MONEY MATTERS:
Loan Repayment & Financial Planning for ECPs
APA’s Center for Workforce Studies shows that the average educational debt of a graduating doctoral level psychologist is approximately $60,000 (2007 data).
Money Matters for ECPs

• This session is sponsored by the Committee on Early Career Psychologists (CECP) and is intended for ECPs and soon-to-be ECPs (i.e., Graduate Students)

• The focus will be on LOAN REPAYMENT AND FINANCIAL PLANNING
Congratulations, I Just graduated…
How Much Did You Say I Owe?

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Alumni/Ambassador
National Health Service Corps

Member
APA Committee on Rural Health (CRH)

President-Elect
Hawaii Psychological Association
Overview

- From Grad School to the Real World
- Making a Living and Surviving – My Story
- Resources to pay off Graduate School Debt
• Lack of Informed Consent in Grad School
• Interviews & Internship
• Graduation…Now What?
  o Academics, Research, Consultation, Practice?
• Postdoctoral Training
• Licensure
• Finding a Job that fits
• Personal Circumstances
• Relationships…marriage?
• Starting a Family
• Earning enough to satisfy Maslow’s Hierarchy
  – Physiological…Food and Drink
  – Safety…buying a home, car
  – Love/Belonging…Getting married/partnerships,
    Starting a Family?
• Quality of Life
  – Eliminating the Graduate Student Loan
Resources to Pay off Graduate School Debt

- Faculty Loan Repayment Program
- National Institutes of Health
- Veterans Affairs/DoD – Federal Student Loan Repayment Program
- Federal Student Loan Forgiveness Program
- National Health Service Corps
HRSA Faculty Loan Repayment Program

http://www.hrsa.gov/loanscholarships/repayment/faculty/

- Health professions faculty from disadvantaged backgrounds can receive up to a maximum of $40,000 towards repayment of their student loans in exchange for educating tomorrow's clinicians.

- Individuals selected to participate in the program agree to serve on the faculty of an accredited health professions college or university for 2 years. The Government pays up to a maximum of $40,000 of the participant's student loans and provides funds to offset the tax burden.
National Institutes of Health (NIH)

http://www.lrp.nih.gov

- Provides financial assistance for individuals interested in pursuing research critical to the fields of public health at any nonprofit, university or government organization

- In exchange for a 2-year commitment, NIH will:
  - Repay qualified educational debt up to $35,000/yr
  - Reimburse Federal and state taxes resulting from your repayment award
  - Loan repayment benefits are in addition to the institutional salary you receive for your research.

New and Renewal: September 1, 2012 - November 15, 2012
New Contracts Start: July 1, 2013
• 5 Extramural Loan Repayment Programs
  – Clinical Research (404/959)
  – Pediatric Research (185/506)
  – Health Disparities Research (122/383)
  – Clinical Researchers from Disadvantaged Backgrounds (19/52)
  – Contraception and Infertility Research (17/35)

  – * New Applications/Awards - Data accurate as of 10/01/11
• NIH Employee Student Loan Repayment Program
  – Tool to facilitate the recruitment and retention of highly qualified candidates and employees for NIH

• NIH may repay eligible student loans up to $10,000 per calendar year with a $60,000 lifetime maximum.
Student Loan Repayment Program

- Student loan repayments may be authorized for employees in full- and part-time positions who are:
  (a) Temporary employees serving on appointments leading to conversion to term or permanent appointments
  (b) Term employees with at least 3 years left on their appointment
  (c) Permanent employees
  (d) Employees serving on excepted appointments with conversion to term, career, or career conditional appointments

• Student Loan Repayment Program
  – Payment made on an annual or biweekly basis
  – The maximum **annual** gross amount (before taxes) in a year is $10,000
  – Total **lifetime** gross amount: $60,000.
  – Repayment magnitude depends on employee’s value to VA and current funds

Sections 302/401 of the College Cost Reduction Access Act of 2007 established a federal student loan repayment program for high-debt, lower-income graduates, including a loan forgiveness program for those who spend 10 years in full time public service.

Government agencies and non-profit organizations exempt from taxation under Sec. 501 (c) 3 of the tax law.
• Postdoctoral Fellowship – TAMC
• Rural Rotations & Licensure
• Destination – Molokai CHC
  – Behavioral Health Director
  – Practicing Psychologist
• National Health Service Corp Clinician
  – Loan Repayment Award
  – NHSC Alumni/Ambassador
  – NAC on NHSC
<table>
<thead>
<tr>
<th>National Health Service Corp LRP</th>
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<tr>
<td><strong>Student Loan Debt</strong></td>
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<tr>
<td><strong>2-Year Commitment</strong></td>
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<td><strong>3rd Year Commitment</strong></td>
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<td><strong>4th Year Amendment</strong></td>
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What is the National Health Service Corps?

The NHSC is made up of thousands of talented and dedicated clinicians who, over the past three decades, have extended out to rural, “inner city” urban, and frontier communities across the country to practice primary health care in underserved communities where the need is greatest.
• More than 41,000 clinicians have served as NHSC Members

• NHSC consists of almost 9,500 clinicians currently serving and more than 14,000 NHSC sites

• NHSC numbers have increased at a record pace...an essential part of Health Care Reform and access to health care
FY 2012 NHSC Funding

- $295 Million – ACA funding
- Award estimates by program

<table>
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<tr>
<th>Programs</th>
<th>Estimated Number of Awards</th>
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<td>S2S Loan Repayment Program</td>
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<tr>
<td>NHSC Loan Repayment Program</td>
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<td>NHSC Scholarship Program</td>
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<tr>
<td>State Loan Repayment Program</td>
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*1,800 new & 2,000 Continuations
• Authorizes and appropriates $1.5 billion for the NHSC through 2015.

- FY2011: $290 million
- FY2012: $295 million
- FY2013: $300 million
- FY2014: $305 million
- FY2015: $310 million
ACA Provides New Opportunities

• NHSC - Major Part of the Primary Care Workforce

• Increase Access to Health Care for Underserved Communities

• Ability to Serve More Patients

• More Visibility & Understanding of the Corps
NHSC Loan Repayment Program

• FY 2012 Changes
  – Two funding levels based on community need
    • HPSAs 14 & above – up to $60,000
    • HPSAs 13 & below – up to $40,000
    • Continuations – 3rd & 4th Year - $30,000; 5th & Beyond - $20,000
  – Non-competitive LRP transition for Scholars
  – Critical Access Hospitals – Newly eligible NHSC site type
  – Electronic submission required

• Planned Awards
  – ~1,800 New Awards; 2,000 Continuations

• FY 2013 Application Cycle – January-March 2013
NHSC Field Strength Projections

*NHSC Field Strength Projections based on the 2013 President’s Budget

- 2008: 3,601
- 2009: 4,808
- 2010: 7,530
- 2011: 10,279
- 2012: 9,193
- 2013: 7,128
NHSC Site Stats

• 14,000+ NHSC Sites
  – 9,700+ FQHCs & Look-Alikes
  – 957 Hospital Affiliated Primary Care
  – 868 Rural Health Clinics
  – 544 Tribal Sites
  – 420 Correctional Facilities
  – 120 Critical Access Hospitals
Psychologists in the NHSC

Number that have served in the NHSC LRP (since 1/31/1999):

- Health Service Psychologists: 1,679
- Mental/Behavioral Health Providers: 12,241 (includes number above)

Number that are currently serving in the NHSC LRP

- Health Service Psychologists: 743
- Mental/Behavioral Health Providers: 5,112 (includes number above)
The NHSC made just over 5,400 total awards for the 2011 application cycle – 4,113 were new awards and 1,305 were continuations. This included:

- Health Service Psychologists: **427 (199 new and 228 continuation awards)**

- Mental/Behavioral Health: **507 (includes number above) (222 new and 285 continuation awards)**
• Short Term retention Rate up 82% in 2011 from 76% in 2010
• 82% who fulfilled their NHSC service commitment in FY 09 &10 remained in Underserved Communities/HPSAs
• Retention Factors – Why clinicians left?
  – Problems with employer/site
  – Financial/salary
  – Site too isolated
• Retention Factors – largest impact on remaining in HPSA
  – Better salary – 67%
  – Employer efforts around retention – 44%
  – Greater resources to help me do my job well – 38%
  – Better site experience – 33%
  – Schedule/hours – 31%
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