

Editor's Note: Not long ago, I ran into Dr. Chuck Norman, President of the American Dental Association. Chuck and I attended dental school a year apart, and it was great seeing an old friend. We began to discuss the challenges facing our young dentists, and it was clear he was quite concerned, especially about student debt. We have been very fortunate to have Chuck Norman as ADA President. He clearly is committed to addressing very difficult issues like rapidly rising student debt. I am very grateful to Chuck for providing this very insightful Perspectives feature for the readers of the *Journal of Esthetic and Restorative Dentistry*.

Harald O. Heymann, Editor-in-Chief

The ADA Examines Student Debt

According to the American Dental Education Association (ADEA), the average dental student graduates with upwards of \$221,000 of student loan debt—an increase of over 66% in the last decade and an amount vastly exceeding the national average. This debt proliferation is something the American Dental Association (ADA) takes seriously. The rising cost of dental education poses a significant threat to our members because heavy debt can jeopardize a new dentist's ability to choose their preferred career path and rising educational costs may discourage potential students from pursuing dental school altogether.

When I graduated from dental school in 1977, student debt averaged less than one-fifth of the net income for a dentist. Today, it is equal to net income, if not higher. This is just educational debt. Total debt is even greater. ADEA also notes that when expressed in constant dollars, student debt upon graduation has increased by almost \$100,000 in the past 20 years and almost \$20,000 in the past 5 years.

We need to understand if debt drives recent graduates' decisions regarding their practice choices or their professional choices. I think we also have to understand what we can do to help mitigate that debt burden, so that it does not unduly affect their choices. The ADA has long advocated for loan forgiveness programs that help graduates reduce debt and, at the same time, address access to care in areas of need. Currently, the system provides an incentive for dentists to locate in these areas for the short term, and once that obligation has been met, they usually leave. Perhaps, we need to explore long-term tax incentives that can be applied to anyone who establishes a practice in a health

professional shortage area as a more permanent solution.

Recent ADA House of Delegates passed resolutions in 2011 and 2012 calling for a comprehensive analysis of the economics of dental education, including student debt and its impact on new graduates and access to care for vulnerable groups, with short- and long-term recommendations. As a result, the *ADA Taskforce on Dental Education Economics and Student Debt* was created. The taskforce, included members of our Board of Trustees, the Council on Dental Education and Licensure, and the New Dentist Committee and began in 2012 by conducting extensive research using data collected from the ADEA, the Commission on Dental Accreditation, the American Student Dental Association, and the ADA Health Policy Resources Center.

In preparing a report to our House of Delegates this year, the taskforce learned that student debt is perceived as a national higher education problem at all levels; however, the existing data on the issue of student debt is sparse, making analysis of trends and implications for the dental profession difficult to determine.

We found that dentistry is experiencing the same trends in student loan debt as most other high-income professions. Dental school debt has increased over time because of increases in the cost of attending dental school. The rates of increase are in line with those experienced by other professional students (e.g., physicians, veterinarians). As long as the "return on investment" allows students to pay off educational debt

in a “reasonable” amount of time, it appears that the profession will continue to attract a large number of qualified applicants to fill the total number of available positions. However, if the student debt load becomes unsustainable, what effect would that scenario have on the applicant pool and ultimately, on the financial viability of the dental schools? Previous history has demonstrated that when demand for dental education declines, there is tremendous financial pressures on the educational system resulting in reduced class size and even school closures.

The taskforce found that there have not been significant innovations in dental school models that significantly reduce operating costs for dental schools, and this is reflected in the increased cost of attending dental school. The increased number and quality of applicants over the past 15 years has allowed dental schools and their sponsoring universities to increase tuition without adversely affecting enrollment. In addition, dental schools have been able to increase enrollment without substantially increasing expenses. Overall, dental schools currently appear to be financially sound, although tuition has risen faster in public schools than private schools over the past decade primarily because of reductions in state funding.

Surprisingly, the taskforce study found that debt appears to have some effect on dentists’ career decisions. The magnitude of the effect is very small compared with other factors such as gender and race. In regression models, students graduating with relatively large amounts of debt are more likely to plan on entering private practice, less likely to plan on completing advanced education, and less likely to plan on pursuing a government position or career in academics. Debt levels do not appear to have an impact on the likelihood of owning a practice.

Eighty percent of surveyed dental school deans reported that their dental school offers student debt or personal financial management information. In addition, the majority of dental school deans reported that student debt or personal financial management information is part of the dental school curriculum. This was closely correlated with survey results of recent graduates. That said, more than 70% of surveyed recent graduates and current students believe that the dental school should provide more student debt or personal financial management information than is currently offered.

The Taskforce came to the conclusion that the ADA can be most effective in addressing the student debt issue through a defined program of advocacy at the federal level and through development of a robust information portal to help current and prospective students be fully informed, financially literate consumers about a career in dentistry, including workforce forecasting reports, student debt, expected income, and life-long financial planning. We hope that in collaboration with ADEA, further research will identify solutions to the student debt problem before we are faced with a serious crisis in dental education.

We are committed to seeing this work through completion; this issue is too important for us to ignore as a profession.

Charles H. Norman, III, DDS, President, American Dental Association

Reprint requests: Charles H. Norman, III, DDS, President, American Dental Association, 2511 Oakcrest Ave. Greensboro, NC 27408; Tel.: 336-282-2120; Fax: 336-282-0657; email: chnormandds@yahoo.com

Copyright of Journal of Esthetic & Restorative Dentistry is the property of Wiley-Blackwell and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.