Financing A Medical Education

Presented by:
Stephanie Hunt
Director of Financial Aid
Harvard Medical School
How Much Will It Cost?

The Total Cost of Attendance (COA) is made up of:

Tuition + Fees + Estimated Cost of Living

- Note: Each school will prescribe an estimated cost of living but you have some control with your spending habits.

<table>
<thead>
<tr>
<th>Cost (Report October 2016)</th>
<th>Public</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Tuition and Fees</td>
<td>$36,453</td>
<td>$57,472</td>
</tr>
<tr>
<td>Median Cost of Living</td>
<td>$22,573</td>
<td>$23,281</td>
</tr>
<tr>
<td>Median COA</td>
<td>$59,026</td>
<td>$80,753</td>
</tr>
<tr>
<td>Median 4-Yr. COA for Class of 2016</td>
<td>$240,351</td>
<td>$314,203</td>
</tr>
</tbody>
</table>
1st Expectation is to utilize Family Resources

2nd Consider forms of Financial Assistance

- Scholarships: *(always voted most popular)*
  - Need-based
  - Merit
  - Service Commitment
  - MD-PhD
  - External
- Student Loans
  - Direct Unsubsidized and Direct GradPLUS Loans
  - Private Loans
  - Institutional Loans
- Employment
  - Federal Work Study
  - Other Employment
Institutional vs. Federal Methodology

- Federal need analysis excludes parent data for Federal Loans
- Institutional need analysis: will include parent information
  - divorced/separated parents
  - recognition of independent status
  - what if they won’t contribute?

Requested Forms and Documents: FAFSA, CSS Profile and Institutional Applications, tax returns.
Think Outside Scholarships!

- Google Search
- $alt and I-Grad
- Financial Aid Websites at your school
  - HMS Outside Scholarship Listing
- Contact your academic advisor or grant managers in your department
- Local Library
- Let as many people know you are looking as you can-someone may be aware of an opportunity that you are perfect for-you never know until you ask.
WHO ARE YOU?

- Think individually, academically, locally and globally. Multiple identities (circles of my multiple identities) – female, mother, veteran, religious affiliation, fraternity, sorority, service memberships, gay, athlete, differently abled, first-generation college student, educator, Taoist, genderqueer, scientist, or any descriptor with which you identify.
- Geographically – where do I have (or had) residency
- Research/Academic Interests
• Create a Excel Template (example below)
• Know when scholarships are due (often earlier than anticipated)

<table>
<thead>
<tr>
<th>Funding Name</th>
<th>Award Amount</th>
<th>Timeline</th>
<th>Eligibility and Criteria</th>
<th>Application Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Fellowships Dissertation Fellowships Application Instructions</td>
<td>$20,000</td>
<td>November 15, 2015, by 11:59 p.m. Central Time</td>
<td>American Fellowships are not open to previous recipients of any AAUW national fellowship or grant (not including branch or local awards or Community Action Grants). Members and officers of the AAUW Board of Directors are not eligible to apply for fellowships and grant awards. AAUW staff or volunteers with decision-making authority who wish to apply for an award must recuse themselves from the decision-making process.</td>
<td>Provide: Three recommenders Transcripts C.V./Résumé Narratives Budget Payment The $40 filing fee is required to cover the cost of administering the application process. Payment will be accepted through PayPal.</td>
</tr>
</tbody>
</table>
Every Little Bit Counts

Larger Scholarships are more competitive

- Consider applying for smaller scholarship awards, which tend to be less competitive, and are also less likely to use strict cutoffs for grades and test scores.
• 76% of 2015 US medical school graduates borrowed
  ◦ 82% had debt in excess of $100,000.
  ◦ 47% had debt in excess of $200,000.

• Median Med School Debt: $200,000
• Median Public Med School Debt: $180,000
• Median Private Med School Debt: $190,000
KEY LOAN CONCEPTS

• Subsidized vs. Unsubsidized
• Fixed vs. Variable Interest Rate
• Federal, Institutional, Private
• Forbearance, Deferment
• Effects of Capitalization
Can Medical Students Afford to Choose Primary Care? An Economic Analysis of Physician Education Debt Repayment

Youngclaus, James A. MS; Koehler, Paul A. PhD; Kotlikoff, Laurence J. PhD; Wiecha, John M. MD, MPH

Conclusion: a primary care career remains financially viable for medical school graduates with median educational debt levels (ie $162K)

Still viable for students with higher debt levels, but will need to consider additional strategies:
- Extended repayment plans
- Loan Forgiveness Programs (PSLF/NHSC, etc)
- Not living in high cost areas

Caveat: Report produced prior to (RE)PAYE which essentially makes it possible under any circumstances
How Do They Pay It Back?

Flexible Repayment Options:
• 10 Year Standard, Extended, Income-Based Repayment plans (IBR, ICR, PAYE, REPAYE)

Public Service Loan Forgiveness (PSLF)
• The Public Service Loan Forgiveness program through the federal government offers loan forgiveness for qualifying professionals with qualifying federal loans, who are working in public service careers. The balance that is forgiven is not taxable. *May not be around*....

NHSC: Primary care clinicians are eligible for scholarship and loan repayment assistance in exchange for working in an HPSA (Health Professional Shortage Areas) and with underserved communities.

State and Federal Loan Forgiveness Programs
• There are also loan forgiveness opportunities through some state and federal loan programs. To learn more about these opportunities take a look at the AAMC's list of state and federal loan repayment and forgiveness programs.
What About Expenses That Aren’t In the Cost of Attendance?

- Living expenses in excess of student budget
- Relocation Costs
- Auto expenses
- Financial support to people other than legal dependents
- Credit card payments
- Application and Interview Costs
Why Budget?

“A bargain is something you have to find a use for once you have bought it.” — Benjamin Franklin

- Ensures you have resources for the things you “need”.
- Help you identify your priorities.
- Builds Wealth.
- Retirement planning.
- Peace of Mind.
A realistic budget will help control finances

- Put it in writing
- Review periodically
- Make necessary adjustments

“Live like a student while you are a student...”
Here are a few useful websites on building a budget:

- www.aamc.org/services/first
- www.mint.com
- https://www.smartsheet.com/top-excel-budget-templates
What Should I Be Doing Now?

• Pre-medical school educational loans
  ◦ Know the terms of your loans
    • Do they offer in-school deferment?
    • Do you need to file an in-school deferment form when you enter medical school?
    • Contact lenders for more information
  ◦ Your federal loan information available at:
    www.nslds.ed.gov

*Federal PIN required to access site*
Helpful Resources

• HMS, National and State Loan Forgiveness Programs: [www.hms.harvard.edu/finaid](http://www.hms.harvard.edu/finaid)
• PSLF FAQs: [http://studentaid.ed.gov](http://studentaid.ed.gov)
• NHSC: [www.nhsc.hrsa.gov](http://www.nhsc.hrsa.gov)
• AAMC: [www.aamc.org/first](http://www.aamc.org/first)
• AAMC MedLoans Organizer: [www.aamc.org/services/first/medloans](http://www.aamc.org/services/first/medloans)