

Editor's Note: The VIN News Service is taking an in-depth look at the health of the veterinary profession. This is part of a series of articles exploring the economics of earning a DVM degree as well as plans for charting the profession's future.

In his senior year of college and already \$35,000 in debt, Eric Fish realized that pursuing his boyhood plan to become a veterinarian would be expensive. Extremely so.

In that year, the nation's accredited veterinary schools were charging anywhere from \$5,400 to \$48,624 for a year's tuition. The average veterinary student was graduating with just under \$107,000 in student loans.

The inexorable rise in the price of veterinary school drew attention from more people than students penciling out their budgets. A variety of experts took note, among them Dr. James Wilson, an adjunct associate professor at the University of Pennsylvania and a veterinary business and legal consultant. Working with colleagues in VetPartners Association, a practice management organization, and the North American Veterinary Conference (NAVC), Wilson helped put together a symposium to confront the issue.

"The biggest fear," Wilson wrote, "... is that we may be pricing a veterinary degree out of reach for many talented, hard-working students ..."

Three years later, smack in the country's worst economic slump in 80 years, nothing has happened to counter the trend: Tuition and debt levels are higher still. The least expensive tuition now is \$9,352; the most, \$58,533. For students graduating with educational debt, the average load is \$133,873.

Being average in indebtedness would be a blessing for Fish. Now in his third year of veterinary school at Western University, Fish has racked up \$210,000 in student loans. He figures the balance will reach \$270,000 or so by the time he enters the workforce. That is four times the average full-time starting salary of veterinary school graduates entering private practice.

"I did initially have a lot of second thoughts about entering vet school, and some days I still wonder if this was the right decision," said Fish. "I love what I'm doing, but students are bound to ask themselves, 'Is loving your job worth \$250,000 of debt? \$300,000? \$500,000? More?'"

In the view of Dr. Debbie Taranik, a practitioner in Apple Valley, Calif., the expense already has exceeded the value of the career.

"The cost of veterinary education is too high," Taranik wrote in an online [discussion](#) of the Veterinary Information Network (VIN), a professional membership organization. Taranik and others recently identified the problem as the No. 1 issue in their field today. "It is no longer a valuable education; rather, a hole dug so deep for our new grads that they will be slaves to the debt instead of earning a decent living," she said.

Dr. Marguerite Pappaioanou, executive director of the Association of American Veterinary Medical Colleges (AAVMC), agrees that conditions are challenging and suspects that the profession may be suffering as a result.

"The cost of a veterinary education can be daunting, and we're concerned that the cost might be driving some people away," she said. "We need to address costs through more scholarships, government

funding or loan forgiveness programs so that people with the passion to pursue veterinary medicine aren't deterred by the price tag of this highly valued degree."

Backlash rising against higher education

In terms of expense, veterinary school is a microcosm of higher education as a whole. The [cost of higher education](#) has been rising ahead of inflation for most of the past 50 years, and educational-debt levels along with it. In June, student-loan debt in this country was \$830 billion, [exceeding credit card debt](#) for the first time.

Happening in an upheaved job market in which job seekers afraid of appearing [overqualified](#) are advised to downplay their degrees, a backlash is rising. [Pundits now say](#) that higher education looks like a [bad investment](#).

College advocates are on the defensive. Sandy Baum, author of a new report, "[Education Pays](#)," from the College Board, which asserts that the value of a degree is growing despite escalating tuition and student-loan debt, told [The New York Times](#): "For reasons that are not entirely clear, more people are questioning whether it's necessary to go to college."

Young people aspiring to become veterinarians may not be quite to that point. Many in the field consider the profession a calling for which few satisfactory substitutes exist. But everyone has a limit.

Dr. Lisa Boals, a small-animal practitioner in Littleton, Colo., graduated in 2008 with \$170,000 in educational debt. She considered going into human medicine but realized she preferred working with animals. The expense of veterinary school and the consequent debt, she decided, was an investment in quality of life.

"I understood that was the price I'd have to pay to *want* to go to work in the morning," Boals said.

But she wouldn't argue that a career in veterinary medicine is worth any price. "I don't know what my threshold would have been," she mused. "I think somewhere between my debt and \$270,000."

Whether the price of veterinary school has dampened demand is unclear. The number of applicants to accredited U.S. veterinary colleges dipped slightly last year — to 6,149 from 6,205 — after five years of solid increases, according to AAVMC figures. But applications this fall for the 2011 school year are up by 1.9 percent, which suggests the dip didn't mark the start of a trend, said Lisa Greenhill, AAVMC's associate executive director for diversity and research.

Still, Greenhill said, "Without some significant interventions, growth in the applicant pool likely will remain modest."

The winnowing of applicants driven away by cost could have any of several consequences. One is that the profession may not attract the most financially savvy students. A popular criticism of the field already is that it's led more by its heart than its head.

Other possible consequences students, practitioners and other observers foresee are:

- Sectors such as livestock medicine and public health, already under-served, will become more so.
- Schools will ease admissions standards to fill all available slots so as to avoid losing tuition income.

- Student quality will drop if the applicant pool shrinks. (The current ratio of applicants to veterinary school slots is 2.1:1, down from 3.3:1 in 1980, according to the AAVMC.)
- Veterinarians burdened by educational loans will be reluctant to go further into debt to buy their own practices.
- Corporate ownership will increase.
- Pet insurance will become more common as clinic fees rise to support the larger salaries required by heavily indebted practitioners.
- Only students from wealthy families will be able to afford veterinary school, leading to a profession composed of practitioners who cannot relate to clients of limited means.

Eroding support, cavalier attitudes toward debt, contribute to problem

How did the situation come to pass? Pappaioanou points to multiple factors, from diminishing public support of colleges and universities to society's willingness to borrow against the future.

“The cost of delivering education has increased only slightly,” Pappaioanou said, pointing to [research](#) by the Association of Public and Land-Grant Universities. The research documents that the real cost per student of a public-school undergraduate college degree has remained nearly constant (\$10,091 in 1996 and \$10,294 in 2006) even as tuition has climbed to compensate for reductions in state support.

Whether that fact holds true for veterinary education specifically is unclear, as that research has not been done, Pappaioanou acknowledged.

One factor clearly affecting veterinary education is lack of federal government support, she said. Whereas human medical schools are supported through research grants from the National Institutes of Health and related agencies in the U.S. Department of Health and Human Services, veterinary medicine traditionally is allied with the U.S. Department of Agriculture (USDA), which Pappaioanou said puts forth relatively little funding for education and research.

Nor do current trends in veterinary medicine moving away from farm animals in favor of household pets attract government attention, she said: “Eighty percent of graduates are (becoming) small animal practitioners. Companion animal medicine is not supported by any government entity.”

Pappaioanou said her organization, along with the American Veterinary Medical Association (AVMA), continues to advocate hard for legislation to bring better federal support to colleges of veterinary medicine. “We are still looking for a big success that has not happened,” she said.

Contributing to the problem, she said, is a cultural acceptance of debt. “Our society has moved to (a point) where everybody borrows money,” she said.

Some critics lay partial blame on students for borrowing excessively to pay for fancy cars and electronics or fun vacations. Business consultant and college professor Wilson, under the sponsorship of Veterinary Pet Insurance, said he teaches more than 2,000 students a year at some 20 veterinary schools around the country. He believes the perception that educational loans are inflated by lavish student lifestyles has little grounding in reality.

“Students feel terribly maligned,” Wilson said. “The vast majority of them aren't going to Jamaica on vacation; most of them don't drive Range Rovers. Most of them do eat lots of pasta and peanut butter and jelly sandwiches. All of them are paying massive amounts of money just for tuition!”

Boals, the 2008 graduate, said she's heard the criticisms from old-timers that today's students should apply themselves harder to avoid debt. "I'm sorry I couldn't make enough to pay \$16,000 in tuition a semester — that's not what a part-time job pays!" she said. "It's a different world."

At the same time, Boals, a graduate of Mississippi State University, doesn't blame schools for the escalating costs. "I don't even know how they manage to make it on the tuition they do," she said. "I think the schools have done all they possibly can to trim the fat."

But one student who absorbed a 15-percent tuition increase in the past year with another increase looming said colleges share some culpability for pushing up costs unnecessarily.

"Many costs that didn't exist even a decade or two ago are just added to the pile on the theory that 'students can handle it through loans,'" said the student, who asked not to be identified. Examples she cited: A \$120 rental fee per semester for a "spay pack." A clicker device — used for responding electronically to questions during lectures — that, at \$50, exceeds the cost of a week's groceries.

"I understand there is a desire to have the newest toys to stay 'on top' as a school, but when that involves piling additional debt onto students, it troubles me," she wrote in an interview by e-mail. "How can we gripe about the unrealistic expectations of vet students if our own schools do not treat financial concerns seriously?"

Possible solutions complex

Wilson — the University of Pennsylvania professor who has put on three "Elephant in the Room" symposia about student debt, with a fourth scheduled for the next NAVC gathering this month — said remaking schools to bring down expenses is possible but extremely difficult.

"I don't know of any schools that are seriously trying to do it," Wilson said. "Why? Because it means they're going to have to eliminate a whole bunch of faculty."

He said a single school could put together a great course on, say, infectious diseases and make it available online, eliminating the cost of providing the course on every other campus. But that would mean wiping out many jobs.

Another idea, which has been discussed for decades but not caught on, is limited licensure, under which a veterinary education would cover less ground. "You could make it three years of vet school and cut out everything but small-animal (medicine); or cut out the small-animal side and go straight to large-animal (medicine)," Wilson said.

A drawback is that the profession would lose its flexibility — an important feature as job markets and career choices change over time, Wilson said. "That (flexibility) has driven our profession's success through its entire history and is hard for established veterinarians to give up," he said.

Richard Vedder, a professor of economics at Ohio University and director of the Center for College Affordability and Productivity, said that because the trend of escalating educational costs is not sustainable, change is inevitable. "Something's going to have to give on one end or the other of the equation," he said.

Like Wilson, he said shortening the period of education, even by a semester, could help trim the expense. Other possibilities he suggested are developing an equivalent of a nurse practitioner program; developing a two-year pre-veterinary degree program in community colleges, to be followed by two years of veterinary training at a four-year school; and not requiring an undergraduate degree to enter professional school.

“In England, to become a lawyer you can go to law school after high school,” he pointed out. “You don’t have to go to college at all.”

The same is true for students aspiring to become veterinarians in England. They may begin formal training directly after high school; the degree program normally takes five years to complete, according to Dr. Stijn Niessen, an internal medicine lecturer at The Royal Veterinary College in London and a VIN consultant.

Vedder said: “I really like the idea of these shorter (terms). Do you really need to go to school for eight years after high school? Maybe we can cut the college down to two, the vet school down to three. Then you’ve got a 5-year program and you have made some real progress (toward reducing expenses).”

For many years, one standard solution suggested to offset student debt was higher starting salaries. After all, medical-school graduates have even higher average debt loads but the burden is mitigated by the promise of starting salaries well into six figures.

Dr. Karen Felsted, a CPA-turned-DVM, argued for better wages in [“Student debt: Why it’s your problem, too,”](#) a commentary published Jan. 1, 2009, in *Veterinary Economics* magazine.

Today, Felsted, who is CEO of the National Commission on Veterinary Economic Issues, acknowledges that that solution is more difficult to pursue in bad economic times.

“I think it’s still the right answer but it may be a little harder to get there than it used to be,” she said. “You can’t just give recent grads more money because they need it. That doesn’t make sense for anybody.”

According to the AVMA survey of starting wages in 2010, the mean full-time starting salary among all type of employers combined was \$48,674. The mean salary for those entering private practice is \$67,548.

“What I think has to happen — and I thought this needed to happen pre-recession; the recession just exacerbates it — is that practices need to become more productive and more efficient so that recent grads can produce more,” Felsted said.

Felsted cited multiple factors that make a new veterinarian highly productive — some in the employer’s control, some not. “Number one, graduates have to come out with good-quality medicine and surgery skills, communication skills and time-management skills,” she said.

Employers, for their part, must supply a support staff that promotes efficiency, a fee schedule appropriate for their region and sufficient demand, she said.

Coming up with that magic combination may not be easy but it’s necessary, she argues. “If you need a graduate to buy your practice or work in it, (their debt) is your problem,” Felsted said.

Pappaioanou agrees that established practitioners need to be involved in developing solutions. One way she suggests is by speaking up.

“Those of us in the profession of veterinary medicine need to educate legislators of the importance of funding veterinary education,” she said. “Veterinarians are critical to the well-being of society. Our country needs a continual supply of committed, knowledgeable veterinarians who, in addition to keeping our pets healthy, can help protect the food supply or work on the front lines of bio-defense, preventing the spread of disease from animals to humans. We need to ensure that we can continue to attract high-caliber people to veterinary medicine to help solve some of society’s most pressing problems.”

Modest fixes initiated

A handful of new programs offer modest attempts to address the problem. All focus on ways of discharging debt rather than controlling costs and limiting borrowing.

In July 2009, the federal government began offering “[income-based repayment](#)” (IBR) of federal student loans. The program enables debtors to cap their monthly payments at 15 percent of their income and extend their payment terms from the usual 10 years to 25 years. Any balances remaining after that time are forgiven.

Boals, the practitioner in Colorado, signed up and is reaping significant savings each month: Her payment under the standard 10-year payback schedule would be \$1,800 a month; by stretching payment out 25 years and tying it to her income, the monthly installment dropped below \$300.

“The savings (per month) is huge. Huge. But it does make me nervous that the balance is building higher and higher,” Boals said, noting that the payment doesn’t cover her interest fully, never mind the principal.

She also worries that the government may change the program before the 25 years are up, leaving her responsible for the full sum after so much more interest has accrued. In fact, Sara Gast, a spokeswoman for the U.S. Department of Education, which administers the program, acknowledged, “IBR lives within a statutory framework. Congress can change the law to modify the program.”

For now, anyway, Boals is able to put the difference towards saving for retirement and a house, which she said would have been impossible before.

Another new program is the USDA's [Veterinary Medicine Loan Repayment Program](#), which pays up to \$75,000 of educational debt of veterinarians who agree to serve for three years in a designated “veterinarian shortage situation.” In its [inaugural round of awards](#) last year, the USDA granted \$5,998,080 in loan and tax payments to 62 awardees headed to shortage areas in 34 states. More awards will be made this year.

Similarly, the AVMA and American Veterinary Medical Foundation (AVMF) recently started the [Food Animal Veterinarian Recruitment and Retention Pilot Program](#), under which five veterinarians each were granted \$100,000 in educational loan repayments in exchange for working in food-animal medicine for four years in an area short on veterinarians.

Michael Cathey, head of the AVMF, said the program drew more than 100 applicants. "It was encouraging to see so many veterinarians interested in food animal medicine, but more has to be done," Cathey said in a prepared statement. "Many of our applicants told us they were forced to turn down job offers in rural areas because of their student debt."

The pilot program was paid for by contributions from five veterinary pharmaceutical companies. Cathey said, "The need for this program is clear, and we need for more organizations and individuals to join us in this important effort."

Fish, the student at Western U facing a projected \$270,000 debt upon graduation, aspires to go into specialty practice in an affluent urban area in order to earn a better-than-average salary.

But becoming a specialist will require an extra four to five years of training, worsening his debt situation. Fish aims to tap the "income based repayment" program to make his loan payments more manageable during his lean period as an intern and resident, when he expects to make about \$30,000 a year.

The plan gives him cautious optimism about his future.

"I think I have found a niche that I will excel in and be able to earn enough to pay back my loans and live comfortably," Fish said.

For his peers he continues to worry. "I think students who want to go into general practice are much less secure in their future than those who specialize or eventually own a practice.

"The way we educate students becomes less sustainable each year," Fish concluded. "The profession needs to rally around a way to fix this problem or it will suffer down the line." T