



Financing Your PA Education



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The cost of a PA education is daunting, and students' expected debt is a concern for those entering the profession, according to Student Academy of AAPA members. Research by the PA Education Association (PAEA) shows that the median *in-state resident tuition* at public PA programs increased by 31.2% from \$32,750 in in the 2010-2011 academic year^{il} to \$43,000 in the 2015-2016 academic year^{il}; while between 2010 and 2014, the median *in-state resident tuition* at private PA programs increased by 13.6% from \$67,000ⁱⁱⁱ to \$76,110^{iv}.

For *out-of-state residents* at public PA programs, between 2010 and 2015, the median tuition increased by 18.9% from \$65,000° to \$77,269°; while the median *out-of-state resident tuition* at private PA programs increased by 17.0% between 2010 and 2014 from \$65,485° to \$76,635°. Find more tuition information in PAEA Program Surveys here.

The Stafford Loan program, offered through the U.S. Department of Education, provides the typical PA student up to \$20,500 per academic year, or \$51,250, toward graduate studies. The reported total cost of median tuition, fees, and incidental costs for a private PA program in 2015-2016^{ix} is \$89,698. For out- of-state residents at public PA programs, this figure is \$86,326. Meanwhile, for public in-state residents this figure is \$52,257. That leaves a shortfall for each student to address.

One of the issues impacting the financing of PA student education includes obtaining loans that may have high interest rates. Athena Abdullah, JD, PAEA Director of Government Relations, said, "PA students are forced to apply for and use loan products with higher interest rates and costs. This creates a barrier that prohibits some students from matriculating, especially those from economically and educationally disadvantaged backgrounds who are more likely to practice in underserved areas that lack primary care providers."

The two main sources of outside payment of one's education costs in a PA program are – just like students' undergraduate study – scholarships and loans. Students should always consult with the financial-aid office of the PA program they'll be attending. The following information summarizes current scholarship and loans available to PA students.

I. Scholarships

Students' academic and other achievements can earn them scholarships to support their education. Sources of scholarships for PA students include:

National Health Service Corps Scholarship (NHSC)

https://nhsc.hrsa.gov/scholarships/index.html

The National Health Service Corps (NHCS) Scholarship Program (SP) is a competitive federal program that awards scholarships to PA students pursuing a career in primary-healthcare professions in return for a two-year commitment to provide primary-healthcare services in a Health Professional Shortage Area (HPSA). The NHSC SP pays for tuition and other education-related expenses and provides a monthly stipend – \$1,330 for the 2016-17 school year before federal taxes – for up to four school years.

PA Foundation

https://pa-foundation.org/scholarships-fellowships/pa-studentscholarships/

The PA Foundation is the philanthropic arm of AAPA and manages a number of scholarships for students. Eligibility requirements include being a student member of AAPA; attending an ARC-PA-accredited program; having successfully completed at least one term of PA studies and be in good academic standing; and being enrolled in PA school at the time the application period closes May 31.

- o **Bristol-Myers Squibb Endowed Scholarship**: four \$2,500 awards.
- National Commission on Certification of PAs Endowed Scholarship: six \$2,000 awards.
- AAPA Past Presidents Scholarship-\$1,000. The applicant must demonstrate service leadership through his/her PA program or through a community health organization/project.
- AAPA Rural Health Caucus Scholarship and Ron Nelson Memorial Scholarship:
 \$2,000 for students from rural areas who are committed to serving a rural community.
- Ron Pace Memorial Scholarship: \$1,000. Applicant must be attending school in Florida and be a military veteran or child/dependent of a veteran, and a student member of the Florida Academy of PAs.

Association of PAs in Oncology: \$2,500 award, in two parts: \$500 toward travel to AAPA Conference to receive the award, and \$2,000 unrestricted; apply by March 1.

California Academy of PAs: three annual scholarships for student members; apply online by December 31.

Florida Academy of PAs: two annual scholarships for student members; apply online by June 30.

Lesbian, Bisexual, and Gay PA Caucus: \$1,000 grants for two PA students to attend AAPA Conference; apply by January 1.

Pennsylvania Society of PAs: six annual student-leadership scholarships and three scholarships for students who want to enter the writing competition; apply online by June 30.

PA Academy of Vermont: \$1,000 scholarship and free admission to its state conferences; apply by June 30.

PAs for Latino Health: \$500 scholarship to enrolled PA students with an interest in Latino health issues; apply by April 1.

PAs in Orthopedic Surgery: one or two \$500 scholarships; apply by August 15.

Society of Army PAs: scholarship in honor of Captain Sean P. Grimes; apply by February 1.

II. Loans

If you are considering student loans to help pay for attending a PA program, you are not alone. Many students need loans to cover their full cost of attendance plus living expenses. PA students can avail themselves of governmental and other resources to help finance their education, but key shortfalls and challenges remain. In addition, students should investigate the interest rates, fees, and repayment options of each loan they are considering. This report summarizes several student-loan options for PA students, in the hope that it will help you to become an informed consumer and decrease your debt by the time your PA career begins.

Private Loans

Private loans are offered by lenders like SallieMae® and banks. Of course, you'll want to choose the lender with the lowest interest rate and greatest flexibility for repayment should you have trouble making payments. Many private lenders advertise low interest rates, but only borrowers with the best credit will qualify for these rates. Your rate could be much higher.

Private loans often require a co-signer. In 2011, more than 90% of private student loans required a co-signer, so consider asking a parent, spouse, or another relative. Your co-signer will be legally obligated to repay the loan if you can't or don't. Some loans offer a "co-signer release" after several on-time payments.

Visit the Consumer Financial Protection Bureau's page on "Choosing a Loan": http://www.consumerfinance.gov/paying-for-college/choose-a-student-loan/#o1.

Federal Loans

All federal student loans are administered by the U.S. Department of Education's William D. Ford Federal Direct Loan Program. Read more about the differences between federal and private loans here: https://studentaid.ed.gov/sa/types/loans/federal-vs-private.

Direct Unsubsidized Loans

https://www.edvisors.com/college-loans/federal/stafford/unsubsidized/

These loans are made to graduate and professional students (and also undergraduates). Students do not have to demonstrate financial need. To apply for an unsubsidized student loan, you must complete and submit a Free Application for Federal Student Aid (FAFSA): https://fafsa.ed.gov/.

Parent Loan for Undergraduate Students (PLUS)

https://studentaid.ed.gov/sa/types/loans/plus https://studentloans.gov/myDirectLoan/launchPLUS.action

These loans are also made to graduate or professional students to help pay for education expenses not covered by other financial-aid sources. To obtain a PLUS loan, you may not have a negative credit history; however, under certain circumstances, a co-signer may be able to negate your negative credit history.

The benefit of PLUS is that you don't have to make payments (a) while you're enrolled in school at least half-time, (b) for an additional six months after you graduate, (c) if you leave school or drop below half-time enrollment. However, these loans carry fixed interest rates as high as

6.31% for the 2016–17 school year. Additionally, these loans require borrowers to pay a fee for the loan to be disbursed. Be aware that the fee is deducted from the principal borrowed and must be considered when debating how much money to borrow. The loan fee for the 2016–17 school year was 4.276%, and changes annually based on market factors.

National Health Service Corps (NHSC) Loan Repayment Program (LRP) https://nhsc.hrsa.gov/loanrepayment/loanrepaymentprogram.html

The purpose of the NHSC LRP is to recruit and retain medical professionals in eligible communities of need designated as health-professionals shortage areas. The NHSC LRP seeks PAs and other healthcare professionals to provide culturally competent, interdisciplinary, primary-healthcare services to selected HPSAs designated by the Secretary of Health and Human Services. HPSAs are in rural and urban communities across the nation. In return, the NHSC LRP assists clinicians in repaying their outstanding qualifying educational loans. All funds awarded to recipients are exempt from federal income and employment taxes.

Individuals who participate in the NHSC LRP have two options for loan repayment:

- (1) NHSC will pay up to \$50,000 for the first two years of full-time practice to clinicians serving at an NHSC-approved service site with a HPSA score of 14 or higher. Applicants who will be working at NHSC-approved service sites with HPSA scores of 13 or lower are eligible to receive up to \$30,000 for the first two years of full-time clinical practice; full-time clinical practice is defined as at least 40 hours weekly for a minimum 45 weeks annually.
- (2) NHSC will pay up to \$25,000 for the first two years of half-time practice to clinicians serving at an NHSC-approved service site with a HPSA score of 14 or higher. Applicants who will be working at NHSC-approved service sites with HPSA scores of 13 or lower are eligible to receive up to \$15,000 for the first two years of half-time clinical practice.

Student-loan Consolidation

A direct-consolidation loan allows you to combine multiple federal-education loans into one loan. The result is a single monthly payment instead of multiple payments. While this may make paying your federal student loans easier, private loans do not qualify for a direct-consolidation loan. If you have taken private loans, talk to your lender regarding options for consolidation.

Public Service Loan Forgiveness Program: offers loan forgiveness to practicing PAs who have made 120 qualifying payments on a William D. Ford Federal Direct Loan: Direct Subsidized Loans, Direct Unsubsidized Loans, Direct PLUS Loans.

Additional Information

To learn more about student loans, visit the Consumer Financial Protection Bureau's "Paying for College" page (http://www.consumerfinance.gov/paying-for-college/), the U.S. Department of Education's page on federally provided student aid (https://studentaid.ed.gov/sa/types) or your educational institution's financial-aid office.

III. Acknowledgments

This paper aims to inform PA students about important options for financing their education

and dealing with potential debt. It was created to address the Student Academy of AAPA's 2016 resolution focusing on student debt. The Student Academy wishes to thank those who contributed to this document's creation: Ryne Graham, 2016-2017 Southeast Regional Director, Andrew Porter and Evan Phillips, Mississippi College; Jordan Shuart, University of Oklahoma Health Sciences Center; Duncan Daviau, Massachusetts College of Pharmacy and Health Sciences; Victoria Chavez, Miami Dade College; Brittany Kerr, University of South Dakota; and Morgan Millies, Concordia University.

This document is intended as a guide for making informed decisions about financing a PA education. It is not a substitute for financial advice. All information is current as of the publication date.

¹ Physician Assistant Education Association, Physician Assistant Educational Program in the United States: 27th Annual Report, 2013, Alexandria, VA: PAEA, 2013

ⁱⁱ Physician Assistant Education Association, Program Report 32: Data from the 2015-2016 Program Survey, 2016, Washington, DC: PAEA 2016. Publication forthcoming, October 2017.

Physician Assistant Education Association, Physician Assistant Educational Program in the United States: 27th Annual Report, 2013, Alexandria, VA: PAEA, 2013

Physician Assistant Education Association, By the Numbers: 30th Report on Physician Assistant Educational Programs in the United States, 2015, Washington, DC: PAEA, 2015. doi: 10.17538/btn2015.001

^v Physician Assistant Education Association, Physician Assistant Educational Program in the United States: 27th Annual Report, 2013, Alexandria, VA: PAEA, 2013

vi Physician Assistant Education Association, By the Numbers: 30th Report on Physician Assistant Educational Programs in the United States, 2015, Washington, DC: PAEA, 2015. doi: 10.17538/btn2015.001

vii Physician Assistant Education Association, Physician Assistant Educational Program in the United States: 27th Annual Report, 2013, Alexandria, VA: PAEA, 2013

Physician Assistant Education Association, By the Numbers: 30th Report on Physician Assistant Educational Programs in the United States, 2015, Washington, DC: PAEA, 2015. doi: 10.17538/btn2015.001

[™] Physician Assistant Education Association, Program Report 32: Data from the 2015-2016 Program Survey, Washington, DC: PAEA, 2017. Forthcoming October 2017.