**VETERINARY DEBT INITIATIVE ROUNDUP**

**November 1, 2019**

Led by the American Veterinary Medical Association, the Association of American Veterinary Medical Colleges and the Veterinary Medical Association Executives, the Veterinary Debt Initiative (VDI) is focused on helping veterinarians thrive in financially sustainable and rewarding careers. The VDI’s primary purpose is to raise awareness and provide access to resources that enable pre-veterinary students, veterinary students and veterinarians to make highly informed financial decisions. **We want to bring your attention to these important resources and happenings:**

**AVMA Economic Summit Tied to VDI Strategy**

The [AVMA Economic Summit](https://www.avma.org/Events/Symposiums/Pages/economic-summit-agenda.aspx) held Oct. 22-23 in Schaumburg, showcased the current research and insights regarding issues impacting the economic sustainability of the veterinary profession. The AVMA veterinary economics team, professionals from various allied groups, educational leaders and industry executives covered a wide range of topics including educational debt and behavioral economics. “The analysis presented at the summit integrates with the overall research and metrics strategy of the Veterinary Debt Initiative,” said Dr. David Granstrom, Assistant Executive Vice President of the American Veterinary Medical Association (AVMA), a Veterinary Debt Initiative co-lead organization. “By exploring the implications of behavioral economics on financial decision-making by veterinary students, new graduates and early career veterinarians, we can better understand their challenges and needs and help develop solutions to the educational debt crisis.” The AVMA works closely with the Association of American Veterinary Medical Colleges and the Veterinary Medical Association Executives to lead the Veterinary Debt Initiative.

**Educational Debt is a Hot Topic at the AVMA Economic Summit**

Dr. Bridgette Bain, Associate Director of Analytics at the American Veterinary Medical Association, presented “Supply and Demand in the Market for Veterinary Education” at the AVMA [Economic Summit](https://www.avma.org/Events/Symposiums/Pages/economic-summit-agenda.aspx) held Oct. 22-23 in Schaumburg. Dr. Bain provided a comprehensive picture of the market and concluded with these key takeaways:

* The market for new veterinarians is robust. Salaries and the number of full-time employees are increasing.
* Many schools have experienced a year-over-year decrease in debt levels. What can schools with increasing debt levels learn from those with decreasing debt levels?
* The gender income gap has decreased from 4% in 2018 to 3% in 2019.
* How can students who borrow above the total cost be encouraged to minimize their loans?
* Participation from international institutions would allow a better understanding of their challenges and needs.

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**Students Bear Brunt of Higher Education Cuts: Report**

The Center on Budget and Policies Priorities recently released a [report](https://www.cbpp.org/research/state-budget-and-tax/state-higher-education-funding-cuts-have-pushed-costs-to-students) on how state higher education funding cuts have pushed costs to students and worsened inequality.
Specifically, the report finds: “Deep state cuts in funding for higher education over the last decade have contributed to rapid, significant tuition increases and pushed more of the costs of college to students, making it harder for them to enroll and graduate.” Alex Sands, Assistant Director of the American Veterinary Medical Association’s Government Relations Division summarized the key points of the report:

* The benefits of a college degree are significant, but cuts to higher education, rising tuition, and stagnant earnings make things difficult for today’s students to secure these benefits.
	+ By the late 1980s, tuition began to rise much faster than incomes.
	+ In 2017, the average net price of a public four-year institution accounted for 23% of a family’s median household income. Net price accounted for at least 25% of median household pay in 26 states.
* Overall state funding for public two- and four-year colleges in 2018 was more than $6.6 billion below 2008 levels, after adjusting for inflation.
* States provide just over half of the costs of teaching and instruction at these institutions; schools have raised tuition and reduced academic opportunities and student services.

The report urged state policymakers to invest in high-quality, affordable, and accessible public higher education to build a stronger middle class and develop entrepreneurs and skilled workers that the economy needs.

Please [visit the AVMA’s site](https://www.avma.org/Advocacy/getinvolved/Pages/default.aspx) to sign up for updates and get involved in advocacy efforts on this issue.

**Newly Released College Affordability Act**

The National Association of Student Financial Aid Administrators’ (NASFAA) podcast “Off The Cuff” [Episode 122: Diving Into the College Affordability Act](https://urldefense.proofpoint.com/v2/url?u=http-3A__nasfaa.informz.net_z_cjUucD9taT04ODkwOTYwJnA9MSZ1PTEwMDY5OTI2MDAmbGk9NzA4MDEwMjI_index.html&d=DwMBaQ&c=A51OX6aSaU1ywwq_3bUC2Q&r=2J2Pj6F1RlfB1wIptYMumQ&m=IOMrTk2F_NyjsXR3YiLEvi95GJ-r3I2tYSnyg-rF-OI&s=nzKneSNxvcx6IyirSDtC0Vtd0cjCN6Fq7977DVDZZ04&e=) explored the ins and outs of the newly released College Affordability Act, the House Democrats' bill to reauthorize the Higher Education Act.

**Employer Student Loan Repayment Program: 5 Tips for 2020**

Paycor.com examined the benefits of employer repayment programs in “[Employer Student Loan Repayment Program: 5 Tips for 2020](https://www.paycor.com/resource-center/employer-student-loan-repayment-program-5-tips?utm_source=marketo&utm_medium=email&utm_campaign=2019-HRCOENewsletterOctober21-Prospect&mkt_tok=eyJpIjoiTWpjeE5EZzVNRFJtWkdJdyIsInQiOiJNMVg2WXZUczU5TlpzSktHeXlTRllxdGNmalIrVmI3M1J4RnpnYXA3TWY1WkxZdWp3dHQyUzY3ZFplZmdUZGRhUThobU4xa0ZcL21sU1dLeGp3RmJ4VzlKQmdaY2NlY3ZBUlpnSXoxZVVTaFBIRXdxNFREMDUzUm0wcXA2akQ3XC9TIn0%3D)” stating, “Companies that offer student loan debt relief can more easily attract and retain talent. In fact, studies indicate that 86% of workers between the ages of 22 and 33 would commit to an employer for five years if the employer offered a student loan repayment program.” The article provides advice to employees to help repay their student loans and also explains Abbot Laboratories novel repayment approach tied to the company’s 401(k).

*The Veterinary Debt Initiative recommends all borrowers track their loan repayment strategy and become educated on loan repayment programs. More information on student loan repayment can found through AVMA’s* [*MyVeterinaryLife*](https://myvetlife.avma.org/current-student/your-financial-health/loan-repayment-strategies) *or through the* [*VIN Foundation’s Student Debt Center*](https://www.vin.com/studentdebtcenter/default.aspx?pid=14352)*. For employers interested in benefits programs, the Veterinary Debt Initiative recently* [*published an article*](https://atwork.avma.org/2019/09/18/non-profit-helps-employees-repay-veterinary-student-loans/) *from an employer who implemented one type of benefit program.*

**PSLF Updates**

[“Applying for Public Service Loan Forgiveness: 5 Tips for Success”](https://blog.ed.gov/2019/09/public-service-loan-forgiveness-tips/#more-28616) was posted on the official blog of the U.S. Department of Education, outlining tips for applying for Public Service Loan Forgiveness. “The qualifying payments are where most folks get hung up. I've heard many financial aid officers talk about how easy it is for someone to accidentally mess up a qualifying payment. Paying too early in the month before the next billing or even paying more than the minimum due can throw the payments off. Only 1% of folks have qualified and the largest payoff I've seen is about $50,000,” said Dr. Lisa Greenhill, Senior Director for Institutional Research and Diversity of the Association of American Veterinary Medical Colleges (AAVMC). The AAVMC partners with the American Veterinary Medical Association and the Veterinary Medical Association Executives to lead the Veterinary Debt Initiative.

On MaketWatch.com, Jillian Berman’s Oct. 10 [“Meet the lawyer who had $38,000 in student debt forgiven — he’s one of just 5% of people who did it”](https://www.marketwatch.com/story/meet-the-law-student-who-had-38000-in-student-debt-forgiven-and-hes-one-of-just-5-of-applicants-who-managed-it-2019-08-06?siteid=yhoof2&yptr=yahoo) highlighted an individual who had his student debt forgiven through the Public Service Loan Forgiveness Program: “Over the past several months, politicians and pundits have debated the merits of mass student-debt cancellation. Jeffrey Morgan is one of the few to know first-hand what it’s like to have the government forgive your student debt.”

InsideHigherEd.com’s Andrew Kreighbaum provided commentary Oct. 10 on a new [report](https://www.aei.org/wp-content/uploads/2019/10/Student-Loan-Servicers.pdf) from the American Enterprise Institute in [“Misplaced Student Loan Blame.”](https://www.insidehighered.com/news/2019/10/10/report-federal-policy-not-servicers-blame-many-student-loan-failures?utm_source=Inside+Higher+Ed&utm_campaign=ffe865ddd3-DNU_2019_COPY_01&utm_medium=email&utm_term=0_1fcbc04421-ffe865ddd3-197417501&mc_cid=ffe865ddd3&mc_eid=fc495df7b5) Kreighbaum wrote: “No program has better exemplified the complexity of the loan system than Public Service Loan Forgiveness” and “much of the anger over student loans is mistakenly assigned to loan servicers. While there are real customer service failures at servicers, much of borrowers' frustration stems from the design of the federal loan program.”

Related resources:

* For more information about PSLF, [visit AVMA’s PSLF webpage.](https://www.avma.org/PracticeManagement/BusinessIssues/Pages/PSLF.aspx?utm_source=vanity&utm_medium=print&utm_campaign=student-debt&utm_term=direct-entry&utm_content=loan-forgiveness)
* The American Veterinary Medical Association (AVMA) wants to hear from veterinarians who would be impacted by cuts to the Public Service Loan Forgiveness program. Share your story [here](http://avmacan.avma.org/app/share-your-story?2&engagementId=493848).

**Student Debt Affects the Housing Market**

In [“So You Make $100,000? It Still Might Not Be Enough to Buy a Home,”](https://www.wsj.com/articles/so-you-make-100-000-it-still-might-not-be-enough-to-buy-a-home-11571149819) \* *The Wall Street Journal* recently looked at the increase in the number of six-figure-income families who rent instead of buy a home: “Student debt and meager savings cloud their financial future,” the story said. The article explained how student debt was closely entwined with the housing market: “There is a connection between student loans and the housing bust, which isn’t lost on young home buyers. Many students took out loans because the housing crisis wiped out the equity in their parents’ homes that would have helped pay for college. Since then the amount of student debt outstanding has tripled, to more than $1.6 trillion. A couple of years ago Fannie Mae, the government-sponsored mortgage giant, made it easier for borrowers with higher debt levels to qualify for a mortgage, though recently Fannie tightened its lending standards.”

\*Access to this article requires a WSJ subscription.

**Student Loan Default Rate Continues to Decline**

On Sept. 26, Andrew Kreighbaum of InsideHigherEd.com reviewed the [new data released from the U.S. Department of Education](https://www.insidehighered.com/quicktakes/2019/09/26/student-loan-default-rate-continues-decline?utm_source=Inside+Higher+Ed&utm_campaign=289a711ebe-DNU_2019_COPY_01&utm_medium=email&utm_term=0_1fcbc04421-289a711ebe-197417501&mc_cid=289a711ebe&mc_eid=fc495df7b5): “the share of borrowers defaulting on their student loans has declined for the sixth straight year.”

**Free Tuition at Public Colleges in New Mexico?**

New Mexico governor Michelle Lujan Grisham discussed the proposal to make all public colleges in the state tuition free on NPR's [*All Things Considered*](http://elink.clickdimensions.com/c/4/?T=ODgzMTU2MzQ%3AMDItYjE5MjY3LTRiN2M4NWZhM2Q4MzRkMTRhNjNmMzQyZWRiZDI2YzUx%3AZ2x1a2VAYXZtYS5vcmc%3AY29udGFjdC01NWE5OTUzMGRiMWFlNTExYWM5NzAwNTA1NjllNWIyMC04M2EyODMwNjA2ZWQ0NmViYWQ0MWJlM2FjODY0ODg2Ng%3AZmFsc2U%3AMjA%3A%3AaHR0cHM6Ly93d3cubnByLm9yZy8yMDE5LzA5LzIxLzc2MzA3MzY1My93aHktbmV3LW1leGljby1zLWdvdmVybm9yLWlzLW1ha2luZy10aGUtY2FzZS1mb3ItZnJlZS10dWl0aW9uP19jbGRlZT1aMngxYTJWQVlYWnRZUzV2Y21jJTNkJnJlY2lwaWVudGlkPWNvbnRhY3QtNTVhOTk1MzBkYjFhZTUxMWFjOTcwMDUwNTY5ZTViMjAtODNhMjgzMDYwNmVkNDZlYmFkNDFiZTNhYzg2NDg4NjYmdXRtX3NvdXJjZT1DbGlja0RpbWVuc2lvbnMmdXRtX21lZGl1bT1lbWFpbCZ1dG1fY2FtcGFpZ249SEVOQSUyMDIwMTkmZXNpZD1lYTI2NTA5MS0xOWRlLWU5MTEtODExYS0wMDUwNTY4NjZmYjE&K=V1O63Z4IVA0OMeInTL3ntQ).

**Veterinary Debt in the Spotlight: VDI Speaker Events**

The Veterinary Debt Initiative (VDI) is committed to raising awareness and providing access to resources that enable pre-veterinary students, veterinary students and veterinarians to make highly informed financial decisions. Check out how VDI is leading efforts in the student debt crisis at these upcoming VDI-sponsored speaker events:

* + 2019 Veterinary Wellbeing Summit, Rosemont, IL

Tuesday 11/19/19 at 4:30 pm: [The Collaborative Approach to the Veterinary Debt Initiative](https://www.avma.org/Events/Symposiums/Pages/veterinary-wellbeing-summit-agenda.aspx#sun-vet-debt)

* + 2020 AVMA Veterinary Leadership Conference, Chicago, IL

Friday 1/10/20 at 3 pm: Beyond Dollars and Cents: Leadership in Student Debt Strategies