

Top Ten Things to Know about Financing Your Medical Education

1. **Educate yourself about financing options** beginning in the summer that you apply to medical school. Be open-minded, thorough and persistent.
2. Have a **frank discussion with your family** regarding ability and willingness to provide financial support to you in medical school.
3. **Gauge the quality of financial aid offered by medical schools** by reviewing their websites and asking financial aid officials for data such as:
 - percentage of students who receive financial aid from institutional loans and scholarships;
 - average loan amount borrowed per year;
 - average need-based scholarship awarded to financial aid recipients;
 - mean, cumulative educational debt for most recent graduating class;
 - availability of school-based support for research projects;
 - other financial guidance/services offered (e.g., personal budgeting, tax workshops, financial planning after graduation).
4. **Seek the guidance of financial aid officers** at the schools that you are considering. Discuss any special circumstances that you are facing. They are experts in helping you to navigate the complexities of financial aid. This guidance is especially important when making decisions regarding your choice of lender.
5. Ask schools for a **preview of your financial aid award** based on their current financial aid policies. First, calculate an estimate of your expected family contribution (EFC) using a web-based calculator such as: <http://www.finaid.org/calculators/finaidestimate.phtml>. Then send your estimated EFC to the schools that you are considering and ask them if they would be able to estimate a typical, need-based award.
6. Student loans are the primary form of financing in medical school, so it's important to **learn the differences among loan programs**. Don't assume that all loans are the same or that the lender advertising the lowest monthly payment offers the best loan. Consider initial processing fees, interest rates, interest accrual while in medical school, deferment options, add-on fees at repayment, payment plans, repayment incentives, and other factors. Simple Tuition (<http://www.simpletuition.com/home>) is an online, interactive tool that may help you to compare monthly payments, long-term costs and other considerations among many lenders.
7. Educate yourself about the **importance of good credit**.
 - **Obtain a free copy of your credit report** (www.myfico.com or www.AnnualCreditReport.com) from all three major credit bureaus (Experian; Equifax; Trans Union) annually. Review it for errors and negative information.
 - Stay current with your credit card payments and try to **pay off your credit card debt before you begin medical school**. Why? Students with significant amounts of outstanding credit or with a history of credit problems may not be eligible for certain types of student loans, including loans for residency interviewing expenses. In addition, financial aid cannot cover credit card payments and other consumer debt.
8. **A debt-free medical education is possible!**
 - Armed Forces Health Professions Scholarship Program (HPSP)
 - National Health Service/Indian Health Service Corps Scholarships (NHSC, IHS)
 - Medical Scientist Training Program (MSTP)
 - Merit scholarships (*check medical school websites for this information*)
9. **Loan repayment programs may help you to significantly reduce your educational debt** soon after residency. These programs require either patient care in underserved areas of the United States or clinical research in areas of national "need" for a minimum of two years in return for repayment of a portion of your educational debt.

10. **Balance the weight of your educational debt with realistic estimates of your future income** as a physician. See websites below for links to loan calculators and salary data.

Useful Websites:

Helpful overviews that address financial planning for medical school:

<http://www.aamc.org/students/considering/financial.htm>

<http://www.aspiringdocs.org>

Monetary Decisions for Medical Doctors (MD²) is an excellent web-based resource that addresses the elements of financial planning from the premedical to early practice years:

<http://www.aamc.org/students/financing/md2/phase1/start.htm>

<http://accessgroup.org> ; www.finaid.org/calculators (budgeting and loan repayment calculators)

Good search engines for private funding:

www.studentservices.com/fastweb

www.finaid.org

www.careermd.com

<http://fdncenter.org> (for information re: *Foundation Grants to Individuals*, 15th edition, 2007 --- a great resource for funding from private foundations!)

www.iefa.org (for international students)

Service-connected scholarships:

HPSP Scholarships: www.airforce.com; www.goarmy.com; www.navy.com

NHSC Scholarships: www.bhpr.hrsa.gov

Indian Health Service Program: www.ihs.gov

For MD/PhD students:

The Medical Scientist Training Program (MSTP) is offered at 40 MD/PhD programs.

MSTP awards provide full, merit-based support (tuition waiver, health insurance, stipend).

<http://www.nigms.nih.gov/Training/InstPredoc/PredocInst-MSTP.htm>.

Funding for research while in medical school:

The HHMI-NIH Research Scholars Program provides support for one year of research at the NIH: <http://www.hhmi.org/research/cloister/>

Fogarty Fellowships are another NIH-sponsored program that provides 10 months of support for intensive, clinical research in a developing country:

<http://www.aamc.org/students/medstudents/overseasfellowship/>

Loan Repayment Programs:

www.aamc.org/students/financing/repayment (federal- and state-funded programs)

www.lrp.nih.gov (research-related loan repayment programs)

www.aafp.org/special/resource (for students committed to family practice)

Physician compensation data:

Medical Economics (annual salary report, September issue): <http://memag.com>

AAMC's Careers in Medicine Program (AAMC): www.aamc.org/cim