



Reducing medical student debt strengthens the physician workforce

Background

The Association of American Medical Colleges (AAMC) Center for Workforce Studies estimates that by 2025, the United States will face a physician shortage of up to 90,000.¹ An acute physician shortage will have a profound impact on health care access, quality and costs, especially for Americans who are already underserved. With an average medical student debt for indebted graduates of \$176,348,² debt plays a major role in career decisions and impacts the supply of our nation's physician.

Medical education remains the most expensive post-secondary education in the United States,³ with over 40 percent of all graduates carrying debt balances of more than \$200,000.² This significant financial burden can have a considerable affect on students' choice of practice area. Although many students enter medical school planning to pursue family medicine, geriatrics, or other careers in primary care, pressure arising from debt concerns often cause graduates to eschew these goals in order to pursue higher paying specialties.⁴

This high debt burden may dissuade students from attending medical school altogether, especially students from diverse ethnic and socioeconomic backgrounds. According to surveys of the AAMC, under-represented minorities cited cost of attendance as the top deterrent to applying to medical school.⁴ With recent health reforms seeking to eliminate health care disparities amongst the U.S. population, increasing the number of minority physicians is important to ensure a workforce more reflective of the general population.

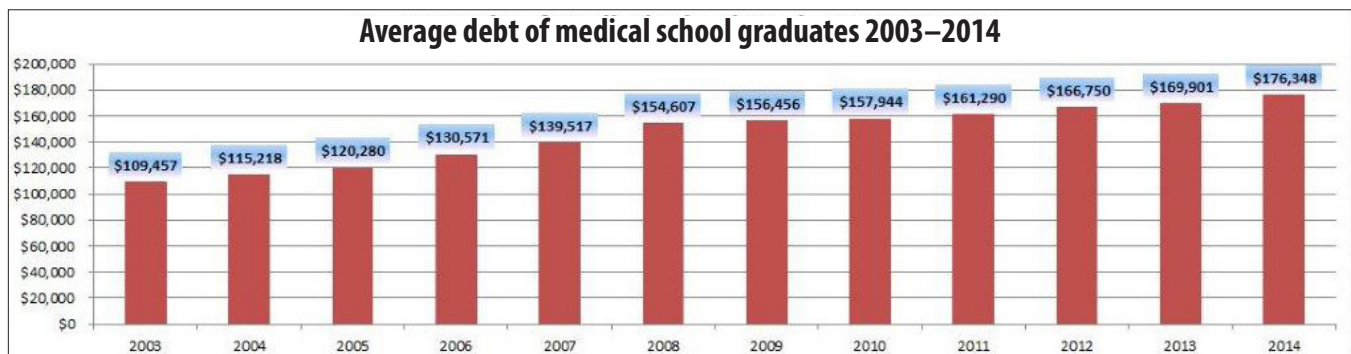
Recommendations

The American Medical Association recommends:

- Making medical student loan interest rates variable and capped at no more than five percent
- Income tax exemptions for medical student scholarships
- Making medical student loan interest fully tax deductible for borrowers
- Creating more opportunities for debt relief through tuition assistance and loan forgiveness programs
- Maintaining sufficient funding for the National Health Service Corps (NHSC) loan repayment programs for providing primary care in underserved communities

Benefits

Reducing medical student indebtedness promotes diversity within medicine and may contribute to a reduction in the shortage of primary care physicians. Fair, low-interest rates, tax relief, tuition assistance, and loan forgiveness and repayment programs lower barriers to medical education for disadvantaged students. In addition borrowers with less debt are more likely to start careers in medical education and research, practice medicine in medically underserved areas, or enter careers in public health service. The NHSC promotes access to medical care for underserved populations by providing student loan repayment options for primary care physicians serving in communities with limited access to health services.



1. Physician Shortages to Worsen Without Increases in Residency Training. AAMC. (https://www.aamc.org/download/153160/data/physician_shortages_to_worsen_without_increases_in_residency_tr.pdf). Accessed Aug. 21, 2015.
 2. Medical Student Education: Costs, Debt, and Loan Repayment Facts (October 2014). AAMC (<https://www.aamc.org/download/152968/data/debtfactcard.pdf>). Accessed Feb. 25, 2015.

3. Trends in Student Financing of Graduate and First-Professional Education: Selected Years 1995-96 to 2007-08 (2011). National Center for Education Statistics (<http://nces.ed.gov/pubs2011/2011217.pdf>). Accessed Feb. 25, 2015.
 4. Grayson, M. S., Newton, D. A. and Thompson, L. F. (2012), Payback time: the associations of debt and income with medical student career choice. Medical Education, 46: 983–991.
 5. Tuition and Young Physician Indebtedness (March 2004). AAMC (https://services.aamc.org/publications/showfile.cfm?file=version21.pdf&prd_id=102&prv_id=113&pdf_id=21). Accessed Feb. 25, 2015.