

## 5 ways to manage student debt

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Medical student debt can feel like a huge burden. Learn how financial planning can help you effectively manage debt after graduation.

More than 80 percent of physicians under the age of 40 still are paying off their medical school loans, according to AMA Insurance's National Work/Life Profiles 2013 survey. Nearly one-half of these young physicians carry a debt of \$150,000-\$200,000.

Robert Yermish, a financial advisor in Philadelphia who works with AMA Insurance as a member of their Physicians Financial Partners program, frequently works with residents and young physicians. He offers his best tips for how to manage medical school debt.

1. **Remember that everyone's situation is different.** It's hard to give an exact formula for the best way to handle student loan debt, Yermish said. "Science has specific rules that go along with it," he said. "This is more malleable—everybody's situation is different, and there's no right answer."
2. **Find a financial planner or accountant you trust.** The right person will be able to help you through your unique situation and guide you in the financial moves that make the most sense for you, Yermish said.
3. **Don't look at debt in a negative way.** Look at your debt as an investment in your business. "It's costing you this amount of money to set up your business," Yermish said. "You're not trying to pay all the debt off in a couple of years."
4. **Try not to rely on credit cards.** If you're going to pay down debt, you should at least be paying down the debt that's beneficial to your future—like your medical school loans—and not credit card debt. "I find a lot of people used credit cards over their residency or medical school, and they have \$30,000-50,000 in credit card debt, which is far more untenable than \$100,000 in medical school debt," Yermish said. "At least with medical school debt, you're going to pay less interest."
5. **Brush up on your business skills.** You may own your own practice one day, so gaining some business experience is worthwhile. "Go to an evening school, or community programs, to get new ideas," Yermish said. This could help prevent additional debt and improve your financial

management skills.