



Beyond Dollars and Cents: Leadership in Student Debt Strategies

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Learning Objectives

1. To develop an understanding of how different segments of the profession can contribute to addressing the issue of educational debt.
2. To identify innovative strategies for addressing the educational debt issue.
3. To understand the basics of a behavioral economics approach to providing financial support.

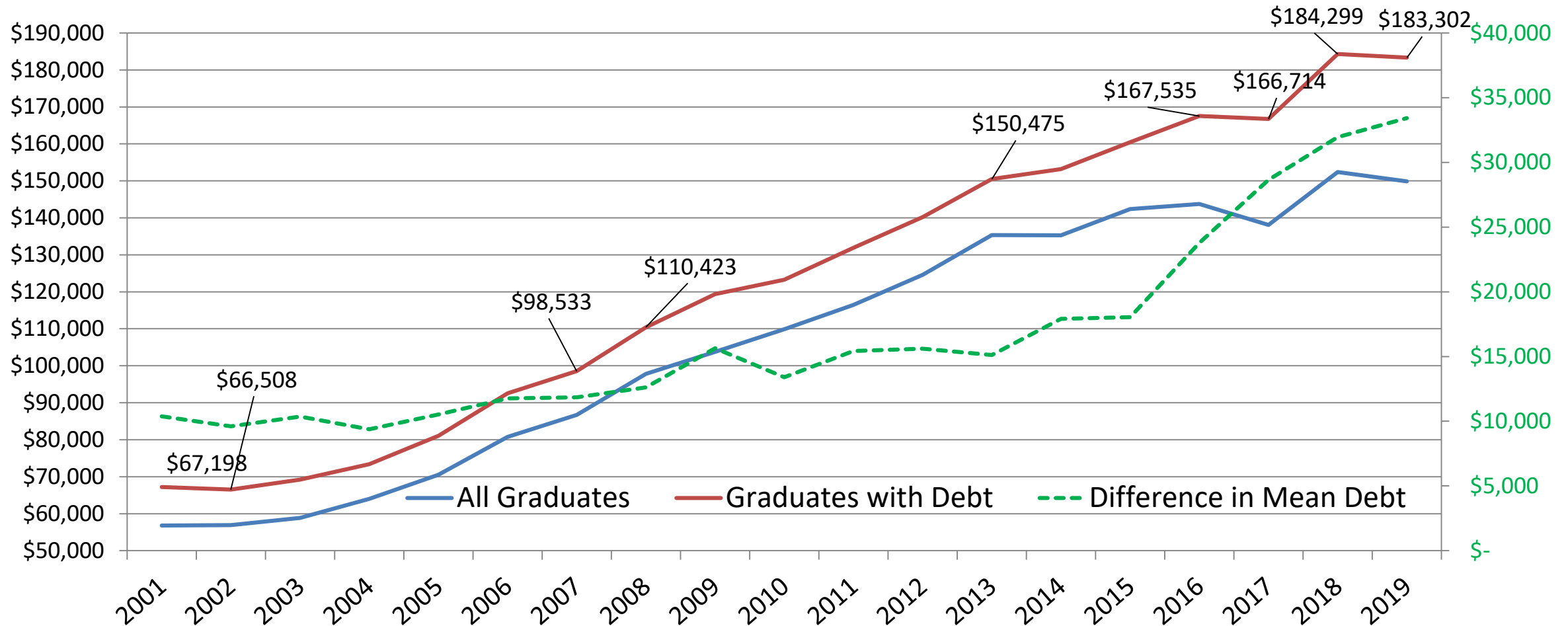
Layout

- The current situation
- Strategy
- What *students* can do
- What the *schools* can do
- What *practice owners* can do
- What *you* can do

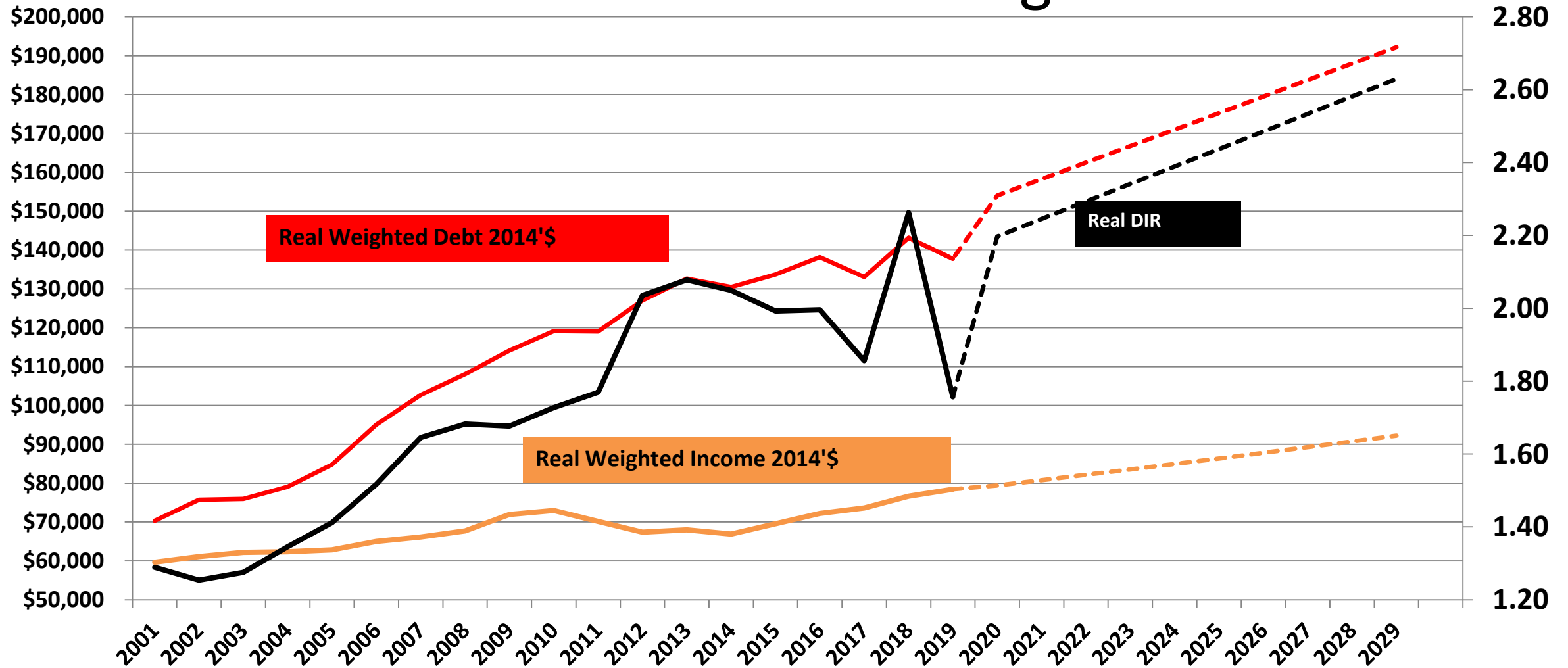
The Current Situation

Debt of New Graduates

Mean of All Debt vs. Mean of Non-Zero Debt



2019 Projections of Debt and Income: Graduates US Colleges



Debt-to-Income Ratio of US Graduating Class 2001 - 2019



Strategy

\$200,000 in DVM Debt, 6.08%

Scenario 1

Payment	\$2,500	\$2,000	\$1,500	\$1,000
Time (years)	8.16	11.00	17.16	52.64
Total Payment	\$244,699	\$264,047	\$308,898	\$631,632

Scenario 2

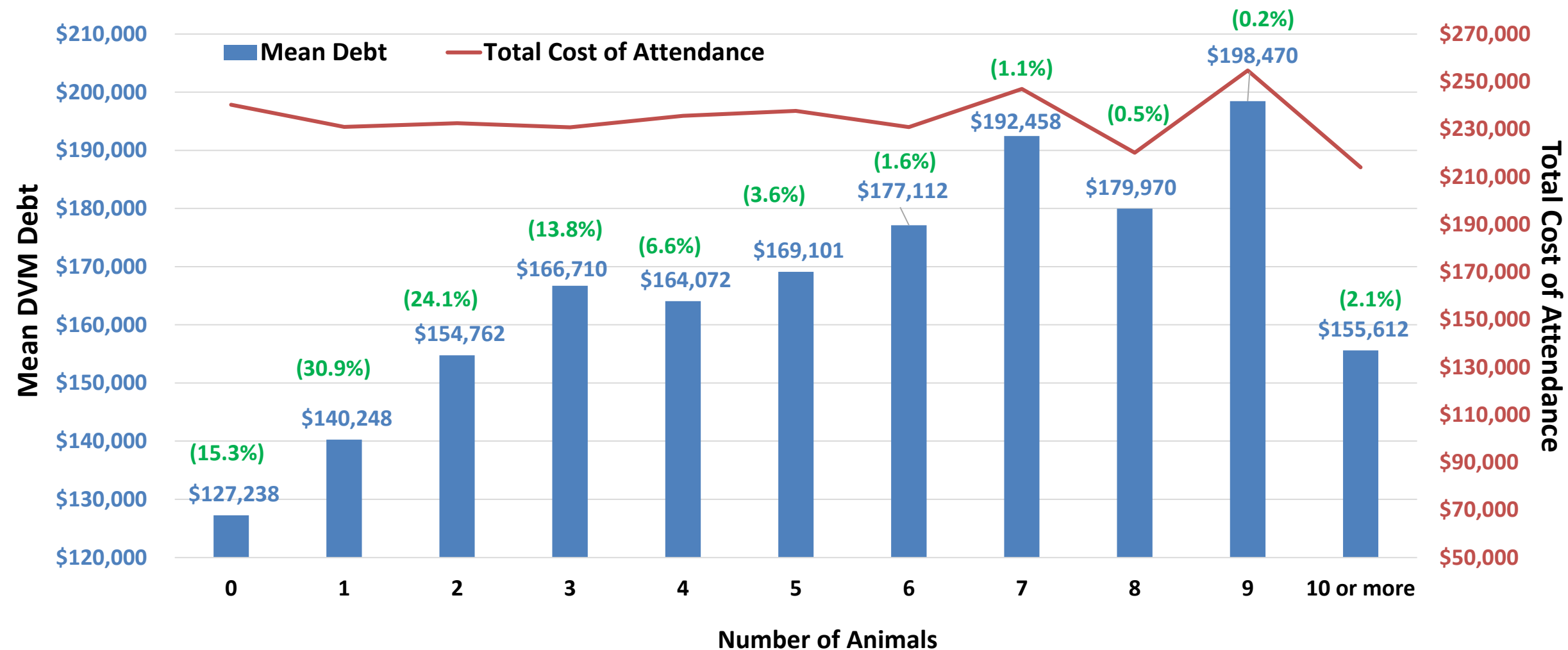
Time (years)	30	25	20	15	10
Mthly Payment	\$1,151.20	\$1,238.41	\$1,378.70	\$1,626.16	\$2,142.78
Total Payment	\$414,433.73	\$371,523.19	\$330,888.48	\$292,708.26	\$257,133.09

NPV @ 5% discount rate

		INCOME					
		\$ 75,000	\$ 80,000	\$ 84,982	\$ 90,000	\$ 95,000	\$ 100,000
DEBT	\$ 50,000	\$1,719,805	\$1,837,633	\$1,955,048	\$2,073,289	\$2,191,118	\$2,308,946
	\$ 75,000	\$1,695,995	\$1,813,823	\$1,931,238	\$2,049,480	\$2,167,308	\$2,285,136
	\$ 100,000	\$1,672,186	\$1,790,014	\$1,907,429	\$2,025,670	\$2,143,499	\$2,261,327
	\$ 125,000	\$1,648,376	\$1,766,204	\$1,883,619	\$2,001,861	\$2,119,689	\$2,237,517
	\$ 149,291	\$1,625,242	\$1,743,070	\$1,860,485	\$1,978,727	\$2,096,555	\$2,214,383
	\$ 175,000	\$1,600,757	\$1,718,585	\$1,836,000	\$1,954,242	\$2,072,070	\$2,189,898
	\$ 200,000	\$1,576,947	\$1,694,776	\$1,812,191	\$1,930,432	\$2,048,260	\$2,166,089
	\$ 225,000	\$1,553,138	\$1,670,966	\$1,788,381	\$1,906,623	\$2,024,451	\$2,142,279

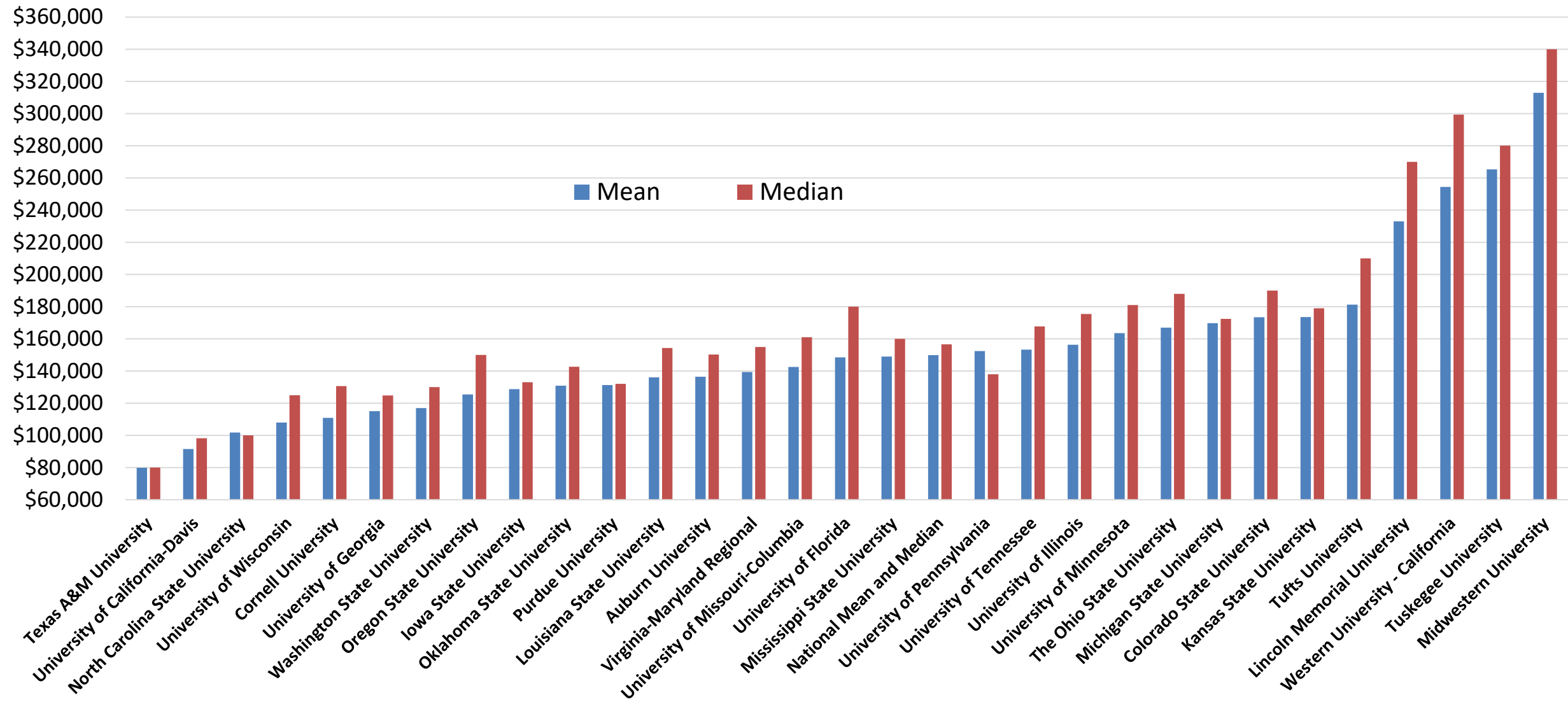
What can students to?

How many animals have you been financially responsible for during your matriculation through veterinary school?

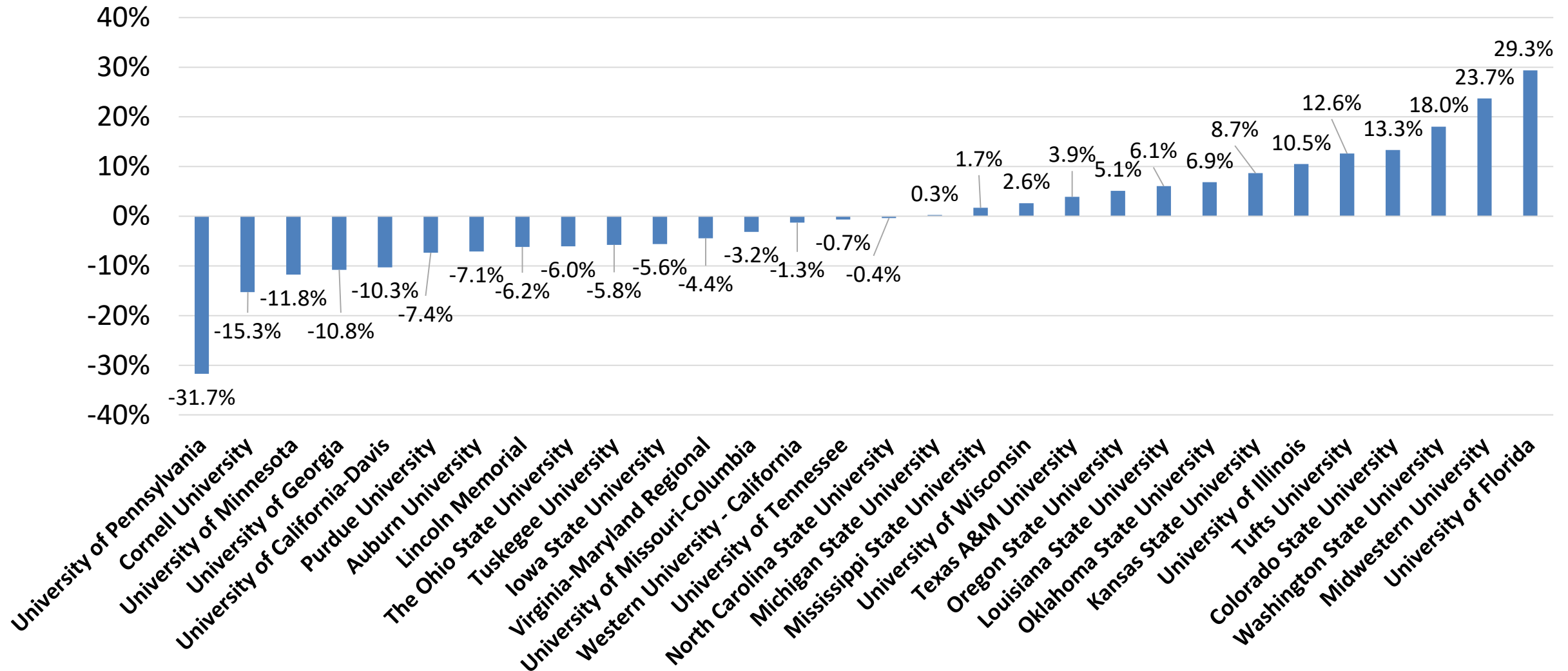


What can the schools do?

2019 Mean and Median DVM Debt by School

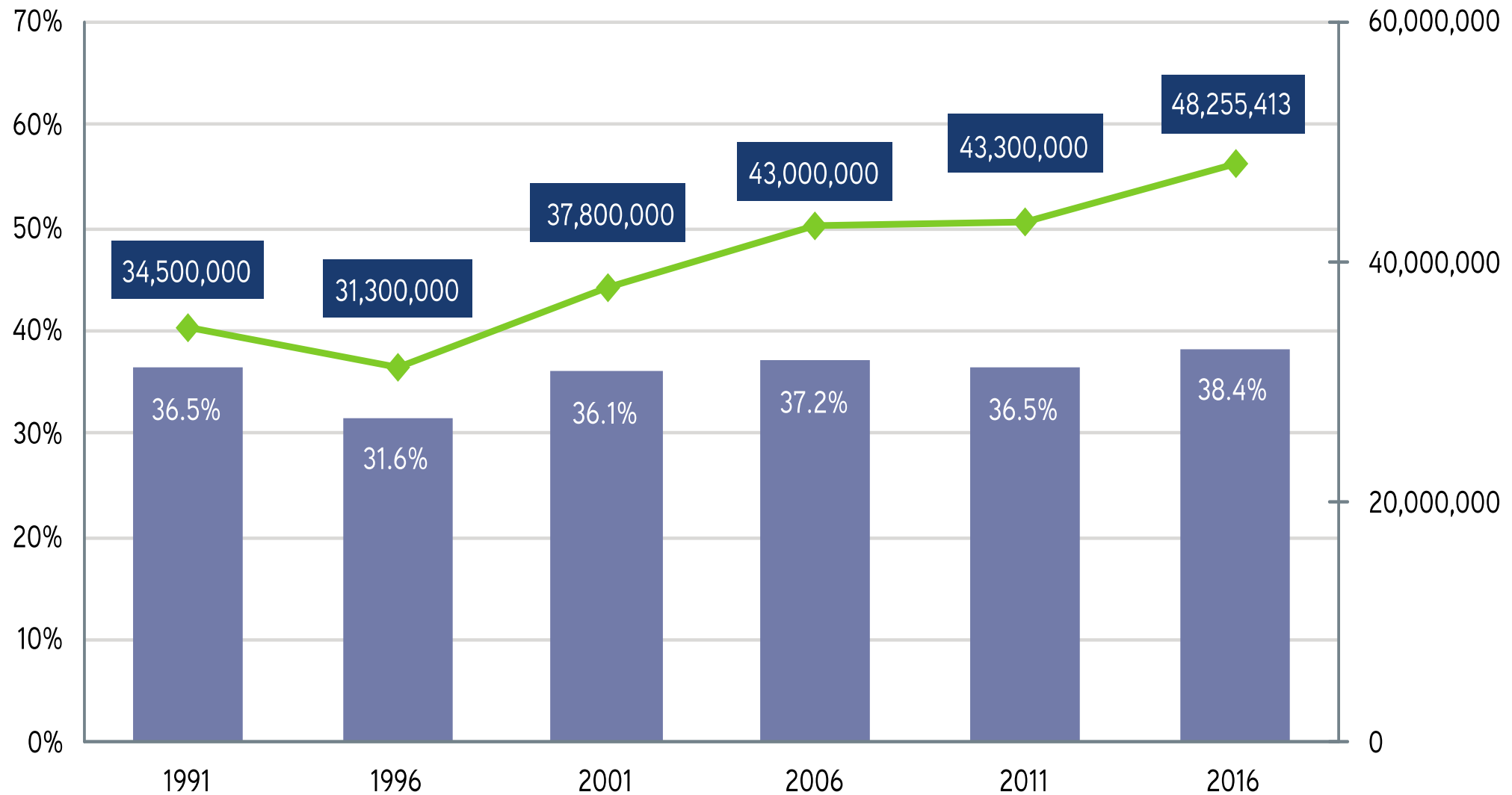


2018 - 2019 Change in Debt level by School

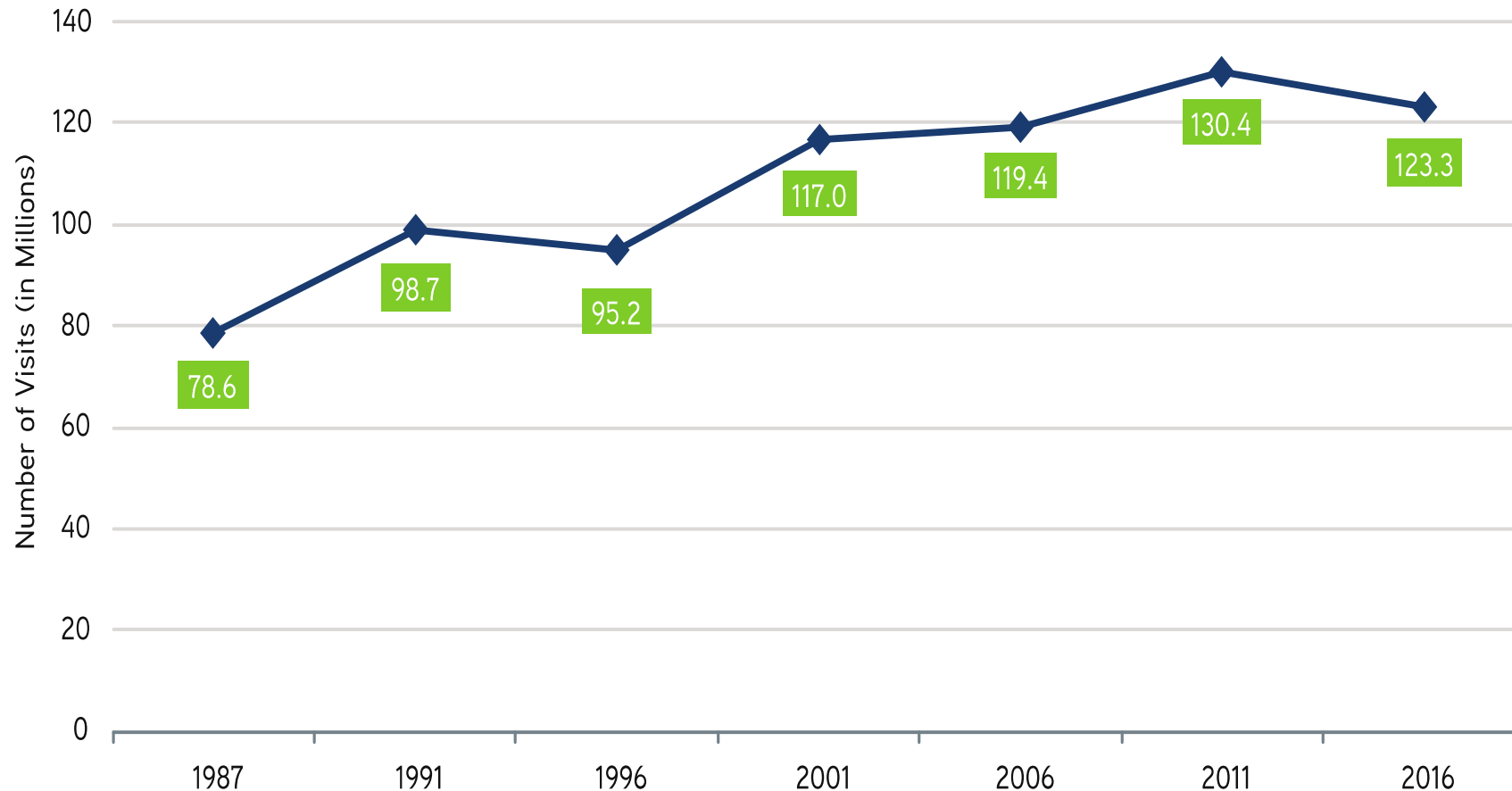


What can practice owners do?

PERCENT & NUMBER OF HOUSEHOLDS WHO OWNED A DOG



NUMBER OF VISITS TO A VETERINARY CLINIC OR HOSPITAL BY DOG-OWNING HOUSEHOLDS, 1987–2016



Source: Pet Demographic and Ownership Sourcebook



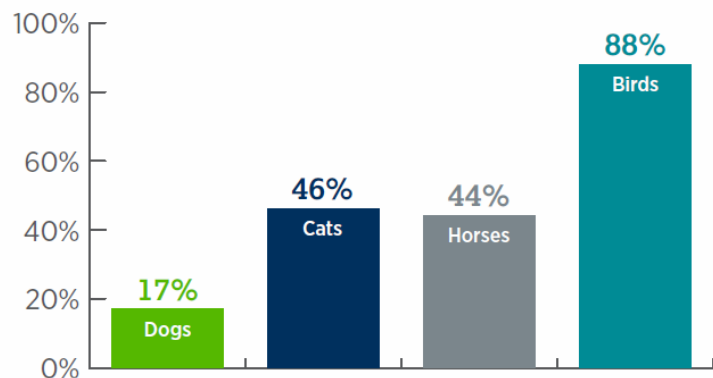


Get pets to the vet

HOW MANY PETS LACK VETERINARY CARE?

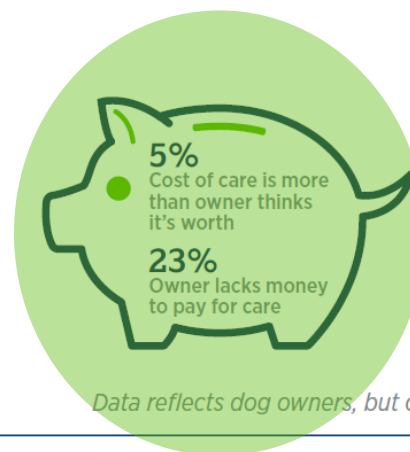
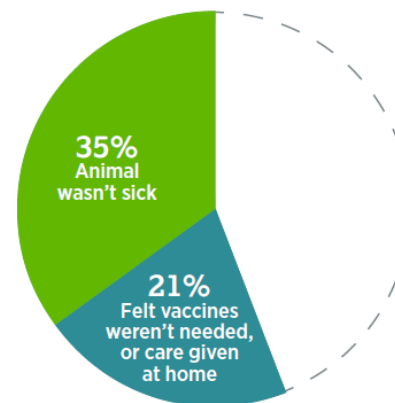
Nearly 30%

of pet-owning households don't see a veterinarian at least once a year and spend **\$0** on veterinary care.



WHY DON'T PETS SEE A VETERINARIAN?

56% of all dog owners don't understand the need for preventive care by a veterinarian.



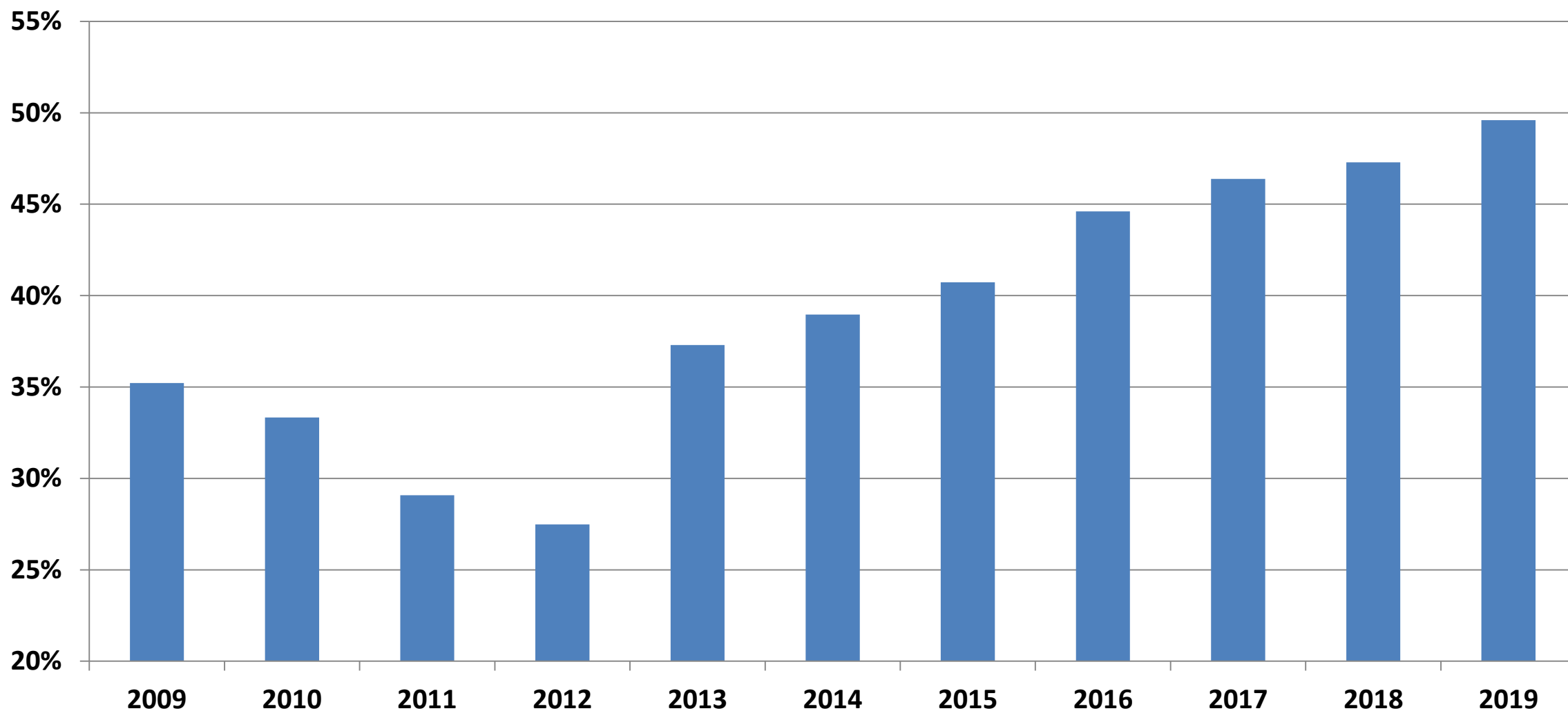
Affordability

— not value — is the issue when finances keep the owner away.

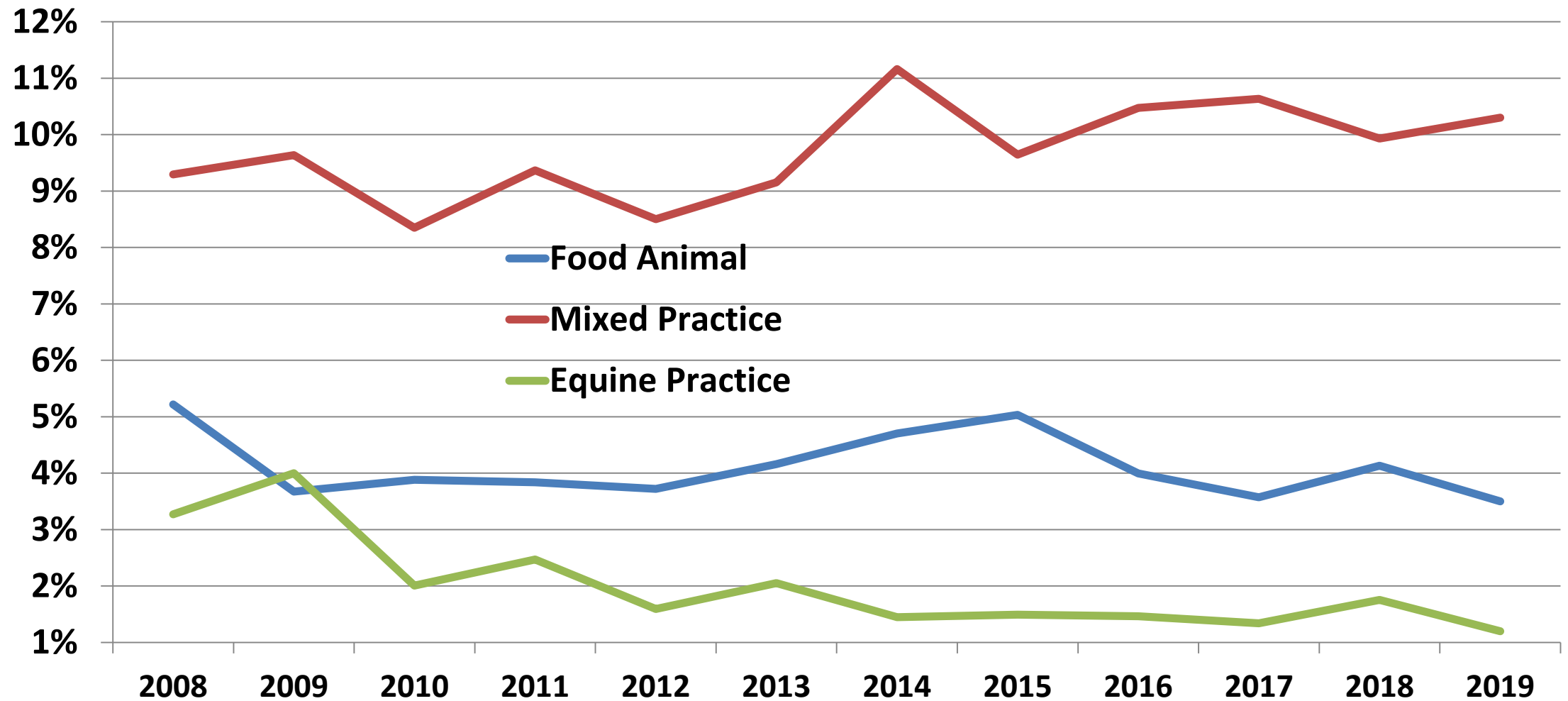
Data reflects dog owners, but other pet owners share similar behavior.

What can you do?

New Graduates: Companion Animal Practice Fulltime



New Graduates: Other Private Practice - Fulltime



“Regarding gender effects, we find that cattle and horses are increasingly served by male veterinarians. Female veterinarians are very sensitive to companion animal numbers and to an area’s average per capita income...Through investments in training specific to food animal veterinary practice, preferential admissions treatment for those professing interest in a food animal career, loan programs, and debt forgiveness programs, veterinary college administrators and politicians have sought to expand the overall supply of veterinarians and guide more of them into a food animal career. However, the percentage of male veterinarians in most rural places has remained roughly the same, while the percentage of female veterinarians located in these areas has gradually declined.”

- Wang, Tong, David A. Hennessy, and Seong C. Park. *"Demand side change, rurality, and gender in the United States veterinarian market, 1990–2010."* *Agribusiness* 32.2 (2016): 236-253.

Key Takeaways

- Debt is increasing, the DIR is increasing but the distribution of debt within a class continues to widen
- Debt can be better managed with increased salaries
- Students to be mindful of expenditures as much as possible
- Schools to communicate about successful strategies
- Practice owners to amp up on pets not seeing the veterinarian
- Educate veterinarians about lucrative careers outside of small animal practice