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JADA⁺ CAREER GUIDE

Practice Tips for Dentists at All Ages and Practice Stages

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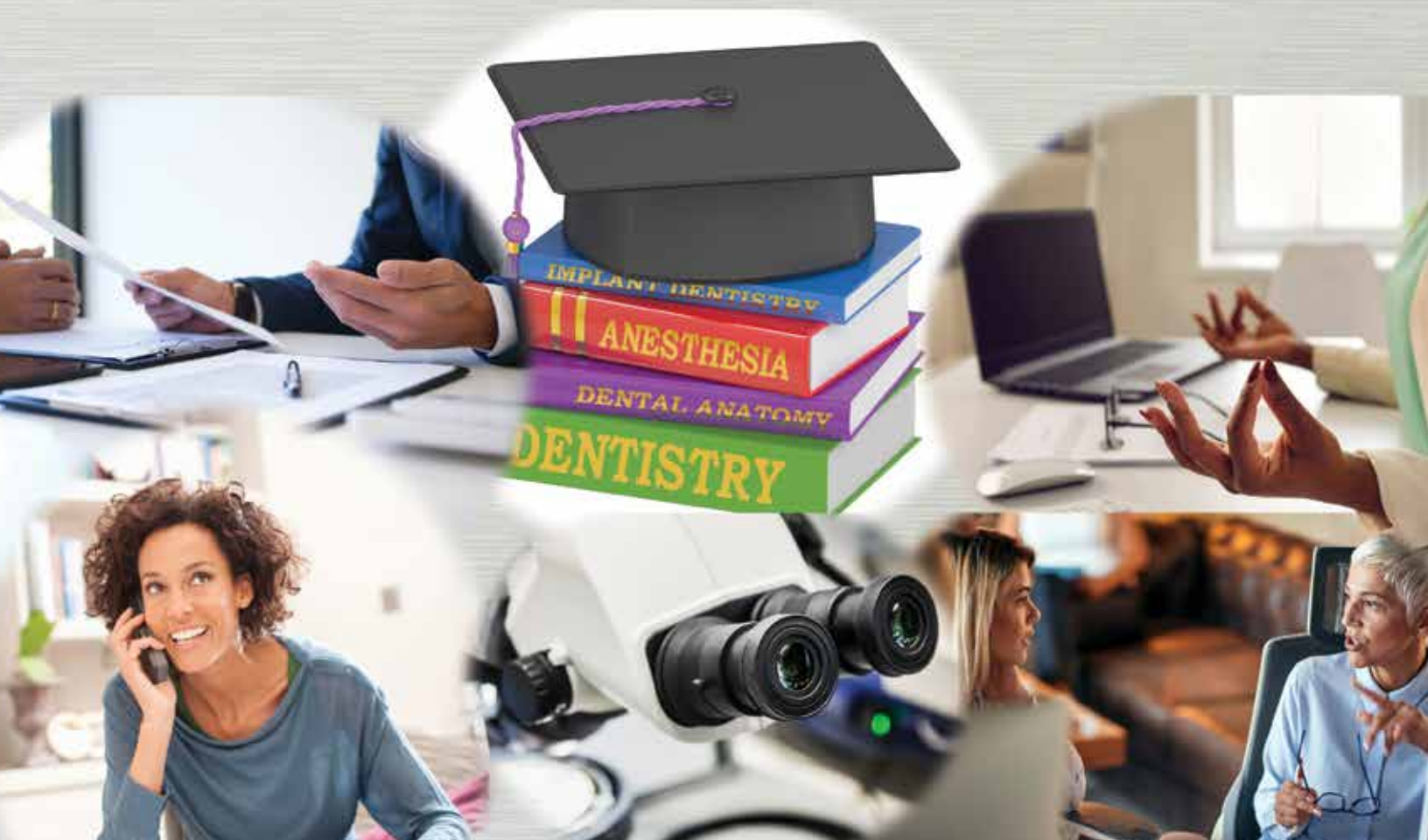
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The Mentorship-to-Ownership Path: Is it Right for You?

Maybe COVID was the last straw. Perhaps you're tired of spending sunny days at the office rather than on the golf course. Maybe a health concern now makes practicing difficult, or even impossible.

No matter what the reason, you're ready to retire ASAP, but you don't want to leave your patients in the lurch.

And you don't quite want to sell, not yet. You might need the health insurance until you qualify for Medicare. Or maybe you still want to consult and train your replacement, but simply can't do the hands-on work any longer

The Mentorship-to-Ownership path

ADA Practice Transitions' Mentorship-to-Ownership path might be perfect for you. In this pathway, an established practice owner mentors someone new for a set period, with an agreement to sell the practice to the incoming doctor at the end of the contract.

This can be the perfect scenario for an owner who is just about ready to sell, but not quite there yet.

Such owners should:

- Welcome the opportunity to mentor and train their replacement to ensure continuity of care for patients and staff.
- Want an immediate exit from clinical dentistry.
- Be financially solvent.
- Be willing to be onsite as needed.

Let's look at what type of practice is best suited for a Mentorship-to-Ownership pathway.

Busy enough, but not too busy

Ideally, the practice should be busy enough that the incoming doctor can make a living, but not so busy that they drown before they can get established. Remember that in this case, the incoming doctor is typically less experienced – perhaps even just out of dental school. They will not be as fast and efficient as someone with decades of experience. It will take them some time to gain speed and efficiency while they polish their skills. (And remember, they are simultaneously trying to learn how to run a business!)

A solo practice with two to four operatories, currently operating no more than three and a half days per week, is about right. The local market should not be saturated with other dentists. This gives the incoming dentist latitude to expand to five days a week to meet their pace without sacrificing quality or production. You don't want them to come into a fully booked practice where they end up working every night and weekend just to keep up. That can lead to eventual burnout, which isn't good for the doctor or patients.

Focus on general dentistry

The ideal practice for a Mentorship-to-Ownership path is dedicated to general dentistry, as that is where recent graduates' skills are strongest. If the practice's production relies on some specialty procedures, you need to commit to handling those cases for a while. Ideally, the incoming doctor will be interested in learning the skills so they can continue to offer the service. But even then, it will take some time and coaching before they are able to do it themselves.

Ready to give up control

Some long-time owners can't wait to give up all the day-to-day decisions. For others, giving up control is the hardest part of the transition. Before you bring someone in, make sure that you are prepared to let someone else be in charge.

How can you do this?

During your discussions with potential buyers, review a few cases together. Listen to how the other doctor would handle things – and make sure you can respect their decision-making process. You may not agree 100% with the methods or pathway, but you need to be confident enough in their abilities that you can comfortably allow them to work on your patients without interfering.

That's not to say the incoming doctor is flying completely blind. One of the best ways to let the new doctor learn without being overbearing is to frequently discuss upcoming cases and review completed cases. Keep these meetings to just the two doctors. That way, the newer dentist can more freely ask questions without staff pressure.

After all, staff are a major part of this transition, too – but they will typically take your lead. If they see you stepping back, they will feel confident trusting their new boss. Let the incoming dentist lead a few joint treatment planning sessions with the entire staff so they can see that you have confidence in their work. ([See more advice on involving staff in your practice transition.](#))

Agree to the details, right from the beginning

Finally, for a successful Mentorship-to-Ownership transition, you must agree to several things right up front and write them into your contracts. These agreements will give you a roadmap to build a successful mentorship relationship that's rewarding for you, the incoming doctor, and your patients.

When you work with ADA Practice Transitions, we will provide toolkits and worksheets to help you through the particulars. But in general, make sure you are discussing and agreeing to these items:

- **The junior doctor will perform/supervise all clinical dentistry/hygiene in the office.** Establish from the beginning that this new doctor will be in charge of all of the clinical responsibilities. Specify any exceptions, such as whether the selling doctor will continue to perform specialty procedures. The junior doctor might also ask for assistance due to schedule management. Discuss these circumstances and decide how to handle them, before making the final commitment.
- **How much the associate will make.** Most often, the incoming doctor will take home the higher of either a set base pay or a percentage of production.

- **Financial penalties if either doctor backs out.** Even the best intentioned agreements occasionally fall through. But setting financial penalties will indicate that you're both serious about your plans.
- **The sale price.** Do all the necessary practice valuations upfront and come to a price.

Having these conversations upfront will help you think through your plans while establishing the foundation for a successful relationship. ■

The Mentorship-to-Ownership Path: Is It Right for Your Practice?, posted April 7, 2021. Copyright 2021 © American Dental Association. All rights reserved. Reprinted with permission.



Dr. Suzanne Ebert

Dr. Ebert graduated from the University of Louisville College of Dentistry in 1998, and has experienced a variety of roles as a dentist, from an associate to solo practice owner to dental director at a federally qualified health center and adjunct faculty at a dental school. She is the vice president, Dental Practice and Relationship Management for ADA Practice Transitions. For

more information, visit the [ADA Practice Transitions website](#).



Securing Practice Financing: 7 Keys to Understanding the Process

The process of securing a loan to purchase or open a new practice can seem daunting. But if you're prepared, it doesn't have to be.

Associates who might be ready to step out on their own are often concerned about taking out a loan given the amount of student loan debt they might be carrying. However, student loans do not preclude a dentist from obtaining practice financing. Keep in mind that borrowing money to acquire a practice can be viewed as an investment in your future.

Initial questions to consider

As part of the application process, a discussion with your lender will help you both better understand your financing needs, available options, short- and long-term goals and gather key information, such as:

- Do you have a solid credit history? Is your current financial condition favorable for acquiring a practice?
- How much of your savings do you want to invest in the practice?
- Is the practice you're looking to acquire a good fit?
- What is the patient base and the staff profile of the practice you're looking to acquire?
- What's your timeline for making an acquisition?
- What types of credit are you going to need to complete the transaction?
- Do you have near-term personal needs, such as the desire to purchase a home?

The answers to these questions will help the lender understand your full financial picture.

Determining a loan that's tight for you

When you're acquiring a practice, banks typically offer a fixed-rate term loan. How long you want to keep the debt is a key factor in structuring the loan. You will want to gauge whether you are comfortable either maintaining a certain level of debt and putting your excess cash aside to build a reserve or paying down the debt as quickly as possible with your cash flow.

You may also have debt considerations beyond the term loan. It's common for a practice owner to secure a modest line of credit for day-to-day operating needs. You can draw from a line of credit (up to a predetermined maximum amount) when needed and pay it down periodically, paying interest on the amount you borrow.

Also, if you're purchasing real estate as part of the transaction, you'll need to consider the loan structure on that as well. Real estate loans amortize over a longer period of time — typically 20 years — and may require you to provide a certain amount of cash equity.

Other considerations

The earlier you include a bank in the process, the easier it will be for the lender to help secure everything you need. That includes bringing in other experts to help complete an acquisition — such as a practice valuation specialist who understands the different aspects of a practice and can make recommendations on how to improve efficiency.

Securing a loan can be a smooth process if you include your bank in the process as early as possible. Be prepared to answer key questions about the practice, your finances and your goals, which will help ensure you have a positive experience. ■

Securing practice financing: 7 keys to understanding the process, Dental Practice Success, March 2021. Copyright 2021 © American Dental Association. All rights reserved. Reprinted with permission.



A commercial banker since 2006 with BMO Harris Bank, which is endorsed by ADA Member Advantage for practice financing, 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 — above all — helping dentists realize their vision for growth. Contact her at bmoharris.com/dentists.

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7 Ways to Get More Involved in Organized Dentistry



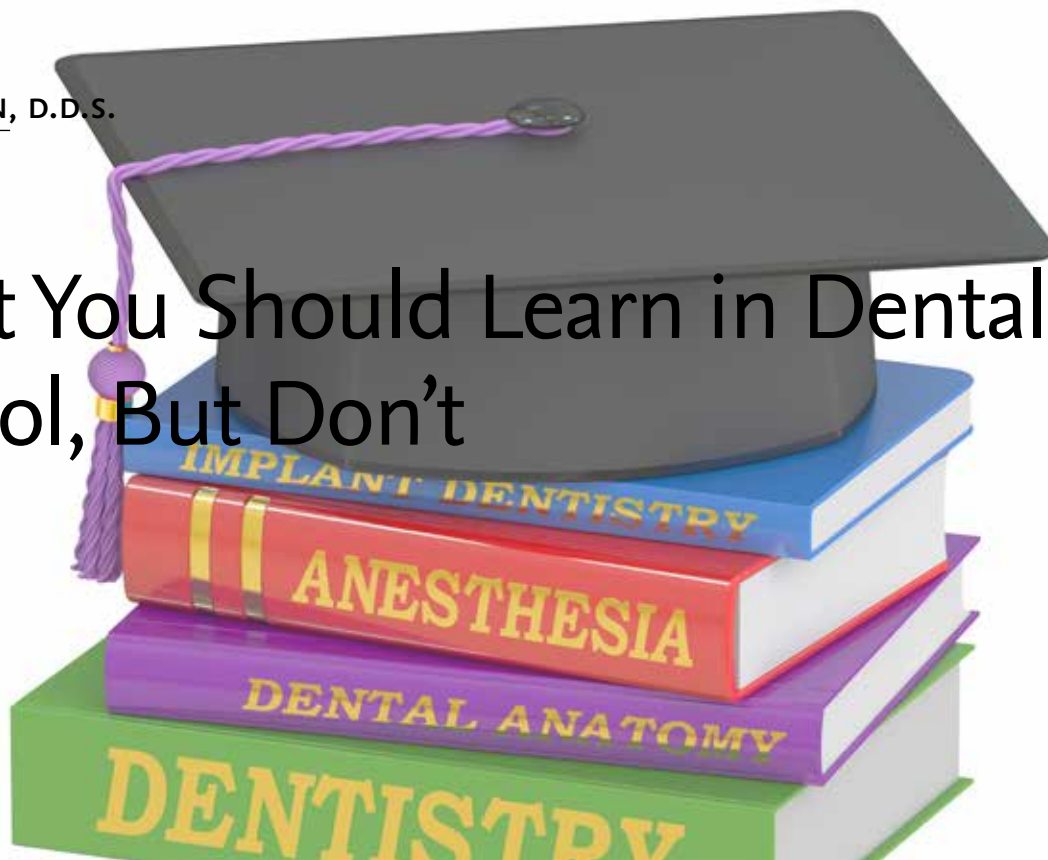
Are you looking to play a role in organized dentistry? Do you have ideas or concerns that leaders in the profession should know about? Do you have stories and experiences to share that can potentially help other new dentists? Your voice is important, and here are some ways to impact your dental community.

1. **Contact your ADA New Dentist Committee representative.** Look for your 2020-21 representative on this [page](#).
2. **Reach out to your state or local new dentist committee.** Most state dental societies have a new dentist committee that provides resources, continuing education tracks and social networking events.
3. **Share your experiences** and learned-lessons at the New Dentist Now blog, newdentistnow.ada.org. Email newdentist@ada.org with your ideas to get started.
4. **Ask about micro-volunteering opportunities** at your state or local dental society. Getting involved doesn't always mean a big commitment.
5. **Volunteer for charitable dentistry events.** Help bridge the access to care gap through programs such as Mission of Mercy and Give Kids A Smile.
6. **Take a stand** in Washington, D.C. Help the ADA advocate for things that matter to dentists and the patients they serve at ADA.org/advocacy.
7. **Fill out the newly launched ADA Volunteer Interest form** at ADA.org/member-center/ada-for-new-dentists/get-involved.

Need more information on how and where to start? Contact Tera Lavick, ADA New Dentist Committee director, at 1-800-621-8099 ext. 2386 or newdentist@ada.org.

7 ways to get more involved in organized dentistry, New Dentist News, August 16, 2021. Copyright 2021 © American Dental Association. All rights reserved. Reprinted with permission

What You Should Learn in Dental School, But Don't



Something feels oddly familiar. Sitting in my neighborhood coffee shop with my laptop open, staring at a course syllabus as it ominously lays out what my life will look like for the next several months. Coffee, flash cards, and wild Friday nights are in my future. And if I'm lucky, I'll get the pleasure of writing a research paper or two while I'm at it. I can only hope as I start my endo residency.

I haven't "studied" in six years. I haven't even thought about studying. It's been so long since I've studied that I'm not even sure I still know how to do it effectively. But still here I am, a student once more, and residency promises to be very much one of those sink or swim scenarios.

Luckily, I haven't forgotten everything that I learned in dental school. There's a few lessons I'm bringing with me this time that I've picked up along the way. Maybe you've heard these a few times before. Maybe you haven't. But I think all of us, from brand new dental students to those who've been out a while, could use a refresher. Here are four important lessons that I learned in dental school and in my years practicing as a general dentist.

1. Get your money's worth

Every day you walk into your dental school, it's like showing up to an 8-hour continuing education course for which you have paid top dollar. It's tempting to coast. Many of us are guilty of trying to get through our programs by putting as little effort in as possible.

"D stands for Degree," right?

But what I've learned is that dental school is filled with opportunities to learn more than the bare minimum. Some of the most impressive people in our profession work in dental education. And what I've found out is that many of the expensive, top-notch CE courses you take as a practicing dentist are taught by, you guessed it, dental school faculty. Take advantage of your environment. You've already paid for it.

2. Listen well

Having been a part-time faculty a few times myself, I've found one of the most desirable qualities in a student is the ability to listen well. Are you teachable? Can you take constructive criticism? Are you willing to own that "student" mentality?

Will you agree with all of your attendings? No.

Do you have to agree? Of course not.

But no one ever starts a sentence hoping that you'll finish it for them. Not every teacher is waiting for your perfectly crafted rebuttal of why you did what you did. Oftentimes, listening is the most powerful tool we have. You will find that this translates well out in practice. Make an effort to actively listen to what your patients have to say, and you'll have a group of raving fans who trust you wholeheartedly.

3. Hand skills rarely matter

Look through the Google reviews of any dental office in your community and you know what you won't see? Any mention whatsoever about the occlusal composite

staining of the Class I secondary grooves. No 5-Star review on the distoincisal angle of your biomimetically placed resin composite. Not even a single word about that buttery smooth crown margin that you spent an extra 15 minutes polishing for your Instagram photo.

Of course, our hand skills do actually matter (to a degree). But my point is that to the patient, what is often more important (and rarely taught in dental school) are the soft skills required to be a successful practitioner. If I could go back to dental school, I'd spend much more time honing that skill set. Because if you can effectively communicate with your patients, and if you can make a great first impression and win their trust, dentistry becomes a lot easier and a lot more enjoyable.

4. Don't sleep on business and finance

From my very first day in dental school, I was told that we wouldn't learn a single thing about how to run a business, but oddly enough it was essential to our success as a dentist. After hearing that, do you think I made a single effort to learn about business and finance as a dental student? (See lesson #1. Hint: I did not)

Like so many of us, I chose the path of least resistance. I didn't even look at my student loans until six months after finishing my GPR. I didn't read a single article on practice management until two years into practice.

What a huge mistake. Such a huge mistake in fact, that now I spend much of my time talking to dental students about how to manage their student debt and avoid common mistakes that are made every single day. Mistakes that can set your career back years, and could ultimately affect the decisions you're able to make for you and your family.

So don't do what I did. Don't do what so many of us in this profession continue to do. Start early. Take control of your student loans. Spend time learning about how they work, how to save and budget, and even how to invest.

Tap into the vast list of resources on practice management and how to run a business. Books, podcasts, blogs and even YouTube. Ask your part-time faculty how they run their private practices. Take advantage of the [ADA Success program](#) and have an experienced dentist come to your school and talk about these topics (I'd be more than happy to visit and tell you everything I know).

Dental school was honestly some of the best years of my life. And although it was very difficult and challenging at times, the memories will last me a lifetime. I want to wish all future dentists the best of luck in this new school year. Cherish these moments and always make an effort to take advantage of the opportunities in front of you. Cheers! ■

What you should learn in dental school, but don't, New Dentist Now Blog, posted August 16, 2021. Copyright 2021 © American Dental Association. All rights reserved. Reprinted with permission.



Dr. Vaughn is a general dentist who graduated from the University of Alabama and currently practices in Seattle, Washington. He works both as an associate in a private practice as well as in a public health clinic. Dr. Vaughn currently serves in roles with both the Seattle King County Dental Society and the Washington State Dental Association.

The advertisement features a large image of a person from behind, looking at a tablet. Overlaid on this is the text "ADA Publications. Grow, learn and thrive" with a green and blue chevron logo. Below this, there's a collection of ADA publications including "ADA News", "JADA", and "new dentist".

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Getting Involved in Research:

An Interview with Sumanta Kumar Pal, M.D.

Editor's note: PracticeUpdate offers an array of professional research, information and education resources in a single online destination that is FREE to all registered users. Content is organized. Content is organized by specialties and areas of interest in medicine and dentistry, enabling practitioners to instantly and easily access the latest news, scientific updates and expert opinion pertaining to their specialty and to help practitioners better incorporate cross-disciplinary care to enhance their patients' overall health. Dr. Pal is a frequent contributor to PracticeUpdate's Early Career series of commentaries.

PracticeUpdate: Dr. Pal, why is getting involved in research an important part of training for medical students and early-career physicians?

Dr. Pal: I would say that research is one of the great ways to balance one's career. I'm in oncology, and oncology can be an incredibly emotional field. I can't think of a day that goes by when I'm not giving bad news to a patient, and having research, for me, has been an outlet to really sublimate some of what I'm experiencing in the clinic: taking all the negative emotions from those end-of-life conversations and turning them into something positive. It adds diversity to my career. It gives me a focus outside of what I'm doing in the clinic. And it gives me some sense that, as dismal as outcomes may be for patients with cancer nowadays, maybe the work that I'm doing is contributing to enhancing patient outcomes in years to come.

PracticeUpdate: How should medical students and early-career physicians get involved in research?

Dr. Pal: The best thing to do is to identify an appropriate mentor, and this can be through social media and through personal interactions with individuals at your

institution. When I look for an ideal mentor, I look for three things. I look for whether or not the mentor has published extensively him/herself — and this is pertinent to a research career, not mentorship and other domains outside of research. To do research, you've got to have a mentor who has published extensively. Otherwise, you can almost be guaranteed that you're not going to be publishing yourself.

PracticeUpdate: Why is it so important to see research projects to completion and obtain publications?

Dr. Pal: It's critical that folks really take projects and research from start to finish. I think that, for one thing, if you're using research potentially as a vehicle for career advancement, people don't like to see a quitter. If you were reviewing someone's application, and you see a long laundry list of projects that are pending results, you become a little bit skeptical. You think, is this person who wants to join my group going to bite off more than he can chew and not take projects to fruition?

Now there are examples of projects that simply fail based on their scientific merits. And those are absolutely fine, but it's important that you see those projects through and at least make some effort to publish them. I think, nowadays, there is increasing recognition that projects that produced negative results or no results still have merit when it comes to publication. So, it's key that you make an effort to push those sorts of publications through, and, frankly, I think that those are a testimonial to perseverance. When I'm reviewing a CV, I'm not always looking for big, landmark, positive studies. I'm also looking for negative studies that reflect the individual's

penchant for publication.

PracticeUpdate: How can students or early-career physicians use conferences to maximize their research exposure and further their career opportunities?

Dr. Pal: Pre-COVID, I would argue that the best way to engage at conferences is to hang out at the poster sessions. Poster sessions are such an amazing way to really gain a deep dive into individual projects, to spend a couple of minutes individually with potential mentors who are focused on areas of research that you're interested in. Those poster sessions offer a rare opportunity to get a captive audience with some of these really prominent individuals within the research community, and I think that's why those prominent individuals seat themselves there — to have that sort of very helpful exchange. In the era of COVID, of course, things have changed. There is still an opportunity for the interactions to occur. I would suggest that trainees focus particular attention on networking sessions.

I did a networking session recently, which only engaged two or three individuals from the junior faculty and trainee community. I have to tell you that, while I was disappointed not to see more people in that session, we were able to spend a lot of individual time with each mentee, tailor career plans, and so forth. So, it turned out actually, I think, to be a trove of information for the mentees and junior faculty who participated. I encourage folks when they are looking at the schedules of virtual conferences to focus in on those trainee sessions to see whether or not they might possibly offer some of these really unique one-on-one mentoring opportunities. It's still possible with COVID. ■

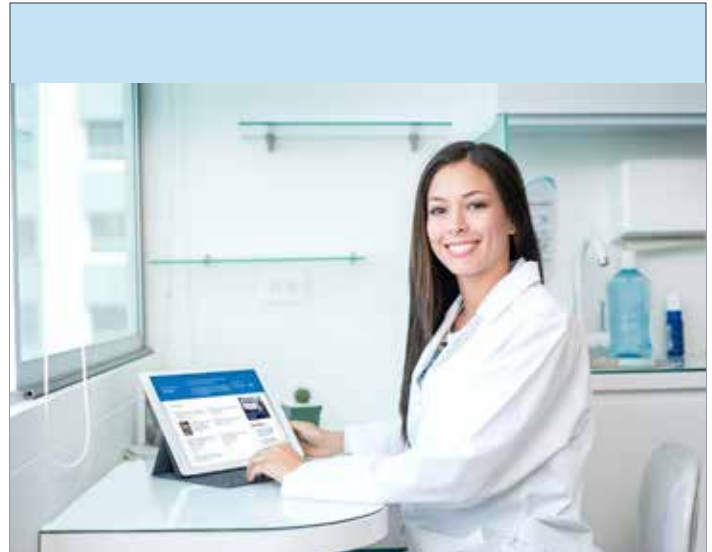
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Dr. Sumanta Kumar Pal

Dr. Pal is a medical oncologist and an internationally recognized leader in the area of genitourinary cancers. He is a clinical professor in the Department of Medical Oncology & Therapeutics Research at City of Hope in Duarte, California, where he is co-director of the kidney cancer program and heads up the kidney and bladder cancer disease team at that

institution. He is regular contributor to PracticeUpdate.



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What Does It Actually Cost To Sell A Dental Practice?



Bill Robinson
CEO & President, ADA Practice Transitions

Unfortunately, you probably already know the answer to the question “what does it actually cost to sell a dental practice?” – it depends.

Each sale is unique, and there are a number of factors and multiple ways of handling each aspect of the sale. All of them impact the total cost. In this article, we will review some of these factors, offer a range of costs, and talk about ways to minimize or avoid those costs.

A dentist in the Midwest had been working as an associate for a couple of years and was beginning to think about owning his own practice but hadn't taken any specific steps to make it happen. He decided to attend a CE event about an hour from his home. While there, he mentioned to some supply reps that he would be interested if they knew of anything. They mentioned a nearby practice that had been closed down for about six months. He drove past the practice that afternoon on his way home and gave the owner dentist a call. They hit it off and decided to meet to see if they could come to an agreement. Over the course of the next few months they negotiated a price, drew up the necessary documents, and completed the sale. They did not use a broker. They did not get a valuation. The negotiations were collegial. Everyone was happy with the transaction. The buying dentist estimates that he spent about \$2,000 on legal fees and the seller relied on the documents that buyer and his lawyer created. But the buying dentist will also tell you that he does not know of any other dentist who shares his experience. He says, “My story is a fluke,” and considers himself to be incredibly lucky for his acquisition to play out the way it did. He took the risk to trust the owner, who acted like a mentor to him even though he was on the other side of the transaction. The selling dentist felt he had found the right person to carry the legacy forward in his small town and worked to make it happen as seamlessly as possible.

I've also heard of others who report trusting their negotiating partner and eventually coming to regret it. The vast majority of dentists say that selling/buying a

dental practice is complicated and filled with uncertain moments. They lie awake at night wondering, Am I making the right decision? Is this a fair price? How do I know these numbers are accurate? Many dentists end up getting help from a company like ADAPT or a broker, in addition to a lawyer and/or accountants and banks.

No matter your approach, here are the primary cost drivers for an owner when selling a practice.

Valuation

ADAPT encourages all of our clients to have a formal and independent valuation done. “Formal” means that it follows generally accepted principles for business valuations. “Independent” means that the firm doing the evaluation charges a fixed fee and does not stand to gain additional revenue with a higher valuation.

Many banks say that they do not require a valuation in order to provide loan funding, though most would like to see the valuation and prefer to see it from an accounting firm or independent business valuation company.

Prices for a valuation have quite a wide range. Some do a basic analysis of the practice performance and assess local data that can influence the range of value. These generally start at \$2,500. On the other end of the spectrum, some valuation companies employ elaborate methodologies that involve multiple valuation formulas and then do a weighted average of the outcomes. These can come with nicely bound books that become a selling piece for your practice, essentially a “sell sheet” to share with buyers.

At the end of the day, a dental practice is worth what someone is willing to pay for it – regardless of what the valuation says. We have seen many dentists who stubbornly stick to numbers provided by valuation even when buyers consistently offer a lower price. This is fine if you have the time and resources to wait for the right price. Just be careful not to become too attached to a particular price. If you have a practice where the value could potentially become contentious (if it is an asset in a divorce or a partnership that is breaking up), it is usually

worth spending extra money to have a well-documented valuation with rigor behind multiple methodologies, but most practices will fall within a range related to production and profitability. (See: [Get Your Paperwork In Order For Your Practice Valuation](#))

Legal fees

It is important to work with a lawyer who has experience in drafting and evaluating the legal documents related to the sale of a business – if they have experience in dental practices, even better.

Secure a lawyer in your own state, since many of the regulations vary from state to state. While your spouse's cousin's brother-in-law might give you a good deal, if he is licensed in another state, it is best to find a local resource who can provide local expertise, even if it costs more. (You can find this local expertise by asking colleagues or checking with your state or local society – many maintain lists.)

In most cases, you will pay an hourly rate for the services of such a lawyer. Fees can range from \$150/hour to more than \$400, depending on the lawyer you choose.

At ADAPT, we provide our customers with checklists and worksheets that define all of the information a lawyer will need to complete the necessary paperwork. By compiling and preparing this information ahead of time, you can reduce the lawyer's needed time – and your out-of-pocket costs.

Business consulting or broker fee

This is typically the largest cost associated with selling your practice. Business brokers generally charge ~10% of the value of the practice as their fee. Some brokers will negotiate this fee downward depending on the circumstances of your practice.

Make sure you understand what is – and is not – included with that fee BEFORE you sign anything, and check for any exclusivity clauses. As with any industry, there are many excellent brokers in the market, but the fees are significant, so it is important to understand what you are getting before signing any agreement. ADAPT offers an alternative process that is usually significantly less expensive.

At ADAPT, we currently charge 4% of the value of the practice. We encourage our customers to build their own team of professionals to manage the transaction itself, but this is generally legal fees and a professional valuation.

Real estate

Whether you own or lease your current clinic, the underlying real estate will need to be addressed during the transition. ADAPT connects our customers to a trusted

national commercial real estate firm who will seek first to understand the situation, then determine the best means forward, be that:

- **Consulting services:** opinion of value, orchestration.
- **Leasing services:** assumption, renegotiation, relocation.
- **Sale services:** disposition, acquisition, sale leaseback structuring.
- **Construction & development:** new clinic development (fee or at risk), existing clinic retrofits.

The firm leverages decades of experience in commercial real estate, nationwide, and assists in crafting a strategy for your long term vision – be that ownership or leasing. Pricing for real estate services can vary from state to state but traditionally is structured as a percentage of asset or service value. Many selling dentists seek guidance on the value of the underlying lease or owned real estate. An opinion of value – which comes into play during the transition process – is a traditional starting point and can be provided for \$2,000. This can typically be completed in a matter of weeks.

Other costs

A buyer may require upgrades or repairs prior to purchasing a practice, but this is all part of the overall price negotiation. Sometimes these repairs are more than cosmetic and are required in order to meet building codes.

Other costs might include advertising fees if you decide to list your practice on a website or in a dental journal. Some brokers include these charges in their fees; other charge separately. ADAPT does not generally list practices outside our own platform or website; if we do, it is done with the permission of the owner and any charge is included in our fee.

Are you ready to sell your practice? Create your free profile now. ■

What Does It Actually Cost to Sell a Dental Practice?, posted December 10, 2020. Copyright 2021 © American Dental Association. All rights reserved. Reprinted with permission.

Mr. Robinson came to ADA Practice Transitions from the ADA where he was the vice president of Member & Client Services, gaining significant insight into the dental market. He has over 25 years of sales and marketing experience in a variety of markets and received his MBA from Kellogg School of Management at Northwestern University.

Student Loans: Explore Options and Plan For Long-term Success



Dentists graduating from dental school in 2019 owed on average about \$292,169, in student loans, and about 65% of those dentists carry loan debt in excess of \$200,000, [according to the American Dental Education Association](#).

According to a 2017 report by [American Student Assistance](#) and the [National Association of REALTORS](#), 76% of respondents reported that student debt impacted the purchase of a home, 65% delayed buying a car, while 55% delayed starting a family and 41% delayed getting married due to debt. Other student debt facts:

- About one-third of adults under age 30 carry student loan debt, [according to the Pew Research Center](#).
- 44 million Americans owe nearly \$1.6 trillion in student debt, according to [Student Loans Owned and Securitized](#), Outstanding; Economic Research; Federal Reserve Bank of St. Louis.
- Student loan debt now ranks second behind mortgages, [according to the Federal Reserve Board](#), 2020.

While these statistics are alarming and are part of a national trend related to financing education, they underscore the importance of proactively managing student loans to build a positive credit history, raising your overall credit score and evaluating available options to help ease the financial stress often associated with indebtedness.

Managing student loans

Here are eight tactics to help you manage your student loans:

1. Be strategic about your payments. Pay off your loans with the highest interest rates first to reduce interest accrual.
2. Make payments affordable. Contact your lender if you can't make a payment. There might be a repayment plan that works for you.
3. Make on-time payments. If you make a late payment, it may result in late fees and/or negatively impact your credit score.
4. Pay interest while in school. Some loans accrue interest while you're still in school. Make interest-only payments to prevent the balance from ballooning before graduation.
5. Enroll in automatic payments. This helps ensure your payments are punctual and some lenders offer rate reductions for customers who enroll.
6. Understand interest. Use this formula to calculate your daily interest: $\text{Annual Interest Rate} \times \text{Current Principal} \div \text{Days in the Year} = \text{Daily Interest}$.
7. Look into tax deductions and credits. Eligible student loan borrowers filing individually can deduct up to \$2,500 on their federal taxes every year, depending on their income.*
8. Understand where payments go. Your loan servicer can tell you if payments are distributed evenly among loans and how much of the payment is applied to interest versus the principal balance.

Payment options

You also have a number of ways to repay student loans.

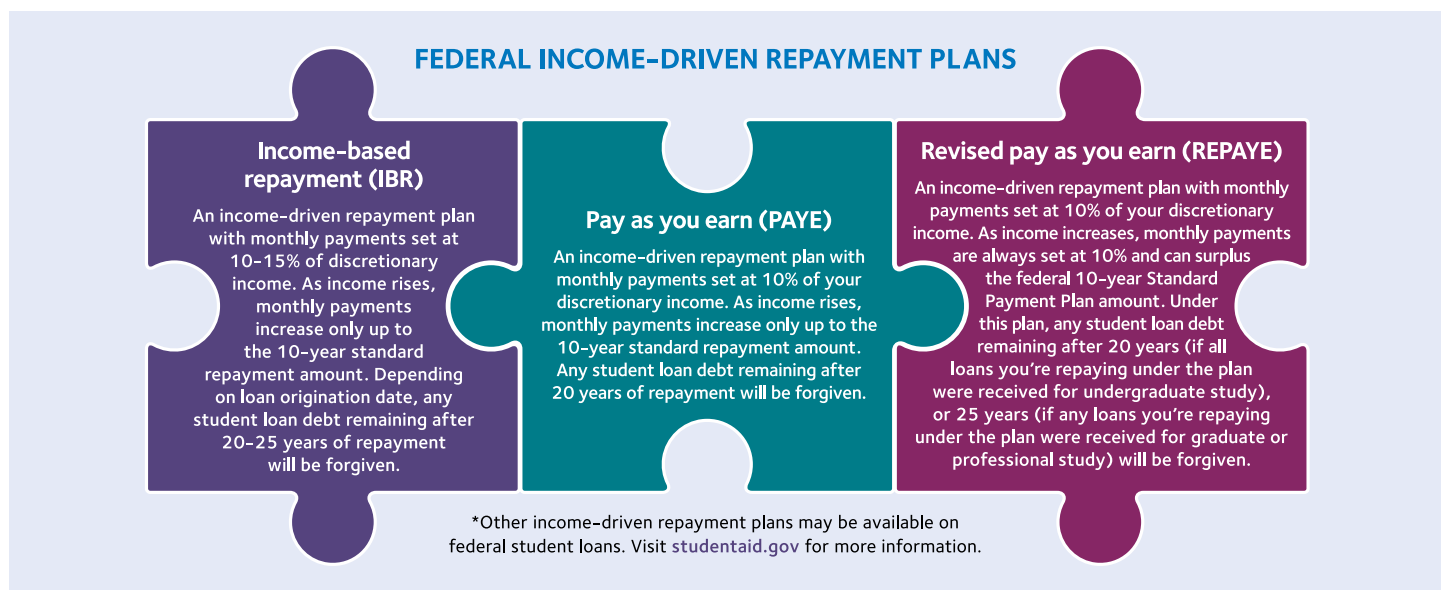
**Consult a tax advisor regarding student loans and your taxes.*

Direct consolidation — Creating a super loan by consolidating federal loans into one is a viable option for some borrowers. Typically, the new loan has a fixed interest rate based on the weighted average of the interest rates of the consolidated loans. Repayment terms vary from 10 to 30 years based on your total educational debt. Consolidating certain non-Direct federal loans may also give you access to additional federal income-driven repayment plans and Public Service Loan Forgiveness. Keep in mind that the loan term you consolidate into could have an impact on your monthly payment. If you are not consolidating to get access to these federal benefits, then the consolidation question likely comes down to convenience, interest rate and how important the terms of your existing loans are to you.

Public service loan forgiveness

Borrowers working in public or non-profit sector jobs can have loans forgiven after 10 years of service. If you are employed in certain public service jobs, such as at a not-for-profit hospital, and have made at least 120 qualifying payments on a Direct Loan, the remaining balance may be forgiven.

In most cases, debt forgiveness under the Public Service Loan Forgiveness (PSLF) Program is only an option if you use an income-driven repayment service such as Income Based Repayment (IBR), Pay As You Earn (PAYE), or Revised Pay As You Earn (REPAYE), as payments under the standard 10-year repayment plan would result in the loans being paid off at the time of your debt forgiveness



For more information, go to the Federal Student Aid website at StudentAid.gov/repay.

Plans based on your income — Income-driven repayment plans allow you to reduce monthly payment amounts for federal loans according to your income — typically a portion of your discretionary income. Repayment periods generally range from 20 to 25 years. Eligibility depends on your graduation date and when loans were dispersed.

Other repayment considerations include:

- Interest typically continues to accrue, so this option could be more expensive to repay over the life of the loan.
- Even if a loan amount is forgiven, it may be taxable.
- Monthly payments are set according to your federal tax return.

For more information, go to the Federal Student Aid website at StudentAid.gov/idr.

qualification. For those who qualify, the PSLF Program can be invaluable in relieving a good portion of your debt.

For more information, go to the Federal Student Aid website at StudentAid.gov/publicservice.

Refinancing federal and private loans

Refinancing entails having a private lender paying off your existing loan(s) and issuing you a new loan at a potentially lower interest rate. If approved, you be able select your desired repayment term from available options. If you're able to lock in a lower interest rate, this could save you money over the life of the loan. As a borrower, you want to balance lower rates with terms and payments that are the best fit with your budget and income.

Refinancing is not federal consolidation

Consolidation simply combines two or more loans into one loan with one interest rate. When federal student loans are consolidated into a Direct Consolidation Loan, the new interest rate is based on the weighted average

of the original loans' rates. Consolidation does not likely offer any interest savings, and private student loans cannot be consolidated with federal student loans. The key benefit of refinancing is the potential to save thousands of dollars in interest over the life of the loan.¹

Student loan refinancing may allow individuals to take advantage of low interest rates and potentially reduce the total amount owed over the life of loans. In addition, refinancing allows borrowers to change the terms of their loans, creating a plan that fits their circumstances.

Please note, you will lose certain benefits associated with federal loans if you refinance, such as access to income-driven repayment plans, forbearance and deferment options and loan forgiveness.

For more information, go to the Federal Student Aid website at [StudentAid.gov/h/manage-loans](https://studentaid.gov/h/manage-loans).

Eligibility

While each lender has its own specific qualification criteria, the key factors in determining eligibility and rates typically include your credit profile, total monthly debt payments and income. Those who are in good financial standing, demonstrate a strong career trajectory, have good credit scores, and have shown they are responsible with other debt and monthly budgeting are more likely to be approved. ■

¹ Savings vary based on rate and term of your existing and refinanced loan(s). Refinancing to a longer term may lower your monthly payments, but may also increase the total interest paid over the life of the loan. Refinancing to a shorter term may increase your monthly payments, but may lower the total interest paid over the life of the loan. Review your loan documentation for total cost of your refinanced loan.

Student loans: Explore options and plan for long-term success, Dental Practice Success, March, 2021. Copyright 2021 © American Dental Association. All rights reserved. Reprinted with permission.



Alex Macielak

Mr. Macielak manages business development and partnerships for Laurel Road. He has over eight years of experience in the student loan industry and has helped thousands of borrowers determine their optimal repayment strategy. Alex has a degree in Economics & Finance from Bentley University. Laurel Road is endorsed by ADA Member

Advantage as the preferred student loan refinancing company for ADA Members.



Are You Eligible to Refinance Your Student Loan?



Credit Score

With many lenders, a "good" credit score or better improves the likelihood of qualifying.

Eligible Degrees

Many lenders require borrowers have attended an accredited Title IV U.S. school



Income & Debt

A lower debt-to-income (DTI) ratio generally increases the likelihood of qualifying.


Citizenship

Many lenders require borrowers to be U.S. Citizens/Permanent Residents to be eligible



Learn about Laurel Road at
laurelroad.com/ADA

Preferred provider for the
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Taking Care of You: 5 Things to Try If You Have an Hour or Less

Your days are often spent caring for others — your patients, team members, loved ones and community. Have you taken a moment to consider your own wellbeing? Before giving your all to others, take some time to prioritize your own wellness. Start with small steps that work with your schedule using resources* below, available at no cost to ADA members.

Only have a few minutes?

- **Get moving with [ClassPass](#)**, a new ADA member perk that provides free access to over 4,000 hours of on-demand fitness classes and workouts focused on strength, cardio, barre, Pilates, yoga, meditation and more. ADA members also receive access to tens of thousands of different studios and gyms in over 2,500 cities worldwide and get 10% off on in-person class packages. To get started, visit [ClassPass](#) and enter **ADA2021** for the company code.
- **Take a breather** from life's chatter through supported breathing exercises, then learn additional ways to take care of yourself in a two-minute [video from an ADA collaboration with Hope for the Day](#), a non-profit movement empowering the conversation on proactive suicide prevention and mental health education.

If you have 60 minutes

The ADA has a collection of webinars with experts in many

different fields to provide guidance and advice around physical and mental health. Watch on demand (and earn CE credit at the same time):

- **COVID-19 PPE & Me:** Understand the issues related to enhanced personal protective equipment use during the COVID-19 pandemic, recognize the ergonomics challenges and current concerns related to the use of this PPE and learn potential workarounds to improve comfort.
- **Resilience in the Face of Uncertainty:** Best-selling author, MTV star and mental health advocate Ben Nemtin shares how you can increase your well-being in times of stress, anxiety and burnout.
- **Mental Health, Dentistry & You:** The National Alliance on Mental Illness (NAMI) Chicago's mission is to improve the lives of those affected by mental health conditions. This webinar addresses specific aspects of the dental practice and workplace that provide challenges and opportunities for wellness. Learn wellness techniques and strategies, and create your own "Wellness Plan" to better manage stress and engage in self-care. ■

Your ADA membership helps make "me" time a little easier with these exclusive resources designed for you. We're grateful for our members' support because it makes this programming possible. [Make sure to renew your membership for 2022 in November.](#)

**These resources are brought to you in part by a generous grant from Crest + Oral-B.*

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- Doctors who would like to place 15-20 implants.
- Doctor who would like to take their practice to the next level.
- Doctors that are interested in learning surgical fundamentals.

A questionnaire and background information will be emailed to all attendees to allow us to classify each doctor as Novice, Intermediate or Advanced. The theoretical part will be given during the first day with hands-on demonstrations and each day will be representative of the surgical techniques with a presentation and discussion of the cases.

If needed some classes will be send to you via email or video.

Every doctor will receive a group of patients in order to plan the surgeries with anticipation. Cases will be assigned to match each doctor's level of surgical experience and formal training.

www.aceinstitute.ca

**FOR MORE
INFORMATION**

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