3 reasons student loan debt should not deter you from med school

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One in two medical residents have more than $200,000 in student loan debt. Four out of five are carrying at least $100,000 in debt. When asked about their biggest financial concerns, a survey of residents found that loan debt was atop the list.

As those numbers indicate, medical school is expensive and is likely going to require some sort of financing on the student's end. Still, as daunting as those numbers look, if your passions have you pondering a career in medicine, they shouldn't dissuade you.

A four-part series of the "Making the Rounds″ podcast—Listen and subscribe at iTunes or Google Play—currently airing focuses on student loans, student debt and financing. The podcast features expert insight from Laurel Road's Alex Macielak and anesthesia fellow Chirag Shah, MD. Here's a look at some of the big picture takeaways that put the burden of debt in context.

Your loans are an investment in your future

When it comes to training-related loan debt and graduate-level degrees, lawyers and doctors rank among the highest professions. Still, those trainees also have high income potential as they hit their professional apexes. Considering that, medical school can be viewed as a down payment on a potentially lucrative career.

"I worked prior to going to medical school, so I had a little bit of money saved up to pay for the first part of it, but obviously it's very expensive," Dr. Shah, an anesthesia fellow at the University of Illinois, said on "Making the Rounds." "I was able to refinance actually and it made me feel a little bit better about the investment I was making. Yeah, it's definitely a scary thought and it's not a small number, which obviously adds to the anxiety. But as working professionals we should be able to pay that off over the time frame that most of these loans are over."

Your loan payments will be manageable

When your loan payments start after medical school, you will not be maximizing your professional earnings. But, your loan payments, with income-based programs, will reflect that.

“The first strategy any physician should look at as you're exiting school and formulating your repayment strategy for residency and thereafter is examining federal repayment programs,” said Macielak, a veteran of the student-loan industry who has helped thousands of physician borrowers determine their optimal repayment strategy.

“There's income-based repayment, pay as you earn, and revised pay as you earn. All three of these ask the borrower to make their monthly payments based solely on their income and family size as opposed to what they owe. Instead of paying based on the thought that you owe 200 grand you're paying based on your $50,000, or $60,000 residency salary and that yields a monthly payment that's far more in line with your monthly cash flows.”

You’ll have flexibility with your debt

That includes the potential for debt forgiveness; those planning to work in nonprofit or government facilities for at least 10 years can use income-driven repayment to pursue the Public Service Loan Forgiveness program. This option allows nonprofit employees to have their federal loans entirely forgiven—tax-free—after making 10 years of income-based payments.

“There are opportunities available to utilize debt efficiently and economically,” Macielak said. “Be that through using the federal repayment programs to capture some interest subsidy or get your loans forgiven or through refinancing and locking in a lower interest rate. There are opportunities out there for medical professionals [who] have very, very low unemployment rates and therefore very low default rates on debt and that makes you some of the best borrowing candidates in the marketplace, and in a lot of cases as you saw by refinancing, eligible for some very, very low interest rates.”