FINANCING YOUR DENTAL SCHOOL EDUCATION

2015 ADEA Workshop and Recruitment Fair for Pre-Dental Students and Advisors

AMERICAN DENTAL EDUCATION ASSOCIATION
Key messages

• Dental education remains an affordable and worthwhile investment
• Multiple ways to finance dental education
• Smart budgeting leads to responsible borrowing which leads to responsible repayment
• You have lots of help
Key messages

• Dental education remains an affordable and worthwhile investment
  – Number one ranked job by U.S. News and World Report, January 2015
  – Top 5% of wage earners in the country
  – Option for immediate practice after dental school and aggressive repayment
  – Many repay in less than 10 years
Key messages

• Dental education remains an affordable and worthwhile investment
• **Multiple ways to finance dental education**
• Smart budgeting leads to responsible borrowing which leads to responsible repayment
• You have lots of help
Financing options

- Grants and scholarships (see FAO)*
  - Funds that do not have to be repaid
  - Directly from school based on need or merit
  - Service commitment scholarships
- Loans
  - Federal loans (Direct Stafford and Direct PLUS)
  - Loan repayment and forgiveness programs
  - Private loans may be available for international students
- Research fellowships and traineeships, work study, education tax breaks

* Financial Aid Office at your dental school or university
Educational debt*

- 22.9% no debt or debt less than $100,000
- $247,227 mean debt all schools
- $216,437 mean debt public schools
- $289,897 mean debt private schools

* Source: ADEA, indebted graduates in the Class of 2014
Good news

- Dentists have great track record for student loan repayment
- Can fund entire COA* with federal loans
- You may enter income stream faster than other health sciences colleagues
  - Aggressive repayment may be possible
- Easier than ever to track student loans

* Cost of attendance (also called the financial aid budget)
Not so good news

• Most loans are unsubsidized
  – Interest builds up during school and capitalizes at repayment

• Interest rates change each year on new federal loans
  – Maximum rates are high

• Possible changes to income-driven repayment plans and forgiveness programs
Loan repayment and forgiveness programs

• Service commitment programs*
  – Tuition assistance during school
  – Help paying your loans after school
  – NHSC, NIH, armed forces, state programs**

• Loan Forgiveness programs
  – Forgiveness tied to income-driven repayment
  – Forgiveness tied to public service

* See Chapter 4 of ADEA Official Guide
** National Health Service Corps, National Institutes of Health (as examples)
Sample D1 COA

- Tuition and fees: $32,000
- Books and supplies: $13,500
- Loan fees: $900
- Living and personal: $28,000
- Computer: $2,500
- TOTAL: $76,900
Smart budgeting

• Control what you can control
• Don’t assume you need to borrow up to full COA*
• You cannot get financial aid to cover consumer debts
  – Pay down consumer debts before you start dental school

* Cost of attendance (also called financial aid budget)
Where to go for help

- Your school’s financial aid office
  - Information on grants and scholarships
- [www.adea.org/GoDental](http://www.adea.org/GoDental)
  - Look for section on Money Matters
  - AAMC/ADEA Dental Loan Organizer and Calculator
- [www.ExploreHEALTHCareers.org](http://www.ExploreHEALTHCareers.org)
  - Multiple resources on financing a dental school education
Topics on EHC.org

- How to attend college debt free
- 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
- Financial wellness
Takeaways and action items

- Establish contact with financial aid office
- Smart budgeting leads to responsible borrowing which leads to responsible repayment
- Plan to repay what you borrow
- Keep your radar up regarding changes
- Pay down outstanding debts
- Keep in good standing on current loans
Others have successfully financed their dental education!
So can you!