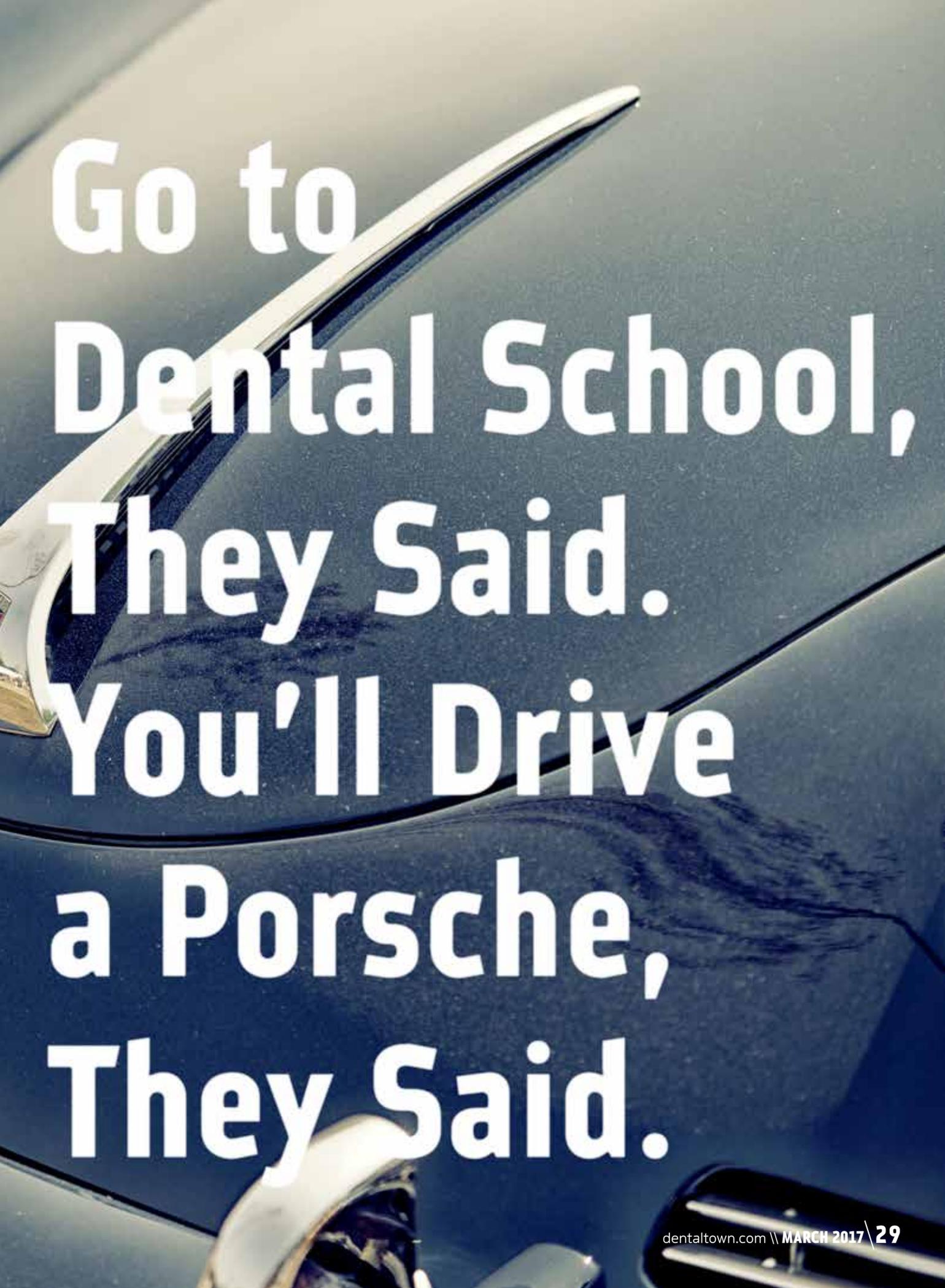
A close-up photograph of a classic car's front end, featuring a large, round, chrome headlight with a clear lens. Below the headlight is a chrome bumper with a red turn signal light. The car's body is a dark blue color. The background is a blurred, dry, brownish landscape.

**Townies know that a dentist's life isn't always sports cars and four-day workweeks. In a hot recent message board—465 posts and counting!—they debated loan payments, living large and vehicle choices.**

**Turn the page to read an excerpt of the conversation— and head to [dentaltown.com](http://dentaltown.com) to share your thoughts.**



**Go to  
Dental School,  
They Said.  
You'll Drive  
a Porsche,  
They Said.**



# Go to Dental School, They Said. You'll Drive a Porsche, They Said.

Dentists discuss the business side of the industry (and some share pictures of the vehicles they can afford).

## StudentLoanPlanner

Member Since: 12/09/16

Post: 1 of 460

In honor of the poster who made the Hangover meme about dental schools asking for donations your first year out, I thought I'd publish my latest graphic for my post "Go to Dental School and Maybe Drive a \$5,000 Used Car One Day." If it speaks to you, feel free to print it out and put it up on your bulletin board to throw darts at.

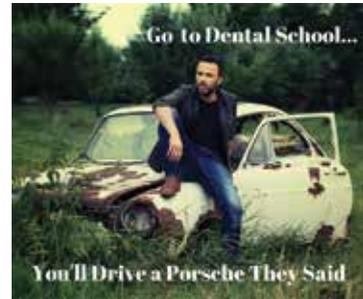
You all inspired it, from the Townie who joked about the deceptive Porsche 911 and four-day workweek sale to the dentist who talked about their \$5,000 books on CD they had to buy every year.

A couple of highlights:

- The average general dentist I do student loan consults with has approximately \$400,000 in student debt.
- The average specialist I do student loan consults with has approximately \$667,000 in student debt.
- There are fewer economically viable paths left in dentistry every year, but the ones that remain involve going to an in-state dental school in Texas, Oklahoma, or other non-California Western or Southern state with a low cost of living. Then, you need to practice in a similar region, preferably away from a high-density city as a practice owner. All this person has to worry about is refinancing to find a better interest rate and paying off their debt fast.
- Outside of this narrow path, optimizing student loans is critical to financial health in the profession
- If the profession were to be represented by a car, I suggest it's now the 2003 Toyota Camry. My goal is to help folks come up with a better plan and move that to at least a 2012 Ford Fusion.

What vehicle do you think represents the current state of the profession? Would enjoy thoughts on the economics of dentistry being as bleak as I think they are as an outsider looking in. ■

12/20/2016



## Allen Jorgensen

Member Since: 04/27/05

Post: 2 of 460

Make the best of where ever you are currently at... After all, it is just the starting point—where you go depends on what drives you, not what you drive. ■



12/20/2016

Continued on p. 32

Continued from p. 30

**Okie Brett**

Member Since: 01/31/09  
Post: 17 of 465

I read your narrow path and that is exactly me.  
Graduated from Oklahoma College of Dentistry in 2011 with in state tuition.  
Bought a practice 45 minutes outside the major metro areas of Oklahoma in 2013.  
Used that income to partner up with other dentists to do 3 more start-ups. Recently sold one of them. Was able to do this because of my high income and low student loan debt.  
Refinanced student loans down to 2.7% with Darien Rowayton Bank.  
Student loan debt is the least of my worries these days. Could write a check and pay off the small balance I have left, but I'm been investing more heavily in real estate lately and like having buckets of cash on hand.  
I had no idea my path would be the way student loan advisors would be telling people to go, but it's worked out well for me.  
By the way, I drive a paid for 2013 Honda Accord to work each day. ■

12/21/2016

**pb2006dds**

Member Since: 01/25/16  
Post: 19 of 460

Every student needs a plan. If you are going to school and become an associate earning \$180,000/year and have to pay off \$400,000 in student debt your plan is a failure at inception. You need to make \$400,000 a year to support that debt otherwise it's pointless.  
We all aspire to be great dentists and help our patients. That should not preclude us from being more savvy business wise. This DDS/DMD degree is a great tool to make a great life for ourselves and do good for our patients. At this point we all need to be entrepreneurs concerned with practice growth vertically and horizontally. By the way, I happily drive a Prius to work every day. ■

12/21/2016

**IAmSomebody!**

Member Since: 10/06/06  
Post: 25 of 460



■  
12/22/2016

**skysonar24**

Member Since: 11/12/16  
Post: 28 of 460

As a student that will be starting dental school next year and will have about \$350,000 in debt by graduation, do you have any advice for me? Besides going to a cheaper school since that's obviously not an option for me. ■

12/22/2016

**Yar**

Member Since: 08/29/04  
Post: 29 of 460

Just go to an area that needs dentists—you will be fine. Rich if you simply show up at work and do your thing. There are areas that can't find dentists. I could use a super new grad next summer. ■

12/22/2016

**bkmdentist**

Member Since: 11/07/12  
Post: 32 of 465

The white one is the daily and the red one for weekends. ... 9 years out. ■



12/22/2016

Continued on p. 34

Continued from p. 32

**Okie Brett**

Member Since: 01/31/09  
Post: 33 of 465

What are your lease payments on those rides, BKM? ■

12/22/2016

**bkmdentist**

Member Since: 11/07/12  
Post: 40 of 465

I lease the Range Rover through the practice and it is about \$1,200/month.  
The 911 I paid cash for ... no payment. ■

12/23/2016

**windmill**

Member Since: 05/01/03  
Post: 43 of 460

My staff loves to tease me about my car. We are in Texas, where everything is bigger. Most of my staff drive trucks. I don't. The other day, one of my staff sandwiched my car in the parking lot with another employee's truck and took this photo:

She announced in the morning huddle, "Misty and I had a baby." Mine's paid for. I'm socking away 30 percent of my income into retirement, college funds, and investments. Live within your means and you will do fine. ■



12/23/2016

**StudentLoanPlanner**

Member Since: 12/09/16  
Post: 59 of 460

The problem with the "live like a student and pay it off as soon as possible" advice is that it's not the optimal path for grads whose debt to income ratios are above three. Consider a brand new junior associate with a \$350,000 debt load at 7 percent who makes \$120,000 a year. I'm assuming that grows to \$170,000 over seven years and then by 3 percent after. I also assume they get married in 2020 and have a child in 2021 and 2023. Their spouse is a teacher and makes \$50,000 which grows by 3 percent.

Say you look at the standard 10 year at \$487,000. That's not the whole story because all that cash gets paid over 10 years. Consider the PAYE alternative. You pay 10 percent of your joint discretionary income over 20 years. That's \$388,000 spread out over the full period. Now they have a balance of \$450,000 left at forgiveness. The full amount is added to their W2 and they owe \$180,000 in taxes that year. However, that \$180,000 is in 20 years, not today.

How do you value paying this amount in the future instead of over the next 10 years? The answer is figuring out how good of an investor you think you are. If you discount the cash flow by 5 percent, then the standard 10-year amount is about \$400,000. PAYE? It's about \$300,000 including the tax penalty. What if you're a better investor than that? Say the discount rate is 8 percent. Suddenly the PAYE bill is \$220,000 and Standard is about \$360,000.

You would have to have an investment return assumption of 2 percent for you to be indifferent between using the standard plan and PAYE under current law. You might say there's a pleasantness of being debt free and perhaps that is worth the sacrifice to pay it all and be done with it. However, from a mathematical standpoint that's the wrong decision. Dave Ramsey will not understand this. Of course, buying a big house isn't going to help, but the dentist in this scenario can most certainly afford a house in the \$200,000-\$300,000 range as long as they're OK working a standard 20-25-year career in dentistry.

If your debt to income ratio is lower by the way, there are different strategies one would look at. If it's two, then it might be a tossup between refinancing and using the government programs. If it's 1.5 or below, I typically find it's best to refinance and I get folks a \$200-\$300 bonus for doing so as well as making sure they shop multiple places instead of going with whoever they see recommended by their professional society. I helped find one guy who was paying DRB 4.8 percent for a 15-year variable a 3.04 percent 10-year variable with another company as an example. ■

12/23/2016

StudentLoanPlanner, how are recent graduates you work with that did professional school in other areas than dentistry faring? Are the astronomic debts and debt to income ratios unique to dentistry? ■

12/23/2016

**johnho771**

Member Since: 09/07/13  
Post: 64 of 460

Need I say more? (BTW, the top doesn't go up.) ■



12/23/2016

**Gr82thDoc**

Member Since: 11/10/02  
Post: 66 of 465

Interesting thread. My income is the highest in my third decade in dentistry yet I drive a car that costs less than the one I drove in my first decade ... ■

12/24/2016

**velogeek**

Member Since: 04/15/10  
Post: 69 of 460

Absolutely not unique at all, though the absolute value of the debt is somewhat unique. Here's what I'm seeing with other professions in my student loan consulting business. Most are better off than dentists but not all.

Veterinarians are the worst economically. The average debt to income ratio I see is around 4.5. They don't have a high ceiling if they became entrepreneurial to try and maximize their income. A typical profile I see is \$300,000 debt and \$75,000 income. The worst is \$470,000 and \$60,000 income

Pharmacists are in great shape for the most part. Debt to income around 1 to 1.5. They graduate with around \$150,000 in debt but make about \$100,000–\$120,000 in income. The ones who work during school graduate with even less debt. Private refinancing is almost always the right path for them except when they work at not-for-profit hospitals and are PSLF eligible.

Lawyers do OK as long as they went to a top school and go private sector. Most common debt to income ratio is 2, but there's a huge variation. If they didn't go private sector from a top law school then often they're in terrible shape. I've seen folks with \$220,000 who can't get a job besides what their undergrad degree qualified them for, so they're making \$50,000 a year. The best off have around \$200,000 in debt and a \$180,000 big law job at a big firm in NYC. The ones not in the private sector are banking on PSLF to bail them out.

Doctors have it off great for the most part. Every residency in the U.S. is eligible for public service loan forgiveness, so when they become an attending they might have \$250,000 in debt but they can work for a not-for-profit hospital for six more years and have their debt forgiven tax free. Total medical school education cost about 20 percent of what they borrowed overall. The ones that go private practice typically have >\$250,000 incomes and thus have an attractive 1 to 1 debt to income ratio out of residency. I should probably write a post for my blog on how screwed over dentists are compared to doctors in terms of student-loan policy.

Finally, under no scenario in mankind should anyone become a chiropractor. The several few I've worked with make around \$60,000 a year and owe north of \$300,000. If you ever feel depressed about your debt, just be grateful you're not a chiropractor. ■

12/24/2016

**StudentLoanPlanner**

Member Since: 12/09/16  
Post: 72 of 460

But I think when we dentists look out our brothers in medicine, there's more than just money and time off to take into consideration. Unless you go into plastics or derm. I'd imagine MDs who go into derm or plastics are more interested in quality of life and money. If they were dentists, they'd likely be the docs opening multiple practices. ■

12/24/2016

**19th Century Doc**

Member Since: 05/22/05  
Post: 77 of 460

**StudentLoanPlanner**

Member Since: 12/09/16  
Post: 161 of 460

I just checked the NYU cost numbers without taking into account that they'll raise tuition, the cost of living estimate they provide is too low, they don't account for inflation, and they don't take the accrued interest into account.

The baseline today is \$497,000. If I throw in all those other expenses like I did to show the Tufts example, the typical NYU grad in 2021 will be leaving with about \$600,000–\$650,000 of debt. ■

12/25/2016

**SuperTank**

Member Since: 06/07/12  
Post: 180 of 465

I graduated with about \$320k of debt in 2014. State school wasn't really an option for me, so had to go private. My wife worked through school and we were able to take out about \$100k less than those who had to take out everything. I was on the PAYE plan for my first two years, but ran the numbers and thought I was making the right call to refinance, seeing I would save about \$100k over the long haul, have the loan paid off in 10 years instead of an additional 18, and not have to be hit with a huge tax burden at the end. It does suck not having free cash flow right now; an extra \$4k a month would be nice. I'm only able to save about \$25k a year or so in retirement/savings accounts. I'm working corporate at the moment and making right around \$200k, but I would really like to get out on my own. I read Dentaltown enough to know that ownership is the path to financial freedom, but my question is ... have I screwed myself by refinancing my student loans? Am I even going to be able to get a loan and purchase a practice right now? At the moment I have about \$130k liquid to put toward a practice ... but is that going to be enough? I wish I had someone to help me crunch the numbers before I decided to refinance. I'm praying I didn't shoot myself in the foot here. ■

12/25/2016

**Will**

Member Since: 03/27/09  
Post: 188 of 460

Can you explain the advantages of REPAYE over PAYE? I'm on PAYE right now, hoarding cash for practice purchase but plan to refinance once an owner, wondering if I should switch to REPAYE. I'm a 2013 grad, \$375,000 federal loans, \$175,000–\$200,000 income, wife at home with three kids. I think what you're doing is a really neat service, thanks again for your help! ■

12/26/2016

**StudentLoanPlanner**

Member Since: 12/09/16  
Post: 193 of 460

Ran some numbers on my computer and it depends on your accrued interest balance. If you switch from PAYE to REPAYE the interest capitalizes. I estimated \$175,000 grows to \$200,000 over five years then you make \$300,000 in private practice which grows to \$350,000 over two years then inflation after that.

The five-family size is an argument for REPAYE if your long-term plan is refinancing. You'd get about \$6,000 in yearly interest subsidies with REPAYE. That's where looking at the accrued interest is important. If you're capitalizing \$100,000 to make the switch obviously not worth it.

If your goal is loan forgiveness, REPAYE has \$788,000 in payments and no forgiveness. PAYE has \$552,000 in payments and \$281,000 forgiven, which is taxable income. PAYE is better in that scenario where you hold the debt for 20 years. REPAYE is better with low accrued interest and a goal of refinancing. Either way max your retirement account because it lowers adjusted gross income. I'll try to leave a better response if the internet starts working again. ■

12/26/2016

**DrTeeths**

Member since 01/21/13  
Post 206 of 465

Hey, SLP—are your consulting services strictly regarding refinancing options? Do you change your recommendations for dentoids working in federal facilities? Do you ever recommend other programs that offer loan repayment, like military? ■

12/26/2016

*Continued on p. 38*

Continued from p. 36

**StudentLoanPlanner**

Member Since: 12/09/16  
Post: 208 of 460

I look holistically at all the options available, but haven't had any dentists looking at the military yet. That means I check for PSLF if you're working at a Medicaid facility, evaluate REPAYE, PAYE, IBR, etc., if your debt-to-income is too high to refinance (debt-to-income ratios above 2). Usually by the time people have come to me they've already set themselves on the military path or not, so they don't need my help at that point. My grandfather used the Navy V12 program during WW2 to get a professional education, so I'd highly suggest it for folks who wanted to have school paid for. Only thing is if you went to work at some of these rural practice jobs you'd pay off the debt faster than the military for a shorter "tour of duty." ■

12/26/2016

**sadds**

Member Since: 05/05/09  
Post: 253 of 465

This thread got me thinking how fortunate I was to graduate when I did. It is sad as I only graduated in 2014, but I just went and checked out my dental school website and was pretty shocked at the increase from what I paid.

I went to one of the cheapest dental schools in the country. They have their fee schedules dating back to the 2013–2014 year. If you started as a first-year student that year, they hand you the breakdown and they tell you as a fourth-year it will cost you \$43,500. When you get to fourth year and you now look at the 2016–2017 fees, that fourth year will actually cost you \$52,000.

So a 19.5% increase.

I don't have my info from when I started in 2010, but I have an email with my loan offer (I think they always offered up to the published total cost per year) and it is \$47,000. In 2016, first year is \$65,000 or a 38% increase over six years. Amazing. ■

12/26/2016

**EdS**

Member Since: 08/17/16  
Post: 254 of 465

I couldn't do it again if dental school was more. Too much stress having to produce, plus I am way too conservative, not to mention my office is not in a lucrative area.

My wife and I both graduated from WVU School of Dentistry. My total loans were \$130,000 and she had a little bit more at \$141,000, so \$271,000 for two dental degrees. I moved there from NC and should have been out of state but luckily got in-state tuition. Felt good to pay those loans off.

No way would I choose dentistry if it was +\$400k for just myself. ■

12/26/2016

**pmsgpenn**

Member Since: 03/16/05  
Post: 258 of 465

Dentists can do really well if they are willing to move and live their life somewhere outside of the popular areas. (Disclaimer: I live and work in the popular areas.) You can go to Syracuse as a periodontist tomorrow and buy a practice bringing in \$1.5 million and make \$750k a year. Who wants to move to Syracuse? ... Bueller?

(Just to be clear: There is nothing wrong with Syracuse as far as I know. I have never visited. But I just know that practices sit unsold all over the country because dentists simply do not want to move there.) ■

12/26/2016

**Dr. B**

Member Since: 01/25/02  
Post: 270 of 460

I teach one day a week, in the clinic, at Rutgers Dental School in New Jersey. I have been doing this for the past seven years. I ask all the students two questions. What are you going to do after dental school and how much will you be on the hook for? Most are sincere, young people who just don't know the financial implications of the loans. Granted this is a state school but it is still \$65,000 a year or more with living expenses.

The national average is \$241,000 (ADA stats) in loans. Many kids also have college debt. I

show them a simple online loan repayment calculator. Then I explain that they won't have much to live on initially based on their choices. I shouldn't be doing this, the schools should. Not in senior year but at the beginning. Dead end there. Many want private practice. I don't worry about the ones who want a specialty or where daddy is a dentist. I worry about the ones like I was, a GP who would make mistakes. These kids can't afford any mistakes these days however. ■

12/27/2016

I am told there is a sexy highly modified entry level 3 series BMW underneath this. What I have learned is, A. Nobody cares and B. It may as well be a corolla under that snow. ■



12/27/2016

**mdawg**

Member Since: 04/03/12

Post: 329 of 460

Great CE investments:

- Townie meeting in Las Vegas—you hear Farran talk and it's in Vegas. Buy his book and read it.
- Breakaway Practice Seminars if you want to start a start-up practice. A cookbook course that walks you through from finding a location to opening a practice from ground up and putting systems in place.
- Various books—there are many listed in Dentaltown—search books and you will find many.
- Order Lean and Mean by Dr. Kushner. His philosophy for lowering expense and setting up a practice is fantastic.
- Take a comprehensive implant course (like NYU's two-year course, for example). Implants are profitable (a glorified post) and fun. So is ortho—take a comprehensive ortho course (Progressive Orthodontic Seminars). You need to provide more than just restorative and crown and bridge. Invest in ortho, implants, rotary endo, and ClearCorrect. These are services patients want and for the most part will pay for using discretionary income.
- I remember a book, don't remember the title exactly, but something to the effect of "Million Dollar Practice," written by a dentist in a low-populated town (around 500 people) and he opened a super-efficient practice, customer friendly, bare-bones, and was able to build a high-producing practice using savvy business thinking, great customer service, and same-day quadrant(s) dentistry.
- Call/reach out to dentists in Dentaltown or in your area that are super successful, ask them if you can shadow them, and do it. ■

1/4/2017

**mykitchen**

Member Since: 11/16/04

Post: 445 of 460



## Join the discussion online!

### Search: Dental School Porsche

Which method are you using to pay off debt—and are you driving the car of your dreams, or a practical placeholder? Share your stories and photos by going to [dentaltown.com](http://dentaltown.com) and searching the message boards for "dental school Porsche." This conversation will be the top result—join in!