RESOLUTION #9—2014
Regular Annual Session

PENDING WAIVER OF PRIOR NOTICE

Submitted by
CALIFORNIA VETERINARY MEDICAL ASSOCIATION

INTEREST RATE ON VETERINARY STUDENT LOANS

RESOLVED, that the American Veterinary Medical Association (AVMA) House of Delegates recommends that the AVMA actively pursue passage of federal legislation that would reduce the interest rate on veterinary student loans.

Statement about the Resolution
The Federal Stafford Loan interest rate from 2006-2013 was 6.8% for graduate and professional loans. The Federal Stafford Loan undergraduate loan rate is 3.86%.

The California Veterinary Medical Association conducted a 2013 survey on the economics of the veterinary profession in California. The economic survey was explored in depth at the CVMA Leadership Forum in January, 2014, during which the participants were asked to prioritize the eight categories studied in the survey. The participants overwhelmingly prioritized educational debt as the most important factor affecting the economics of the veterinary profession today.

While there were many key findings of the survey, some of the primary data relating to educational debt and its relation to the future of the veterinary profession includes the following results.

• Of the survey respondents:
  o 28% say they may not have become veterinarians if they had known the debt to earnings ratio.
  o Nearly all who graduated in the last ten years still have student loans.
  o Nearly all who graduated in the past five years have remaining student debt; 14% have no debt however over half have more than $100,000 in debt.
  o Among those currently with debt, median educational debt is $90,000 to $100,000.

• Almost half of owners plan to sell their practice within the next ten years
• Veterinarians have a higher “Educational Debt to Median Annual Earnings Ratio” than medical doctors and dentists.

In ongoing discussions regarding the survey findings, educational debt dominates as the barrier that will eventually discourage the highest caliber of students from entering the veterinary profession if that hasn’t already started to occur. It affects a veterinarian’s ability to support his or her family, purchase a home, and achieve a comfortable lifestyle that includes work/life balance. It also affects a veterinarian’s ability to buy a practice which impacts those looking to retire and sell their practice after a lifetime of dedicated service to the profession.

We believe that a strong effort to pursue lowering the veterinary debt load will greatly impact the future of the veterinary profession.

Financial Impact: None
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