GBA Webinar On Student Debt and Repayment Strategies

Julie Fresne
Senior Director, Student Financial and Career Advising Services
Association of American Medical Colleges (AAMC)
November 21, 2019
Current State of Debt
# 2019 Debt Fact Card

## Medical Student Education: Debt, Costs, and Loan Repayment Fact Card

### Class of 2019

<table>
<thead>
<tr>
<th></th>
<th>Public</th>
<th>Private</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pct. with Ed Debt</td>
<td>74%</td>
<td>71%</td>
<td>73%</td>
</tr>
<tr>
<td>Mean Ed Debt of indebted only</td>
<td>$193,186</td>
<td>$215,005</td>
<td>$201,490</td>
</tr>
<tr>
<td>Median Ed Debt of indebted only</td>
<td>$200,000</td>
<td>$150,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>Education Debt (including interest owed)</td>
<td>44%</td>
<td>44%</td>
<td>44%</td>
</tr>
</tbody>
</table>

### Education Debt Breakdown

<table>
<thead>
<tr>
<th>Description</th>
<th>% Graduates</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premedical Education Debt</td>
<td>31%</td>
<td>$25,000</td>
</tr>
<tr>
<td>Medical Education Debt</td>
<td>70%</td>
<td>$200,000</td>
</tr>
<tr>
<td>Non-Education Debt</td>
<td>13%</td>
<td>$5,000</td>
</tr>
<tr>
<td>Residency/Relocation Loans</td>
<td>3%</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

## Sample Repayment – $200,000 in Federal Direct Loans

<table>
<thead>
<tr>
<th>Description</th>
<th>Repayment Years</th>
<th>Monthly Payment</th>
<th>Interest Cost</th>
<th>Total Repayment</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAYE during residency</td>
<td>Residency: 4</td>
<td>$320 to $400</td>
<td>$164,000</td>
<td>$436,000</td>
</tr>
<tr>
<td>PAYE during residency</td>
<td>Post-Res: 7</td>
<td>$320 to $400</td>
<td>$164,000</td>
<td>$436,000</td>
</tr>
</tbody>
</table>

*Notes: PAYE is Pay As You Earn. REPAYE is Revised Pay As You Earn. PSFL is the Federal Public Service Loan Forgiveness program. All figures are approximate, rounded for clarity, and estimated for a 2019 graduate. Full assumptions for each scenario can be found on the AAMC website. Salaries in 2019 dollars. Non-PSFL amounts forgiven are taxable.*

**Contact Information**

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Matthew Shick, mshick@aamc.org
Kirsten Earl, kearl@aamc.org

AAMC.org/First
## Education Debt
Class of 2019

<table>
<thead>
<tr>
<th></th>
<th>Public Schools</th>
<th>Private Schools</th>
<th>All Grads.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pct. w/ Education Debt</td>
<td>74%</td>
<td>71%</td>
<td><strong>73%</strong></td>
</tr>
<tr>
<td>(includes premedical debt)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median Education Debt</td>
<td><strong>$200K</strong></td>
<td><strong>$215K</strong></td>
<td><strong>$200K</strong></td>
</tr>
<tr>
<td>(of those with debt)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ed. Debt of $200K or more</td>
<td>50%</td>
<td>59%</td>
<td>54%</td>
</tr>
</tbody>
</table>
An Exploration of the Recent Decline in the Percentage of U.S. Medical School Graduates With Education Debt

Despite decades of stability, the percentage of U.S. medical school graduates with education debt has decreased dramatically in recent years. This change represents a near doubling of the number of graduates with no education debt compared with previous years. While the reasons for this change remain unstated, this analysis in Brief GB4 examines several variables that may help explain this recent trend among graduates from new medical schools, the loss of a financially advantageous federal loan, and changes in scholarship resources and the self-reported parental income of medical students. Among graduates who borrow, the median education debt reported for graduates of 2017 was $92,000, making debt issuance of great interest to many stakeholders, including the students taking on this debt.

Methods
The primary data sources for this research were the AAMC Graduation Questionnaire (GQ), an annual survey of graduating medical students. The GQ includes self-reported scholarship and debt data. The data are collected in two categories, "premedical college" and "medical school" which are combined into the total "education debt." The AAMC Medical School Graduating Student Questionnaire (MSGQ) is a survey of entering medical students, served as another data source. The MSGQ includes self-reported data on predetermined parental income in the previous year. Across the eight years of data analyzed in this study, 66% of all graduates completed the GQ and 77% of all graduates completed the MSGQ and provided MSGQ parental income data.

Results
The percentage of graduates with education debt dropped sharply between 2013 and 2016, from 84% to 78% (Figure 1). Less than 8% of borrowers who graduated from medical school have postgraduate medical school debt only (data not shown), so the decrease is almost entirely due to the decline in the percentage of graduates with medical school debt. The largest annual changes in percentage of graduates with medical school debt were for the class of 2012 (down from 85% to 78%) and the class of 2015 (down from 78% to 70%).

Impact of New Schools
GQ data in recent years include information from graduates of newly accredited U.S. medical schools. New schools had their first graduating class in 2013, and since then four schools have been added each year since. These graduates had little impact on the percentage of all graduates with a medical school debt for two reasons. First, the overall percentage of graduates from these "newer schools" since 2013 has varied from just 1% to 4%. Second, since 2013, the percentage of new school graduates with no medical debt is slightly lower at these new schools compared with the percentage for all graduates, typically by 4% (see Figure 1, first and third rows).

Changes in Federal Loan Programs
In contrast, a change in the type of federal loans available had a major impact on the percentage of indebted graduates. Nearly all medical student borrowers are now federal Department of Education loans. Students used to be able to borrow up to $10,500 per year, or $36,500 per year, in subsidized federal loans, which were interest-free during the years in medical school and period of eligible deferments. Discussions with students, parents, and financial aid officials suggest that many used this strategy when it was available. However, the subsidized loans were not available after the 2011-12 academic year, which means that the number of students with such loans has gradually declined over the past years.
### Education Debt

**Class of 2019**

<table>
<thead>
<tr>
<th></th>
<th>Public Schools</th>
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</tr>
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<tbody>
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<td>$215K</td>
<td>$200K</td>
</tr>
<tr>
<td>(of those with debt)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ed. Debt of $200K or</td>
<td>50%</td>
<td>59%</td>
<td>54%</td>
</tr>
<tr>
<td>more</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Debt Nearly Stable Despite Cost Growth

Median 4-Year Cost of Attendance
In 2019$

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Cost of Attendance in 2019$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$227K</td>
</tr>
<tr>
<td>2010</td>
<td>$233K</td>
</tr>
<tr>
<td>2011</td>
<td>$237K</td>
</tr>
<tr>
<td>2012</td>
<td>$243K</td>
</tr>
<tr>
<td>2013</td>
<td>$250K</td>
</tr>
<tr>
<td>2014</td>
<td>$253K</td>
</tr>
<tr>
<td>2015</td>
<td>$263K</td>
</tr>
<tr>
<td>2016</td>
<td>$265K</td>
</tr>
<tr>
<td>2017</td>
<td>$265K</td>
</tr>
<tr>
<td>2018</td>
<td>$269K</td>
</tr>
<tr>
<td>2019</td>
<td>$272K</td>
</tr>
</tbody>
</table>

Note: All values are in 2019$ using Consumer Price Index (CPI-U)
Source: AAMC Graduation Questionnaire (GQ) and Tuition and Student Fees Survey (TSF)
Debt and Cost at Public and Private Schools

Source: AAMC Graduation Questionnaire (GQ) and Tuition and Student Fees Survey (TSF)
Influence of various factors on the specialty choice of graduating medical students, 2019

Source: AAMC Graduation Questionnaire, 2019, Q32
Influence of various factors on specialty choice of 121,000 medical students graduating in the 10 years from 2009 to 2018

Percent saying “Strong” or “Moderate” Influence

- Personality fit: 98.1%
- Specialty content: 97.8%
- Role model influence: 79%
- Work/Life balance: 77%
- Fellowship training options: 61%
- My future family plans: 60%
- Income expectations: 45%
- Length of residency: 41%
- Competitiveness of spec.: 38%
- Expectations of family: 32%
- Education debt: 24%

Source: AAMC Graduation Questionnaire, 2009-2018, N=121,600
Influence of various factors on the specialty choice of graduating medical students, 2019

Percent saying “Strong” or “Moderate” Influence

- Personality fit: 98.1%
- Specialty content: 97.8%
- Role model influence: 79%
- Work/Life balance: 77%
- Fellowship training: 61%
- My future family plans: 60%
- Income expectations: 45%
- Length of residency: 41%
- Competitiveness of spec.: 38%
- Expectations of family: 32%
- Education debt: 24%

Source: AAMC Graduation Questionnaire, 2019, Q32

NRMP Applicant Survey Results, 2017
Salary: 22%, 3.4 / 5 average rating
... And Debt Varies Little Across Specialties

<table>
<thead>
<tr>
<th>Intended Specialty Choice</th>
<th>Count w/ Debt</th>
<th>% No Debt</th>
<th>% $1 to $150,000</th>
<th>% $150,000 to $249,999</th>
<th>% $250,000 or more</th>
<th>Median Ed Debt ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pediatrics</td>
<td>1,481</td>
<td>25.5</td>
<td>20.4</td>
<td>30.6</td>
<td>23.5</td>
<td>200,000</td>
</tr>
<tr>
<td>Family Medicine</td>
<td>1,305</td>
<td>16.6</td>
<td>21.5</td>
<td>33.3</td>
<td>28.6</td>
<td>200,000</td>
</tr>
<tr>
<td>Internal Medicine</td>
<td>2,894</td>
<td>31.4</td>
<td>20.7</td>
<td>27.0</td>
<td>20.9</td>
<td>200,000</td>
</tr>
<tr>
<td>Psychiatry</td>
<td>878</td>
<td>27.9</td>
<td>20.3</td>
<td>25.3</td>
<td>26.5</td>
<td>200,000</td>
</tr>
<tr>
<td>Neurology</td>
<td>358</td>
<td>29.9</td>
<td>25.7</td>
<td>24.9</td>
<td>19.6</td>
<td>184,000</td>
</tr>
<tr>
<td>Obstetrics and Gynecology</td>
<td>1,000</td>
<td>22.9</td>
<td>20.0</td>
<td>31.6</td>
<td>25.5</td>
<td>200,000</td>
</tr>
<tr>
<td>Physical Medicine and Rehab</td>
<td>168</td>
<td>23.2</td>
<td>17.9</td>
<td>27.4</td>
<td>31.5</td>
<td>220,000</td>
</tr>
<tr>
<td>Pathology</td>
<td>160</td>
<td>30.6</td>
<td>26.3</td>
<td>20.6</td>
<td>22.5</td>
<td>200,000</td>
</tr>
<tr>
<td>Emergency Medicine</td>
<td>1,407</td>
<td>21.9</td>
<td>19.5</td>
<td>29.1</td>
<td>29.5</td>
<td>212,951</td>
</tr>
<tr>
<td>Radiation Oncology</td>
<td>127</td>
<td>33.9</td>
<td>22.0</td>
<td>25.2</td>
<td>18.9</td>
<td>175,000</td>
</tr>
<tr>
<td>Surgery-General</td>
<td>958</td>
<td>21.3</td>
<td>20.6</td>
<td>29.0</td>
<td>29.1</td>
<td>205,500</td>
</tr>
<tr>
<td>Ophthalmology</td>
<td>330</td>
<td>35.5</td>
<td>25.8</td>
<td>22.7</td>
<td>16.1</td>
<td>170,000</td>
</tr>
<tr>
<td>Anesthesiology</td>
<td>912</td>
<td>25.3</td>
<td>19.6</td>
<td>26.8</td>
<td>28.3</td>
<td>210,000</td>
</tr>
<tr>
<td>Urology</td>
<td>250</td>
<td>29.6</td>
<td>21.6</td>
<td>30.8</td>
<td>18.0</td>
<td>190,000</td>
</tr>
<tr>
<td>Radiology</td>
<td>659</td>
<td>29.3</td>
<td>21.5</td>
<td>27.2</td>
<td>22.0</td>
<td>200,000</td>
</tr>
<tr>
<td>Dermatology</td>
<td>350</td>
<td>41.1</td>
<td>20.9</td>
<td>20.6</td>
<td>17.4</td>
<td>187,000</td>
</tr>
<tr>
<td>Otolaryngology</td>
<td>295</td>
<td>26.4</td>
<td>21.7</td>
<td>29.2</td>
<td>22.7</td>
<td>200,000</td>
</tr>
<tr>
<td>Plastic Surgery</td>
<td>133</td>
<td>32.3</td>
<td>13.5</td>
<td>32.3</td>
<td>21.8</td>
<td>205,000</td>
</tr>
<tr>
<td>Orthopaedic Surgery</td>
<td>607</td>
<td>32.0</td>
<td>19.6</td>
<td>25.5</td>
<td>22.9</td>
<td>200,000</td>
</tr>
<tr>
<td><strong>All Specialties</strong></td>
<td><strong>14,963</strong></td>
<td><strong>26.6</strong></td>
<td><strong>20.7</strong></td>
<td><strong>28.1</strong></td>
<td><strong>24.5</strong></td>
<td><strong>200,000</strong></td>
</tr>
</tbody>
</table>

Source: AAMC Graduation Questionnaire, 2018
“Taking out loans to pay for my medical education was a good financial investment for me.”

Source: AAMC NSSP, N=6,000+
Mission:
To empower medical school students to borrow wisely and repay responsibly

To support the medical school staff who provide financial aid advising services
Resources For Students
AAMC Financial Information, Resources, Services and Tools (FIRST) Program

Choosing a Medical Career
- Medical Careers
- Deciding if Medicine is for You
- Inspiring Stories
- Medical Career Paths
- Ways to Explore More
- Aspiring Docs

Applying to Medical School
- Medical School 101
- Admission Requirements for Medical School
- Getting Into Medical School
- What Medical School Is Really Like

Attending Medical School
- Medical School

Applying to Residency
- Careers in Medical Research
- MD-PhD Dual Degree Training
- PhD in Biomedical Science

Training in a Residency or Fellowship

MedLoans® Organizer and Calculator (MLōC)
The MedLoans® Organizer and Calculator was developed to assist medical students and residents with managing their education debt.

AAMC Financial Wellness
Access free financial calculators, articles, and videos to help you create a budget, track your spending, create financial goals, and enhance your financial knowledge about credit, financial planning, money management, and more.

Thinking about how you will pay for medical school?
It’s important to map out your financial plan before you begin medical school. FIRST can provide information on how to finance the cost of your medical education.
Information and Resources On:

- Cost to Apply to Medical School
- Financing Medical School
- Loan Repayment Options and Strategies
- Fact Sheets
- Videos and Webinars
The AAMC Financial Wellness Program

Managing money is something we all must do. Some people are better prepared and/or more experienced than others but improving your skills and learning new tips are part of an on-going financial journey.

About the Financial Wellness Program

It's a free, online financial education resource that provides a variety of financial topics to help students, residents, and practicing physicians become more financially savvy.

Why Should You Use It?

If you want to learn tips and tools to help you manage your money or set up a budget and track expenses, then this program is for you. This tool can also help you learn more about financial topics that you will likely encounter after graduation, such as buying a home, deciding on insurance, or buying a car.

Set Up Your Account

To set up a student account:
1. Visit aamc.org/financialwellness
2. Under ‘Need to Register?’, select your school (medical students) or role
3. Complete the registration form

About AAMC Financial Wellness

Access free financial calculators, articles, and videos to help you create a budget, track your spending, create financial goals, and enhance your financial knowledge about credit, financial planning, money management, and more.
MedLoans® Organizer and Calculator (MLOC)

The MedLoans® Organizer and Calculator (MLOC) was developed to assist medical students and residents with managing their education debt. The MLOC provides a secure location to organize and track student loans while also displaying possible repayment plans and costs based on the borrower’s student loan debt.
MLOC
Sign In Screen
# MedLoans® Organizer

**Current Marital Status:** Married to Non-MD

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Number of Loans</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Unsubsidized</td>
<td>4</td>
<td>$175,000.00</td>
</tr>
<tr>
<td>Direct PLUS</td>
<td>4</td>
<td>$25,000.00</td>
</tr>
<tr>
<td>Spouse College Debt - Estimated Balance</td>
<td>1</td>
<td>$30,000.00</td>
</tr>
<tr>
<td><strong>Total Loans</strong></td>
<td></td>
<td><strong>$230,000.00</strong></td>
</tr>
</tbody>
</table>

**Disclaimer:**

This organizer provides estimates intended for use as a planning guide only. While we believe this material to be complete, we cannot guarantee the accuracy or timeliness of this information. Please contact your loan servicer(s) to discuss the exact terms of your loan(s). You may also want to consult a qualified professional for assistance in analyzing your overall financial situation.
**MLOC Input Values**

**Medloans® Calculator**

Fill in the values below. If you previously completed this information, the values are already populated.

**Input Values (all fields required)**

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marital Status</td>
<td>Married to non-MD</td>
</tr>
<tr>
<td>Spouse current Salary</td>
<td>250,000</td>
</tr>
<tr>
<td>Total Residency/Fellowship Yrs.</td>
<td>3 years</td>
</tr>
<tr>
<td>Expected first year Residency stipend</td>
<td>57,000</td>
</tr>
<tr>
<td>Expected starting salary post-residency/fellowship</td>
<td>200,000</td>
</tr>
<tr>
<td>Medical school graduation date?</td>
<td>05/2019</td>
</tr>
<tr>
<td>Household size</td>
<td>2 persons</td>
</tr>
<tr>
<td>From where do you file your taxes?</td>
<td>Continental US</td>
</tr>
<tr>
<td>Select repayment scenario</td>
<td>Compare Income-Driven Plans (REPAYE vs PAYE vs IBR)</td>
</tr>
</tbody>
</table>
**TOTAL Repayment Summary**

<table>
<thead>
<tr>
<th>Repayment Plan</th>
<th>Total Years (includes residency/fellowship)</th>
<th>Monthly Payment</th>
<th>Monthly Payment Cap</th>
<th>Total Repayment</th>
<th>PSLF Paid/Forgiven (for me only)</th>
<th>Program Forgiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>REPAYE</td>
<td>8</td>
<td>$2,349 - 2,523</td>
<td>N/A</td>
<td>$342,392</td>
<td>Paid: N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$3,724 - 4,335</td>
<td></td>
<td></td>
<td>Forgiven: N/A</td>
<td></td>
</tr>
<tr>
<td>PAYE</td>
<td>11</td>
<td>$2,349 - 2,523</td>
<td>Me: $2,549</td>
<td>$360,294</td>
<td>Paid: $289,539</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Spouse: $347</td>
<td></td>
<td></td>
<td>Forgiven: $26,671</td>
<td></td>
</tr>
<tr>
<td>Standard</td>
<td>10</td>
<td>$3,054</td>
<td>N/A</td>
<td>$343,517</td>
<td>Paid: N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$3,054</td>
<td></td>
<td></td>
<td>Forgiven: N/A</td>
<td></td>
</tr>
<tr>
<td>Extended</td>
<td>25</td>
<td>$1,088</td>
<td>N/A</td>
<td>$482,691</td>
<td>Paid: N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,988</td>
<td></td>
<td></td>
<td>Forgiven: N/A</td>
<td></td>
</tr>
<tr>
<td>Income-Based</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
### Revised Pay As You Earn Repayment

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Repayment over 8 years</td>
<td>$342,392</td>
</tr>
<tr>
<td>Monthly Repayment</td>
<td>$2,349 - 4,335</td>
</tr>
<tr>
<td>Total Interest</td>
<td>$112,392</td>
</tr>
<tr>
<td>REPAYE 25-yr. Forgiveness</td>
<td>Me $0 : Spouse $0</td>
</tr>
<tr>
<td>PSLF 10-yr. Forgiveness</td>
<td>Me $0</td>
</tr>
</tbody>
</table>

### Pay As You Earn Repayment

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Repayment over 11 years</td>
<td>$360,294</td>
</tr>
<tr>
<td>Monthly Repayment</td>
<td>$2,349 - 2,894</td>
</tr>
<tr>
<td>Total Interest</td>
<td>$130,294</td>
</tr>
<tr>
<td>PAYE 20-yr. Forgiveness</td>
<td>Me $0 : Spouse $0</td>
</tr>
<tr>
<td>PSLF 10-yr. Forgiveness</td>
<td>Me $26,671</td>
</tr>
</tbody>
</table>

Monthly payment cap for PAYE eligible loans: Me $2,549 ; Spouse $347
Resources For Faculty & Staff
AAMC Onsite Visits

Julie Gilbert
Sr. Education Debt Management Specialist

Julie Fresne
Senior Director, Student Financial and Career Advising Services

Nicole Knight
Sr. Education Debt Management Specialist & Trainer
Partnering with Government Affairs

Matthew Shick, JD
Senior Director
Government Relations & Regulatory Affairs

Kristen Earle
Office of Student Financial Services
Senior Specialist
Group on Student Affairs

Brett Roude
Legislative Analyst
Government Relations & Regulatory Affairs
“Can Medical Students Afford to Choose Primary Care? An Economic Analysis of Physician Education Debt Repayment”

Updated Look at Economic Diversity of US Medical Students

“Physician Education Debt and the Cost to Attend Medical School”

Debt Fact Card

“AIB Decline in % With Debt”

“Borrow or Serve” and “The Good Investment”
Health Professions Financial Aid Administrators Meeting
Feb 6-8, 2019
Hyatt Regency Savannah
Savannah, GA

Group on Student Affairs (GSA) - Careers in Medicine (CiM) - Organization of Student Representatives (OSR)
Professional Development Conference
March 26-29, 2020
Sheraton Grand Chicago
Chicago, IL
Questions

jfresne@aamc.org

first@aamc.org
Student Debt Strategies

Ann Arvay, CPA, MBA
Michelle Schmude, EdD, MBA
Agenda

1. Education Debt of Medical School Grads
2. GCSOM Strategic Planning Group
3. Reducing Student Debt Initiative
4. Geisinger Scholars Program
5. Financial Aid Across the MD Curriculum
Figure 1. Median four-year cost of attendance (COA) and education debt of indebted medical school graduates of U.S. medical schools, 2009–2016.

Note: All values are in 2016 dollars using the Consumer Price Index for All Urban Consumers (CPI-U). COA data are based on costs for in-state medical students.

Source: Authors’ analysis of the AAMC Graduation Questionnaire (GQ) and Tuition and Student Fees Questionnaire (TSF).
Leadership Retreat held in August 2018

Develop a proposal for a new Cabinet structure to support education at Geisinger

Develop strategic initiatives in collaboration with faculty and staff representatives

Ten Initiatives resulted which were a result of the self study conducted for the LCME visit

Alleviating Student Debt was identified as one of the initiatives

Cross sectional team members were identified to address each initiative with Cabinet level sponsorship
Strategic Goal: Reducing Student Debt

What are the factors contributing to the issue / problem:

- GCSOM’s students rank 4th highest in terms of overall medical student debt accumulated when they leave medical school.
- GCSOM’s average debt was increasing.
- GCSOM’s cost for student health insurance is in the top 10%.
- GCSOM’s tuition is among the highest for private medical schools for out of state students.
- GCSOM’s donor base for soliciting additional scholarships has been exhausted.
- GCSOM’s average scholarship award to students who receive awards is $5,109 for FY 18 compared to the average of all other schools which is $15,406.
- GCSOM has a higher percentage of needy students (23% 1st generation to college).
Strategic Goal: Reducing Student Debt

Obstacles to progress

- Students borrowing more than they actually “need”
- Number of first generation, economically disadvantaged as well as underrepresented medicine students
- Student understanding of financial literacy

Actions taken to date

- Hold increase in tuition and fees to 2.0% per year
- Successful $25M fundraising campaign with $14M for scholarships
- Tripled the amount of operating funds committed to scholarships since FY 2012
- Partner with Geisinger Health Plan to develop a student health insurance plan for GCSOM students
- GCSOM’s fundraising is now with the Geisinger Foundation which has identified student scholarships as a major fundraising priority
- Geisinger Scholar Programs.......
Geisinger Scholar Programs

Abigail Geisinger Scholars Program
• 10 awards covering tuition and required fees up to four years
• No constraints on specialty choice
• Number of years of funding equals the number of years of service as a Geisinger physician after residency

Geisinger Primary Care Scholars Program
• 40 awards covering tuition, required fees, and provides a $2,000 per month stipend up to four years
• Must commit to the following specialties: family medicine, internal medicine, medicine/pediatrics
• Curricular track focused on innovations in primary care built around Geisinger’s signature programs
• Number of years of funding equals the number of years of service as a Geisinger physician after residency
Development Process

1. Propose program and assemble work group
2. Research potential loan forgiveness programs
3. Work with partners for required notifications and contracts
4. Seek feedback from constituencies
5. Know your selection criteria for awards
Development Process

6. Release information internally and externally
7. Develop marketing materials (website, FAQs, brochure)
8. Host student information sessions
9. Review applications and score according to rubric
10. Create customized letters, disclosures, & contracts for each student
11. Revise financial aid packages
12. Coordinate paperwork with all departments
13. Host reception with clinical mentors
Geisinger Clinic Employment

Pre-employment
- Engagement throughout educational experience; continuous dialogue with GCSOM and Clinic team members
- Geisinger Clinic Primary Care Physician Advisor assigned during medical school and residency
- Designated team available to help with questions throughout the journey
  - Timing: most common to provide during second to last year of training

Offer Letter
- Contents: Compensation, start date, practice agreement, specialty/board certification, and outline of the Geisinger Primary Care Scholars Loan program
- The onboarding process (clearances and credentialing) takes approximately 90 days

Hire
- Amortization schedule provided in the first month of employment
- Loan forgiveness begins in the first Geisinger Clinic pay
Geisinger Scholars Program Timeline

1 July 2019
Information sent to applicants

9 Sept. 2019
Information presented to interviewees

15 Jan. 2020
Information sessions will be held for accepted students

19 Feb. 2020
All application materials from students are due to Financial Aid

6 Mar. 2020
Selection Committee meets to review application materials.

31 Mar. 2020
Notification letters will be sent to students.

30-day notification period expires:

July 2020
Fall 2020 classes begin.

Aug. 2020
Financial Aid Across the MD Curriculum

LCME Standard 12: Medical Student Health Services, Personal Counseling, and Financial Aid Services that states, “A medical school provides effective student services to all medical students to assist them in achieving the program’s goals for its students. All medical students have the same rights and receive comparable services.”
Standard 12.1 Financial Aid/Debt Management Counseling/Student Educational Debt

1. Has effective financial aid and debt management counseling

2. Has mechanisms in place to minimize the impact of direct educational expenses
<table>
<thead>
<tr>
<th></th>
<th>Financial Aid Across the MD Curriculum</th>
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<tbody>
<tr>
<td>1</td>
<td>Understand curriculum approval</td>
</tr>
<tr>
<td>2</td>
<td>Establish qualified faculty</td>
</tr>
<tr>
<td>3</td>
<td>Create a syllabus</td>
</tr>
<tr>
<td>4</td>
<td>Process through approval process</td>
</tr>
<tr>
<td>5</td>
<td>Launch Canvas</td>
</tr>
</tbody>
</table>
Financial Aid Across the Doctor of Medicine Curriculum

The Financial Aid Across the Doctor of Medicine Curriculum is a four year-long program designed to assist students in their understanding of funding resources. Associations such as the AAMC and NHSC, guest speakers and financial aid personnel are utilized to weave financial literacy into their curriculum. The curriculum will focus on the following to help students better understand financial aid resources:

- loan portfolio,
- budget planning and debt management,
- financial literacy development,
- reflection and counseling and self-directed webinars,
- videos and podcasts.

In addition, the Financial Aid Across the Doctor of Medicine Curriculum will address LCME Standard 12: Medical Student Health Services, Personal Counseling, and Financial Aid Services that states, “A medical school provides effective student services to all medical students to assist them in achieving the program’s goals for its students. All medical students have the same rights and receive comparable services.” Standard 12.1 Financial Aid/Debt Management Counseling/Student Educational Debt states, “A medical school provides its medical students with effective financial aid and debt management counseling and has mechanisms in place to minimize the impact of direct educational expenses (i.e., tuition, fees, books, supplies) on medical student indebtedness.”
## Money Management

- AAMC Financial Wellness Program
- MedLoan Organizer and Calculator
- Intuit Mint
- Money Manager
- 2019 Debt Fact Card.pdf

## Syllabus

- Syllabus 1920-1.docx

## M1 Curriculum

- 1:1 Mandatory Financial Aid Sessions
- AAMC Webinar for How to Increase your Credit Score During Medical School - 10/25/2019
- AAMC Webinar for Home Financing for Graduating Medical School Students and Residents - 01/17/2020
Thank You!