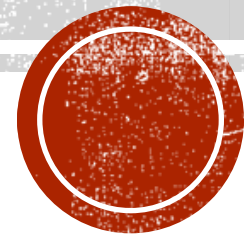


# FINANCES DURING RESIDENCY

Fiscal Incentives at UCLA Orthodontics

Eric C. Chen



# AVERAGE DENTAL SCHOOL DEBT

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1

According to the **American Dental Education Association**, in 2016 the average debt per graduate was **\$261,149**.

2

For graduates of private dental schools, the average debt is even higher.

3

This high level of debt can jeopardize a new dentist's ability to choose their preferred career path.



# CURRENT LOAN INTEREST RATES

Interest Rates for Direct Loans First Disbursed on or After July 1, 2017		
Loan Type	Borrower Type	Loans first disbursed on or after 7/1/17 and before 7/1/18
Direct Subsidized Loans	Undergraduate	4.45%
Direct Unsubsidized Loans	Undergraduate	4.45%
Direct Unsubsidized Loans	Graduate or Professional	6%
Direct PLUS Loans	Parents and Graduate or Professional Students	7%



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**Annual Income: \$55,566**

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Full medical insurance (Anthem Blue Cross PPO), dental insurance (Delta Dental PPO), and eye insurance (VSP).

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**Value of insurance benefits: \$4,500**

**UCLA ORTHO  
RESIDENT  
SALARY &  
BENEFITS**

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Effective tax rate – 19% (federal and CA state income taxes)

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Automatic 7.5% savings – approximately \$4K (tax-sheltered), managed by Fidelity

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7.5 % savings is in lieu of FICA (Federal Insurance Contributions Act for Social Security)

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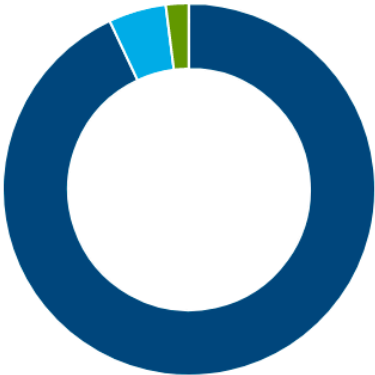
Once you complete residency at UCLA Ortho, you can rollover your savings to a traditional 401(k) or equivalent

# **UCLA ORTHO RESIDENT SALARY & BENEFITS**

# FIDELITY RETIREMENT SNAPSHOT

## Asset Classes

What are asset classes?



- Stock Investments 93.00%
- Bond Investments 5.00%
- Short-Term Investments 2.00%

## Charting Your Investments

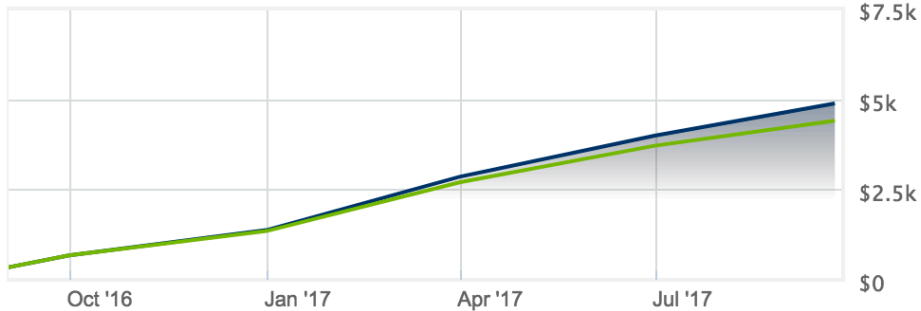
How your account and investment options have performed in the time you have owned them. Please read "How to read the table and chart" located above the table. Past Performance is no guarantee of future results.

**Balance History** Annualized Returns Cumulative Returns

View: UC PATHWAY 2055

Compare:  Balance  Cost Basis

### Since Initial Purchase Date



Balance History: View your balance history over time by account total or by investment option by changing the view drop down. You can also compare your balance to your cost basis. Annualized & Cumulative Return: View your personal rate of return (PROR), annualized or cumulative, for your account total or by



# FIDELITY RETIREMENT SNAPSHOT

## Balance

**\$4,876.67**

Data as of 09/22/17

## Contributions

Employee Contributions (2017)      \$3,054.77

[More about Contribution limits](#)

[Show More](#)

## Rate of Return

**+16.36%**

Year To Date as of 09/22/17

[Investment Performance & Research](#)



Endodontics and Orthodontics Dentistry  
2016-2017 Tuition, Fees and Expenses

Tuition	\$72,904
Fees	\$2,522
Instruments	\$3,939
Health Insurance**	\$4,230
<b>Total Educational Expense</b>	<b>\$83,595</b>
Room and Board ***	\$33,559
Personal Expenses	\$4,666
Transportation	\$2,725
Loan fees	\$ 215
<b>TOTAL Estimated Living Expenses</b>	<b>\$41,165</b>

\*Figures are estimated at press time. (6/17/16)

\*\* Includes Health Services, accident and emergency insurance and technology fee.

Students may downgrade, or waive the insurance coverage by contacting the Student Health Insurances Services at (212) 443 -1020.

\*\*\*Figures are estimated for graduate student living expense in New York City.

\*\*\*\* Loan Fees Subject to change per federal regulations

# COST OF ATTENDANCE (NY)

- Key items to pay attention to:
  - Tuition
  - Health insurance
- Don't forget the current interest rates for Grad Plus loans – 7% (2017)
- Don't forget annual tuition increases of ~3-5%
- Total direct costs: **\$250,785**





# COST OF ATTENDANCE (CA)

<b>Direct Costs</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Tuition	\$76,264	\$91,055	\$91,055
Instrument Management System Fee	\$765	\$915	\$915
Dental Equipment	Please contact your department		
Health Insurance	\$1,712	\$1,712	\$1,712
Health Fee	\$819	\$919	\$919
Disability Insurance	\$55	\$55	\$55
Topping Student Aid Fund	\$16	\$16	\$16
Student Programming Fee	\$80	\$80	\$80
Student Service Fee	\$28	\$28	\$28
<b>Total Direct Costs</b>	<b>\$79,739</b>	<b>\$94,780</b>	<b>\$94,780</b>
<b>Allowances for Indirect Cost</b>			
Room & Board	\$18,330	\$22,272	\$22,272
Transportation	\$2,880	\$2,532	\$2,532
Personal/Miscellaneous	\$2,110	\$3,456	\$3,456
<b><i>Estimated Cost of Attendance</i></b>	<b><i>\$103,059</i></b>	<b><i>\$123,040</i></b>	<b><i>\$123,040</i></b>

- Key items to pay attention to:
  - Tuition
  - Health insurance
- Don't forget the current interest rates for Grad Plus loans – 7% (2017)
- Don't forget annual tuition increases of ~3-5%
- Total direct costs: **\$269,299**



**1**

Gross income at  
UCLA orthodontics  
over 3 years =  
**\$166,698**

**2**

Gross direct costs  
at private ortho  
program over 3  
years = **\$269,299**

**3**

Income differential  
over 3 years =  
**\$435,997**

**4**

Don't forget the  
current interest  
rates for Grad Plus  
loans – 7% (2017)

# GROSS INCOME AND DIFFERENTIALS



# INTEREST ACCRUAL CALCULATOR (SALLIE MAE)

Loan balance

Interest rate

 %

Months of no required payments

 months

How often is interest paid during these months?

 ▾

**Calculate**

## Results

Accrued interest **\$ 56,553**

New loan balance **\$ 325,852**

*Amounts are estimates.*

See how paying more can have a positive impact on your loan balance. If you entered "Never" on the left, try selecting a different frequency and enter a manageable payment amount. Or, if you are already making payments, try increasing the amount. The new calculation will show you how your loan balance can change.

Looking for more tips? Our [Monthly Budget Worksheet](#) can help you look for a few dollars to put toward your loan.



01

Gross income at  
UCLA  
orthodontics  
over 3 years =  
**\$166,698**

02

Gross direct  
costs at private  
ortho program  
over 3 years =  
**\$269,299**

03

7% accrued  
interest over 3  
years  
(compounding)  
= **\$56,553**

04

Income  
differential over  
3 years =  
**\$492,550**

05

Don't forget  
your investment  
accounts

# GROSS INCOME AND DIFFERENTIALS (PRIVATE ORTHO COMPARISON)



01

Gross income at  
UCLA  
orthodontics  
over 3 years =  
**\$166,698**

02

Gross direct  
costs at public  
ortho program  
over 3 years =  
**\$100,000**

03

7% accrued  
interest over 3  
years  
(compounding)  
= **\$21,000**

04

Income  
differential over  
3 years =  
**\$287,698**

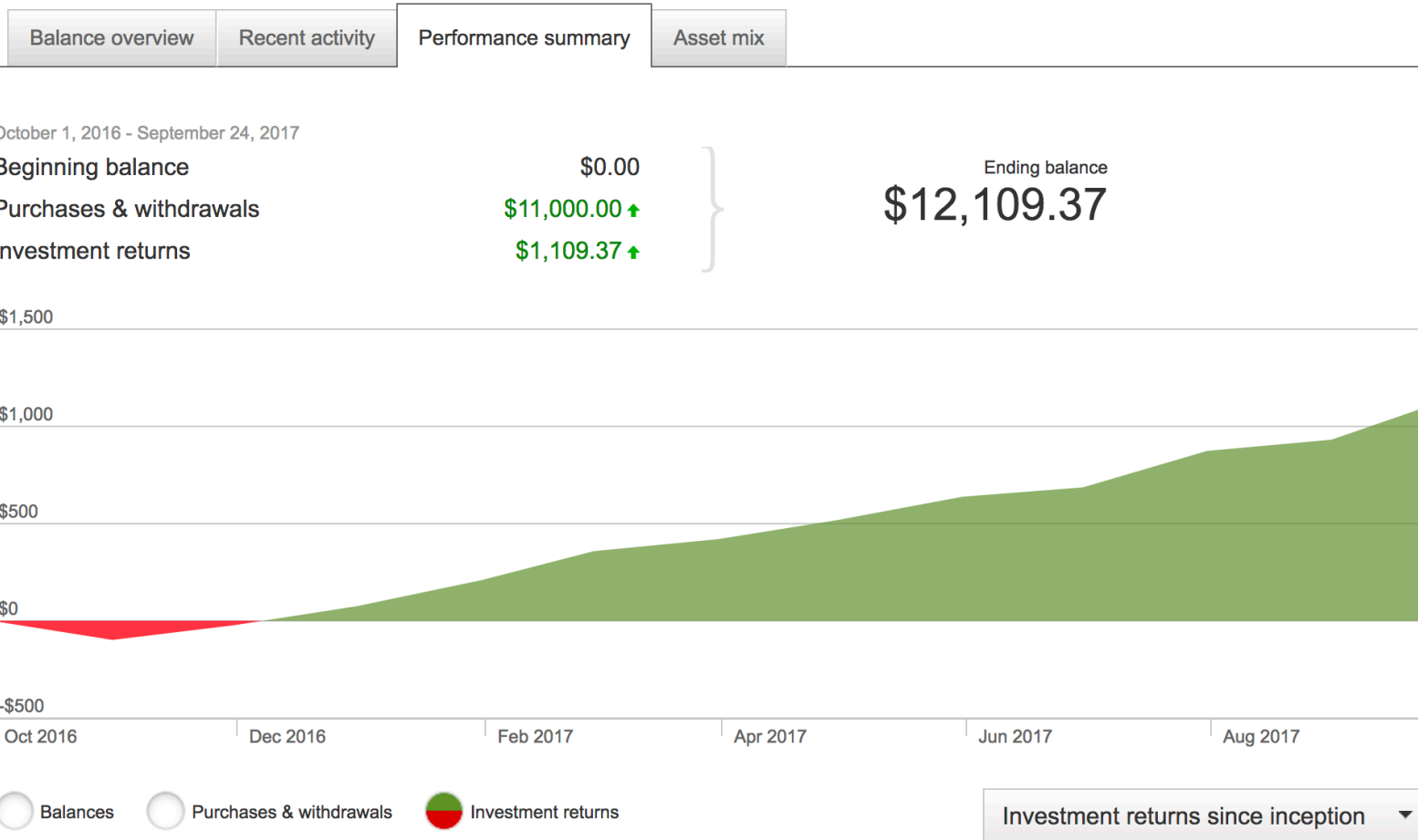
05

Don't forget  
your investment  
accounts

# GROSS INCOME AND DIFFERENTIALS (PUBLIC ORTHO COMPARISON)



# ROTH IRA SNAPSHOT (VANGUARD)



**THANK YOU &  
GOOD LUCK**

