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**Veterinary Debt Initiative Q&A:**

**Dumb Friends League Launches Innovative Student Loan Repayment Program to Hire and Retain Talent While Upholding Core Values**

In the veterinary profession, there may be a perception that private practices have the advantage when it comes to potential veterinary team employees. Financial incentives such as practice partnership or ownership may be alluring, but does this mean the non-profit sector is by default, disadvantaged? The Dumb Friends League of Denver has proven this is certainly *not* the case. The Veterinary Debt Initiative (VDI) team sat down with Dumb Friends League President and CEO Dr. Apryl Steele and Director of Human Resources Rebecca Holmes to learn about their robust list of benefits, including the new student loan repayment program— demonstrating to be a win for current and prospective veterinary team members, staff morale, and a game-changing strategy for tackling the educational debt problem in veterinary medicine.

**VDI: Let’s set the stage for what was happening at the Dumb Friends League when you started to explore implementing a student loan repayment program.**

**Dr. Steele:** Our hiring in Veterinary Services has more than doubled in the past year, and a strong economy, low unemployment and competitive job market had made keeping up with the staffing needs of the organization challenging. We were expanding our scope and we took on the underserved veterinary hospital that used to be PetAid Colorado. It had the potential to serve many more people. But we needed to hire more veterinarians to do that. We were struggling to find potential employees for those roles, and we had a couple of distinct roles that we'd been looking to fill. We were brainstorming different ways to attract and retain talented people. We looked at what we were paying employees, and our wages were very competitive on both a local and national level. We offer a 401K plan and vacation time. We have reasonable hours and no after hours on-call. We were looking at all these things that would help veterinarians decide that the Dumb Friends League is where they wanted to spend their career. In exploring options for addressing our challenges in veterinarian and certified veterinary technician staffing, a common theme among current staff and potential candidates was the burden of their student loans and the significant influence it had on their employment decisions. This feedback led to our exploration of a student loan repayment program, a benefit that is growing in popularity with larger employers especially those requiring specialized and/or advanced degrees as a condition of employment. I attended the Banfield Pet Summit about two years ago, and they mentioned they were exploring student loan repayment programs. That's when I asked Rebecca Holmes to research this area.

**VDI: What were you hearing from veterinarians about the challenges they were facing when it came to educational debt and working in the non-profit sector?**

**Dr. Steele:** I think many veterinarians and technicians really do want to work in the non-profit sector, but there’s a misperception the jobs don’t pay well, there aren’t any benefits, and they can't afford to take a job in this field because of their debt. But that's not the reality at all, and it’s definitely not the reality in our organization. So there's a reputation we are fighting against, which is this misguided assumption. Veterinarians would say to me, “I've always wanted to work in non-profit, but I've never pursued it because of this fear" or “I know I won't be able to make a good living.”

**Ms. Holmes:** We heard a lot about the [Public Service Loan Forgiveness program](https://www.avma.org/PracticeManagement/BusinessIssues/Pages/PSLF.aspx). That's something that's really nice about being in the non-profit world, but it's 10 years before you're eligible. Implementing a loan repayment program gave us an opportunity to bridge that gap because people who are looking to do non-profit work are hesitant because student loan debt is in the forefront of their minds. When a lot of folks entered the field, they didn't quite consider the debt load versus the earning potential. Now suddenly they're entering the marketplace and, especially first-time entrants, are thinking, "This isn't quite what I expected."

**VDI: You conducted an informal survey about student debt with 56 veterinary service employees at the Dumb Friends League. Did any learnings surprise you?**

**Ms. Holmes:** I was surprised by how many people had started down one education path and then switched, so their student loans were so much higher than I expected. There were a lot of technicians who had started down the veterinary path and stopped for one reason or another and still had, for example, $80,000 in debt. So their student loans aren’t necessarily just the cost of a single education. I really didn't expect to see such high amounts.

**VDI: How did the debt loads for veterinarians compare to the technicians?**

**Ms. Holmes:** For veterinarians I expected their debt to be higher, so I wasn't shocked when I was seeing six-figure numbers of debt. But some technicians had six-figure numbers of debt, too. I was surprised. When you look at their earning potential versus their loan, that's tough! That’s the cost of a house. You have to choose between buying a house and paying off your loan.

**VDI: Have you noticed the influence of debt on your staff’s wellbeing?**

**Dr. Steele:** I have. And what's really interesting to me is something I figured out when I owned a practice. I became what I called an “anti-millionaire.” I owed a million dollars! I learned for myself that a big part of the stress is the emotional reaction to money. It’s not the logistical or the actual ability to buy food or pay rent, but it’s more about the fear of that unseen burden that's always there. It wasn't until I disconnected that emotional reaction to the debt that I could be happy and understand that it's just debt and I'm working through it. It’s another set of numbers, and I'm writing that check, and I still get to enjoy my life in every other way. I see that a lot in younger veterinarians and even veterinarians who have been out 10 years or more, who are just so overwhelmed by that number. But that number is there however you react to it. They usually are not in situations where they are not getting their needs met or can't go on vacation. If they took a step back and really were able to disconnect, which I know is easier to say than to do, I think it would be a little bit less daunting for a lot of people. That’s not to belittle all this pressure that it creates and the obligation, but so much of it is their emotional reaction to the debt.

**VDI: In the end, what was the case for implementing the program at the Dumb Friends League?**

**Dr. Steele:** We wanted to retain and attract top talent. But we also wanted to support our employees with this financial burden because it was a significant opportunity for the League to demonstrate our unwavering commitment to “people care.” Also, another downfall of the student loan burden carried by employees is the debt burden distracts from retirement planning. Graduates with student loans only accumulate half as much as their non-debtor peers in retirement fund assets by age 30— this being one of the most critical times to be saving for retirement because of the benefits of compounding interest. We wanted to address this head on.

**VDI: How did you choose the financial vendor to administer your student loan repayment program?**

**Ms. Holmes:** We explored a number of different options but I actually requested proposals from three vendors. And some of the factors that we looked at were obvious: data security, customer service, administrative costs. But we also considered what services they could offer beyond that. Could they help with student loan consolidation, consulting and coaching? Ultimately, we chose Gradifi because all of our criteria were met and they have tremendous data security. They also have more customer service resources than the smaller companies. There's always someone available to answer a question. They waved all of their annual fees associated with the program because we are non-profit. That was a tremendous advantage. We actually have a lot of resources focused on financial planning and budgeting because it is such a common theme here at our organization.

**VDI: Can you explain the details of your plan?**

**Ms. Holmes:** The plan is quite simple. It is available to our full-time veterinarian and certified veterinary technician team members who have completed 90 days of employment and have qualified student loans. After they enroll, Gradifi makes a monthly contribution ($200 for veterinarians and $100 for certified veterinary technicians) on the third of each month. The employee can choose to work with their loan servicer to have this set up as an extra payment on top of their regular monthly payment and pay down their loan faster, or they can coordinate to have it be part of their regular monthly payment. For employees participating in the Public Student Loan Forgiveness Program, the latter makes more sense since there is no credit for making extra payments. One thing we have to be conscious of is that the payments are considered taxable income, so participants will see the taxes come out of their paycheck each month. The IRS allows for up to $5,250 of tuition reimbursement to be tax-exempt each year, but they haven’t allowed this same exemption for student loan repayment plans. Hopefully they will correct this in the near future.

**VDI: How did your staff feel about the program once it was rolled out?**

**Dr. Steele:** Employees really cared about it, especially the team that was already in place because we offered it to them as well as new eligible employees. Many have signed up, and they have sent me feedback about how much this makes them feel like we care about them and their situation. I feel the goodwill that has come out of it far exceeds the financial investment we put into it.

**VDI: Once you implemented your student loan repayment program, did you find yourself asking, “Why didn’t we do this years ago?”**

**Dr. Steele:** It all had to do with what was happening at the time. We had increased our scope, and we were feeling that frustration of not being able to fill the positions. It was a different kind of environment at that point. I think our biggest concern was that we were offering the program to veterinarians and certified veterinary technicians only. We were not offering this program to our other 190 employees. That was a little bit daunting, but we needed to start somewhere and we wanted our message to those employees to be loud and clear: We value you just as much as veterinarians and certified veterinary technicians. But this is a recruiting tool and a retention tool for a critical need. Our team has been very good about it, but it was a concern of mine.

**VDI: Do you have data on the program yet?**

**Ms. Holmes:** There really isn't enough data to show any statistical significance yet. But what we are looking at is a reduction in our turnover, and a reduction in the time it takes to fill positions. I'm also watching the 401Ks of these individuals to see if they are choosing to contribute when they hadn’t done so before. We are hoping to see more of an investment in their retirement because we are alleviating a little of their financial stress.

**VDI: Do you have anecdotal evidence of how well the program has been received by your staff?**

**Ms. Holmes:** It's been tremendously well received. I think people are genuinely proud to be part of an organization that is on top of the educational debt crisis. It is a demonstration of one of our core values, and we're putting our money where our mouth is. It’s really made a nice difference where employees feel respected. I've received a number of emails where people thank us and tell me it's made a huge difference in their lives. Our employees feel valued, which is very important.

**VDI: What are some of the biggest lessons learned from this experience?**

**Dr. Steele:** We can't take our employees for granted, and they're our greatest resource. You have to value your people and keep them happy.

**Ms. Holmes:** I'm proud to be part of an organization that's willing to invest in these programs. It goes beyond just the people receiving it. The people giving it get a little something out of it, too.

**Led by the American Veterinary Medical Association, the Association of American Veterinary Medical Colleges and the Veterinary Medical Association Executives, the Veterinary Debt Initiative 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.**