



# Reducing Financial Barriers in Graduate Medical Education Through the REDI Act

## Financial Pressures on Physicians-in-Training

The United States continues to face a significant physician workforce shortage driven by an aging population, rising health care demand, and increasing rates of physician burnout and early career attrition. National workforce projections estimate a shortage of up to 86,000 physicians by 2036,<sup>1</sup> affecting both primary care and specialty fields essential to patient access and health system capacity. Addressing barriers within the physician training pipeline is critical to maintaining a stable and sustainable workforce.

The cost of attending medical school remains a significant barrier to entering the physician workforce. Approximately 70% of medical school graduates carry student loan debt, with an average balance of approximately \$200,000, excluding undergraduate loans.<sup>2</sup> The total cost of medical education continues to rise, with students paying an average of \$298,000 at public medical schools and \$408,000 at private institutions.

Financial strain does not end at graduation. During residency training, physicians earn modest stipends while working long hours delivering essential patient care. These earnings are generally insufficient to meaningfully reduce loan balances, yet interest on federal student loans continues to accrue throughout residency. For a resident graduating with \$200,000 in student loan debt, interest accrual over a standard three- to seven-year residency can add a substantial amount in additional debt, leaving physicians with a significantly higher balance at the completion of training than at graduation.

## Financial Burden Influences Career Decisions

Educational debt is a well-documented factor influencing medical students' and residents' career decisions. High debt burdens may discourage trainees from pursuing lower-paying but high-need fields, including primary care and certain specialties, and may influence where and how physicians choose to practice.<sup>3</sup> These financial pressures can exacerbate existing workforce shortages and limit access to care, particularly in underserved and rural communities.

Reducing unnecessary financial strain during residency training is therefore not only a matter of individual well-being, but also a workforce policy issue with broad implications for patient access and health equity.

## The Resident Education Deferred Interest (REDI) Act - H.R. 2028/S. 942

The Resident Education Deferred Interest (REDI) Act would allow medical residents to pause student loan interest accrual during residency training, reducing long-term debt and alleviating financial pressure during one of the most demanding phases of medical training. By limiting unnecessary debt growth, the REDI

1. Association of American Medical Colleges (AAMC). *New AAMC Report Shows Continuing Projected Physician Shortage*.
2. Association of American Medical Colleges (AAMC). *Medical Student Education: Debt, Costs, and Loan Repayment Fact Card for the Class of 2025*.
3. Pisaniello MS et al. *Effect of Medical Student Debt on Mental Health, Academic Performance, and Specialty Choice*.

Act helps address a key contributor to physician burnout and early career attrition, supporting physician well-being and workforce stability. As the financial burden of medical education continues to rise, Congress must pass the REDI Act to ensure that cost does not remain a barrier to completing residency training or entering the physician workforce.

**CALL TO ACTION:**

Ask your Senator or Representative to support and advance the Resident Education Deferred Interest (REDI) Act to support a stable, sustainable physician workforce in their community/state.