FINANCING YOUR DENTAL SCHOOL EDUCATION

2014 ADEA Workshop and Recruitment Fair for Pre-Dental Students and Advisors

AMERICAN DENTAL EDUCATION ASSOCIATION
Key messages

• Dental education and affordable and worthwhile investment
• Multiple ways to finance dental education
• You can minimize long term impact of financing with responsible borrowing now
• You are ultimately responsible, but you have lots of help
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Affordable and worthwhile

- Dentists in top 5% of wage earners
- Dentistry ranked #1 health care job*
- $184,140 mean net income for new independent dentists**
- Return on investment still high

* January 2013 U.S. News and World Report ** ADA 2010
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Financing options

- Grants and scholarships
  - With and without service commitment
- Loans
  - Forgiveness programs
  - Service commitment repayment help
- Work Study
- Research fellowships and traineeships
- Education tax breaks
Service commitment and forgiveness programs

• Service commitment programs
  – Tuition assistance during school
  – Help paying your loans after school
  – NHSC, NIH, armed forces, state programs
  – See Chapter 4 of ADEA Official Guide

• Loan Forgiveness programs
  – Programs tied to income-driven repayment
  – Programs tied to public service
Educational debt*

- $241,097 mean debt all schools
- $209,150 mean debt public schools
- $283,978 mean debt private schools
- 21.7% no debt or debt less than $100,000
- 27.9% debt in excess of $300,000
- Dental school graduates known for timely and responsible repayment

* Indebted graduates in the Class of 2013
Good news

• You can fund entire COA with federal loans
• Dentists have great track record for student loan repayment
• You may enter income stream faster than other health sciences colleagues
• Aggressive repayment may be possible
• Easier than ever to track student loans
Not so good news

- Most loans are unsubsidized
- Interest rates may change, caps are high
- Cannot be refinanced to lower rate
- Unpaid interest will capitalize
- Possible changes to income-driven repayment plans and forgiveness programs
- Plan to pay back what you borrow
Your portfolio

• Federal Unsubsidized Stafford
  – Up to $40,500 per year

• Federal Grad PLUS
  – Up to COA less other aid

• Campus-based
  – Perkins, Loans for Disadvantaged Students, Health Professions Student Loans, Institutional

• Private
Private loans

- Can easily derail a repayment strategy
- Pay special attention to private loans from undergraduate and post-baccalaureate programs
- See video presentation at www.GoDental.org
- See article at www.ExploreHEALTHCareers.org
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Budgeting
Sample D1 COA

- Tuition and fees: $29,000
- Books and supplies: $13,500
- Loan fees: $900
- Living and personal: $28,000
- Computer: $2,500
- TOTAL: $73,900
Budgeting

- Control what you can control
- Responsible borrowing now preserves repayment choices later
- You cannot get financial aid to cover consumer debts
- Pay down consumer debts before you start dental school
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Resources

- Your school’s Financial Aid Office
  - Information on grants and scholarships
- www.GoDental.org
  - See Home Page and Pathways
- www.AAMC.org/GoDental
  - Dental Loan Organizer and Calculator
- www.ExploreHEALTHCareers.org
  - Multiple resources on financing a dental school education
Topics covered by EHC.org

• How to attend college debt free or with minimal borrowing
• Loan repayment and forgiveness programs
• Federal loans versus private loans
• Changes in financial aid
• Relationship of debt and salary
• Relationship of credit and student loans
Challenges you may face

- Delayed focus on responsible borrowing
- Entitlement mentality
- Student loan funds easy to get
- Availability of personal debt management counseling
Takeaways and action items

• Responsible borrowing now helps preserve repayment options later
• Plan to repay what you borrow and don’t rely on federal government for help
• Keep your radar up regarding changes
• Establish contact with FAO
• Talk with family regarding help
Other’s have successfully financed their dental education, and so can you!