

## The Good Investment

John E. Prescott, MD, Julie A. Fresne, MA, and James A. Youngclaus, MS

### Abstract

The authors reflect on the article in this issue entitled “Borrow or Serve? An Economic Analysis of Options for Financing a Medical School Education” by Marcu and colleagues, which makes a compelling case that a medical school education is a good investment, no matter what financing option students use, from federal service programs to federal loans. The lead author of this Commentary shares lessons learned from his own medical school education, which was funded by an Armed Forces Health Professions Scholarship, and from his

current position interacting with medical students across the United States.

Regardless of the financing path they choose, all students should understand basic financial concepts and the details of the various pathways that are available to pay for their medical school education, as well as how each could potentially impact their own future and that of their families. One underappreciated aspect of financing a medical school education is that federal repayment scenarios can link loan payments to income, rather than

debt levels, which means that all physicians are able to afford their loan payments no matter what specialty they practice, what they are paid, or where they live.

Medical education, while expensive, remains the good investment. An MD degree can lead to a lifetime of personal fulfillment and societal contributions. Everyone, with rare exceptions, accepted to a U.S. medical school will be able to finance their medical education via a path that aligns with their personal values and priorities.

*Editor’s Note: This is an Invited Commentary on Marcu MI, Kellermann AL, Hunter C, Curtis J, Rice C, Wilensky GR. Borrow or serve? An economic analysis of options for financing a medical school education. Acad Med. 2017;92:966–975.*

**M**ost U.S. medical students take out some loans to attend medical school. The sums that they borrow may seem unpayable at first glance, but the detailed and thorough analysis in the article entitled “Borrow or Serve? An Economic Analysis of Options for Financing a Medical School Education” by Marcu and colleagues<sup>1</sup> that appears in this issue makes a compelling case that a medical school education is a good investment,

no matter what financing option students use. The authors consider financing options that range from federal service programs to federal loans and show convincingly that, no matter what specialty they practice or where they live, physicians can comfortably repay their education debt. The service programs that they spotlight include several paths for those who are motivated by a larger mission, such as military service or practicing in an underserved area. For some scenarios, such paths can have the unexpected bonus of a higher net present value over a 30-year career compared with financing options without a service component.

I (J.E.P.) can attest from personal experience that a service program offers more than just a financial return—it offers opportunity. As a proud member of the Georgetown University School of Medicine class of 1981, most of my class, including my wife, joined me on a path that included federal service. For me and my wife, that path started with an Armed Forces Health Professions Scholarship through the U.S. Army. Many of us participated in these programs out of necessity. We were attending what was then the most expensive medical school in the nation, our families did not have the means to pay the tuition and fees, and there were few institutional scholarships available. These federal programs offered a lifeline to students who otherwise would have been unable to attend medical school.

My wife and I have had few regrets as we traveled this path, and we remain grateful for the door it opened for us personally and professionally. In fact, our experience in the Army provided valuable learning and leadership opportunities that have impacted every phase of our careers. Our military experience helped us realize the importance of “mission” in our lives, and 35 years after graduation we can look with pride on the differences we have made caring for soldiers and their families, teaching students and residents, conducting research, and leading academic programs. This path certainly isn’t for everyone—there were uniforms, orders, deployments, and other limitations, yet when we left the military, we were debt-free with a world of opportunity open for us.

Clearly, the decision one makes in deciding how to pay for medical school should be more nuanced and informed than simply choosing the path that makes the most economic sense. Just as students should understand and seek a good “fit” with their medical school, residency program, and career choice, they must carefully consider the financing options in front of them and find those that best match their current situation, long-term aspirations, and personal values. Making this decision takes some up-front work and a willingness to confront fiscal reality. Regardless of the option chosen, all students should understand

**J.E. Prescott** is chief academic officer, Association of American Medical Colleges, Washington, DC.

**J.A. Fresne** is director, Student Financial Services, Association of American Medical Colleges, Washington, DC.

**J.A. Youngclaus** is senior education analyst, Association of American Medical Colleges, Washington, DC.

Correspondence should be addressed to James A. Youngclaus, Association of American Medical Colleges, 655 K St., NW, Suite 100, Washington, DC 20001-2399; telephone: (202) 862-6072; e-mail: jy@aamc.org.

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basic financial concepts regarding debt avoidance, the compounding of interest, and the importance of budgeting. They should understand the details of the various pathways that are available to pay for medical school and how each could potentially impact their own future and that of their families.

Those who decide to secure loans should always be aware of how much money they have borrowed and how they anticipate paying off those loans. We, as the chief academic officer (J.E.P.) and the director of student financial services (J.A.F.) at the Association of American Medical Colleges (AAMC), are frequently dismayed when we visit with students across the United States who cannot tell us how much money they currently owe or what they anticipate their total debt to be at graduation. We have had students tell us they are “afraid to look,” as if not looking will shield them from reality. And yet confronting reality is the first step to addressing these issues. As a start, students should fully avail themselves of the services offered by their school’s financial aid office, as well as the AAMC’s Financial Information, Resources, Services, and Tools (FIRST) program and its Medloans Organizer and Calculator. Simple steps like these could save tens of thousands of dollars in loans and repayments.

One underappreciated aspect of financing a medical school education, which emerged from the variety of scenarios discussed in the article by Marcu and colleagues, is that repayment can link

loan payments to income rather than debt levels. These federal “income-driven repayment” options require payments that are equal to the same manageable percentage of one’s salary every month, regardless of the financing path chosen. This means the military physician and the nonprofit physician and the serving-in-a-health-professional-shortage-area physician are all able to afford their loan payments no matter what specialties they practice, what they are paid, or where they live. Figures 1 to 4 and Table 2 in the Marcu article show substantial net present values for all financing options over a 30-year career. As the authors conclude, “the economic value of a degree from a U.S. medical school eventually offsets the high up-front cost.”

In a perfect world, we wouldn’t need to discuss how students pay for the high cost of their medical school education. In this utopian model, federal and state governments would provide ongoing support to medical schools, cross-mission support for medical education would be enhanced, generous scholarship support would abound, and medical educators would have found remarkable efficiencies in personalized medical education programs. Yet, in reality, the cost of attending medical school continues to rise.

To meet this challenge, medical students need to be aware of all the options that are available to them to pay for their education, and they should thoroughly understand how each pathway may impact their future. Ideally, they will be matched to a program presenting

the best options for today and for their future life plans. Some programs might involve military service, while others might involve serving in areas with greater health care needs, and still others might include some years working in a nonprofit environment, such as academic medicine. Whichever financing path students choose, the variety of options that are available, as highlighted by Marcu and colleagues, is a strength of the U.S. medical education system.

Medical education, while expensive, remains the good investment. An MD degree can lead to a lifetime of personal fulfillment and societal contributions. Fortunately for the health of everyone in the United States, there remains a variety of financing paths, some with service and some without, that allow current and future generations of medical students to see their hopes and aspirations fulfilled. As the article by Marcu and colleagues shows, everyone, with rare exceptions, accepted to a U.S. medical school will be able to finance their medical education via a path that aligns with their personal values and priorities.

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## Reference

- 1 Marcu MI, Kellermann AL, Hunter C, Curtis J, Rice C, Wilensky GR. Borrow or serve? An economic analysis of options for financing a medical school education. *Acad Med.* 2017;92:966–975.