

# The economics of newly graduated veterinarians

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Animals can teach us more about the human body than we might realize. Crack open New York Times bestseller "Zoobiquity," and you'll learn about a human cardiologist's experiences at the Los Angeles Zoo that allowed her to more closely connect human and animal medicine. Even in the first chapter—Dr. House, Meet Doctor Dolittle—author Barbara Natterson-Horowitz reveals how doctors and veterinarians could learn from each other to effectively diagnose and treat all species.

Indeed, veterinarians are needed not only to treat our pets and livestock, but in a broader context, to help with zoonotic disease maintenance. The interaction between animals and humans secures the continuous demand for the profession, and the fewer veterinarians we have, the larger potential for catastrophic disease, according to Michael Dicks, director of the economics division for the American Veterinary Medical Association (AVMA).

Although the profession is needed, Dicks said financial struggles do exist, especially for those beginning to practice. Many veterinarians who are just starting out find that they need to make enough money to pay off their high educational debt while trying to make a living, which can pose a major challenge.

According to Kansas State University's College of Veterinary Medicine, the average debt reported by its 2014 graduates was \$170,380, and graduates in 2013 had similar debt at \$170,919.

The average practice salary reported by 2014 K-State graduates was \$64,678 and for 2013 graduates, \$63,294. For those practicing outside of Kansas, the average starting salaries were a bit higher at \$66,057 for 2014 graduates and \$66,939 for those who graduated in 2013.

"The downturn of the economy impacted veterinary medicine and what graduates could earn in their first year," said Roger Finland, executive associate dean for K-State's College of Veterinary Medicine and director of the Veterinary Health Center. "It is important to educate people who want to be veterinarians about the financial realities. But, I think the value of being a veterinarian has to always be in the discussion."

## **Seeking opportunities**

Dicks, a veteran agricultural economist, said the objective of the

AVMA's economics division is to find ways to enhance the lifelong value of a veterinary degree. Understanding the market for [veterinary services](#) and how individual veterinary practices make money are important components that add value.

The biggest area of demand in veterinary medicine is working with companion animals, or pets, which accounts for about six out of 10 practicing veterinarians, he said. Food animal veterinarians, those who work with cattle, sheep and pigs as examples, account for one out of 10. Other veterinarians might choose mixed animal practice or work in zoos, animal hospitals, the education field or other industries.

Scholarship opportunities are available for students in many interest areas, particularly for those who want to work in rural areas and seek mixed animal practice or large animal practice, including food animals and other livestock. Fingland said at K-State, rural scholarship recipients receive \$25,000 a year if they intend to practice in a Kansas county that is declared rural. Most counties in Kansas have a rural designation.

If the students take the scholarship and don't practice in a rural area, however, they have to pay that money back, he said. To his knowledge, no students have had to pay the money back, but some graduates will find that some rural areas don't have enough animals to support a full-time veterinarian. Or, perhaps the environment will not allow the veterinarian to charge the going rate for various services.

"I believe there is a need for large animal and mixed animal practitioners in some [rural areas](#)," Fingland said. "Need means there are consumers in that area who perceive that they need veterinary services. Needing veterinary services and having an environment that financially supports veterinary services are two different things. Some communities can't financially support the service."

Certain aspects of [veterinary medicine](#) are different than others, and veterinarians can choose certain avenues of practice to potentially increase their salaries. Industry veterinarians typically have higher earning potential than mixed animal practitioners, Fingland said.

Like human doctors, veterinarians can specialize as cardiologists, surgeons, internists and radiologists, as examples. Veterinarian specialists tend to make higher salaries, Fingland said, but they also have to go through much more training than general practitioners. Practice ownership also lends itself to higher pay.

## **Combining business with a calling**

Most people go into business, because that's what they want to do. Veterinarians, no matter what area of practice they prefer, are no different, Dicks said. He encourages veterinarians, like any other business-minded professionals, to plan ahead to maximize their opportunities.

"We know just like farmers and ranchers, we all weigh life in some ways with the amount of money we're making," Dicks said. "People must give up a little return to have the style of life they want. For veterinarians, that huge (college) debt can be a restraint. If I have debt when I get out of school, that means I may be driving a 10-year-old car, living with my roommate for another five years, and not going out or buying anything. I may be paying my debt and trying to make a life."

Fingland, who teaches veterinary business courses, said on the first day of orientation at K-State, he presents new students and their parents with numbers showing what the education will cost for the next four years of veterinary school to make them aware.

"There is no question that there is a financial problem at work, and I

worry about it like other people in my position worry about it," Fingland said. "But, there is value in doing what is your calling. I understand as a veterinarian that I'm not going to make as much money as someone in another profession. I don't want to be in that other profession, so what difference does it make if that person makes more money than I do?"

"We can't tell young people who aspire to be veterinarians, 'You shouldn't do this, because you won't make as much money as you could doing something else,'" he continued. "Is that what we're going to tell people who want to teach? Imagine if somebody would have turned away the wonderful teachers that we had in grade school, high school and college. That would have been very unfortunate."

Fingland said preparing students to be business-minded veterinarians involves work in and out of the classroom. In addition to one required business and finance course, veterinary students at K-State are allowed to take elective business courses and join organizations such as the Veterinary Business Management Association. They also learn about planning and budgeting through K-State's Powercat Financial Counseling, available as a free resource for all students.

## **Involving the veterinarian**

As a livestock producer, Dicks said he believes it is essential to have a veterinarian as part of your health team if you own animals. Sometimes the veterinarian might be considered a provider of last resort or someone whose job can be handled by salesmen or technicians for artificial insemination, embryo transfer, ultrasounding for carcass characteristics or pregnancy, hoof trimming and nutritional planning, as examples.

But, he said in the last 10 years the cattle industry has experienced diseases such as trichomoniasis and curly calf syndrome, among others, that may have surprised some producers. Having a close relationship

with a veterinarian could help protect animals from diseases and producers from major financial losses.

"Maybe because a veterinarian wasn't part of our herd health program, we only found out about these diseases once they happened to us," Dicks said. "Some of those things cause 20 to 30 percent losses."

"What we focus on is teaching [veterinary](#) students to thrive in a competitive environment, not in an unrealistic environment where there's no competition," Fingland said. "There are many things veterinarians can do that others can't do who don't have the level of training. No one will ever replace the [veterinarians'](#) intellect, when they go to a farm to analyze the nutrition that the rancher or farmer is providing, and the environment and how that environment might lead to disease."

Provided by Kansas State University

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