



The Future of Veterinary Medicine

Travis Meredith, DVM, MBA, Diplomate ACT



In the March/April 2013 issue of *Today's Veterinary Practice*, Dr. Travis Meredith discussed The New York Times' article, *High Debt and Falling Demand Trap New Vets*, in our *The Back Page* column and let readers know that Today's Veterinary Practice would be examining the issues raised in the article in a roundtable format.

Dear Colleagues,

When I was asked by the team at *Today's Veterinary Practice* (TVP) to coordinate

a roundtable addressing *The New York Times* (NYT) article by David Segal, I jumped at the chance. Here was an opportunity to tackle the issues that have captured the attention of individuals both inside and outside of our profession. I never imagined the complexity of the challenge I accepted.

The first thing I discovered when reaching out to the profession was that there is no shortage of perspectives on these issues; some more passionate than others. Rather than treating this as a normal roundtable, I tried to construct something a little different.

TVP has adopted the philosophy: **Read It Today, Use It Tomorrow**—a contemporary and practical approach to the practice of veterinary medicine. In keeping with this perspective, my goal was to identify *real people*—those directly facing the issues identified by the NYT's article—as participants.

If you're expecting to find solutions to all the challenges facing veterinary medicine in the following pages, I apologize. There are no easy answers. But what you will discover is a collection of intelligent and different perspectives that hopefully make you stop and think.

Each one of the roundtable participants has his or her own unique impact on our profession, but it's important to remember that each one of us has an impact as well. It's vital to keep the channels of communication open at all levels of veterinary medicine and examine the issues with the same thoroughness we use to evaluate our patients.

Let the discussion begin.

Travis Meredith, Contributing Medical Editor

Read **High Debt and Falling Demand Trap New Vets** at nytimes.com/2013/02/24/business/high-debt-and-falling-demand-trap-new-veterinarians.html?pagewanted=all&_r=0.



ROBERT BRADY

St. George's University, DVM Candidate 2016

Robert Brady is a first-year veterinary student at St George's University School of Veterinary Medicine in Grenada. Originally from Greenville, North Carolina, he received a BS and MS in kinesiology and biomechanics, respectively, from Eastern Carolina University. Robert has always had a strong interest in orthopedics and his graduate research was recently published in the May 2013 issue of the *American Journal of Veterinary Research*.

Much has been made about the cost of veterinary education. For you and your peers, do you view the costs of veterinary education as out of control?

I believe the overall cost for veterinary education—for both out of state or out of country students—makes students especially uncomfortable with the debt load they are accruing. Resident tuition in the vast majority of states is a much more reasonable option, *if* you can gain entry. However, if veterinary medicine is truly your passion, as it is mine, I still recommend this career to anyone willing to endure the debt load.

How aware are you of your student debt as you continue through your education? How do you manage now and how do you foresee your ability to repay these obligations in the future?

I am very aware of my student debt and have made an effort to keep it to a minimum by working multiple jobs through undergraduate and graduate school. At my current institution, we are not allowed to work outside of school; that, in and of itself, has been an adjustment. My summers, however, will include considerable work at the emergency veterinary hospital where I have been working since 2007.

Once I complete veterinary school, I anticipate supplementing my base income early in my career by either working additional shifts at a local emergency practice or pursuing relief work. I realize that every little bit of additional income will be important during those years.

I understand that debt forgiveness programs exist, but am not yet well versed in the qualifications, tax laws, and other factors

that influence eligibility. Recent legislation will hopefully ease some of the concern associated with debt but, again, I haven't been able to access specifics of the repayment programs.

Do you view your student debt as limiting your future financial success?

Yes: I will be paying approximately \$1500 to \$2000 per month (\$18,000–\$24,000 annually) for approximately 25 to 30 years. I realize this obligation will influence my ability to purchase a home, vehicle, or start a business. This issue is most critical early on in my career, considering starting salaries are typically between \$40,000 to \$70,000 (before taxes).

As someone who intends to return home to practice veterinary medicine after graduation, do you perceive an over or under supply of veterinarians in your local market?

In my hometown of Greenville, there seems to be an over supply of veterinarians: few full-time associate positions are posted and most practices are not currently hiring. However,

this situation seems to be reversed in outlying communities, smaller towns, and rural areas: jobs seem to be posted for long periods of time and fewer practices have younger veterinarians on staff.

When challenges facing veterinary medicine are highlighted in the national news, how do you feel this news, and the veterinary community's response, impacts consumers' views of our industry?

My concern is how significant an effort is required to communicate our value to the general public. Many people, whether they own pets or not, often perceive veterinarians as "rich," lumping us in with medical doctors and that is simply not the case.

Any time consumers can become better educated and receive a glimpse into the real-world struggles many young veterinary professionals face, it is always helpful with regard to influencing how they view the profession.



NIKHITA PARANDEKAR

Cornell University, DVM Candidate 2015

Nikhita Parandekar, from Gaithersburg, Maryland, is a second-year veterinary student at Cornell University College of Veterinary Medicine and is considering a career in equine medicine. She is an active participant in volunteer programs, such as the World Vets International Veterinary Medicine Program, and a

regular opinion columnist with *The Cornell Daily Sun*.

Now, halfway through your professional education, has your perspective on the value of veterinary education changed? Would you still recommend your path to someone considering a career in veterinary medicine?

I don't think the cost of a veterinary education is specifically the cause for concern. My friends in medical school tell me a medical education results in a similar debt burden after graduation. Veterinary professionals may have a harder time paying off the debt due to the lower salaries in veterinary medicine compared to human medicine but, in terms of education cost, I don't believe veterinary medicine is overinflated compared to other degrees.

The crux of the issue is likely the cost of a nonstipended, nonsubsidized postgraduate degree in general. Veterinary medicine is a fantastic industry with a lot of potential, and I would encourage an interested student to consider applying to veterinary school as long as they were aware of the current issues being discussed in the profession—the amount of education debt accrued, projected job market, and potential starting salaries.

Do you believe student debt will limit your financial success?

As a second-year veterinary student, my view on this topic is probably a little skewed. At this point, I think student debt is a motivation to be financially successful, not a limitation. Students should graduate and have certain nonnegotiable ideas about what they want out of their first jobs—I've been told by current veterinarians to think about this.

From the way the situation has been portrayed to me at

this point, the job market is not so terrible that you have to take whatever you can get—there still appears to be room for negotiation. Realistically, though, what happens when we graduate might be a different story.

I can also understand that graduating with a large amount of debt could deter younger veterinarians from committing to further debt by pursuing practice ownership, which is said to be the most successful long-term option. In the end, it depends on how you define *financially successful*; student debt limits short-term financial success, but I believe we can dig ourselves out of that hole.

Several studies in recent years have documented a shift in workforce demographics. How do you see these changes affecting you? Do you see those effects today?

I think the increasing percentage of female veterinarians in the workplace will change the current practice model into one in which several women co-own a practice and work part time. This lessens the financial struggle to buy in to a practice, and will allow women to attain a better work/life balance, if they choose to do so. I don't think this is happening yet, but I believe it will over the next decade or so as more seasoned veterinarians retire and look to sell their practices.

You were proactive in your response to *The New York Times* article through the Opinion column in *The Cornell Daily Sun*. Is broader exposure to financial issues in veterinary medicine impacting how consumers view our industry?

Consumers are, at best, minimally aware of these issues, much less our responses to them. *The New York Times* article was one of few articles about the issue that has been published in a widely-read periodical, and I'm not sure how much interest it generated outside the veterinary community.

Many people (even those with pets) don't realize that a veterinarian has a four-year postgraduate degree; therefore, I don't believe consumers react to our responses related to veterinary education issues. I think the only thing consumers care about is, what they consider, the over-priced cost of veterinary care for their pets. My youthful enthusiasm leads me to hope that the veterinary profession finds a way to market itself more effectively to the public.

Read Nikhita Parandekar's opinion piece—**Working with the Bear: Staying Aware of Vet School Problems**—published in *The Cornell Daily Sun* at cornellsun.com/section/opinion/content/2013/03/08/parandekar-working-bear-staying-aware-vet-school-problems.

KENNETH HUMPHREYS, DVM

One Love Animal Hospital, Brooklyn, New York

Dr. Kenneth Humphreys is a 2005 graduate of Ross University School of Veterinary Medicine. Together with his partner and wife, Dr. Eliza Lischin (also a Ross graduate), they founded One Love Animal Hospital (onelovevet.com) in 2010, which has grown into a thriving 5-doctor practice.

As someone now established in his career, what is your view on the value of veterinary education? Would you still recommend this path to someone considering a career in veterinary medicine?

I work with many aspiring veterinarians. I clearly point out the amount of student loan debt I incurred—\$180,000—but encourage them to follow their dreams. I also recommend that students live simply while living on loans.

The veterinary industry is not isolated in the increase of educational debt burden. I believe, if you remain flexible and have a strong work ethic, financial solvency is a reality. While veterinarians do not join this profession to become rich, most of us didn't choose it to live near the poverty line either. As a profession, we need to communicate the value of our education and charge for our skills appropriately.

How aware were you of your student debt when you were in school? How did you keep it manageable?

I understood that I was taking on a large amount of debt to reach my dream. Once I signed my name on my first semester loan documents, I had no choice but to work hard and succeed. If I had failed in my endeavor, it would be very difficult for me to repay these loans without this profession.

When living on loans in school, I made sure to live within my means and acquire as few loans as possible. Once working, like many of my classmates, I made sure to pick up extra shifts when they were available.

I believe it is likely that default rates will increase. Not only the debt holder will be affected; these increased costs will

ultimately be passed to the consumer, as prices will increase accordingly to cover new graduates' costs. Friction develops between what our industry and clients can afford and the salary a new graduate requires to be solvent.

What role has your student debt played in your ability to achieve financial success?

It has definitely been a hurdle, and can be daunting to overcome. However, my educational debt has made me more driven to succeed. I believe our profession is uniquely poised for almost limitless job opportunities, as long as an individual is willing to be flexible. Examples include jobs in academia, private practice, pharmaceuticals, and both national and international governments. My opportunity to be financially successful came through practice ownership.

The current lending climate is very open to funding new veterinary ventures. I was fortunate to receive 100% financing through Bank of America Practice Solutions, and factored in my educational loan debt when determining my financing package. Prior to applying for a practice startup loan, I made sure to manage a good FICO score and develop a strong business plan. Our practice opened in November 2010 and now employs 5 doctors and 15 support staff.

Do you believe that foreign training institutions influence the supply of veterinarians in the U.S.? Does that negatively impact the industry?

There are a number of very good veterinary schools located outside the U.S., including those serving students primarily from this country. As I've said, our profession offers a wide range of career opportunities to veterinarians who have strong training and a commitment to succeed.



DANIEL EISENSTADT, JD, MBA

President, Community Veterinary Partners

An attorney by training, Daniel Eisenstadt holds a JD from University of Virginia School of Law and an MBA from Harvard Business School. He left his career as an investment manager in 2009 to cofound Community Veterinary Partners (cvpco.com), now a family of 25 hospitals in the Mid Atlantic region, and lives in Philadelphia with his family.

Over the past few years, several studies have been published that provide contrasting views of the veterinary economic outlook, work force needs, and challenges within the industry. How do you make sense of the differing opinions?

Before I became involved with veterinary medicine as a co-owner of practices, my partners and I studied the industry. One of the interesting things about this sector is the relative lack of clarity when it comes to financial performance. In other business sectors, you can follow dozens of comparable companies to establish



a reliable feel for how an industry is performing.

Veterinary medicine is highly fragmented. Relatively few companies disclose their financial performance, and even so, large corporations don't necessarily represent the independent veterinary hospital. Most surveys and studies that attempt to benchmark the industry do so at a national level and/or fail to compare "apples to apples." National studies make general statements about the "average" situation; however, we all intuitively know that local economic issues are very different. Yet blanket assumptions based on broad data are often made.

The net effect is that we often end up missing some very real issues in local markets that affect practice owners in very different ways.

Do you perceive an over or under supply of veterinarians in the industry?

I can only speak to our experience: In general, we have quite a few applicants for associate veterinarian openings, but we have been hiring and I know that many other practices have been

hiring as well. The reality is that in areas of the country where the economy is relatively strong, the job market is better, and in areas where the general economy is weaker, less prospects are available.

Having said that, there are certainly several new veterinary schools, and it does seem that many existing veterinary schools have increased their class sizes. So, I do think that recent veterinary school graduates face a more challenging job market than they would have 10 years ago. However, the same could be said for other professional school graduates, such as law school graduates.

What can't be argued is the shifting demographic of the next generation of veterinarians. How does the role of women influence the industry?

The role of women in veterinary medicine is certainly more evident now than ever before, but so is the role of professional women in general. In many families, women are equal, if not greater, income earners than their spouses.

I have seen commentary that more women in the field will drive salaries down but we are not seeing that occur in our partner hospitals. In fact, since we and many other practice

owners support paying associate veterinarians a percentage of their production, and average gross transactions have been rising as a result of greater utilization of diagnostics, treatment options, and price increases, I believe that associate veterinarians have the potential to earn significantly more now than if they had graduated from veterinary school a decade ago. It is also evident to us, as employers of veterinarians, that benefits and flexibility are increasingly important to veterinarians from 2-income households.

Another phenomenon we've observed related to increases in the number of dual-income families is that the traditional "8 to 5" veterinary office doesn't provide the flexibility needed by today's pet owners. As practice owners, we need to adapt to a client base that increasingly needs access to veterinarians in the evenings or over the weekend. As an industry, we have to be more flexible regarding our clients' needs, increase our availability, and improve our focus on the client if we want to stay competitive. I also believe that, by increasing our accessibility, we will help our clients become more compliant with our veterinary recommendations, which should lead to increasing standards of care.



**ELEANOR GREEN, DVM,
DIPLOMATE ACVIM & ABVP**
**Carl B. King Dean of Veterinary
Medicine, Texas A&M University**

Dr. Eleanor Green is the Dean of Texas A&M University College of Veterinary Medicine and Biomedical Sciences. She has been a leader in veterinary education, serving in 5 U.S. institutions over her career. Dr. Green also served as the

first woman president of the American Board of Veterinary Practitioners, American Association of Veterinary Clinicians, and American Association of Equine Practitioners. She received her DVM from Auburn University.

One of the most visible issues in veterinary medicine is the recent expansion of class size at several schools and emergence of new institutions. What do you see driving these changes?

There are two major driving forces that determine class size in veterinary colleges, both deeply rooted in the responsibility to meet societal needs:

The first is demand by the public for a veterinary education. Many colleges of veterinary medicine are located at land grant institutions, which were created by the Morrill Act of 1862 to assure access to education for U.S. citizens. This purpose has not been abandoned, and the land grant system has been described by some as the basis for our status as a world power.

The state that funds each veterinary school expects the educational needs of the state to be met, and the needs within a state and even a region vary. The pool of quality applicants remains strong, and I believe could be even stronger, if the widespread discouragement of potential veterinary students and their redirection into other fields were curtailed.

The second is the demand for veterinary graduates, both within and beyond the veterinary profession per se. Best estimates are made based upon graduate surveys and feedback

from state and national veterinary associations, including the AVMA, AAHA, AAEP, AABP, and others. Veterinary workforce studies—a number of which have been performed over the years—are also considered when determining demand.

Fine tuning the number of graduates needed is a challenge, as it is impossible to "turn on a dime." It takes a minimum of 6 years, even a decade, to change the number of graduates once the decision is made to do so.

When you consider the state of Texas, do you perceive an over or under supply of veterinarians?

If one considers only employment rates as a measure of supply and demand for veterinary graduates, there is no excess of those from Texas A&M. A recent survey revealed that > 98% of graduates, 6 and 12 months post graduation, were employed within the veterinary profession. Additionally, a number of graduates from other states come to Texas each year.

In many circles, there is significant concern over job market dilution. How meaningful is the influence of foreign training institutions on the supply of U.S. veterinarians?

The number of open positions for each veterinary class within North American schools does not meet the current demand of those seeking a veterinary education. The result is the formation of additional training programs both domestically and abroad. This is one of the issues the profession is addressing through the **2013 U.S. Veterinary Workforce Study: Modeling Capacity Utilization** (see avma.org/KB/Resources/Reports/Documents/Veterinarian-Workforce-Final-Report-LowRes.pdf).

Veterinary medicine is definitely following current global trends. Our world is shrinking; our borders are less distinct; and our economy is influenced by local, state, national, and international factors. Foreign graduates have had access to veterinary licensure in the U.S. for decades through defined paths. Our profession is enriched by this diversity, just as our graduates advance professionally through international experiences.

Now more than ever, challenges affecting the veterinary medicine industry are visible to the general public. How do you feel this news, and our response, impacts consumers' views of our industry?

The core element here is the value of veterinary medicine in advancing animal, human, and environmental health. How can we best educate the public about all that veterinarians are trained to do, particularly the cost effectiveness of seeking professional veterinary care?

An example is **Banfield's State of Pet Health Report** (see stateofpethealth.com), which shows that overall pet health has declined recently and this decline is in concert with pet owners seeking animal health advice from the Internet and

other nonveterinary sources rather than veterinarians. In an era where veterinary care rivals human health care, pet owners typically expect the very best care for their animals but also express concern about the rising cost of this care.

The **Workforce Needs in Veterinary Medicine** study (nap.edu/catalog.php?record_id=13413) stated that the need for veterinary services exceeded the demand. This is an important point that I believe indicates the value of veterinary medicine and the gap in consumer recognition.

Additional commentary from Dr. Eleanor Green is available at todaysveterinarypractice.com/resources.asp#resources.

ANDREW T. MACCABE, DVM, MPH, JD

Executive Director, Association of American Veterinary Medical Colleges

Dr. Andrew Maccabe's career spans all reaches of veterinary medicine, including mixed animal private practice, service as a commissioned public health officer in the U.S. Air Force, and 2 appointments as executive director of the AAVMC. He received his DVM from Ohio State University, MPH from Harvard University, and JD from University of Arizona.



Market supply and increasing class sizes have garnered significant attention over the past few years. In your opinion, are larger classes and emergence of new schools really dictated by market demand?

The increased class sizes we have seen in some colleges over the past decade are the result of many factors, but it boils down to the fact that there is increased demand for educational opportunities on the part of highly qualified students.

Each institution determines its individual class size based on a careful analysis of its mission and the population it serves. Those decisions are based on the needs of the region and state and influenced by factors, such as applicant demand and input from veterinary medical and agricultural organizations, legislators, and university officials.

Enrollment at U.S. colleges of veterinary medicine remained essentially flat for 25 years, from 1988 to 2003. During that time, a potential shortage of veterinarians, especially in the public health sector, was widely acknowledged. In response, many schools developed strategies for expanding their capacity to meet society's growing needs. Generally speaking, that process can take anywhere from 7 to 10 years to reach fruition, which is why we are seeing the increases now.

It's no secret that there has been a steady erosion of government support for our state institutions, which have responded by substantially increasing research revenues, ramping up private fundraising operations, and seeking other sources of revenue. Tuition is certainly a major part of the funding mix, and additional tuition revenues help address the rising cost of instruction, but the additional revenues

generated through increased class sizes are an outcome, not a driver of change.

Concerns related to appropriate market supply can't be separated from those regarding current and future student debt loads. When you evaluate the cost of veterinary education, is the financial burden out of control?

The Doctor of Veterinary Medicine degree is a professional medical degree. Earning it requires a medical education, which is expensive, whether the field is veterinary medicine, human medicine, or dentistry. Rising tuition costs faced by veterinary students are not unique; they are systemic throughout higher education.

Generally speaking, state governments began systematically reducing their support of public higher education 20 to 30 years ago, and that trend has been punctuated by severe budget cuts during recessionary times. At the same time, the cost of providing high-quality medical education has increased. Therefore, tuition has increased to offset these budget challenges. However, issues in academic veterinary medicine are a microcosm of what is happening throughout higher education.

I do not view the costs of veterinary education as out of control. In 2013, the median annual cost for tuition at a public U.S. college of veterinary medicine was \$20,911. Average resident tuition for human medical school was \$26,300 (2013); average resident tuition for dental school was \$32,934 (2009). These costs are the inevitable result of a declining public investment in higher education.

The net effect of rising tuition costs has been magnified by the relatively low professional salaries of veterinarians compared to human medical professionals. AAVMC is responding by investing in financial literacy programs for our students and working closely with the AVMA and other organizations to develop programs that elevate the economic profile of the profession.

Veterinary medicine is a vital, noble profession that plays a fundamental role in society's wellbeing, from companion animal care to food safety and security to public health, and that role is growing every day. I truly believe the increasing value of veterinary medicine in society will overcome the economic challenges our profession faces. I would absolutely recommend this profession to highly motivated, entrepreneurial young people who want to contribute to society in a meaningful way by pursuing a unique career in the health professions. ■