

## ***Virtual Mentor***

American Medical Association Journal of Ethics  
February 2001, Volume 3, Number 2: 56.

### **VIEWPOINT**

#### **The Long Shadow of Educational Debt**

Audiey Kao, MD, PhD

- between 1981 and 1999, average medical school tuition and fees increased 418% at public schools (from \$2,761/year to \$11,375/year) and 320% at private schools (from \$8,962/year to \$28,733/year)?
- medical school tuition accounted for an average of 2.8% of the total revenue of public medical schools and 5.1% of the revenue of private schools in 1997-1998? This percentage has remained relatively constant for public schools and reached a peak of 8.2% during the late 1970s for private schools.
- corrected to 1985 constant dollars, the average debt among the 83% of medical graduates with educational debt increased 99% between 1985 and 2000? (Public school graduates' debt increased 99% and private school graduates' debt increased 102%.) The average debt per medical student who graduated with debt in 2000 was \$93,000 (about \$80,000 for graduates of public medical schools and \$115,000 for graduates of private schools).
- the power of compounding is something that we should all be aware of. For example, if you invested \$100.00 each month starting at the age 25 (assuming an annual return of 10%) then by the time you retire at age 65, you will have 1 million dollars in your portfolio. But if you wait just ten years to begin investing, your portfolio at retirement will be less than \$400,000.

Audiey Kao, MD, PhD is editor in chief of *Virtual Mentor*.

*The viewpoints expressed on this site are those of the authors and do not necessarily reflect the views and policies of the AMA.*

Copyright 2001 American Medical Association. All rights reserved.