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Where DVMs fit in the U.S. student debt crisis

Take a look at the numbers, and you see the student debt crisis is bigger than veterinary medicine. But the debt-to-income ratio makes our profession's student loans particularly tough.



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This photo is in the eye of the beholder: Is this new veterinary school graduate going to bring in lots of Benjamins, or does she owe lots of Benjamins? (Adobe Stock) A large part of our focus at the AVMA is on addressing the issue of increasing educational debt for new veterinarians. While the veterinary community works together toward creative solutions to tackle the student debt burden, it's also helpful to consider the bigger picture: Veterinary student debt is part of a larger debt trend in the United States.

What veterinary graduates face

In 2017, the average student debt for U.S. veterinary school graduates was \$138,067. However, because some students are able to graduate without borrowing any funds, these numbers don't fully reflect the reality that faces students who do owe. If we look only at graduates who had to borrow funds to pay for their education, the average debt number is higher: \$166,714 in 2017.

Through our research into factors associated with student debt, we've identified the most influential ones. On average, students who pay nonresident tuition rates for veterinary school graduate with \$45,000 more debt than students who pay resident rates. This factor has the biggest impact on the amount of debt a student incurs. Another factor is the cost-of-living variation based on the locations.

The foundational problem is not just debt, however; it's the relationship between debt and income. Across the veterinary profession, student debt continues to grow faster than income. As a result, the debt-to-income ratio (DIR) for veterinarians—a key

indicator for economic well-being—continues to rise. Bringing the DIR down by lowering student debt or increasing income is something we would all like to see.

Student debt: By the numbers

- Americans owe \$1.48 trillion for student loans.
- 2017 U.S. veterinary graduates owed \$403 million in student loans.
- U.S. average monthly student loan payment (borrowers age 20-30): \$351

Average student debt by group:

- Graduating veterinarians (2017): \$166,714
- All health science graduates (2014): \$161,772
- Law school graduates (2014): \$140,616

Source: AVMA

What college graduates face

While the veterinary debt picture can look daunting, veterinarians aren't alone in facing student debt challenges. In fact, the nation's total of \$1.5 trillion in student loan debt is shared by 44.2 million Americans. Consider these facts:

- Across all professions, the average monthly student loan payment for a borrower between the ages of 20 and 30 is \$351.
- The student loan delinquency rate is more than 11 percent nationwide.
- Across all medicine and health science fields, the average combined undergraduate and graduate debt for those who borrowed is \$161,772. For someone with a law degree, it's \$140,616.
- At \$1.48 trillion, outstanding student debt exceeds auto loan debt (\$1.1 trillion) and credit card debt (\$977 billion).

Student debt is a societal issue. The good news is that there are many people outside of our profession who are paying attention to student debt and searching for solutions. There's a rising chorus of voices eager to see progress made toward lowering the costs of education across the board.

How the AVMA is helping

We're working on various strategies to crack the veterinary student debt problem. We produce economic research and data to help guide good policy decisions and monitor progress, and provide financial tools that empower veterinarians to better manage personal finances. And we are forging relationships and partnerships across the profession to work with diverse coalitions toward this common goal. Specifically, we've partnered with the Association of American Veterinary Medical Colleges and the Veterinary Medical Association Executives on the Veterinary Debt Initiative. This initiative focuses on creative solutions to help veterinarians develop financially sustainable and rewarding careers.

We also work with organizations like the Veterinary Information Network to provide tools that support decision-making on managing veterinary education debt. Many of these resources can be found at MyVeterinaryLife.com, our new website for early-career veterinarians and students.

On the legislative front, much of the AVMA's advocacy work focuses on student debt as we work in Washington, D.C., to protect and expand loan forgiveness and repayment programs, representing the veterinary perspective in discussions about higher education funding at the federal level.

What do *you* do?

There are never easy solutions when your debt and your income don't match up. If you're facing student debt or considering taking on more, the first step is to set up a personal budget and stick to it. Look for ways to reduce educational costs if you're in

school or considering more education. Learn about strategies for loan repayment. (Dive into more at dvm360.com/studentdebt.) Take advantage of financial learning opportunities like webinars and financial CE sessions at conferences you attend.

And remember that the AVMA has many resources that can help you with financial planning and management. They're available to all AVMA and Student AVMA members as a benefit of your association membership. These resources include:

- AVMA Personal Financial Planning Tool: avma.org/MyBudget
- My Veterinary Life, the AVMA's new website for early-career veterinarians and veterinary students: MyVeterinaryLife.com
- Student Financial Resources: avma.org/SAVMA
- Financial webinars: avma.org/CE
- AVMF veterinary student scholarships: avmf.org

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