

Mortgage-sized debt the new normal for medical students

Canada's medical students are taking a crash course in financial management because many are graduating with debts that look more like mortgages than student loans.

The students, particularly those attending medical school in Ontario, say they have been caught in a perfect financial storm: rising tuition fees, reduced government support, the replacement of grants with loans, and increasing reliance on lines of credit.

"Debt has become *the* stressor in medical school," says Dr. Danielle Martin, president of the Canadian Federation of Medical Students.

Martin, who began a residency in family medicine this summer, graduated from the University of Western Ontario this spring with her MD and a bill for \$110 000. She is paying the \$400 monthly interest via a personal line of credit. "I am borrowing to make my interest payments," she says.

And she's far from alone.

"I married a fellow resident 3 weeks ago — she is starting her second year in psychiatry and I had my first day in otolaryngology today," says Dr. Benjamin Hoyt, a Dalhousie University graduate. "Between the 2 of us we have \$212 000 in debt, and our monthly interest payments are more than \$900."

"I got my tuition bill on Friday," adds Andrea Page, a member of the class of 2006 at Western. "It's for \$15 339.62, with \$10 880 due by Aug. 20. The maximum available through OSAP [the Ontario Student Assistance Program] is \$10 700."

Tuition fees — one of the major drivers of student debt — now appear to be on a steady upward slant everywhere except Quebec and Newfoundland (see sidebar and table).

Fees for the 5 Ontario schools now range from \$13 500 at Queen's University to the country's high of \$16 207 at the University of Toronto. Tuition fees at both Dalhousie (\$10 460) and the University of British Columbia (\$10 272) entered 5-digit territory this year, and the universities of Calgary (\$9932) and Saskatchewan (\$9774) will probably get there next year.

Dr. Irfan Dhalla, coauthor of a recent *CMAJ* article on the impact of rising tuition fees (166[8]:1023-8), says he is fortunate to have avoided major debt while attending the University of Toronto — "mainly I've been very lucky to have parents who are able and willing to support me financially."

But many students aren't as fortunate, says Dhalla, a 2003 graduate who started a residency in internal medicine this summer. "Tuition here is now over \$16 000 a year, and add in living costs and an MD easily costs more than \$100 000."

Dhalla worries that the increasing cost will affect diversity in medical school by scaring off members of some under-represented groups. "There is also the issue of career choice. Are increasing tuition fees going to affect what future graduates do? Is a career in public health going to be lucrative enough to pay off a 6-figure debt? What about working for Médecins Sans Frontières?"

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Andrea Page says economically disadvantaged students aren't the only ones facing difficulty. She managed to avoid debt before medical school by working 2 jobs during the summer and school year, but she cannot do that now because of the workload.

"So I am on my own, with a gross yearly income of \$4000 from my summer job, plus my line of credit and whatever I can get from OSAP. The maximum OSAP payment for tuition [\$4000] does not even cover our minimum first payment [\$10 880.62]. So we end up borrowing as much as we can from the banks, and then pay interest on it while still in school, and then we end up paying the interest with the line of credit because we have no other source of income, which of course leads to exponential growth of our debt."

Page, who borrowed \$20 000 during her first year even though she had received \$7000 in scholarship/bursary funds, expects to owe "at least \$100 000" by the time she graduates.

Hoyt says there is already anecdotal evidence that career choices are being affected, pointing to declining interest in family medicine. "Many students feel it's simply not worth becoming a family physician any more," he says. (In the past 6 years, the proportion of medical students naming family medicine as their first residency choice has dropped by almost 30%, to 24.8% from 34.7%.)

Dr. Abraham Fuks, dean of medicine at McGill University and president of the Association of Canadian Medical Colleges, says the current situation is a result of government deficit-fighting efforts, which led to cuts in education funding. "Canada's medical schools cannot provide an education of the high quality our students expect and deserve

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Table 1: Tuition fees at Canadian medical schools, 2003/04*

Medical school	Tuition fee, \$
University of Toronto	16 207
University of Western Ontario	14 566†
McMaster University	14 445
University of Ottawa	14 000
Queen's University	13 500
Dalhousie University	10 460
University of British Columbia	10 272‡
University of Calgary	9932
University of Saskatchewan	9774
University of Alberta	8539§
University of Manitoba	7595¶
Memorial University	6250
McGill University	3559
Université de Sherbrooke	2729
Université Laval	2502
Université de Montréal	2224

*Students must also pay additional fees for student services, health plans, etc. For example, the total for all fees at the University of Toronto is \$17 287.50, and at McGill \$5610.

†Students in fourth year pay \$10 924.

‡\$8415 for students who started in 2002, \$7480 for those who started before 2002.

§Tuition fee of \$8539 includes \$2000 differential fee.

¶\$2728 in years 2, 3 and 4.

if we do not receive the financial support required," he says.

Asked if increasing student debt is inevitable, he said it is not, "but a need for financial resources is."

Herb O'Heron, senior adviser on national affairs at the Association of Universities and Colleges of Canada, agrees. "The fees have risen because governments generally have not been picking up the same share of costs as in the past. Even in professional programs where tuition fees have been deregulated, the fees are covering only a fraction of the [true] cost."

So what can be done?

Dr. Albert Schumacher, a past president of the Ontario Medical Association who has followed the debt issue closely, says more stringent entrance requirements are one reason debt is increasing. When he entered medical school at Western in 1978, he had completed 2 years of a BSc, as had about 40% of his classmates; 6 students had completed only 1 year.

"Today almost all students are entering with a 4-year degree, and many have a master's, some even a PhD," says Schumacher. "Not only are they not practising as long because they are older when they graduate, but they are also

broke when they do graduate. I think cutting even 1 year from the entrance requirement would help."

But O'Heron says student debt has to be put into perspective. "I don't doubt that individual debt has grown," he says. "But what is debatable is the degree to which the cost of the program and lifestyle choices made by the student have contributed to the debt. These lines of credit the students take out cover a lot of different types of expenses, and not just [school] fees."

CMA President Dana Hanson, who graduated from Dalhousie in 1974, says society must make the final decision on the debt issue. "I came from a blue-collar family and I got through medical school with minimal financial problems," he says. "But if you turn the clock ahead, I wonder how well I would fare today. I also wonder how we are going to ensure that there's a rich diversity within our profession."

Referring back to the debt faced by fellow Dalhousie University graduates Benjamin Hoyt and his wife, he commented: "They really owe \$210 000? And people wonder why some of our doctors leave for the US." — *Patrick Sullivan, CMAJ*

STATEMENT OF ACCOUNT		The UNIVERSITY of WESTERN ONTARIO STUDENT FINANCIAL SERVICES OFFICE OF THE REGISTRAR ROOM 119, STEVENSON - LAWSON BUILDING LONDON, ONTARIO, CANADA N6A 5B8	
Term: 2003 Fall/Winter		Amount Paid:	
CURRENT TERM ITEMS	Item Amount	ACCOUNT SUMMARY	Item Amount
Tuition - Medicine Year 2	14,566.00	Prior Balance:	0.00
USC Health Plan	95.00	Current Charges:	15,392.69
USC Bus Pass	104.75	Credits:	0.00
Student Organization Fees	185.40	Total Amount Due:	15,392.69
Building and Endowment Fees	109.40	MINIMUM PAYMENT DUE BY: 20-Aug-2003	10,880.62
UWO Student Ancillary Fees	329.44		
Canadian Copyright Fee	2.70		
		ANTICIPATED AID	Net Award Amt

Tuition fees: the two solitudes

The difference in tuition fees between Ontario and Quebec is now so large that students entering medical school in Ontario in 2003/04 will have paid about \$50 000 more for their tuition by the time they graduate.

Although fees vary somewhat between Université de Montréal, Université de Sherbrooke, Université Laval and McGill University, Quebec medical students now pay about 20% as much as their Ontario counterparts.

The standard fee at all 4 schools in Quebec is \$55.61 per credit, although the number of credits required varies. According to the Association of Canadian Medical Colleges, first-year students in the undergraduate medical program at the Université de Montréal pay tuition fees of \$2224 annually, compared with \$16 207 at the University of Toronto (see table, previous page). The highest tuition fee in Quebec is at

McGill, \$3559, but it drops in subsequent years.

Low tuition fees have long been part of the educational landscape in Quebec, where rates for Quebec residents have been frozen since the mid-1990s. (At all 4 schools, students from other provinces or another country pay higher fees.) "The problem is not the tuition fees that we charge," maintains Dr. Pierre Jacob Durand, dean of medicine at Université Laval in Quebec City. "It is the underfunding of our universities. What I need is adequate funding to train my students, and that's [the] problem — I don't have adequate financing."

Dr. Raymond Lalonde, vice-dean at the Université de Montréal, agrees. "We are convinced that the medical faculties are underfunded in Quebec," he says. "We are not all financed like Toronto or Vancouver, so at the end of the day we

figure that it penalizes the faculties.

"Quite frankly, what surprises us a lot is that we manage to keep offering a very high-quality program. Our students perform very well in the Medical Council of Canada exams. We look at what we receive [in government funding], and it's ridiculous."

In mid-July, Caroline Richard, press secretary for Quebec Education Minister Pierre Reid, told *CMAJ* that new funding will eventually be announced for infrastructure and equipment for Quebec's medical schools. As for the possibility of the government increasing the amount it pays per student, a tight-lipped Richard said: "It is still under discussion."

However, tuition fees in Quebec are unlikely to increase anytime soon. Premier Jean Charest has vowed that his newly elected Liberal government will not increase fees during its first term. — *Brenda Branswell, Montreal*