

# Fix the Debt Summit



April 21, 2016

Michael R. Dicks, Director



# Strategies to Reduce the Debt-to-Income Ratio (DIR)

**For the 2015 Graduates of the 28 US colleges;**

**Debt = \$427,502,116**

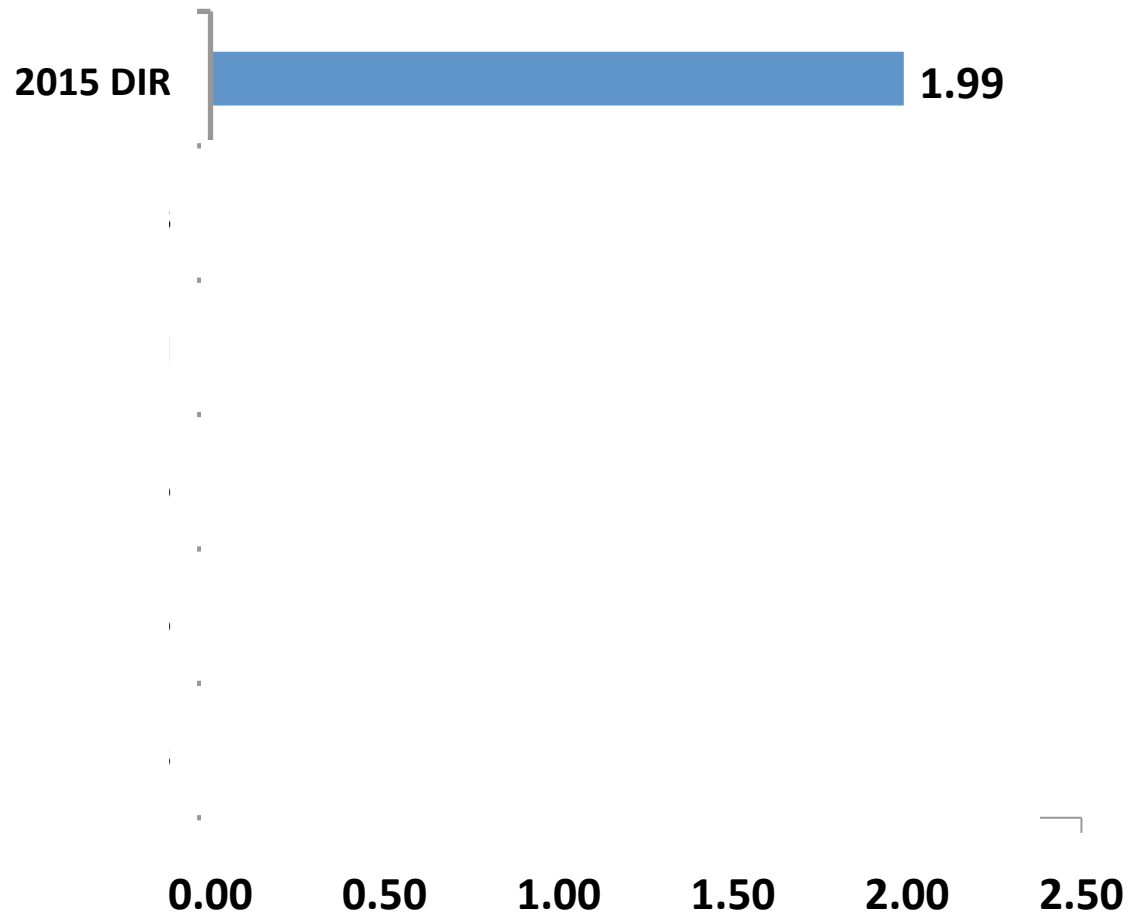
**Starting Salary = \$214,825,184**

**DIR = 1.99:1**

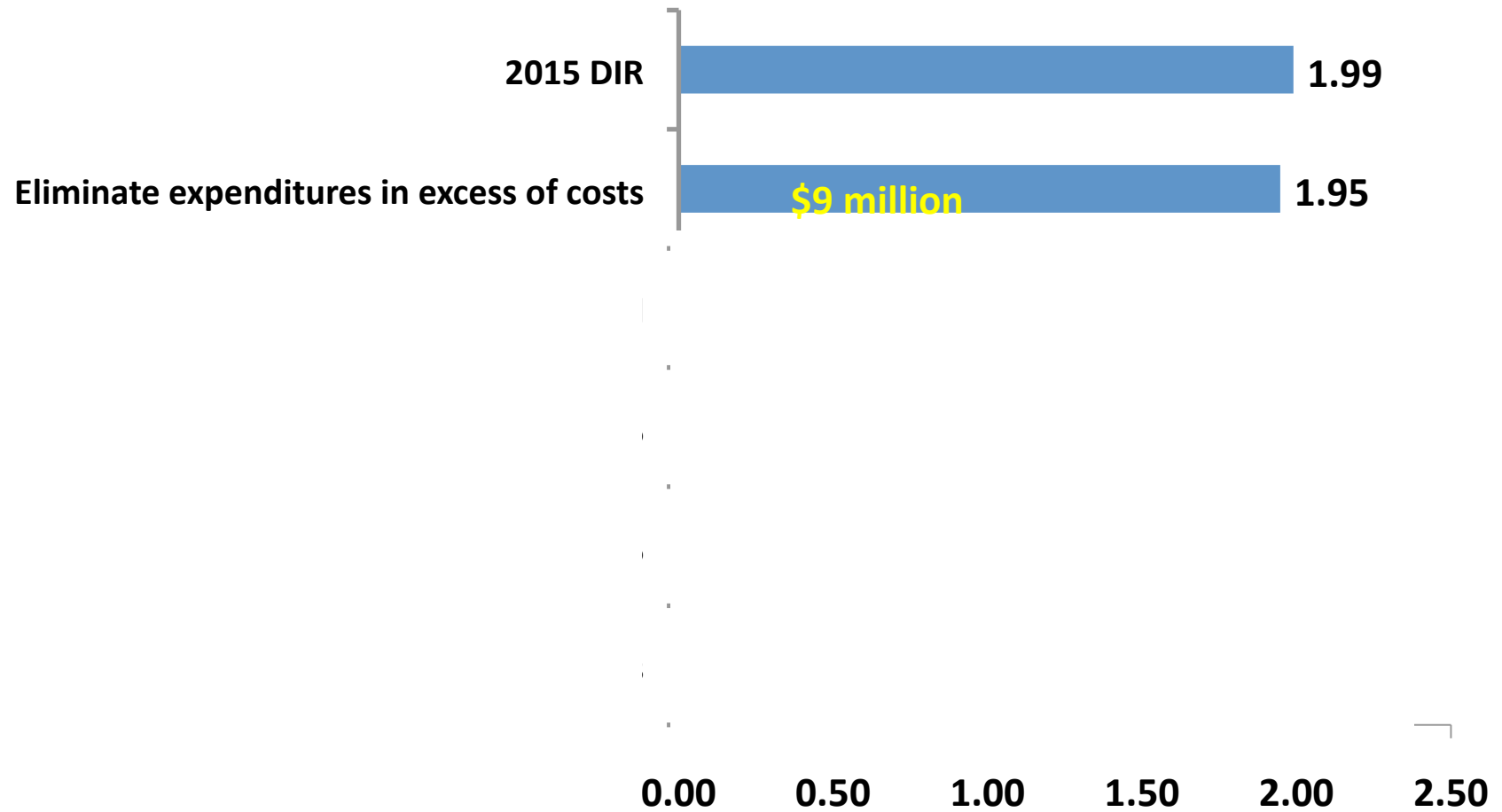
# Debt/Income Ratio Index

- Constant Cohort (practice type, region, gender)
- Only graduates with full time employment prior to graduation
- Sum of ratios rather than ratio of sums

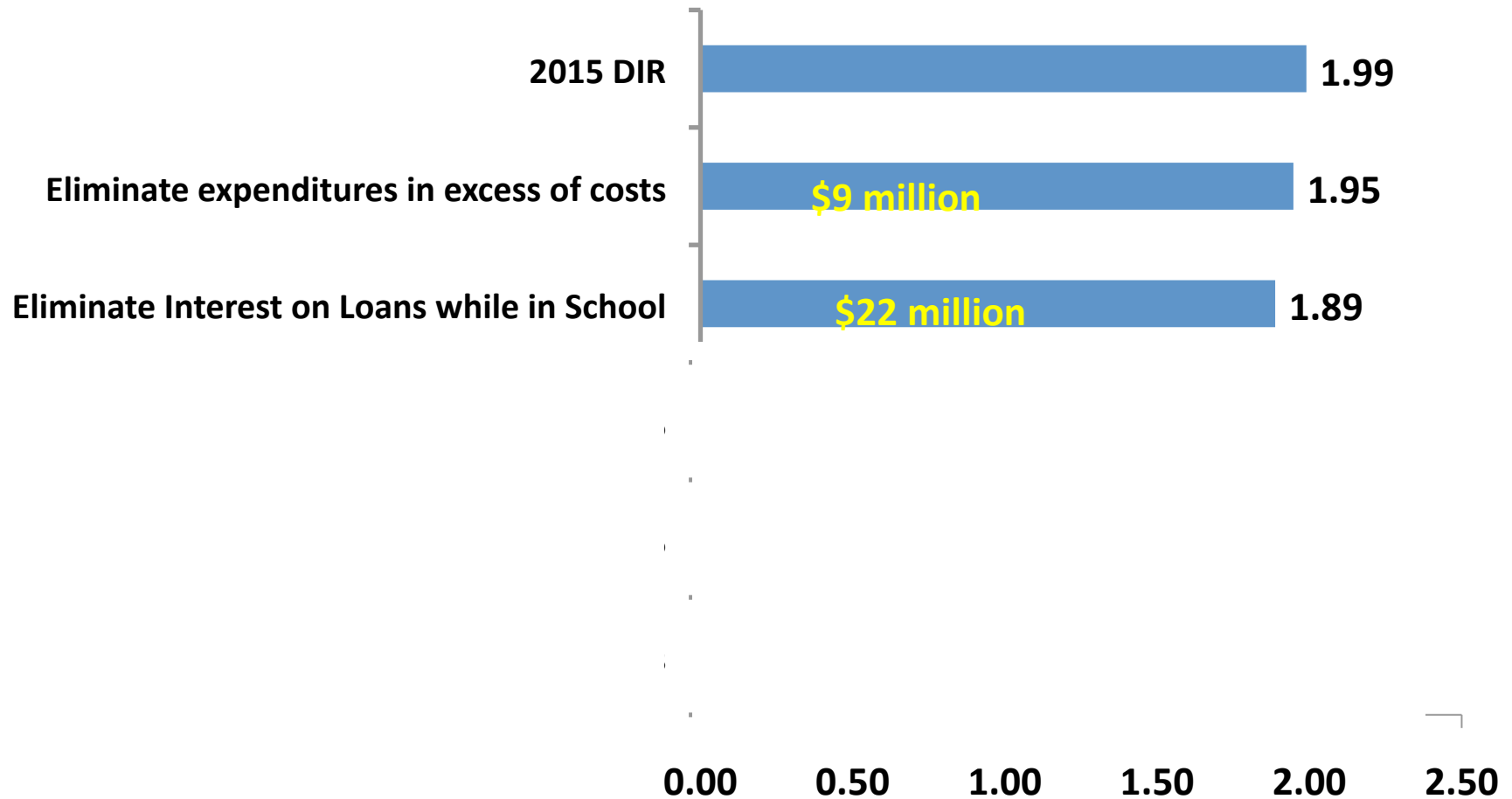
# Four Major Goals



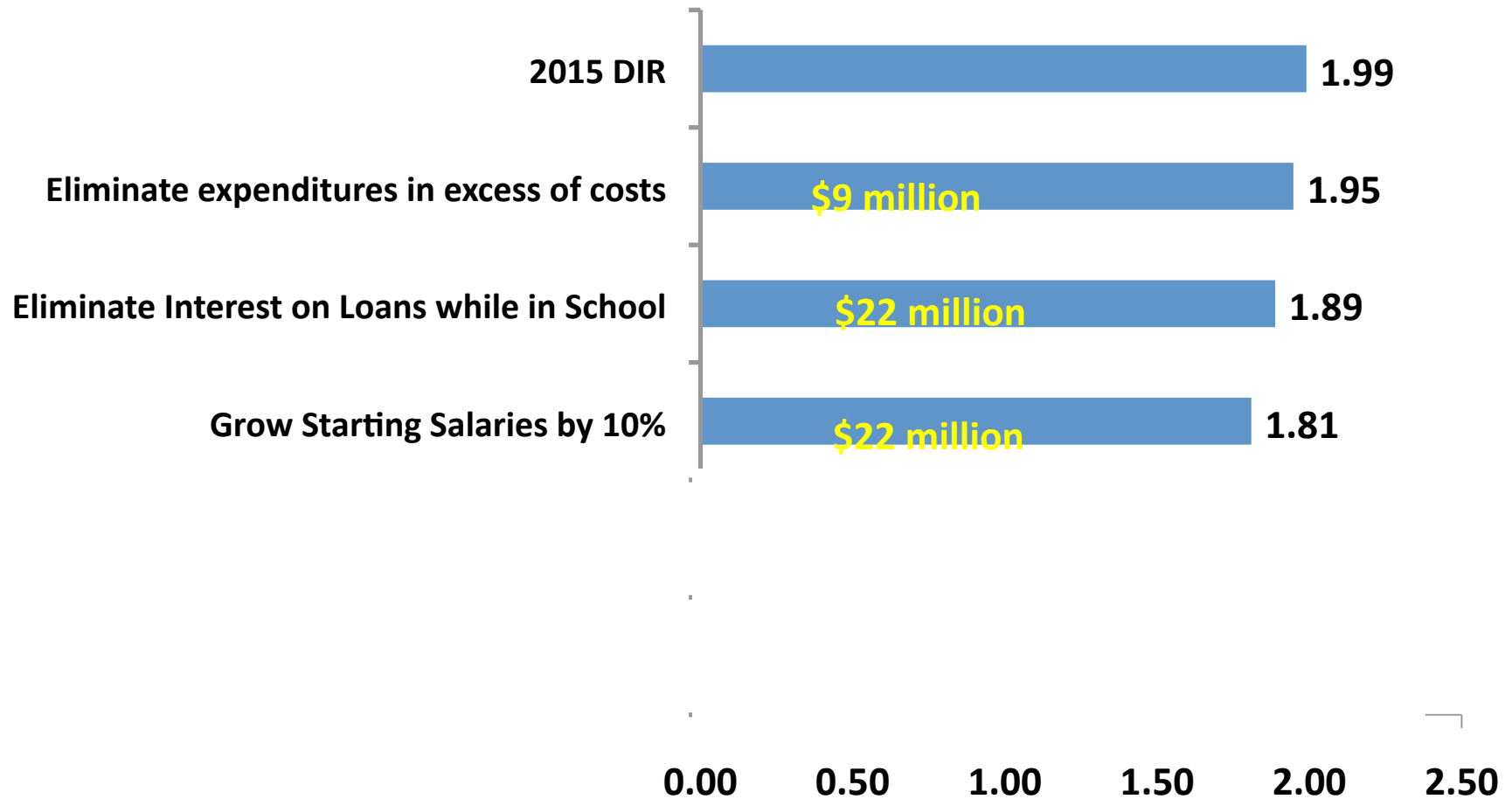
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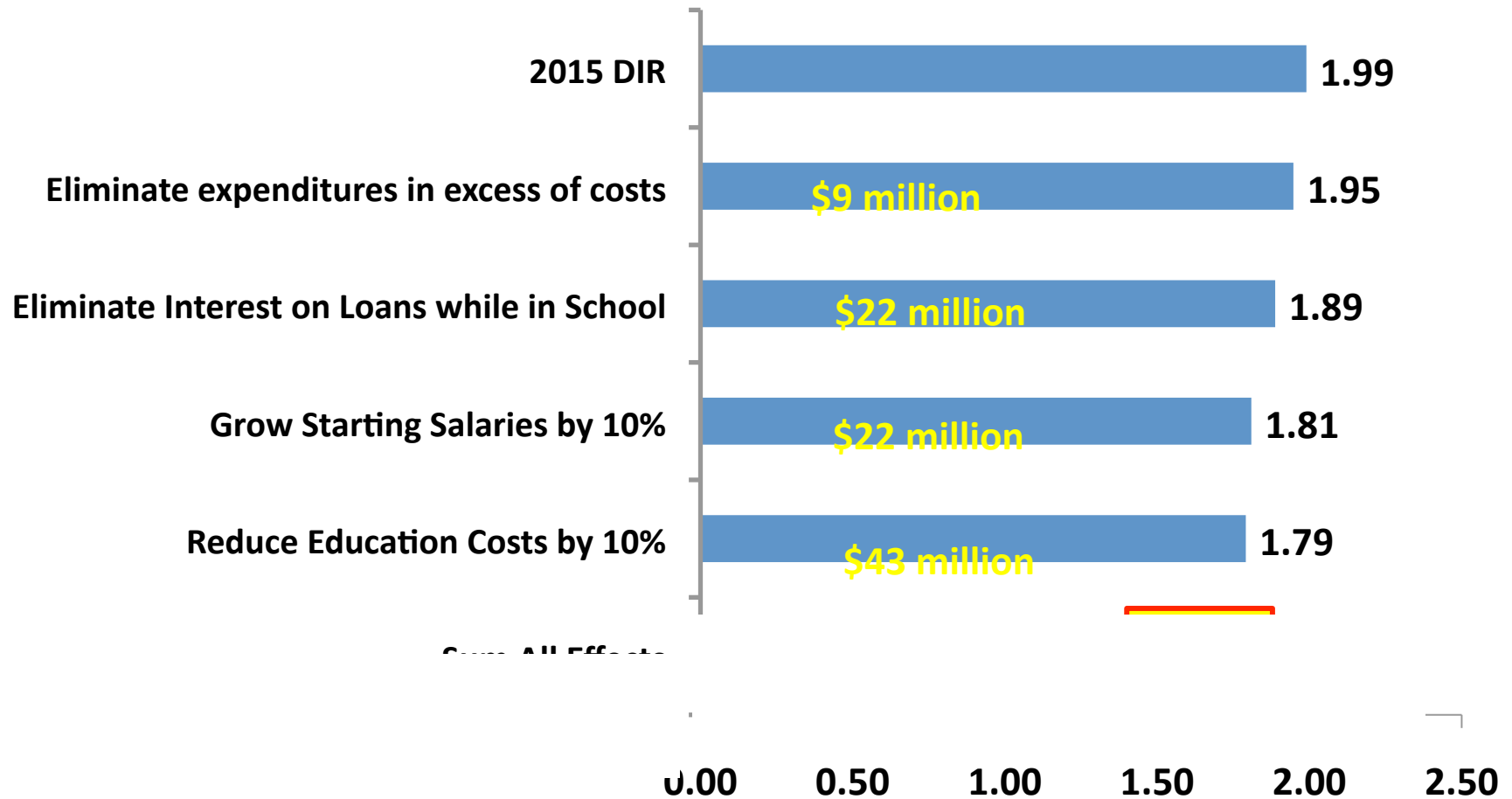
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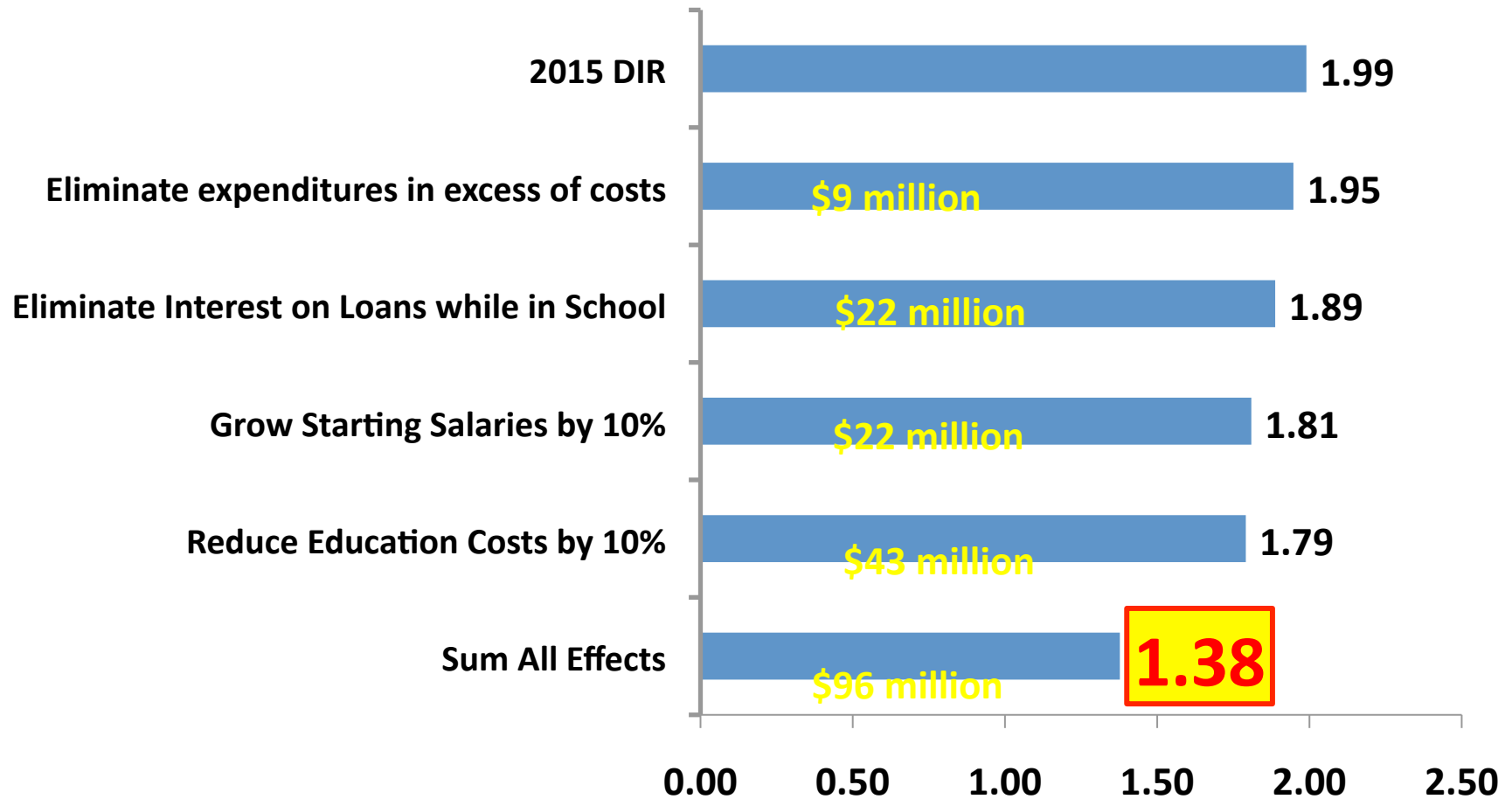


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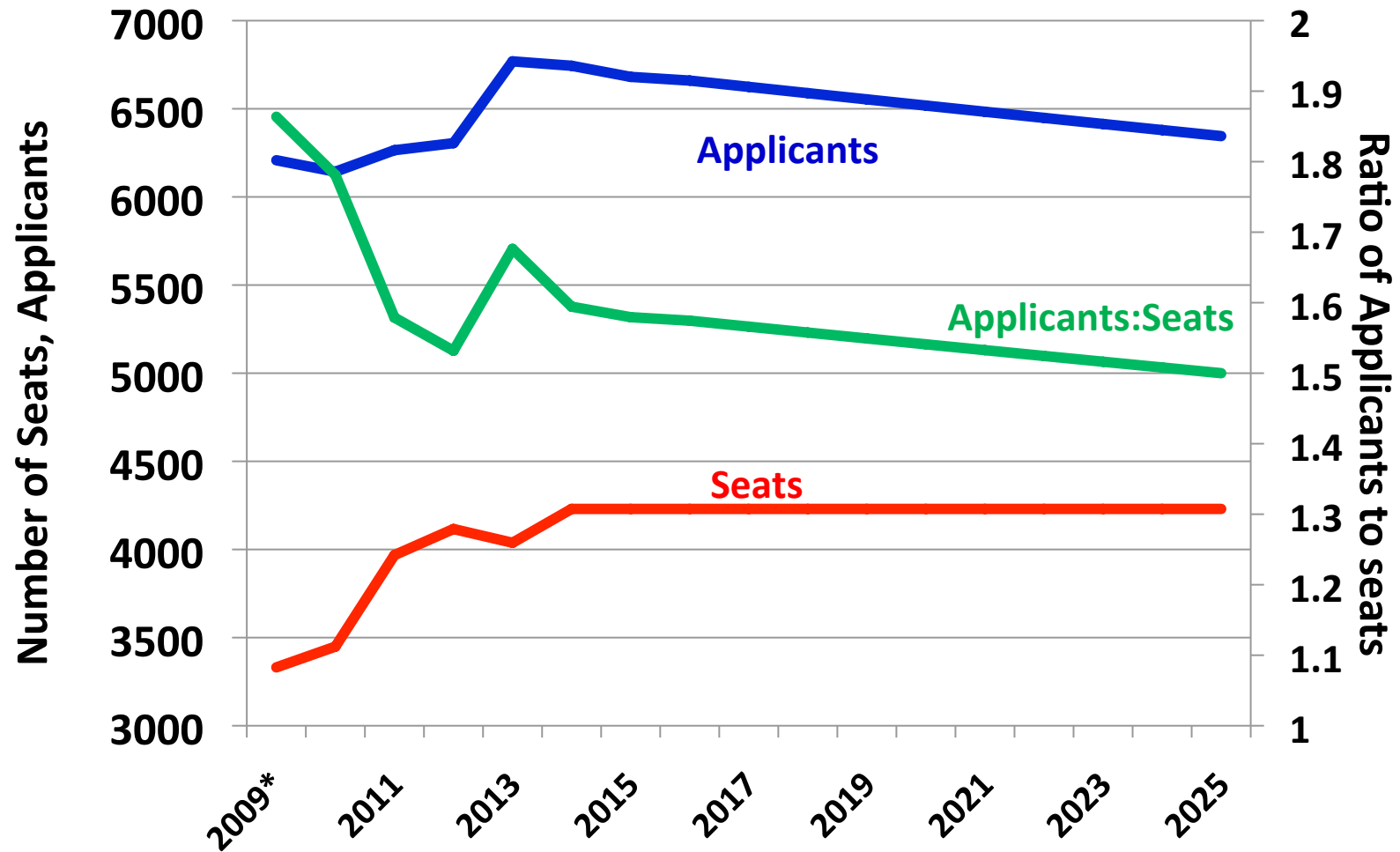
# Four Major Goals



# Economic Assumptions

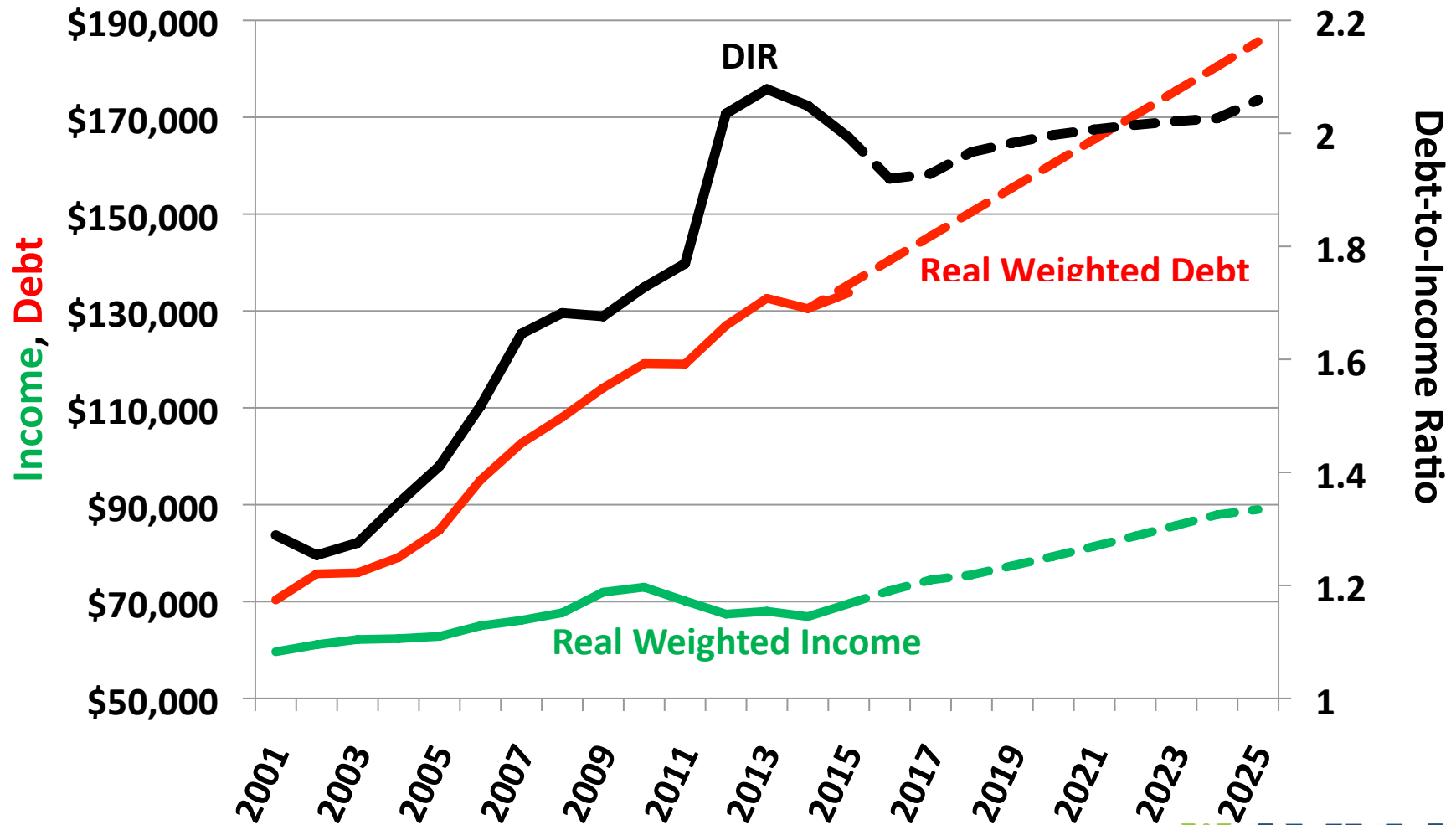
- **GDP growth of 2.1%**
  - Increased demand for veterinary services
  - Increased salaries
- **No growth in seats at veterinary colleges/No new COE accredited veterinary colleges**
  - No adverse impact on salaries due to increased number of new veterinarians
- **Increased cost per seat at 3% per year**

## Applicants, Seats and Applicant to Seat Ratio Forecasts

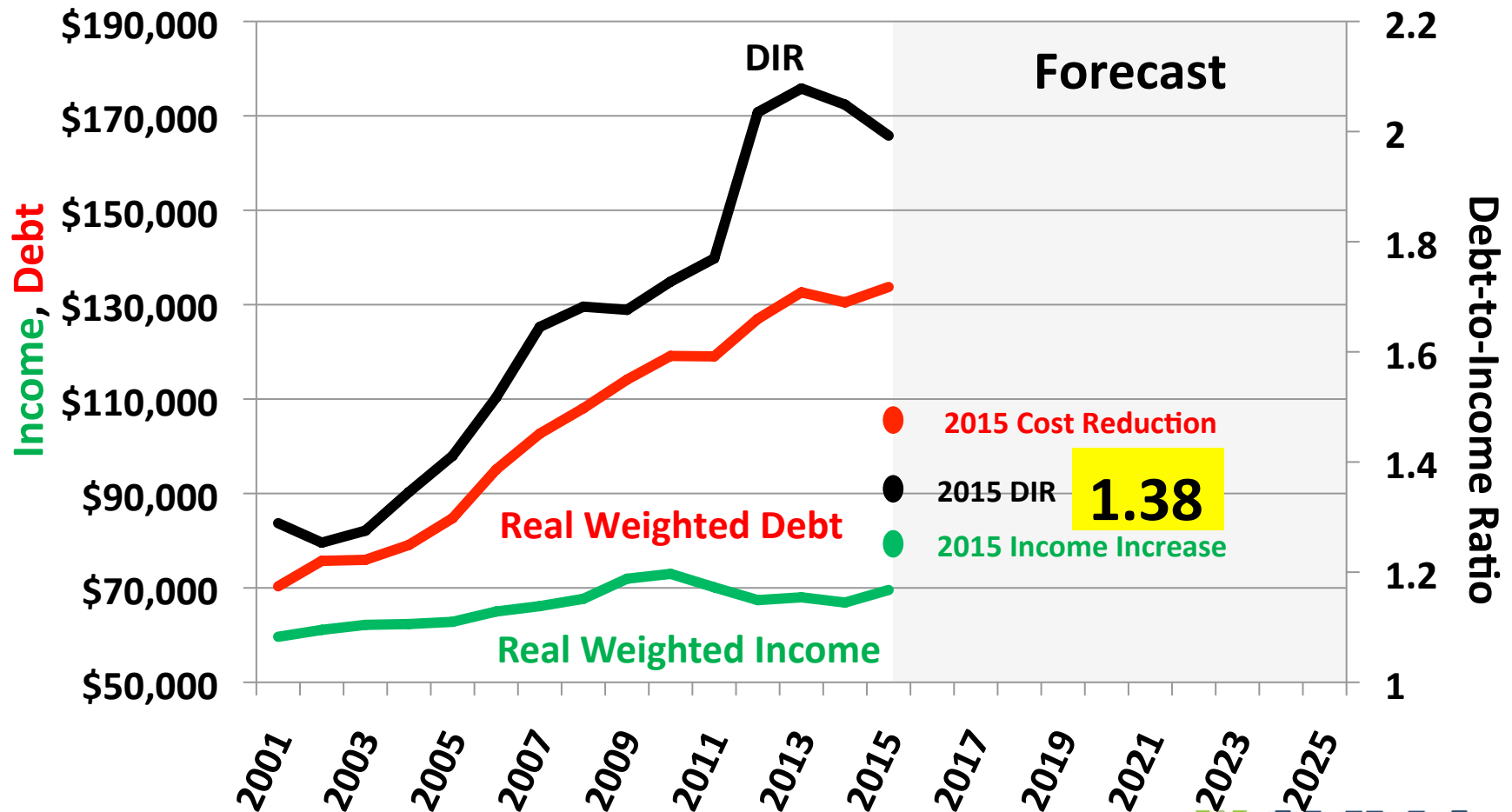


# 2015 Forecast U.S. Veterinary Graduate

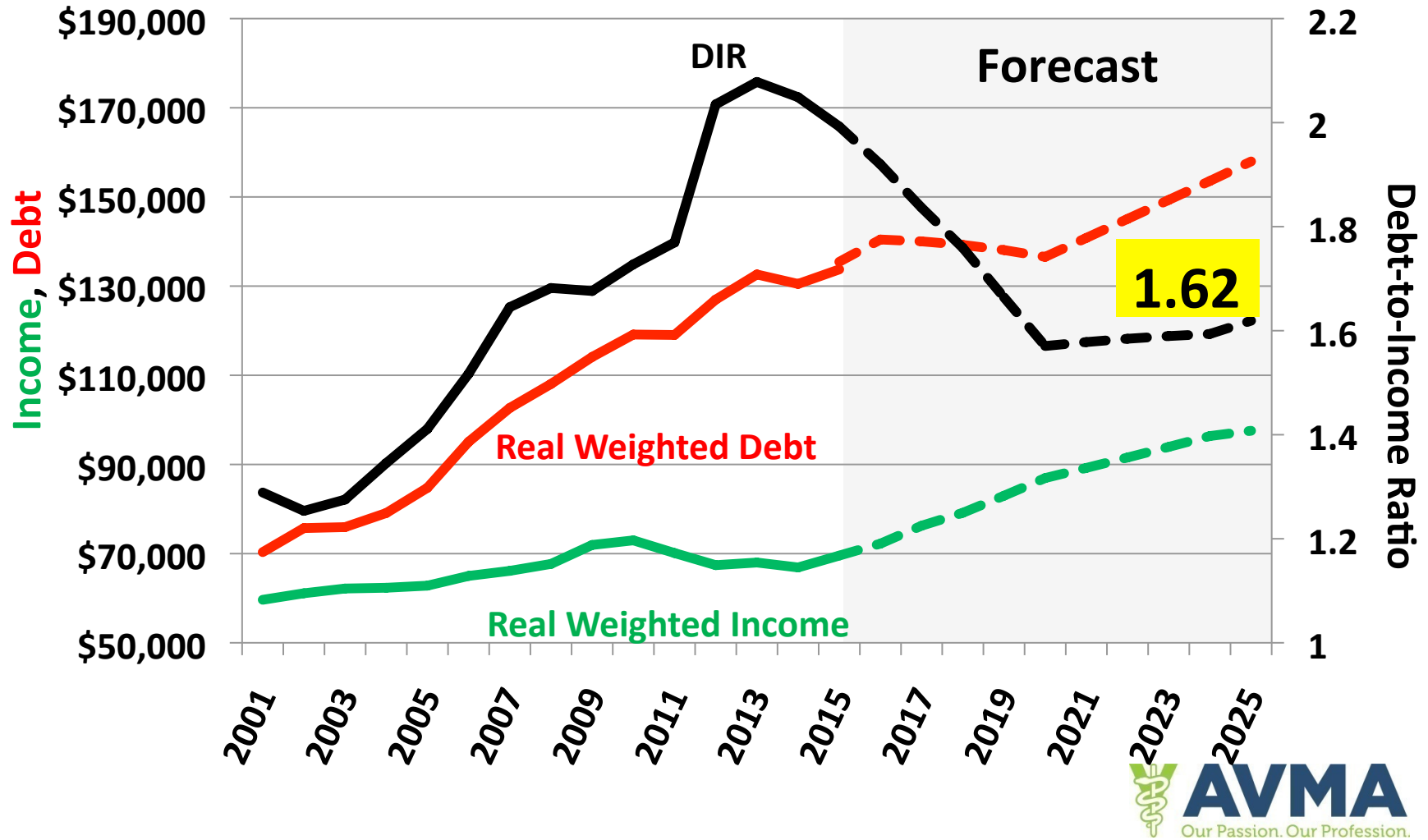
## Debt, Income and DIR



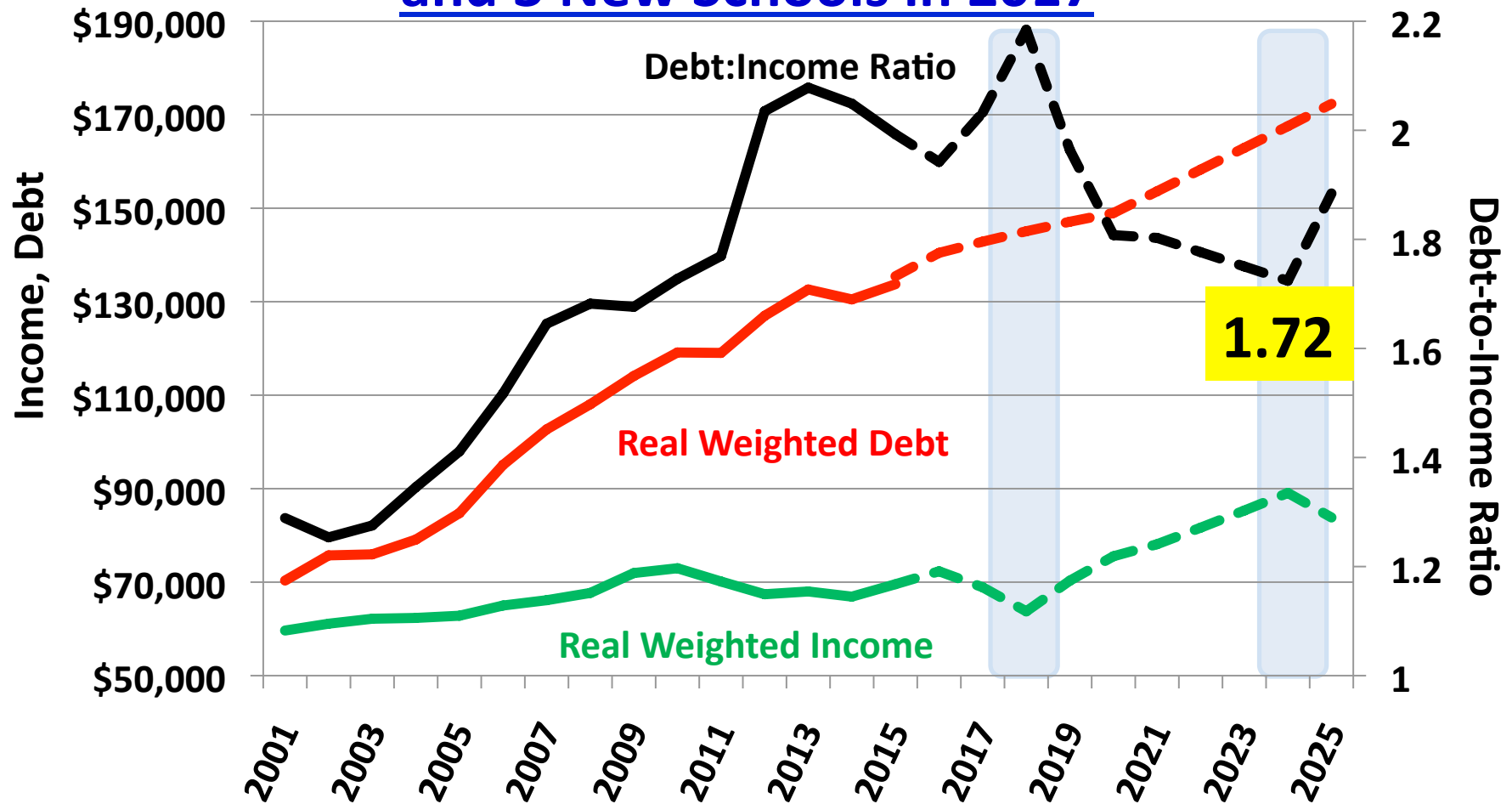
# 2015 Forecast U.S. Veterinary Graduate Debt, Income and DIR



## Debt, Income and DIR for U.S. Veterinary Graduates, [All Goals](#)



# Debt, Income and DIR for U.S. Veterinary Graduates, All Goals, Recessions, Seat Increase and 3 New Schools in 2017



# Summary

- **DIR Target 1.4:1**
- **Four Goals** phased in 2016-2020
- **Four Goals** would reduce **DIR** to **1.38:1** in **2015**
- **Four Goals** may reduce **DIR** to **1.62:1** by **2025**
- **Economic Events will slow reduction** of DIR
  - Most likely – DIR reduced to **1.72:1** by **2023**
- **Structural Changes needed** by 2020 to further reduce DIR to **1.4:1** by **2025**.



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