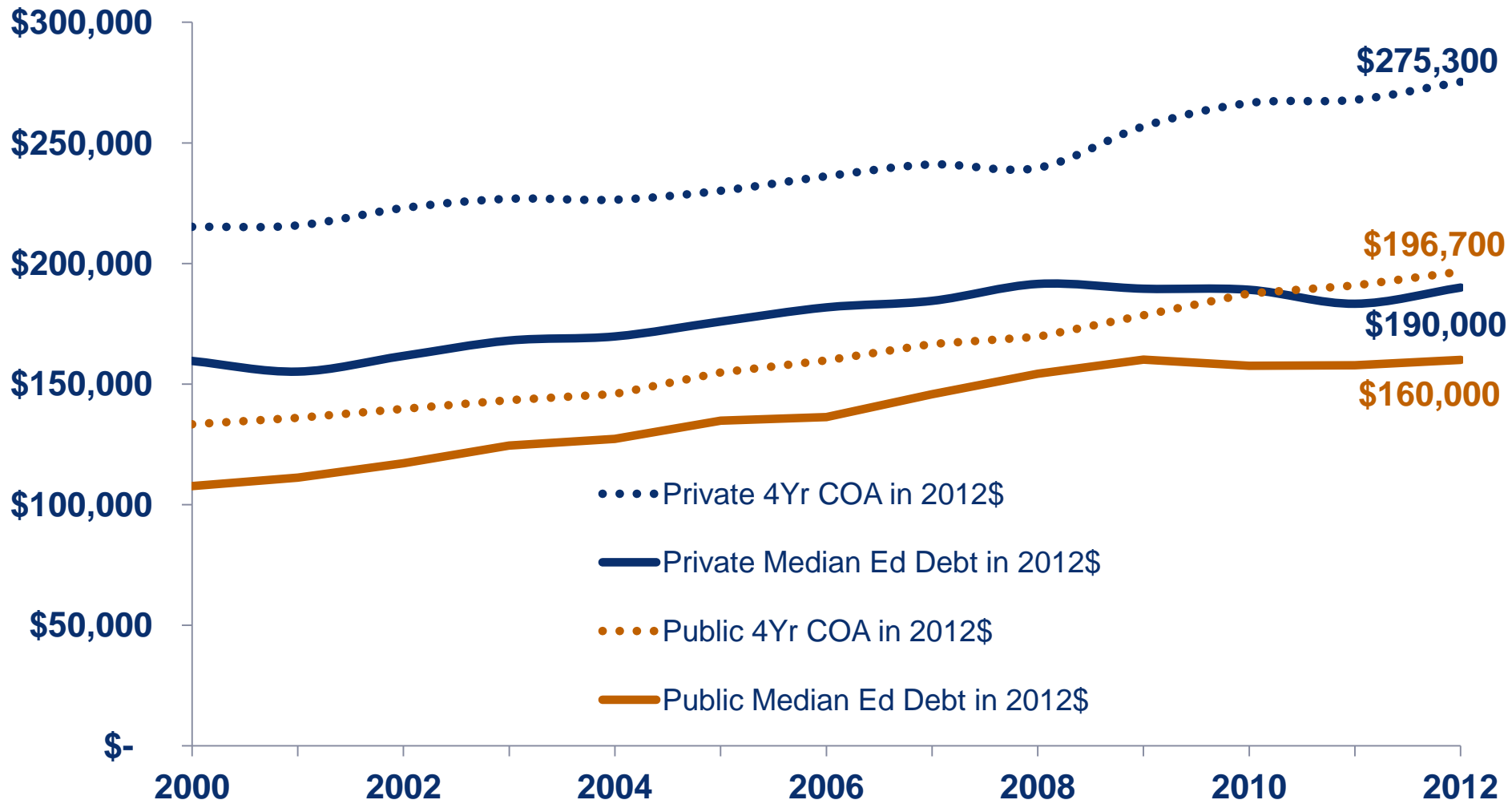


Cost of Medical School, 2012-2013

	Public (In-State)	Private (In-State)
Median M1 Tuition/Fees	\$32,414	\$50,309
Median M1 Cost of Attendance (COA)	\$53,685	\$72,344
Median 4-Yr. COA for class of 2013	\$207,868	\$278,455

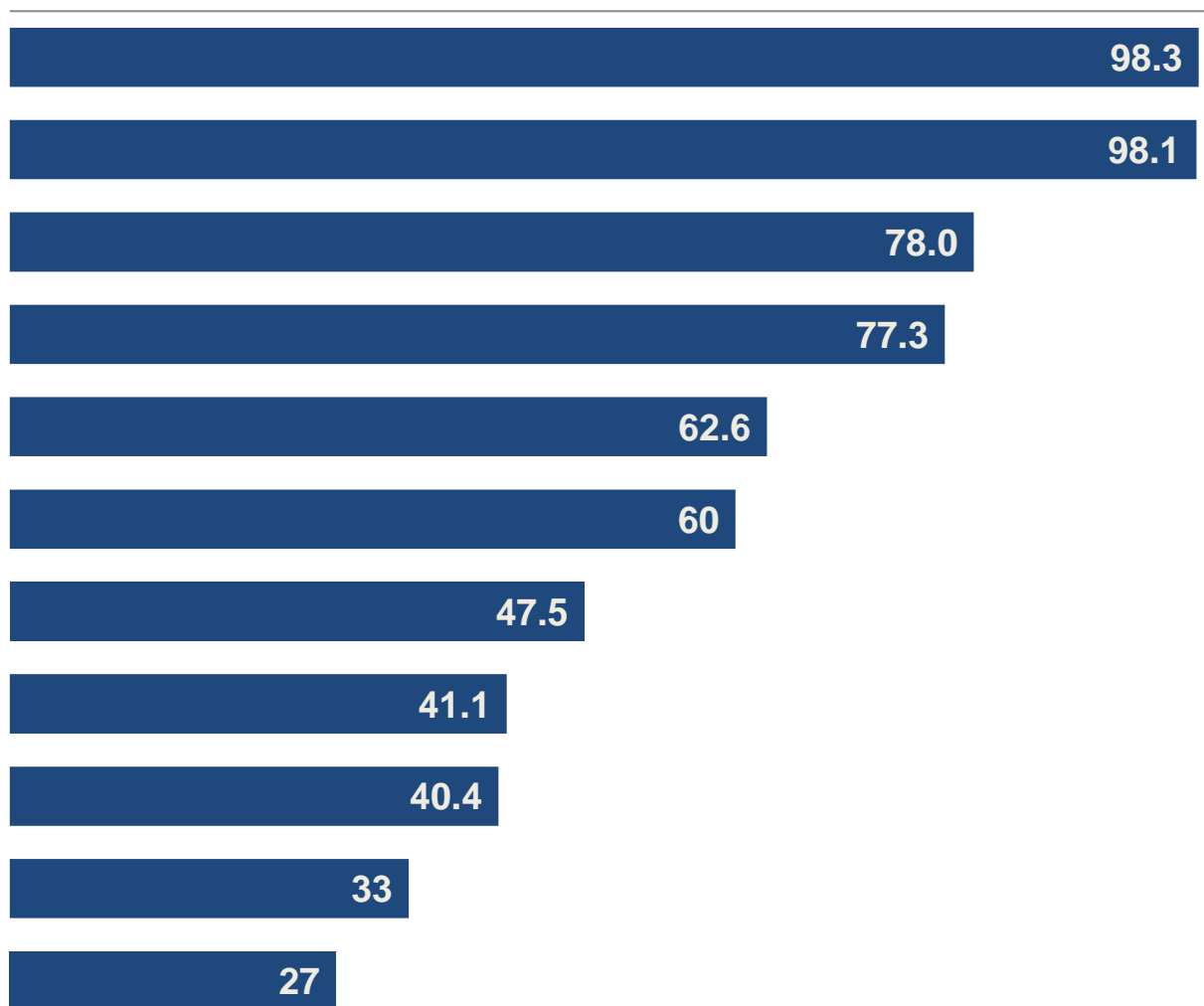


Median 4-Year Cost of Attendance (COA) and Education Debt of Indebted Medical School Graduates, 2000-2012 (in Constant 2012\$)



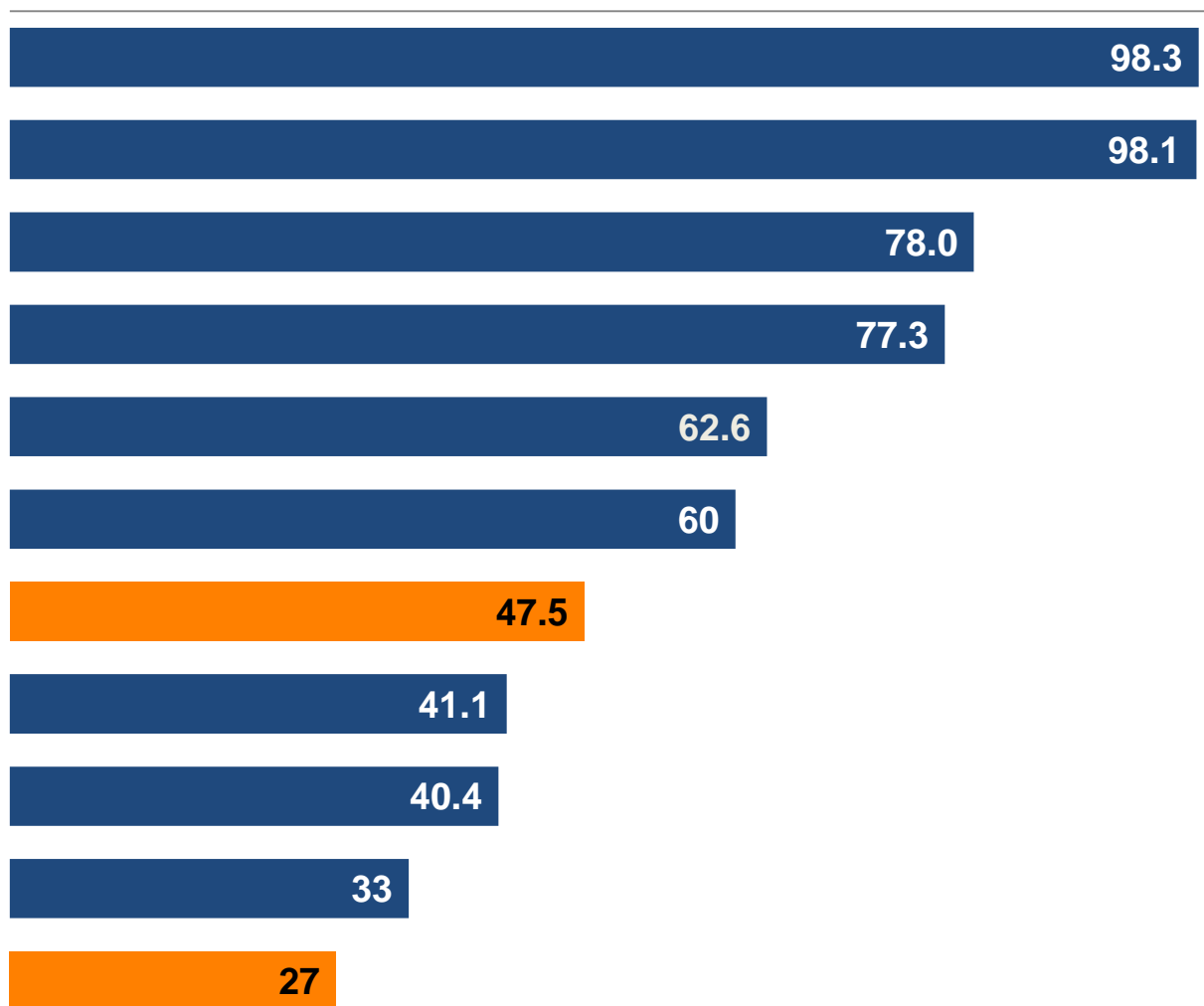
Influence of Various Factors on the Specialty Choice of 2012 Graduating Medical Students (GQ)

Percent indicating “strong” or “moderate” influence



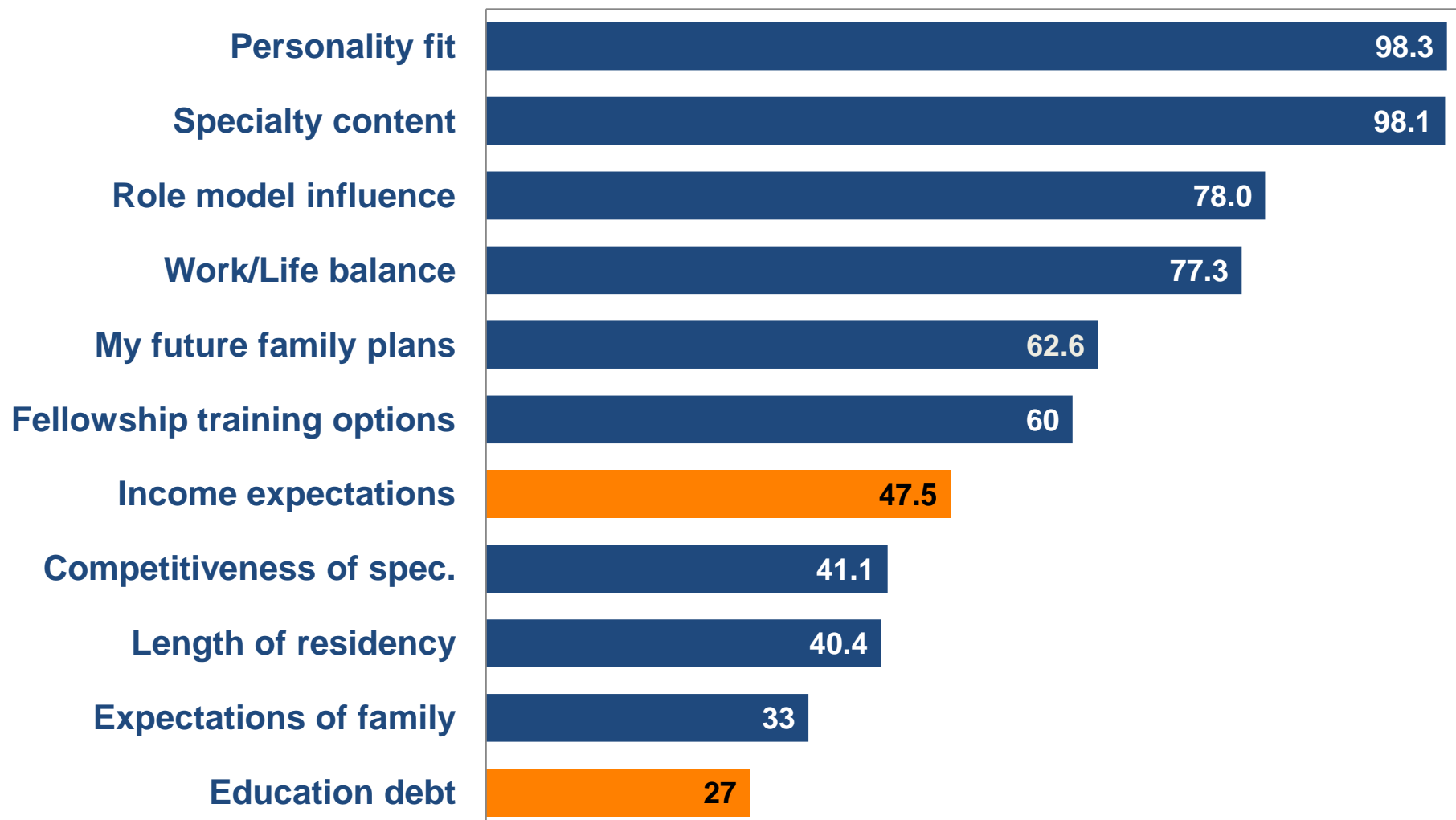
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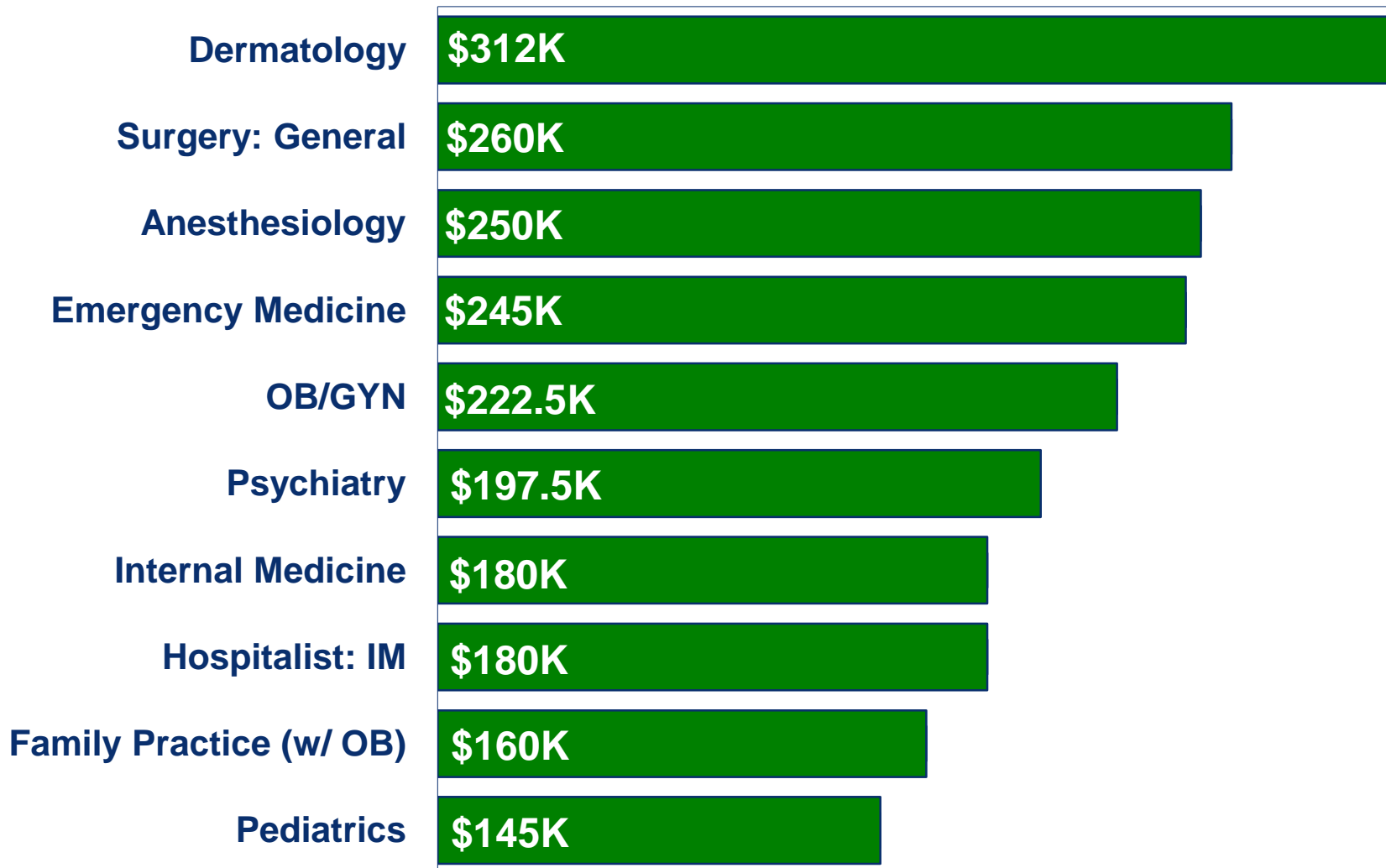
Influence of Various Factors on the Specialty Choice of 2012 Graduating Medical Students (GQ)

Percent indicating “strong” or “moderate” influence



Median Salary First Year Post-Residency 2011

\$K \$50K \$100K \$150K \$200K \$250K \$300K \$350K



Source: Selected Specialties, MGMA 2011 Data

2012 GQ Data on Debt and Specialty Choice

Interest in Specialty with	Ed Debt <\$130K	Ed Debt Between \$130K and \$219K	Ed Debt >=\$220K
Starting Salary of \$300K+	24%	22%	22%
Starting Salary between \$220K and \$260K	40%	44%	46%
Starting Salary around \$200K	12%	11%	11%
Family Medicine Starting Salary= \$160K	8%	10%	9%
Peds. Starting Salary= \$145K	16%	13%	11%

Graduates planning to become certified in specific specialties and “moderately” or “very” confident in their choice. Excludes Internal Med.



2012 GQ Data on Debt and Specialty Choice

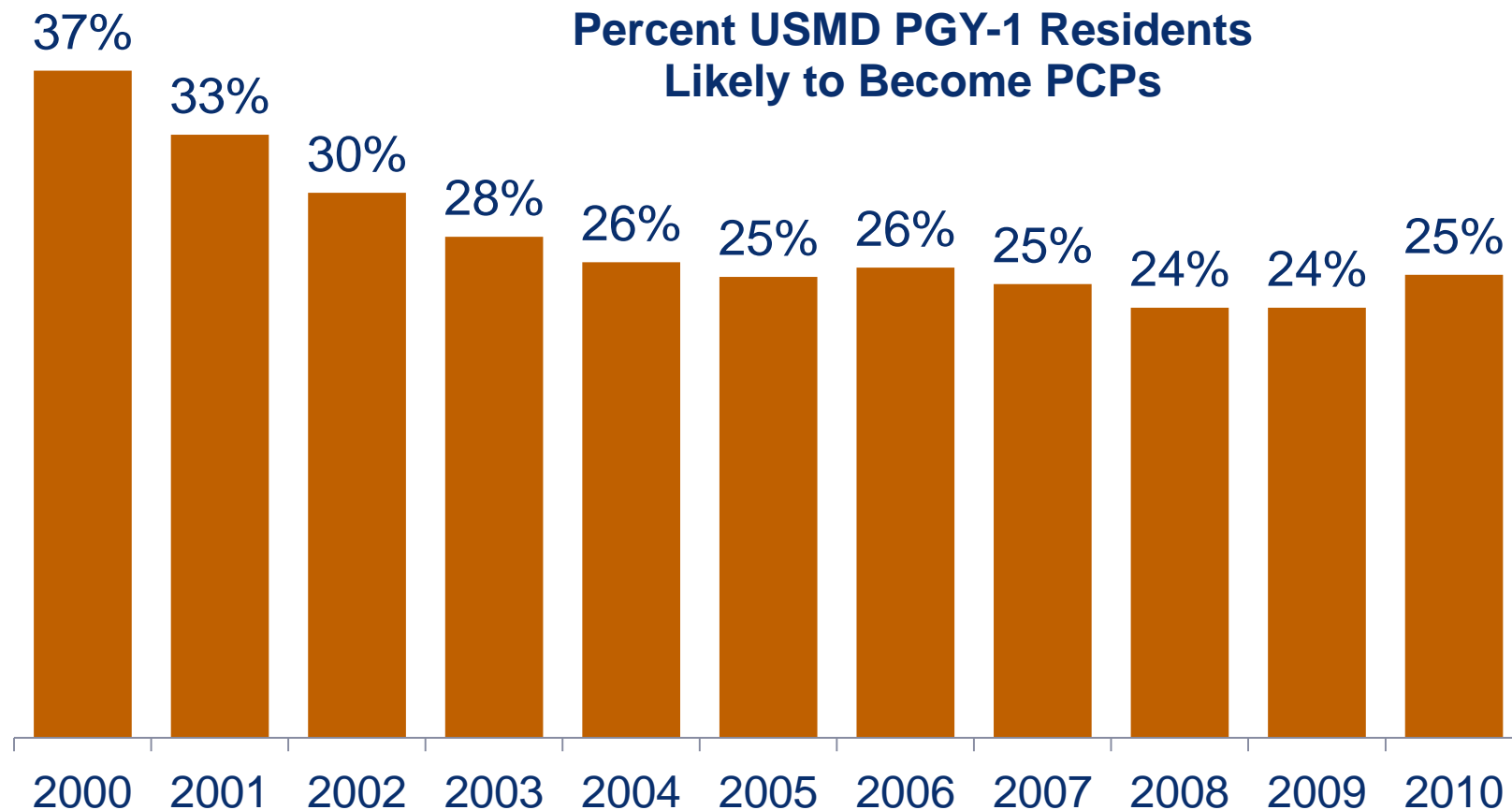
Interest in Specialty with	Ed Debt <\$130K	Ed Debt Between \$130K and \$219K	Ed Debt >=\$220K
Starting Salary of \$300K+	24% \$61K	22% \$170K	22% \$260K
Starting Salary between \$220K and \$260K	40% \$75K	44% \$177K	46% \$260K
Starting Salary around \$200K	12% \$75K	11% \$175K	11% \$257K
Family Medicine Starting Salary= \$160K	8% \$80.5K	10% \$175K	9% \$256K
Peds. Starting Salary= \$145K	16% \$70K	13% \$172K	11% \$255K

Graduates planning to become certified in specific specialties and “moderately” or “very” confident in their choice. Excludes Internal Med.





Rate of USMDs likely to become PCPs may be stabilizing



Source: GME Track analysis by Paul Jolly (AAMC)

Notes: Percent equals 1) number USMDs entering IM, FM, or Peds minus number entering IM Subspecialties or Ped Subspecs. that same year 2) divided by number of PGY1 entrants



Jan. 2013 in *Academic Medicine*

Youngclaus, Wiecha et al. available online next week

“Can Medical Students Afford to Choose Primary Care? An Economic Analysis of Physician Education Debt Repayment”

Analyzed whether a physician earning a typical primary care salary can repay current levels of education debt and meet standard household expenses without incurring additional debt

Used data and financial-planning software to model the annual finances for a fictional physician’s household (Dr. Median)



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Conclusions

A primary care career remains financially viable for medical school graduates with median levels of education debt. Graduates pursuing primary care with higher debt levels would need to consider additional strategies to support repayment such as extended repayment terms, use of a federal loan forgiveness/repayment program, or not living in the highest cost areas.



One on One Student Counseling

What happens when you share these findings with individual medical students who have debt and are undecided about their career choice?

Perspectives from BU SOM



Discussion Questions

- **Do national debt trends mirror what audience members are seeing at their schools?**



Discussion Questions

- **Current research suggests that debt and potential income have less of an impact on specialty choice compared to other factors.**

Does this ring true with the experiences, anecdotes, and observations of audience members?



Discussion Questions

• Is there a point at which debt levels will make a primary care career seem untenable?

If yes, are we close to that point?



Discussion Questions

- **Will current cost of attendance and debt trends impact the future physician supply and specialty distribution?**

What do audience members think?



Further Questions

For more resources see aamc.org/first

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AAMC Medloans® Organizer and Calculator

Medloans® Organizer and Calculator



Organize and track your loans, then view sample repayment scenarios with the Medloans® Organizer & Calculator, the only Web tool of its kind developed for medical students.

Medloans® Demo:

A 5-minute video presentation on how to use the Medloans® Organizer and Calculator

[Organizer](#) PDF

[Calculator and Repayment Scenarios](#) PDF





The Medloans® Organizer and Calculator is already free to enrolled medical school students and medical school administrators. Just sign in with your AAMC username and password.

For account help, contact dhales@aamc.org

Find out more about the benefits of Premium Access or upgrade today.

FIRST is designed to help medical school students navigate the complexities of student debt. FIRST offers a full range of resources to help medical school borrowers expand their financial literacy, make smart decisions about student loans, and manage their student debt wisely. For more information, visit www.aamc.org/FIRST.

FIRST LINKS

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AAMC Medloans® Organizer

By Academic Year | By Loan Type

Add
 View/Edit
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 Help

Loan Type	Nickname	Amount Borrowed (\$)	Rate (%)	Repayment Term (years)
2011-2012 (3 Loans)				
Grad PLUS - Direct Lending (DL)		8,750	7.900	10
Stafford-Subsidized (7/1/06 to 6/30/12)		8,500	6.800	10
Stafford-Unsubsidized (after 7/1/06)		37,750	6.800	10
Subtotal:		55,000		
2010-2011 (3 Loans)				
Grad PLUS - Direct Lending (DL)		8,750	7.900	10
Stafford-Subsidized (7/1/06 to 6/30/12)		8,500	6.800	10
Stafford-Unsubsidized (after 7/1/06)		37,750	6.800	10
Subtotal:		55,000		
2009-2010 (3 Loans)				
Grad PLUS - Direct Lending (DL)		8,750	7.900	10
Stafford-Subsidized (7/1/06 to 6/30/12)		8,500	6.800	10
Stafford-Unsubsidized (after 7/1/06)		37,750	6.800	10
Subtotal:		55,000		
2008-2009 (3 Loans)				
Grad PLUS - Direct Lending (DL)		8,750	7.900	10
Stafford-Unsubsidized (after 7/1/06)		37,750	6.800	10



AAMC Medloans® Calculator

Fill in the values below to display the calculator. If you've viewed the calculator before, your previously entered values have been pre-filled for you.

Calculator Input Values

Combined length of Residency & Fellowship (years)* ⓘ	<input type="text" value="3"/>
Expected or actual first year Residency salary or AGI ⓘ	<input type="text" value="48,000"/>
Expected starting salary <i>after</i> Residency & Fellowship or AGI ⓘ	<input type="text" value="150,000"/>
Number in household*	<input type="text" value="1"/>
From where do you file your taxes?	<input type="text" value="Continental US"/>
Medical school Graduation month & year*	<input type="text" value="May"/> <input type="text" value="2012"/>
Do you want IBR - Income Based Repayment or Forbearance during Residency? ⓘ	<input type="text" value="Income Based Repayment (IBR)"/>
	<input type="button" value="Submit"/>

NOTE:

These are estimates only, based on federal regulations, and are subject to change. Contact your lender/servicer (s) to discuss your exact balance and payment amounts. For questions regarding the Medloans Calculator contact first@aamc.org.





AAMC Medloans® Calculator

[Edit Input Values](#) [Print](#) [Help](#)

Parameters: IBR/Forbearance: **IBR**, Residency/Fellowship: **3 Years**, Amount Borrowed: **\$220,000**, Residency Salary: **\$48,000 (\$4,000/monthly)**, Post-Residency Salary: **\$150,000 (\$12,500/monthly)**

Note: These are estimates only, based on federal regulations, and are subject to change. Contact your lender/servicer(s) to discuss your exact balance and payment amounts. For questions regarding the Medloans Calculator contact first@aamc.org.

Standard Repayment Total: \$373,090 Monthly: \$4,042 Mo. Payment: 32%	Graduated Repayment Total: N/A Monthly: N/A - 2 years Monthly: N/A - 8 years Mo. Payment: N/A - 2 years Mo. Payment: N/A - 8 years	Extended Repayment Total: \$568,761 Monthly: \$2,065 Mo. Payment: 17%	Income Based Repayment Total: \$507,674 Monthly: \$1,553 - 3,176 Mo. Payment: 12% IBR Forgiven: \$0 PSLF Forgiven: \$238,948
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Standard | Graduated | Extended | Income Based | Scratch Pad [Help](#)

	Monthly Payment During Residency	Balance after Residency	Total Repayment Years (including residency)	Est. Monthly Payment af... Residency	Total Interest Cost	Total Repaym..
	389 - 464	280,106	10	4,042	153,090	373,090
Eligible for IBR (3 Loans)						
Grad PLUS - Direct Lending (DL) (7.9%)	65 - 77	48,155	10	717	30,999	65,999
Stafford-Unsubsidized (after 7/1/06) (6.8%)	273 - 325	198,004	10	2,839	110,984	261,984
Stafford-Subsidized (7/1/06 to 6/30/12) (6.8%)	52 - 62	33,947	10	487	11,107	45,107
Subtotal:	389 - 464			4,042		

