

## Advocacy Policy

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#### Medical Student Debt

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## Medical Student Debt

### Student debt statistics

- **\$156,456** – According to the Association of American Medical Colleges (AAMC), the average educational debt of indebted graduates of the class of 2009.
- **79 percent** of graduates have debt of at least \$100,000.
- **58 percent** of graduates have debt of at least \$150,000.
- **87 percent** of graduating medical students carry outstanding loans.

Source: AAMC 2009 Graduation Questionnaire

### Why medical education debt has increased

Medical education debt is driven by rising tuition. AAMC data show that median private medical school tuition and fees increased by 50 percent (in real dollars) in the 20 years between 1984 and 2004. Median public medical school tuition and fees increased by 133 percent over the same time period. Other recent 20-year periods show similar trends.

Tuition is just one source of increasing debt burdens. Other causes include:


- Interest accrued on loans over time significantly adds to the total

### Related Links

[How the AMA Benefits Medical Students](#)

[Contact the AMA-MSS](#)

### Related Articles

[Articles on Medical Education](#) 

From *American Medical News*



cost of student debt.

- Students are now entering medical school with more education debt from undergraduate education.
- Increasing numbers of “non-traditional” students who have children to support.

### **Debt crisis harms both students and patients**

The increase in debt not only burdens medical students, but can have effects on the entire health care system. Some of correlations found include:

#### **Decrease in primary care physicians**

- Students with high debt may be less likely to pursue family practice and primary care specialties and instead seek specialties with higher income or more leisure time.

#### **Decreased diversity of physician workforce**

- The cost of tuition can prevent students from low-income/minority and those with other financial responsibilities from attending medical school.
- Physician diversity is necessary to address the needs of heterogeneous, multicultural patient populations.

#### **Promoting unsafe physician behaviors**

- Residents with high debt are more likely to moonlight.
- Increasing debt leads to more cynicism and depression among residents.

### **How can we reduce debt?**

The MSS has come up with recommendations for legislative and administrative remedies to resolve the medical education debt crisis. These recommendations focus on controlling tuition, the principal component of education costs, but include a number of relatively simple administrative measures that could be taken immediately and at a low cost to individual medical schools.

#### **Federal level**

- 
- Securing adequate funding for Title VII health professions

programs in the FY 2009 Labor, Health and Human Services, Education and Related Agencies appropriations bill and expanding and protecting the National Health Service Corps (NHSC) Loan Repayment Program.

- Broadening the tax-exempt status of medical scholarships.

#### **State legislative options**

- Tuition caps
- State tax deductions for loan interest
- State service loan repayment programs

#### **Reform individual medical school financial policies**

- Tuition caps
- Change fee policy

#### **Innovative strategies for reducing student loan needs**

- Increasing grants and scholarships
- Collaborate graduate/undergraduate debt counseling
- Collective buying to reduce student expenses

#### **Links of interest**

[Task Force on Medical Student Debt, Final Draft](#) (PDF, 267KB)

[AAMC state loan repayment program](#)

(This link will take you off the AMA Web site. The AMA is not responsible for the content of other Web sites.)

[Background](#)

Background information and activities of the AMA-Medical Student Section related to medical student debt.

[Policies](#)

AMA-MSS Policies on Medical Student Debt.

[Resources](#)

These documents and Web sites are provided to aid you in your quest for information on various topics such as medical student debt facts and statistics, financial aid options, debt management, and loan consolidation.

[Higher Education Act](#)

The Higher Education Act (HEA) of 1965 initiated the federal student loan program and currently establishes the federal guidelines, such as student loan interest rate adjustments, deferments, subsidies, and tax deductions. The AMA is working hard on your behalf to make necessary revisions that could save medical students millions of dollars.

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