

MICHIGAN STATE UNIVERSITY

PRESS RELEASE

FOR MORE INFORMATION

MSU College of Veterinary Medicine:
Dr. Mike Chaddock
Associate Dean for Administration
517-884-7438
chaddock@cvm.msu.edu

AVMA:
Dr. Ron DeHaven
Chief Executive Officer
847-285-6775
rdehaven@avma.org

AAVMC:
Dr. Andrew Maccabe
Executive Director
202-371-9195, ext. 115
amaccabe@aavmc.org

Participants from across the veterinary profession gather to identify ways to alleviate student debt

(EAST LANSING, Michigan) April 26, 2016 – Veterinary student debt is an increasingly critical issue that can be alleviated by employing a number of different approaches, from a streamlined curricula to increasing scholarship opportunities, higher starting salaries, lobbying federal lawmakers for legislation to lower interest rates on student loans, and creating a national plan for reducing the debt-to-income ratio (DIR). These were among the recommendations offered by a group of committed participants in the FIX THE DEBT...Our Future, Our Responsibility summit, as the profession works to find ways to reduce the burden on students and veterinarians alike.



College of Veterinary Medicine

Office of the Dean

Veterinary Medical Center
784 Wilson Rd, Rm. G100
East Lansing, MI 48824

The summit, organized jointly by the American Veterinary Medical Association (AVMA), Association of American Veterinary Medical Colleges (AAVMC) and Michigan State University (MSU) College of Veterinary Medicine, brought together approximately 180 individuals, which included veterinary students and recent graduates, representatives from veterinary medical colleges, veterinary employers, and governmental agencies and veterinary associations. The participants tackled student debt and other financial issues that impact young veterinary professionals. The collective goal over the three-day summit was to agree on specific strategies to address the many facets of this complex challenge, with the goal of reducing the DIR, which is an indicator of the financial health of the veterinarian entering the profession. The DIR currently stands at about 2:1,

representing a level of educational debt approximately twice the level of starting income.

Dr. John Baker, dean of the MSU College of Veterinary Medicine, which hosted the summit, warned that the ratio of student debt to graduate starting salary is the biggest challenge facing veterinary medicine, and is increasing to a level where it may impact the number and quality of students applying for a veterinary medical education. He added that the single biggest factor behind the issue is the decrease in public funding for higher education.

"The debt-to-income problem in the profession has been discussed many times over the past several decades, and is certainly not new," said Baker. "However, what is new is the current size of the problem. Strategies to improve the DIR for veterinary graduates must come from every corner of the profession, from educational institutions to veterinary organizations. It was very encouraging to see so many individuals from all walks of veterinary life represented at the summit, who were eager to roll their sleeves up, actively participate in the discussions and develop recommendations. It sends a message to the veterinary community that we are committed to more than just acknowledging the debt problem...we are committed to implementing real solutions to help ease the burden on our students and veterinarians."

Dr. Joe Kinnarney, AVMA president, emphasized the need to recognize that educational debt is more than just a financial issue. It is creating not only a tremendous economic burden on our students and recent graduates, but it is also having a negative effect on their professional well-being and mental health. He noted that the AVMA's first-ever wellness roundtable, which took place in March and was attended by a group of about 40 from across the profession, left an important takeaway: that urgent action on educational debt is essential to alleviate serious wellness issues.

"Finances can be a great source of stress for students and veterinarians. Between paying off college debt, keeping up-to-date on daily expenses, and trying to somehow set money aside for future retirement, the competing demands can sometimes seem impossible to manage and have a negative impact on their wellness," said Kinnarney. "As we continue to gather to share ideas and better understand the challenges we face with respect to student debt and its relationship to well-being, we are building momentum in our work to identify and implement powerful and practical solutions and strategies. I think our actions at the summit will go a long way toward making a difference and enhancing our efforts to protect, promote and advance veterinarians and the veterinary profession."

Dr. Andrew Maccabe, AAVMC executive director, stated that finding viable solutions to financial issues related to student debt and the cost of veterinary medical education is among the highest priorities for the profession. He recognized that fixing the existing economic situation in veterinary education will require a determined, sustained effort, possibly some risk-taking and, without a doubt, ongoing collaboration.

“Our students should be encouraged to dream big. It’s not fair for them to be deterred from entering the veterinary profession out of fear for the substantial amount of debt they would incur,” said Maccabe. “In order to help our students achieve their dreams without putting a huge dent in their pocketbook, this summit was important for raising awareness among all veterinary stakeholders about the severity of the debt problem, its impact on the profession and the facts surrounding it. This summit could be a defining moment for veterinary medicine in the United States. The level of determination and commitment to action displayed by each of the participants makes me very confident that we could be on the verge of implementing significant changes in the profession. We are making progress and are talking with one another, not at each other.”

The summit participants expressed commitment to doing their part to help reduce student debt. Highlights listed by group are as follows:

- **Educators/Colleges**

- To explore and implement a five-to-six-year program for students to earn a D.V.M. degree; by working with local undergraduate institutions on refining the curricula, this would enable students to have two extra years to earn income;
- To encourage creation of national partnerships and campaigns to raise funds for scholarships;
- To work with the AAVMC and AVMA in advocating for legislation to help reduce student debt; and
- To document actual educational costs and charge accordingly, which would, among other things, create greater transparency in revenue lines for research and education.

- **Employers of Veterinarians**

- To reconsider compensation packages for new graduates/associate veterinarians;
- To improve the onboarding of new employees and create a toolkit for best practices;
- To promote a positive culture of preventative care within staff and beyond by engaging other areas of the profession in using resources as a guide to open more opportunities for recent graduates to earn more income; and

- To promote practice ownership as an attractive alternative career.
- **Associations/Organizations**
 - To provide career awareness to students by delivering financial literacy materials and training, and developing a career guidebook for use by pre-veterinary students;
 - To increase advocacy efforts to address student debt;
 - To create a national campaign around student debt; and
 - To include student debt as a regular follow-up agenda item at annual events such as the AVMA Economic Summit, AVMA Convention and AAVMC Conference; the purpose of this would be to monitor progress on efforts to reduce the DIR and to hold each other accountable.
- **Students/Recent Graduates**
 - To personally engage deans, their peers and future students in conversations about financial literacy and student debt;
 - To inform pre-veterinary students about the current student debt issue and discuss what is being done to address it; and
 - To change their mindset from ownership to entrepreneurship, and work on developing a campaign where every veterinarian commits to being an entrepreneur.

Dr. Baker expressed optimism that these approaches are good starting points and will help achieve the overall goal of lowering the DIR and enabling students to live a more financially stable life.

“The student debt problem did not happen overnight, and we are not going to solve it overnight. However, I feel that employing these strategies and holding each other accountable along the way are positive steps toward making debt less of a burden for our students and veterinarians in the years to come,” said Baker.

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The AVMA, founded in 1863, is one of the oldest and largest veterinary medical organizations in the world, with more than 88,000

member veterinarians worldwide engaged in a wide variety of professional activities and dedicated to the art and science of veterinary medicine. Visit www.avma.org for more information.

The AAVMC is a nonprofit membership organization working to protect and improve the health and welfare of animals, people and the environment around the world by advancing academic veterinary medicine. Members include 49 accredited veterinary medical colleges in the United States, Canada, Europe and Australia. Visit www.aavmc.org for more information.