ADA NEWS SUPPLEMENT • MARCH 2020 • VOLUME XXIV, NUMBER 1

new dentist news

From $200K to zero in less than three years

FOUR NEW DENTISTS ON HOW THEY AGGRESSIVELY PAID OFF THEIR STUDENT LOANS

BY KIMBER SOLANA

Living with the parents. Refinancing. Draining the savings account. No new shoes.

The American Dental Education Association estimates the average debt per dental school graduate in 2019 was $292,159, up from $55,000 in 1990. In addition, 64% of indebted graduates report having over $200,000 in debt. While many are content with a 10-year or longer repayment plan, these four new dentists were not. From Dr. Dawn Wehking paying off her $210,00 student loans in six years to Dr. Jonathan Vo paying off his $200,000 loan in two and a half years, here's how they significantly cut the life of their loans — principles that may apply to much bigger debts. *Continued on Page 4.*

ADA®

HAVE WE MET?

BISCO has some FREE products for you... no catch!

Here at BISCO we place tremendous value on sharing our research and scientific knowledge to benefit you and your practice, and offering award-winning products that provide reliable solutions to your clinical needs.

New dentists receive:

The BISCO New Dentist Bundle ($543 of FREE Product)

30% off all BISCO products for a year*

30% off any BISCO Institute continuing education course/event for a year

** You know the routine, cannot be combined with other offers and other restrictions may apply.*

New dentist eligibility: D4 students, residents, or dentists who have been practicing fewer than 5 years

$543 VALUE FREE

To receive your free new dentist bundle:

REGISTER ONLINE

OR

OVER THE PHONE

Scan QR code

1-800-247-3368 www.bisco.com

WE ARE HERE IF YOU NEED US!

BISCO

MY JOB AS A traveling dentist

BY DAVID BURGER

While finding a job that is the perfect fit can be intimidating, sometimes an unconventional path might be the right choice.

Dr. Jeffrey Kerst is just one example of a new dentist taking the road less traveled (or more traveled, if taken literally).

Dr. Kerst, a 2019 graduate of the Louisiana State University School of Dentistry, resides in Houston and is licensed to practice as a rover, or traveling, dentist in four states: Texas, Arkansas, Louisiana and New Mexico.

Other jobs, both orthodox and unique, are available at the ADA CareerCenter, **CareerCenter.ADA.org**, which features listings from across the country and is updated often.

"I went through interviewing different dental companies in order to find a practice situation that offered me true autonomy in practice, along with flexibility with travel, benefits and an experience that would kick my dental career off the right way," Dr. Kerst said.

Sometimes an unconventional path might be the right choice.

Dr. Kerst remembered one bad experience in particular when looking for his first job.

"In one of the first offices where I interviewed, I wasn't allowed to talk to any of the staff or doctors, only the office manager," he said. "The same office manager was making decisions that I believed were the responsibility of the doctor and mentioned quotas several times. That interview was a very, very bad experience, and by the end of the interview, we knew we would never speak to each other again. Nevertheless, it was a valuable experience. I learned a lot about what I would not accept in practice, and those experiences helped me to better understand the present dental market and what questions to ask when I found the right fit."

Dr. Kerst had one key suggestion about finding a job that is the perfect fit.

"Without my experience with the American Student Dental Association and the ADA, I'm not sure how I would have known where to go after dental school." ■

2019-2020 ADA NEW DENTIST COMMITTEE

District 1 • CT, MA, ME, NH, RI, VT
James E. Lee, D.M.D.
LeeJamesDMD@gmail.com

District 2 • NY
Lauren E. Vitkus, D.D.S.
lauren.vitkus@gmail.com

District 3 • PA
Seth Walbridge, D.M.D.
seth.walbridge@gmail.com

District 4 • DE, DC, FDS, MD, NJ, PR, VI
Steven G. Feldman, D.D.S.
drsgfdds@gmail.com

District 5 • AL, GA, MS
Britany F. Matin, D.M.D.
drmatin@myperiodoc.com

District 6 • KY, MO, TN, WV
Emily A. Mattingly, D.D.S. **(CHAIR)**
emily@msmdental.net

District 7 • IN, OH
Alex T. Mellion, D.M.D.
dralex@mellionortho.com

District 8 • IL
Benjamin C. Youel, D.D.S.
bcyouel@gmail.com

District 9 • MI, WI
Colleen Greene, D.M.D.
greene.colleen@gmail.com

District 10 • IA, MN, NE, ND, SD
Sara E. Stuefen, D.D.S.
sarastuefendds@gmail.com

District 11 • AK, ID, MT, OR, WA
Brooke Fukuoka, D.M.D.
bfukuoka@fhsid.org

District 12 • AR, KS, LA, OK
Daryn Lu, D.D.S.
daryn@dental32okc.com

District 13 • CA
Kevin Kai, D.D.S.
kevin.kai@ucsf.edu

District 14 • AZ, CO, HI, NV, NM, UT, WY
Lindsay M. Compton, D.D.S.
lindsay.compton.dds@gmail.com

District 15 • TX
Adam C. Shisler, D.D.S.
acshisler@gmail.com

District 16 • NC, SC, VA
Daniel W. Hall, D.M.D. **(VICE-CHAIR)**
halldwdmd@gmail.com

District 17 • FL
Ernesto R. Perez, D.M.D.
e.perez3887@gmail.com

ABOUT ADA New Dentist News

WELCOME

The *ADA New Dentist News* is a quarterly supplement to the *ADA News*.

RESOURCES

- ADA.org/newdentistnews
- 1-800-621-8099
- newdentistnews@ada.org
- NewDentistBlog.ADA.org

SPONSORED BY

BMO Harris Bank

DISCLAIMER

This publication of the American Dental Association is offered as information only and does not constitute practice, financial, accounting, legal or other professional advice. Persons need to consult with their own professional advisors for any such advice. Reference herein to any products and/or services of non-ADA resources is not to be construed as an endorsement or approval by the American Dental Association or any of its subsidiaries, councils, commissions or bureaus, or of any state or local New Dentist Committee, of that product or service. Non-ADA resource manufacturers and service providers are solely responsible for the products and/or services they provide. ADA is not responsible in any way for any representation or warranty, guarantee or any claims which may arise from the products or services. The ADA specifically disclaims any and all liability for damages arising out of the use of the services or products, including special and consequential damages, expenses, or other claims or costs.

From $200K to zero in less than three years

(continued from cover)

Dr. Sara Stuefen

$180,000/3.5 years

Dr. Stuefen graduated from the University of Iowa College of Dentistry in 2010, but for the next three and a half years, she had one mindset.

"I tried to live as if I was still a student," she said. "I kept my expenses low and avoided the lifestyle creep. When I bought a car, I bought one that could just take me from point A to point B."

Her husband graduated from engineering school the same year, so tackling their student loans with a modified version of the financial guru Dave Ramsey's approach became a team effort.

"In essence, we stuck with a strict budget, putting every extra penny we had to paying down the debt," she said. "For vacation, we'd take a cheap road trip."

After dental school, Dr. Stuefen said she had picked the longest loan repayment schedule as possible because she also decided to buy a dental practice: $1,000 a month payment for 25 years. But instead of just paying the minimum, most of her paycheck went to pay off the principal of her loans.

"I wasn't able to take much of an income as I grew my practice, but we made it work," she said.

The student loans had affected her ability to purchase a dental practice. Dr. Stuefen said she couldn't get a loan from traditional sources. Luckily, she got a loan from the dentist she bought the practice from. Call it a nontraditional way, she said.

When her debt balance reached zero, Dr. Stuefen said she felt absolute freedom.

"For three years I hadn't bought a new pair of shoes because every penny went to the loans," she said. "When I was debt free, I bought three new pairs."

Dr. Dawn Wehking

$210,000/6 years

Dr. Wehking made a minimum payment of $2,500 a month for the first five years after dental school when she finally got tired of it.

"One day I realized how much it was stressing me out, so I paid the rest off that sixth year," she said. "I had saved up quite a bit of money."

Dr. Wehking saved the money that ultimately went into paying off the loans by doing two main things: living small and taking extra work.

"I drove an older car with no car payment; I had a humble apartment," said Dr. Wehking, who practices in Lafayette, Colorado. "And I worked my buns off."

She had worked in a large dental practice with multiple offices, allowing her to pick up maternity coverages and take extra shifts on her days off whenever the practice needed someone.

With her savings, she made one $85,000 payment in that sixth year.

"I didn't work with a financial planner because I'm a slacker," Dr. Wehking said. "A financial planner might have suggested a smarter way to spend that money, but the freedom of not having that payment was so worth it."

How did she celebrate? She bought a house.

"You can buy or save a lot with an extra $2,500 a month," she said.

Dr. Kaitlyn Ducote

$130,000/2.5 years

Dr. Ducote knew student loans in dental school was simply the reality.

To keep it in the low end, she decided to stay close to home, living with her parents while attending Louisiana State University for dental school.

"Today, I still live with my parents, that's one way I kept my principal so low," Dr. Ducote said, adding she also practices only 10 minutes away.

Despite the relatively low student loan total, she wasn't satisfied until her debt was gone.

"I was supposed to pay $1,400 a month for a 10-year loan repayment plan," she said. "But I wanted to be debt free as soon as possible. Considering the interests, I wanted to pay as little as possible for this loan."

Dr. Ducote, who graduated in 2017, decided to refinance through Laurel Road, the student-loan refinancing program endorsed by the ADA.

"My financial advisers told me not to refinance until I get it down to $100,000," she said. She did that by using money she'd saved up by working throughout dental school.

Although she looked at similar refinancing programs, Laurel Road offered her the lowest rate. She began the application process in the spring of 2018. By creating an account and providing some financial information, Laurel Road was able to tell her at the outset if refinancing was for her. It was.

Initially, her new interest rate was set at 5.2%, but she knocked it down a quarter percent by signing up for autopayment, and another 0.25% through the ADA endorsement, leaving her with a 4.7% interest rate.

Dr. Ducote said she also switched to a five-year repayment plan, putting her monthly payment at $1,900. Dr. Ducote managed to cut that time in half by paying, on average, an extra $3,500 a month.

"I was determined to get into 2020 without student loans," she said.

She made her last payment on Dec. 20, 2019, ultimately saving her $35,000.

Today, she's now saving to buy a home. But first things first.

"I'm treating my parents to dinner," Dr. Ducote said on how she plans to celebrate. "Wherever they want to go as a thank you for putting up with me."

Dr. Jonathan Vo

$200,000/2.5 years

Dr. Vo graduated in 2015 when he was only 24, with a goal of owning his own practice before 30.

To pay off his student loans, he'd need a strategy.

After graduation, he switched to the Revised Pay As You Earn, or REPAYE, program, an income-driven repayment plan that caps federal student loan payments at 10%.

"Being a resident, my income was relatively low," he said, adding you'd want the government to assess you at your lowest income level possible so that your required monthly payment is as low as possible.

"That way extra money can be allocated towards paying off the principal which reduces the overall interest accrual," he said. "It's all strategy."

But having a low resident salary was a double-edged sword. It meant, after paying the bills, he only had $1,000 that could go towards the loans.

He worked Monday through Friday at his residency, but that wouldn't be enough to erase $200,000 in six years.

Dr. Vo began practicing on Saturdays, working six days a week.

"My Saturday gig is what allowed me to pay the student loans," he said, adding he earned an average of $1,000 a day. "In total I was able to pay about $5,000 a month towards my loans"

During tax refund time, and when he had additional money, Dr. Vo would make another bulk payment.

His strategy also included focusing on the loans accruing more from interest.

"The monthly payment goes towards all of your loans, but anything extra can be designated to a specific loan disbursement," he said. "Paying off loans is a game. The government or bank is the enemy, and they're going to always win with the interest. Your goal is simply to minimize how much interest you're paying."

Dr. Vo beat the game in two and a half years and celebrated by buying his first car — a shiny Volvo XC-60.

"Before then, I was taking the bus and commuting to work, and it was a drag," he said.

Then he accomplished his goal at 29. In January 2019, he bought a prosthodontist practice in downtown Seattle.

"Now I'm back in debt," he said. "But I've got plenty of time to pay this off and enjoy life." ■

Ask the Expert:

WILL MY STUDENT LOAN DEBT IMPACT MY ABILITY TO SECURE A PRACTICE FINANCE LOAN?

BY CHRISTINE OLMSTEAD LOPEZ, CERTIFIED HEALTHCARE FINANCIAL PROFESSIONAL, BMO HARRIS BANK

Dear Christine: *I graduated four years ago, and I am considering buying my first practice. However, I am carrying so much student loan debt that the idea of taking on even more in my professional life is daunting. Will a bank even say yes to me? — Highly Leveraged*

Dear Highly Leveraged: It is true that buying an existing practice will likely require you to borrow money. Though it may seem daunting, rest assured that it doesn't have to be. And like student loans, borrowing money to acquire a practice can be viewed as an investment in your future.

First of all, your situation is hardly unique. According to the American Dental Education Association, the 2019 class of dental school students graduated with $292,169 in debt, on average.

So, carrying student debt does not preclude you from obtaining a loan. In fact, it makes you a typical first-time practice owner. In this case, where do you start? The recommended course of action is to work with a lender to help determine how much you can borrow.

Your lender will meet with you to better understand the practice you're buying and gather key information: its history, how many patients it serves, its staffing model, finances, whether the seller plans to stay on for a period of time to help with the transition, and so forth.

There's also a lot of self-evaluation involved, such as:

- Determining how much of your savings you want to invest in the practice.
- Evaluating your credit history, including your credit score and what type of debt (outside of student debt) you're currently holding.
- Assessing other personal needs, such as whether you plan to purchase a home in the near term.

These key questions will help the lender understand your full financial picture and arrive at an amount that will help ensure you have enough cash flow to cover a new practice loan and also finance your day-to-day living expenses. ■

A commercial banker since 2006, Ms. Olmstead Lopez advises mid- to large-size practices, leveraging her background in commercial credit underwriting and structuring, and providing industry-specific expertise and local market insight to add value, foster long-lasting relationships and helping dentists realize their vision for growth.

Editor's note: This article is provided by BMO Harris Bank, the ADA Member Advantage-endorsed provider for practice financing. Call 1-833-276-6017 or visit ***bmoharris.com/dentists*** *for more information.*

EDUCATIONAL DEBT
in numbers

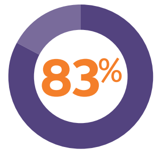
Health Policy Institute
ADA American Dental Association®

Among the class of 2019, five out of six dental school graduates (83%) reported having educational debt.

Average educational debt among dental school graduates has grown from $157,327 to $292,169 (adjusted for inflation) from 2000 to 2019, for those graduates who had debt. The average annual increase in inflation-adjusted debt was 3.3% over this period.

In 2019, the average debt of graduates from private dental schools was 23% higher than that of graduates from public dental schools. The private school debt averaged $321,184 while the public school debt averaged $261,305.

Learn more at **ADA.org/HPI**. ■

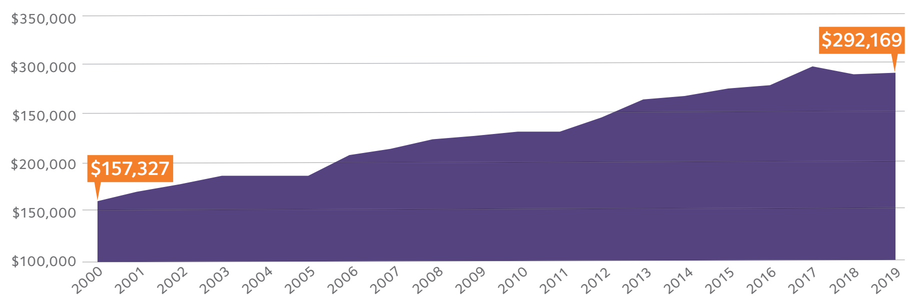


of dental school graduates in the class of 2019 had some level of educational debt.

AVERAGE EDUCATIONAL DEBT FOR INDEBTED CLASS OF 2019 DENTAL SCHOOL GRADUATES

$292,169	$261,305	$321,184
ALL DENTAL SCHOOLS	PUBLIC DENTAL SCHOOLS	PRIVATE DENTAL SCHOOLS

AVERAGE EDUCATIONAL DEBT AMONG INDEBTED DENTAL SCHOOL GRADUATES (INFLATION-ADJUSTED, 2019 DOLLARS)



Sources: *American Dental Education Association. Survey of Dental School Seniors. Average educational debt among indebted dental school graduates was adjusted for inflation by the ADA's Health Policy Institute using the U.S. Bureau of Labor and Statistics' Consumer Price Index.* ***Note:*** *Educational debt is the sum of undergraduate debt and dental school debt of only those respondents who have debt.*

5 things to know
WHEN NEGOTIATING YOUR SALARY

1. The interview is a two-way street.

The process of finding a new employee takes time and energy. If you feel the employer's offer is too low, it is not rude to present a counter offer. A dental practice may tell you its offer is firm. At that point, you make a decision to accept the offer or walk away from it.

2. The practice may not have led with its strongest offer.

There is nothing wrong with accepting an offer if you are satisfied. Conversely, there is nothing wrong with feeling you are worth more and asking for it. Asking friends who work in similar dental practices about their salaries and benefits could be a good way to prepare. The ADA Health Policy Institute also has income statistics available at **ADA.org/HPI**.

3. You're a valuable asset.

The employer reviewed your education and experience, interviewed you and decided to bring you on the team. Don't be afraid to find value in yourself.

4. You're not the first person to make a counter offer.

Negotiations are common. There may be discomfort in negotiating a better salary for yourself, but the end result is a salary that makes you happy.

5. A higher salary sets you up for higher future pay.

Consider your annual raise. It will be a lot more if your base pay is higher. If you negotiate a better salary in the beginning, it will save you the discomfort of asking for more money after you've accepted the position. ■

Photo: *MoMo Productions / DigitalVision / Getty Images*

Our bankers make it easy to secure financing to:

- Purchase a practice or commercial real estate.
- Add operatories, update equipment and renovate your office.
- Reduce your overall interest expense by consolidating and refinancing existing loans.

For practice financing tips, articles and loan calculators, visit **bmoharris.com/dentists.**

Let's connect

Speak directly with a dental financing specialist today.

833-276-6017

Monday–Friday, 8 a.m.–5 p.m. CT

Set up an appointment that works with your schedule.

practice.health@bmo.com

BMO® Harris Bank

We're here to help.™

ADA Member Advantage℠

√RESEARCHED √PROVEN √ENDORSED

[1] All loans subject to credit approval and loan amounts are subject to creditworthiness. Promotional rate available on completed fixed rate term loan applications submitted November 7, 2019 through April 30, 2020. Promotional rate only available for loans between $250,001 and $1,000,000 for a term of ten years, with a maximum combined loan commitments amount of $1,000,000. The promotional interest rate we offer to you may vary from the rate shown here and will be based on your credit qualifications at the time of the offer. The promotional rate being offered includes a 0.50% ADA Member Advantage discount which is only available to ADA members. In order to qualify for the lowest rate available, you must authorize BMO Harris Bank to withdraw your loan payment each month from a BMO Harris checking account (Auto Pay). Your rate after the promotional period ends will be fixed for the remaining term. Excludes lines of credit, Small Business Administration loans, consolidation and/or refinance of existing debt held at BMO Harris, and any term loan product that contains a variable rate. Promotional rate only available with specific prepayment agreement. Additional restrictions may apply. Relationships over $1,000,000 receive custom pricing. Contact a BMO Harris Banker for complete details.

BMO Harris Bank N.A. Member FDIC.