

Fiscal demands placed on students in physical therapy education programs

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Introduction

- Higher education is stressed in society
- Financial burdens are increasing to achieve higher education
- The definitive degree to be PT has transitioned from a BS to MPT to DPT
- Financial assistance has not increased at a rate to offset the additional cost for PT education

College Affordability in Jeopardy Winter: The Rising Price of Education Web Sight. Available at: www.highereducation.org/news/affordability_spoofers/coll_educ_sources.shtml. Accessed January 26, 2005.

Rucker B. State lags in college affordability. Chattanooga Times Free Press. September 15, 2004. Available at <http://www.timesfreepress.com/archive/>.

Affordability

- Federal funds have not increased at the same pace rising financial burdens → higher education is less affordable
- Federal government spends more today than in the past because 3 million more students seeking higher education
 - Note each student is actually receiving less money than before

College Affordability in Jeopardy Winter: The Rising Price of Education Web Sight. Available at: www.highereducation.org/news/affordability_spoofers/coll_educ_sources.shtml. Accessed January 26, 2005.

Affordability...

- **1970s**
 - families paid 36% of the total cost of a college education
 - federal government paid 12%
 - **2004**
 - family paid 50% of the cost
 - federal government paid ~10%
- The rest of the funding was provided by the state or individual students in both time periods

College Affordability in Jeopardy Winter: The Rising Price of Education Web Sight. Available at: www.highereducation.org/news/affordability_spoofers/coll_educ_sources.shtml. Accessed January 26, 2005.

General Education Funding

- Federal Government
 - Stafford loan
 - Perkins loan
- Private Loans
- Lottery Scholarships

Mark Kartowitz: The smartstudent guide to financial aid. Finald web sight. Available at www.finaid.org. Accessed January 26, 2005.

Federal Government

Stafford loan

- Lent by a private lender guaranteed by the federal government
- Subsidized Stafford loan
 - awarded according to financial need
 - government pays the interest while student in school
- Unsubsidized Stafford loan
 - awarded to anyone regardless of financial need
 - government does NOT pay interest incurred by loan

Mark Kartowitz: The smartstudent guide to financial aid. Finald web sight. Available at www.finaid.org. Accessed January 26, 2005.

Federal Government

Stafford Loan		
	Dependent	Independent
Freshman	\$2,625	\$4,000
Sophomore	\$3,500	\$4,000
Each yr after sophomore	\$5,500	\$5,000
Not to exceed	\$23,000	\$46,000

Mark Kartowitz. The smartstudent guide to financial aid. Finaid web sight. Available at www.finaid.org. Accessed January 26, 2005.

Federal Government

Stafford loan

- Graduate may borrow \$18,500 per year
 - \$8,500 is subsidized, the rest in not

Mark Kartowitz. The smartstudent guide to financial aid. Finaid web sight. Available at www.finaid.org. Accessed January 26, 2005.

Federal Government

Perkins Loan

- Undergraduates and graduates with exceptional financial need may qualify
- Amount received is determined by the university that the student attends
- Government limits loan rewarded
 - Undergraduates \$4000/yr not to exceed \$20,000
 - Graduates \$6000/yr not to exceed \$40,000
 - Loans may be forgiven by approved government programs

Mark Kartowitz. The smartstudent guide to financial aid. Finaid web sight. Available at www.finaid.org. Accessed January 26, 2005.

Private Loans

- Plus loan
 - Parents take out the loan
 - Not the responsibility of student but is the responsibility of parents or parent that took out the loan
 - Full-time students are generally not able to access private loans without income or someone to co-sign

Mark Kartowitz. The smartstudent guide to financial aid. Finaid web sight. Available at www.finaid.org. Accessed January 26, 2005.

Lottery

- Available for Tennessee high school graduates who attend a Tennessee college/university who qualify for the award
- Award is for \$4,000/year
- Award is for Undergraduates ONLY

Educational funding for other health care degrees

- Nursing:
 - Nursing Scholarship Program
 - Nursing Student Loans
- Other:
 - Health Professions Student Loans
 - dentistry
 - optometry
 - pharmacy
 - podiatric medicine
 - veterinary medicine
 - Health Professional Shortage Areas
 - primary medical care
 - dental
 - mental health providers

Nursing Student Loans. Bureau of Health Profession Web sight. Available at <http://bhpw.hrsa.gov/financial>. Accessed January 26, 2005.
Nursing Scholarship Program. Bureau of Health Profession web sight. Available at <http://bhpw.hrsa.gov/nursingscholarship>. Accessed January 26, 2005.

Allied Health Fields include:

- **Associate to entry-level doctorate**
 - Dental hygiene
 - Medical laboratory technology
 - Occupational Therapist
 - **Physical Therapist**
 - Radiologic technology
 - Speech pathology
 - Audiology
 - Registered dietitians

Health Professions Student Loans. Bureau of Health Profession web sight. Available at: <http://bhpw.tn.gov/bsl.html>. Accessed January 26, 2005.

Shortage Designation. Bureau of Health Profession web sight. Available at: <http://bhpw.tn.gov/shortage.html>. Accessed January 26, 2005.

Educational funding for Physical Therapist Students

- **Scholarship for Disadvantage Students**
 - Medicine
 - Osteopathic medicine
 - Dentistry
 - Optometry
 - Pharmacy
 - Podiatric medicine
 - Veterinary medicine
 - Nursing (associate, diploma, baccalaureate and grad. deg.)
 - Public health
 - Chiropractic
 - Allied health*
 - Behavioral and mental health practice (grad. programs)
 - Physician assistants program

*Physical therapy is included in this group

Scholarships for Disadvantaged Students. Bureau of Health Profession web sight. Available at: <http://bhpw.tn.gov/sds.html>. Accessed January 26, 2005.

Tuition for MPT & DPT programs

Masters of Physical Therapy

- **Public in state**
 - Total cost: \$20,489
- **Private**
 - Total cost: \$55,142

Doctorate of Physical Therapy

- **Public in state:**
 - Total cost: \$34,697
- **Private:**
 - Total cost: \$66,167

2004 PT fact sheets. APTA.org web sight. <http://www.apta.org>. Accessed August 15, 2005.

Problem

- Increase costs of becoming a physical therapist
- Salaries have not simultaneously increased with the higher educational demands
- With the aging population and possibility of decreasing the number of upcoming physical therapists, health care may be impacted

Purpose

- Determine the mean loan amount that the Tennessee physical therapist student of 2005 borrows for his or her education.

Methods

- Survey requesting financial loan debts of all Tennessee Physical Therapist graduates in 2005
 - Undergraduate and graduate
- Used to calculate
 - Loan values of individual schools
 - Percentage of students taking out loans at each school
 - Approximate monthly payment compared to average salary for a new Physical Therapist graduate
- No personal identification included
- Study was approved by University of Tennessee at Chattanooga Institutional Review Board.

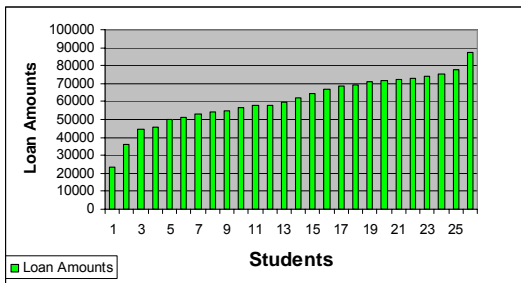
Example

Student	Undergrad	Grad
1	\$0	\$48,500
2	\$2,265	\$29,061
3	\$29,125	\$55,500
4	\$0	\$0

Data Analysis

- Data was entered using Excel
- Descriptive statistics were generated

Results. School A Loan Amounts

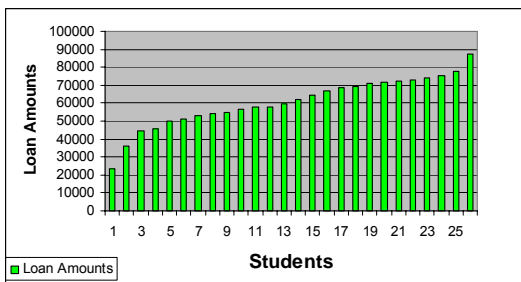


School A: private DPT program

Results School A

- Mean: \$60,777
- Median: \$60,983
- Range: \$23,730-\$87,405
- Total: \$1,580,205
- Percentage of students with loans: 100%
- Tuition: \$59,400

Results. School B Loan Amounts



School B: Public, 3 plus 3 DPT program

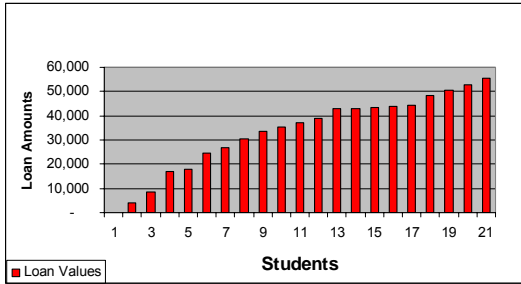
Results School B

- Mean: \$17,048
- Median: \$17,000
- Range: \$0-\$43,899
- Total: \$323,915
- Percentage of students with loans: 65%
- Tuition: \$11,832* or \$15,776^

*Enter as an undergraduate

^enter as a graduate

Results. School C Loan Amounts

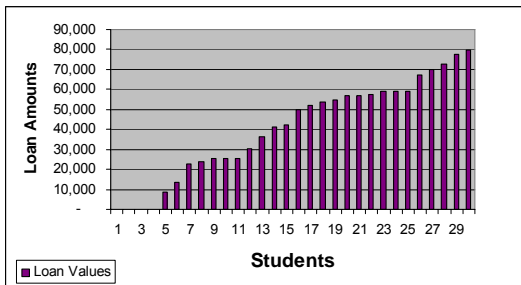


School C: Public, DPT program

Results School C

- Mean: \$33,309
- Median: \$37,000
- Range: \$0-\$55,500
- Total: \$699,489
- Percentage of students with loans: 95%
- Tuition: \$20,250

Results. School D Loan Amounts



School D: Public, 3 plus 3 MPT program

Results School D

- Mean: \$40,704
- Median: \$46,144
- Range: \$0-\$79,800
- Total: \$1,221,108
- Percentage of students with loans: 87%
- Tuition: \$13,980

Tuition Cost vs. Mean Loan Cost

School	Baseline Tuition	% of students with loans	Total Loan Value	Mean Loan Value
School A	\$59,400	100	\$1,580,205	\$60,777
School B	\$11,832	65	\$ 323,915	\$17,048
School C	\$20,250	95	\$ 699,489	\$33,309
School D	\$13,980	87	\$1,221,108	\$40,704

DO WE WANT TO KEEP

Discussion

3 plus 3 program

- Enter Physical therapist program as undergraduate
- Student's entering in as an undergraduate would have less of a loan than the graduate student who paid all graduate fees for three years of the program

Discussion

3 plus 3 program

- School B
 - DPT
 - Incurred least amount of loans of schools surveyed
- School D
 - MPT
 - Incurred greatest amount of loans for public schools

Discussion

Cost of living

- Cost of living could be higher in the more metropolitan cities
- Schools A and D are both located in larger, metropolitan cities
- Schools B and C are both located in smaller communities

Discussion

Probable monthly payments...

- Petersdorf suggested
 - Reasonable amount of loan repayment should be 8% of the initial gross income for a 1st year health care professional (“comfortable”)
 - 12% would be classified as “difficult”
 - 16% would be classified as “impossible”
 - Author did not clarify the expected interest rate or the number of years to finance the loan

Petersdorf RG. Financing medical education. Acad Med. 1991;66:91-95.

Discussion

For comparison

- The authors of this research study describe the average loan repayment for the 4 schools surveyed
 - Using a 10 year repayment
 - With an interest rate of 5.0%, 7.5% and 9.5%

TER

Median Gross Earned Income between 1999 and 2004

- | | |
|--|----------------------------------|
| ■ Income based on years of experience. | ■ Income based on degree earned. |
| ■ 1-3 years = 21%↑ - \$51K | ■ BPT – 19%↑ to \$70K |
| ■ 4-6 years = 16%↑ - \$58K | ■ MPT – 30%↑ to \$65K |
| ■ 7-9 years = 14%↑ - \$64K | ■ DPT – 18%↑ to \$65K |
| ■ 10-15 yrs = 17%↑ - \$70K | ■ PhD – 11%↑ to \$80K |
| ■ 16+ years = 15%↑ - \$75K | |

When looking at years of experience, the DPT graduate had the greater percent increase in income, however, the more experienced therapist with the lower degree level had either the larger percent increases or maintained the larger incomes.

2004 PT fact sheets. APTA.org web sight. Available at: <http://www.apta.org>. Accessed August 15, 2005.

Discussion

Physical Therapist Salaries

- Average minimum salary for a new graduate PT is:
 - TN: \$46,100
 - KY: \$47,400
 - NC: \$45,500
- Average monthly loan repayment value should be approximately \$307.30 based upon TN minimum salary

Watson W. 2005/2006 Hospital & health care professional, nursing & allied services personnel compensation report. New Jersey: Wayson Wyatt Data Services. 2005.

Discussion

School A

- Average loan \$60,777
- Monthly payment:
 - \$644.63 at 5.0% interest
 - \$721.43 at 7.5% interest
 - \$786.44 at 9.5% interest

School B

- Average loan \$17,048
- Monthly payment:
 - \$171.78 at 5.0% interest
 - \$192.25 at 7.5% interest
 - \$209.57 at 9.5% interest

School C

- Average loan \$33,309
- Monthly payment:
 - \$353.29 at 5.0% interest
 - \$395.38 at 7.5% interest
 - \$431.01 at 9.5% interest

School D

- Average loan \$40,704
- Monthly payment:
 - \$431.73 at 5.0% interest
 - \$483.16 at 7.5% interest
 - \$526.70 at 9.5% interest

Discussion

- With all of this in mind...
 - Profession is progressing towards all of the educational programs becoming an entry-level doctorate program
 - With the move to higher degree, comes increase in length of schooling and cost
 - Financial burden has become more of a problem for PT students, requiring more help from government loans and their families
 - To date there are not as many scholarships in place for PT students as there is for other health care professions
 - DPT programs may decline in the number and quality of applicants, as other parts of the medical industry provide more resources to pay for the education

Limitations

- Data limited to one state for one graduating year
- Did not address in-state versus out of state tuition differences
- 4 locations of the programs are in different geographic and socioeconomic regions
- Did not take cost of living into account
- Only able to examine the amount of graduate school loans
- 3 plus 3 programs only included 2 years of loan amounts for students entering as undergraduates & 3 years for students who entered as graduates
- The age of the students and family conditions were both unknown to the authors and could be a factor in why some students did not have to take out any loans

Recommendations

- APTA...
 - Continue to pursue avenues of additional financial assistance for PT students
 - Possibly with the Title VII
 - Continue to consider and move forward with the idea of physical therapy as an individual profession rather than grouped in Allied Health.

Conclusion

- 3 out of the 4 schools surveyed demonstrated “difficult” to “impossible” loan amounts
- Only 1 out of the 4 schools surveyed had average monthly payments that could be considered “comfortable”
- This issue needs to be addressed as the profession continues to evolve and grow into the doctorate model

References:

- College Affordability in Jeopardy Winter. The Rising Price of Education Web Sight. Available at: www.highereducation.com/reports/affordability_supplement/tables_trends_sources.shtml. Accessed January 26, 2005.
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- Shortage Designation. Bureau of Health Profession web sight. Available at: <http://bhpr.hrsa.gov/shortage/>. Accessed January 26, 2005.
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- Peterson RG. Financing Medical Education. *Acad Med*. 1991;66:61-65.
- Terry Eaton Rowland. Vice President Home Federal Bank. Conversation October 30, 2005. (this ref needs to be updated to the AMA style and this note del.)