

Research Update



A program of the American Academy of Pediatrics

Most young pediatricians own home despite high debt

from the AAP Department of Research

New data from the AAP Pediatrician Life and Career Experience Study (PLACES) highlight financial characteristics of pediatricians.

Among early career pediatricians – those who graduated from residency four to six years ago – 78% had household educational debt in 2015. Among these pediatricians with debt, the average is \$158,000, and the average monthly payment is \$1,276. About one-fourth are earning \$200,000 or more a year, and 74% own rather than rent their home (see figure). Most pediatricians (94%) are saving for their retirement; 37% of these pediatricians are saving as much as they would like, and 63% would like to be saving more for retirement.

Among a second group of pediatricians entering their mid-career (graduated from residency 11-13 years ago), 46% had educational debt in 2015. Among those with debt, the average is \$88,000, and the average monthly payment is about \$800. Four in 10 are earning \$200,000 or more a year, and 94% own their home. Nearly all of these pediatricians (97%) are saving for their retirement; 47% are saving as much as they would like, and 53% would like to be saving more for retirement.

Across both groups, pediatricians who earn at least \$200,000 a year are more likely to own a home and to be on track with their savings for retirement, while those who have higher educational debt are less likely to own a home and be on track with their retirement savings.

“I was surprised and encouraged to learn that despite high monthly debt payments, most young pediatricians own a home and are saving for their retirement, although many would like to be saving more,” said Ashley Miller, M.D., FAAP, a member of the PLACES project advisory committee. “Obtaining practical information on budgeting, debt management and retirement savings as early in their careers as possible will be particularly important for the current generation of residency graduates who are starting their careers with higher debt.”

PLACES has 900 participants in each of the two cohorts and includes AAP members and non-members. Eighty-eight percent of participants responded to the 2015 survey. Pediatrician educational debt includes spouse/partner debt.

Financial characteristics of pediatricians: Early to mid-career* (n=1,581)

Earn \$200,000 or more a year



26%
of early career
pediatricians

43%
of mid-career
pediatricians

Own a home



74%
of early career
pediatricians

94%
of mid-career
pediatricians

Retirement savings on track



37%
of early career
pediatricians

47%
of mid-career
pediatricians

*Early career pediatricians: 4 to 6 years post-residency in 2015
Mid-career pediatricians: 11 to 13 years post-residency in 2015
Source: AAP PLACES, Annual Survey 4 (2015)

RESOURCES

• The AAP Insurance Program has developed financial wellness videos, www.aapinsurance.com/resource-center/, and provides access to a student loan consolidation program, www.aap.org/discountprograms, to help early career pediatricians and young members develop a solid financial foundation for their personal and professional lives. Additional resources on financial wellness are available at www.aapinsurance.com.

• For more information on the AAP Pediatrician Life and Career Experience Study, visit <http://www2.aap.org/research/places.htm> or contact Mary Pat Frintner, in the AAP Division of Health Services Research, at 847-434-7664 or mfrintner@aap.org.