



MERRITT HAWKINS 
an AMN Healthcare company

2011 Survey of Final-Year Medical Residents

A Survey Examining the Career Preferences, Plans and Expectations of
Physicians Completing Their Residency Training

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Overview

Merritt Hawkins is a national healthcare staffing and consulting firm specializing in the recruitment of physicians in all medical specialties, as well as select allied healthcare professionals. Established in 1987, Merritt Hawkins is a company of AMN Healthcare (NYSE: AHS), the largest healthcare staffing organization in the United States and a leading nationwide provider in all four of its service lines: travel nurse staffing, locum tenens physician staffing, physician permanent placement services and allied healthcare professional staffing.

As part of its thought leadership efforts, Merritt Hawkins regularly conducts a variety of surveys regarding a wide range of physician related topics. Prior surveys conducted by Merritt Hawkins include its annual Review of Physician Recruiting Incentives, Survey of Physician Inpatient/Outpatient Revenue, Survey of Patient Appointment Wait Times, and Survey of Physicians 50 to 65 Years Old. In addition, Merritt Hawkins has been retained to conduct surveys and research reports for national organizations seeking information regarding physician practice patterns, morale and future career

plans. Organizations for which Merritt Hawkins has conducted research include The Physicians Foundation, a non-profit grant-making organization composed of over 20 state and regional medical societies, and The Indian Health Service.

This report summarizes Merritt Hawkins' 2011 Survey of Final-Year Medical Residents. Merritt Hawkins has conducted this survey periodically since 1991 to determine the level of demand for graduating medical residents and a variety of other factors pertaining to the career preferences and practice plans of physicians completing their medical training.

Survey information is offered as a tool to help hospitals, health networks, medical groups and other health care organizations to recruit medical residents. It also may assist policy analysts, academics, journalists and others who follow medical staffing trends to assess the changing priorities and preferences of newly trained physicians entering the medical field.

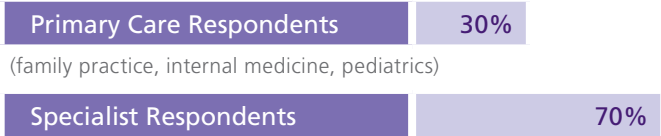
Methodology

The 2011 Survey of Final-Year Medical Residents was conducted by e-mail, a departure from earlier Merritt Hawkins' Final-Year Resident Surveys, which were conducted by telephone. Merritt Hawkins emailed the survey to some 10,000 final year residents and fellows in a wide range of specialties using a randomly selected e-mail list provided by a third party data base vendor. Surveys were emailed to residents on the list in May of 2011. A total of 302 responses were received by August, 2011, for a response rate of three percent. Survey results were compiled in August, 2011, and this report was completed and released in September, 2011.

Questions asked in the survey have varied over the years. Comparisons to responses received in previous years the survey was conducted are included where relevant.

Specialties Surveyed

Anesthesiology, Cardiology, Dermatology, Emergency Medicine, Endocrinology, Family Practice, Gastroenterology, General Surgery, Hospitalist, Internal Medicine, Neurosurgery, Obstetrics/ Gynecology, Orthopedic Surgery, Otolaryngology, Pediatrics, Pulmonology, Psychiatry, Radiology, Radiation Oncology



Key Findings

Merritt Hawkins' 2011 Survey of Final-Year Medical Residents reflects the concerns and expectations of physicians about to complete their final year of training and subsequently enter the job market. Key findings of the survey include:

*Medical residents are the subject of intense recruiting activity. Seventy-eight percent of residents surveyed indicated they have been contacted by recruiters with hospitals, medical groups, recruiting firms or other organizations 51 or more times during their residency training. Forty-seven percent said they have been contacted by recruiters 100 or more times during the course of their training.

*Though inundated with recruiting offers, a sizable minority of residents surveyed expressed second thoughts about their choice of a career. Twenty-nine percent of residents indicated that, were they to begin their education again, they would choose a field other than medicine.

*More residents (32%) indicated they would prefer to be employed by a hospital than any other option. Only one percent of residents indicated they would prefer a solo setting as their first practice.

*Almost one half of residents (48%) said they are unprepared to handle the business side of medicine. Only nine percent of residents said they are very prepared to handle the business side of medicine.

*The majority of residents (56%) said they received no formal instruction during their medical training regarding medical business issues such as contracts, compensation arrangements, and reimbursement methods.

*Residents identified "geographic location," "personal time" and "lifestyle" as their most important considerations when evaluating a medical practice opportunity.

*Residents identified "availability of free time" as their greatest concern as they consider entering their first medical practice. Residents identified "dealing with patients" as the least of their concerns as they consider entering their first medical practice.

*The great majority of residents (94%) would prefer to practice in communities of 50,000 people or more. Only 6 percent would prefer to practice in communities of 50,000 or less.

*The majority of residents (72%) expect to make \$176,000 or more in their first practice.

*Residents ranked “personal networking” as the most useful method for learning about medical jobs, followed by “residency programs,” “online job boards,” and “physician recruiters.”

*The majority of residents (72%) begin a serious job search either within one year of completing their training or more than one year before completing their training. Twenty-eight percent wait until six months before completing their training to start a serious job search.

Following is a breakdown of questions asked in the survey and responses received.

Questions Asked and Responses Received

(all numbers rounded to the nearest full digit)

1. About how many times during the course of your residency have you been contacted about medical practice job opportunities by recruiters, hospitals, medical groups, or others? Please include all recruiting letters, phone calls, personal conversations, e-mail or other forms of communication you may have received.

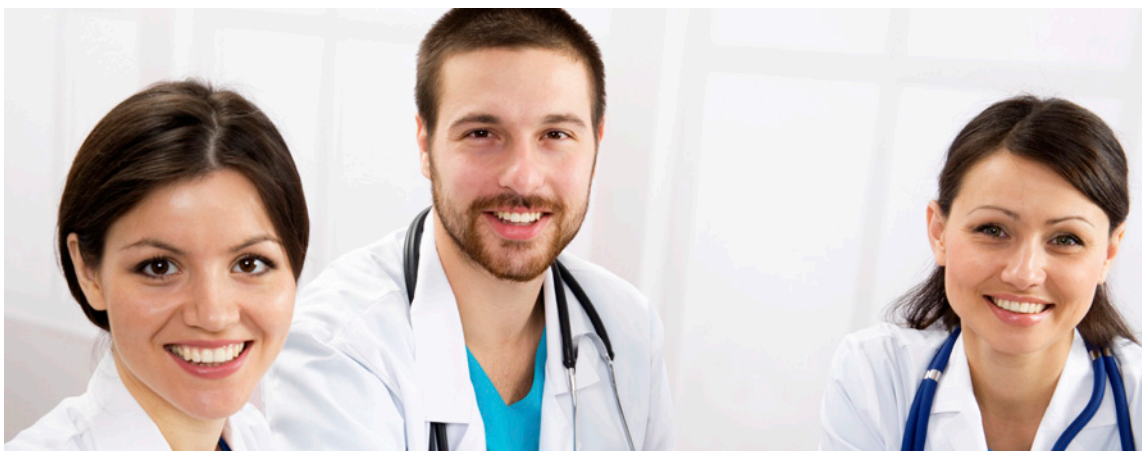
	2011	2008	2006	2003
0 to 10	2%	6%	4%	4%
11 to 25	9%	14%	17%	9%
26 to 50	11%	40%	27%	19%
51 to 100	31%	34%	36%	25%
Over 100	47%	6%	16%	43%

2. Which of the following do you consider to be the most useful sources for learning about practice opportunities? Please rate them from one being the most useful to three being the least useful.

	Most Useful		Somewhat Useful		Least Useful	
	2011	2008	2011	2008	2011	2008
Personal Networking	75%	28%	21%	48%	4%	24%
Residency Program	28%	21%	43%	44%	29%	35%
Online Job Boards	23%	58%	50%	9%	27%	33%
Physician Recruiters	19%	39%	49%	41%	32%	20%
Specialty Societies	18%	25%	52%	37%	30%	38%
Medical Journals	9%	34%	46%	11%	45%	55%

3. At what point in your residency did you begin to seriously examine practice opportunities — actually obtaining information, arranging interviews, etc?

	2011	2008	2006	2003
Six months before completion	28%	1%	27%	27%
One year before completion	51%	17%	40%	48%
Over one year before completion	21%	82%	33%	25%



4. What is important to you as you consider practice opportunities? Please rank the following factors, with one being the most important and three the least important.

	Most Important		Somewhat Important		Least Important	
	2011	2008	2011	2008	2011	2008
Geographic location	81%	57%	19%	12%	0%	31%
Adequate call / coverage / personal time	68%	28%	31%	53%	1%	19%
Lifestyle	64%	NA	34%	NA	2%	NA
Good financial package	56%	46%	42%	41%	2%	13%
Proximity to family	52%	30%	35%	37%	13%	33%
Good medical facilities/ equipment	44%	23%	51%	43%	5%	34%
Specialty support	31%	17%	54%	51%	15%	32%
Low malpractice area	16%	33%	58%	31%	26%	36%
Education loan forgiveness	12%	42%	38%	24%	50%	34%

5. Which of the following practice settings would you be most open to? (indicate one only)

	2011	2008	2006	2003	2001
Hospital Employee	32%	22%	52%	4%	3%
Partnership	28%	24%	71%	41%	21%
Single Specialty Group Employee	10%	23%	91%	30%	24%
Multi-specialty Group employee	10%	16%	60%	13%	28%
Outpatient clinic	6%	8%	17%	2%	8%
Academic	2%	N/A	N/A	N/A	N/A
Locum Tenens	1%	0%	9%	1%	3%
Solo	1%	1%	8%	4%	8%
Association	>1%	4%	9%	2%	0%
HMO	>1%	1%	6%	1%	1%
Unsure	9%	1%	5%	2%	N/A
Other (urgent care, student health, corporate, etc.)	N/A	>1%	1%	0%	4%

*In 2006, residents surveyed had the option of choosing multiple responses. In all other years, they were asked to give one response.

6. Based on population, in what size community would you most like to practice?

	2011	2008	2006	2003	2001
10,000 or less	>1%	3%	0%	N/A	0%
10,001 – 25,000	4%	1%	<1%	N/A	8%
25,001 – 50,000	2%	13%	4%	N/A	13%
50,001 – 100,000	10%	19%	15%	N/A	21%
100,001 – 250,000	15%	23%	30%	N/A	15%
250,001 – 500,000	21%	20%	26%	N/A	25%
500,001 – 1 million	20%	15%	18%	N/A	12%
Over 1 million	28%	6%	7%	N/A	6%

7. Which of the following types of compensation would you prefer at the start of your first professional practice?

	2011	2008	2006	2003	2001
Salary w/Production Bonus	78%	78%	91%	58%	62%
Salary	16%	18%	39%	20%	30%
Income Guarantee	6%	2%	33%	14%	3%
Unsure	N/A	0%	4%	8%	N/A
Bank Loan	N/A	0%	<1%	0%	0%
100% Productivity	N/A	0%	N/A	0%	5%

*In 2006, residents surveyed had the option of selecting multiple responses

8. What level of compensation do you anticipate achieving in your first professional practice?

	2011	2008	2006	2003
Less than \$50,000	>1%	0	0	0
\$50,000-\$75,000	1%	0	0	0
\$76,000-\$100,000	1%	0	0	0
\$101,000-\$125,000	5%	0	3%	3%
\$126,000-\$150,000	8%	5%	30%	7%
\$151,000-\$175,000	13%	21%	35%	14%
\$176,000-\$200,000	15%	8%	14%	18%
\$201,000-\$225,000	15%	14%	15%	17%
\$226,000-\$250,000	9%	8%	0%	17%
\$251,000 or more	33%	44%	3%	24%

9. What do you owe in student loans?

	2011	2008	2006	2003
\$0	25%	10%	33%	27%
\$50,000 or less	10%	17%	14%	16%
\$50,001-\$100,000	13%	19%	23%	22%
\$100,001-\$150,000	11%	29%	21%	17%
\$150,001-\$200,000	22%	19%	7%	11%
\$200,001-\$250,000	19%	6%	2%	7%

10. Are you concerned about educational loan repayment/forgiveness?

	2011	2008	2006	2003	2001
It is a major concern	28%	35%	12%	N/A	N/A
It is somewhat of a concern	26%	24%	37%	N/A	N/A
It is a minor concern	11%	19%	14%	N/A	N/A
It is not a concern	35%	22%	37%	N/A	N/A

11. How would payment of your educational loans influence your decision to accept a practice opportunity offer?

	2011	2008	2006	2003	2001
Little to no effect	39%	25%	47%	53%	N/A
Some effect	41%	35%	37%	34%	N/A
Great effect	20%	40%	16%	13%	N/A

12. How prepared are you to handle the “business side” of your medical career, including employment contracts, compensation arrangements, and other facets of employment?

	2011	2008	2006	2003	2001
Very prepared	9%	16%	53%	2%	N/A
Somewhat prepared	43%	66%	31%	51%	N/A
Unprepared	48%	18%	16%	47%	N/A

13. During the course of your medical training did you receive any formal instruction regarding “employment” issues such as contracts, compensation arrangements, interviewing techniques, reimbursement methods, etc?

	2011	2008	2006	2003	2001
Yes, some formal training	46%	56%	26%	46%	N/A
No, no formal training	54%	44%	74%	54%	N/A

14. What causes you the most concern as you enter your first professional practice? Please rate the following factors, with one being the most concerning and three being the least concerning.

	Most Concerning		Somewhat Concerning		Least Concerning	
	2011	2008	2011	2008	2011	2008
Availability of free time	48%	33%	45%	46%	7%	22%
Dealing with payers (Medicare, etc.)	42%	13%	45%	44%	13%	43%
Earning a good income	41%	38%	47%	45%	12%	18%
Malpractice	40%	32%	44%	37%	16%	31%
Health Reform	39%	N/A	47%	N/A	14%	N/A
Educational debt	30%	60%	36%	14%	34%	27%
Ability to find a practice	24%	41%	34%	38%	42%	21%
Insufficient practice management knowledge	22%	4%	57%	47%	21%	49%
Insufficient medical knowledge	7%	30%	25%	24%	68%	46%
Dealing with patients	2%	4%	15%	35%	83%	42%

15. If you were to begin your education again, would you study medicine or would you select another field?

	2011	2008	2006	2003	2001
Medicine	71%	82%	92%	76%	95%
Another Field	29%	18%	8%	24%	5%

Trends and Observations

Market Context

Merritt Hawkins' 2011 Survey of Final-Year Medical Residents was conducted during a period of extraordinary challenges and change in the medical profession.

Health reform, considered as both the provisions of the Patient Protection and Affordable Care Act and as prevailing market forces, is reshaping the traditional paradigm of physician practice, away from the independent physician private practice model and toward employment of physicians by hospitals, health systems, medical groups and other organizations. A great deal of uncertainty still exists regarding how health care will be delivered post-reform — whether it will be through emerging models such as Accountable Care Organizations (ACOs), medical homes, and concierge practices, through traditional models, or models yet to emerge. This uncertainty is heightened by recent and looming cuts to physician reimbursement that may take place through adjustments to the Sustainable Growth Rate formula (SGR), through the debt ceiling agreement, and through new payment formulas.

These changes are playing out at a time when the physician workforce is under increasing strain due to prevailing doctor shortages. The Association of American Medical Colleges (AAMC) projects a national deficit of 159,000 physicians by 2025. This does not factor in the potential increase in demand for physician services that will be caused if health reform succeeds in adding 32 million people to the ranks of the insured, as is projected.

Physician Deficits by 2025

Primary Care	33%
Surgical	37%
Other patient care	23%
Medical specialties	7%

Source: Association of American Medical Colleges

The shortage is compounded by the fact the number of medical residents completing training in the U.S. remains relatively stagnant compared to population growth. The number of new physicians entering the medical field is determined each year by the number of final-year medical residents and fellows graduating from close to 800 training programs nationwide. Currently, this group includes approximately 18,000 residents and fellows who graduated from U.S. medical schools and approximately 7,000 residents and fellows who graduated from medical schools based abroad.

The total number of graduating residents and fellows has been fixed at around 24,000 for close to 25 years, though the population grew from 242 million people to 302 million people during that time, according to the U.S. Census Bureau. Much of the funding provided to train medical residents comes from the federal government through the Center for Medicare and Medicaid Services (CMS.) Funding for physician graduate medical education through CMS was capped by Congress in 1997 in the Balanced Budget Act, which is a primary reason why the number of graduating medical residents and fellows has not significantly increased (see *Health Reform and the Decline of Physician Private Practice*, a white paper Merritt Hawkins completed on behalf of The Physicians Foundation, for a detailed analysis of these trends).

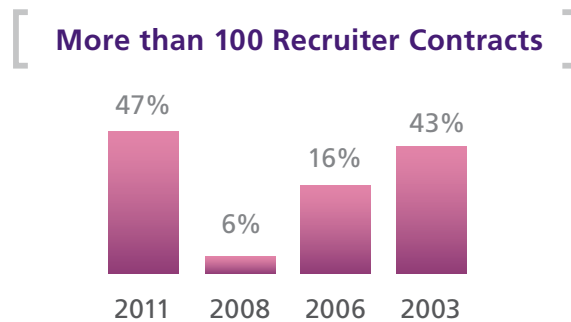
Medical residents completing their last year of training find themselves about to enter medical practice in a period characterized by both unusual turmoil in the medical profession and by unusual opportunity. Practice conditions may be challenging, but practice opportunities are abundant.

Survey responses therefore reflect the attitudes, concerns and expectations of newly trained physicians about to launch their professional careers at a historically fluid and significant time. An analysis of survey responses follows.

How Many Practice Solicitations?

Given the physician shortage, and the fact that the great majority of graduating medical residents and fellows are in need of a job, final-year medical residents are the consistent targets of physician recruiters, thousands of whom are employed by hospitals, medical groups and recruiting firms nationwide. Indeed, the American Medical Association (AMA) has even distributed guidelines to physician recruiting organizations requesting that they not contact residents during work hours or use any indirect means to lure them to the telephone.

Merritt Hawkins' 2011 Survey of Final-Year Medical Residents quantifies the level of this recruiting activity. The survey asked residents to estimate the number of times they were contacted by recruiters during the course of their training. The great majority (98%) said they had been contacted at least 10 times. Eighty-nine percent said they had been contacted 26 or more times, while 78% said they had been contacted 51 or more times. Close to one half (47%) said they had been contacted over 100 times by recruiters during the course of their training.



More residents indicated they had received 100 or more recruiter contacts in the 2011 survey than in any previous survey of final-year residents Merritt Hawkins has conducted. This underscores the ongoing intensity of physician recruiting activity even at a time when the economic downturn has reportedly depressed the utilization of medical services.

How and When Do Residents Find Jobs?

Final-year residents were asked to rate various sources they use to learn about medical practice opportunities on a sliding scale, with one being the most useful and three being the least useful. "Personal networking" was rated as "most useful" or "somewhat useful" by 96% of those surveyed and was the most highly rated source of job information. Traditionally, physicians have relied on personal contacts – relatives, friends, colleagues – to source jobs, and the survey indicates that remains the case today.





However, online job boards have superseded medical journals, another traditional source of physician job information, as a job resource among today's residents. Eighty-three percent of residents rated online job boards as "most useful" or "somewhat useful," while only 55% of residents rated medical journals as "most useful" or "somewhat useful." However, the number of residents indicating online job boards are "most useful" declined from 58% in 2008 to 23% in 2011, which may suggest the proliferation of medical job boards has created more confusion among residents than clarity regarding potential job opportunities. At least 68% of residents surveyed also indicated that residency programs, specialty societies and physician recruiters are "most useful" or "somewhat useful" sources of medical job information.

The 2011 resident survey confirms data from previous surveys indicating that most residents have become proactive in their job searches. Twenty-one percent of residents said they began to seriously examine practice opportunities over one year before completing their training, while 51% said they began a serious job search within a year of completing their training. Less than one-third (28%) said they waited until six months before completing their training before beginning a serious job search, up from just 1% in 2008. It can be presumed that at least some of these residents are confident enough in their ability to secure a job in today's market that they do not see the need to begin looking a long time in advance. Others may be too preoccupied with their training and duties to devote time to a job search prior to completing their training.

The 2011 survey therefore reinforces the fact that recruiters generally need to contact medical residents about job opportunities within or before their final year, or risk being too late to be considered.

What do Residents Look for in a Practice?

Residents were asked to rate those factors they look for when assessing practice opportunities, with one being the most important and three the least important. “Geographic location” was rated as a “most important” factor by 81 percent of residents, a higher rating than any other consideration. This reinforces a common perception about residents among recruiters, which is that many residents have a specific location in mind for their first practice — often a location 50 miles from where they trained, where they grew up, or where their spouse or significant other grew up. This preference may override more practical considerations, such as community need for their services, income potential, and general practice compatibility. Like many young professionals, some residents view their prospective careers from the vantage point of what they want, rather than what they may need (i.e., a beach side community versus a viable practice with an adequate patient base, compatible associates, etc.)

Retention therefore becomes an issue for residents who may embrace a practice opportunity in the geographic location of their choice, only to later discover it does not meet their personal or professional needs. One of the first priorities for recruiters working with residents, therefore, is to broaden their geographic parameters so that they consider practices with which they are compatible, even if those practices are not located in geographic areas they initially may prefer. For this reason, Merritt Hawkins has created an on-line resource for the purpose of educating newly trained physicians regarding the business aspects of medicine and practice opportunity selection (see www.NewPhysician.com)

“Adequate call/coverage and personal time” was rated as a “most important” factor when considering a practice opportunity by 68% of residents, and was the second most highly rated consideration. This confirms another perception about younger physicians today, which is that they are seeking a controllable lifestyle that allows for a balance between their practice and their personal life. “Lifestyle” was rated a “most important” factor by 64% of residents, further confirming the perception that newly trained physicians are motivated to find practices that offer a work/life balance. A “good financial package” was rated a “most important” factor by 56% of residents, trailing geography and lifestyle among practice opportunity considerations (see graph below).

Geography Trumps Lifestyle as a Most Important Factor

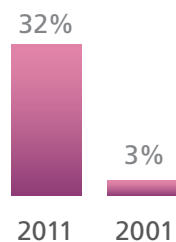
Geographic location	81%
Call/ Personal time	68%
Lifestyle	64%
Income	56%

Today, practice hours, call schedules and vacation times often are the key factors in physician contract discussions, supplanting salaries or bonuses as the primary points over which residents and hospitals, medical groups or other employers tend to negotiate. Other factors, such as proximity to family, specialty support, medical facilities/equipment, and malpractice rates are considered important to somewhat important by many residents, but do not rate as highly as lifestyle or income considerations.

Residents were asked which type of practice setting they would be most open to as they enter the job market. Only one percent indicated they would be most open to a solo practice, underscoring the fact that very few residents are interested in the traditional medical career path in which doctors came out of training and “hung out a shingle,” owning their own practices. However, 28% of those surveyed indicated they would be open to a partnership with another physician, implying that they would be willing to be co-owners of a practice. This suggests that the “entrepreneurial spirit” is not entirely dormant among newly trained doctors and that the appeal of traditional practice partnerships still exists.

However, in an indicator of shifting practice preferences, more residents (32%) said they would be most open to a hospital-employed setting than other practice type, up from just 3% in 2001 (see graph below).

Residents Preferring Hospital Employment



Given recent declines in reimbursement, escalating practice costs, and a high level of administrative responsibilities, many in-practice physicians are migrating away from independent practice and toward hospital employment. Fifty-six percent of the physician search assignments Merritt Hawkins conducted in 2010/11 featured hospital employment of the physician, up from just 11% in 2004 (see Merritt Hawkins 2011 Review of Physician Recruiting Incentives). The 2011 resident survey indicates medical residents also are leaning toward hospital employment or employment by a medical group. Of those who did not indicate hospital employment as a first preference, 20% said either single-specialty group or multi-specialty group employment was their first preference. Very few residents (less than 3%) expressed a preference to work for a health maintenance organization (HMO) or academic center.

The 2011 survey holds continued bad news for communities in rural areas and the hospitals and medical practices that serve them. Less than one percent of final-year medical residents surveyed would prefer to practice in a community of 10,000 people or fewer, and only four percent would prefer to practice in a community of 25,000 or fewer. The majority of residents (about 84%) would prefer to practice in a community of 100,000 people or more, while 28% would prefer to practice in a community of one million or more. The Patient Protection and Affordable Care Act (“health reform”) included provisions to address rural physician shortages, including additional funding for the National Rural Health Corps, community health centers, and for the development of rurally-based resident training programs. These new rurally-based training sites and rotation programs will be designed to give residents a taste for rural practice and to reduce the reservations they may have about rural practice. These reservations often are related to residents’ concerns about being on a clinical “island” without specialty support, information technology and other resources than they may be about the amenities of rural communities.

While these initiatives may eventually succeed in attracting more residents to rural areas, the survey suggests that attracting residents to traditionally underserved settings will remain extremely challenging for the foreseeable future.

What do Residents Expect to Earn?

Residents were asked what level of compensation they expect to earn in their first year of professional practice. Seventy-two percent said they expect to make at least \$176,000, while the remaining 28% expect to make less. This is somewhat below the level of starting salaries Merritt Hawkins observes for primary care physicians (including family physicians, general internists and pediatricians) where averages range from \$178,000 to \$205,000. Some residents surveyed may intend to work part-time, and therefore have adjusted down their financial expectations accordingly. Part-time practice is a growing preference among younger physicians, many of whom are starting families at the same time they are entering the job market. According to a recent survey conducted by the American Medical Group Association (AMGA), about 40% of female physicians aged 35-44 worked part-time in 2010, as did 18% of male physicians in the same age group.

Thirty-three percent of residents surveyed expect to earn \$251,000 or more in their first year of practice, while 12% expect to earn \$326,000 or more. These numbers are not out of line for orthopedic surgeons, cardiologists, urologists, gastroenterologists and other relatively highly paid specialists, many of whom are in great demand and generate considerable revenue on behalf of hospitals or other employers. These high incomes are in part a reflection of the fact that physician shortages are not confined to primary care but are present in many specialty areas as well.



The great majority of final-year residents surveyed (94%) would prefer a straight salary or a salary with production bonus in their first year of practice. Only 2% would prefer an income guarantee, a type of compensation structure usually offered in independent rather than employed practice settings. This reinforces that fact that residents today are not particularly entrepreneurial and would rather earn a paycheck initially than assume the financial risk of practice ownership.

Who is in Debt?

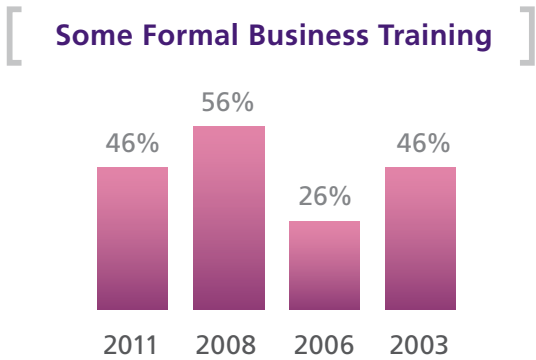
Residents were asked what they owe in student loans. Twenty-five percent indicated they owe nothing in student loans. At least some of these residents may be international medical graduates, who often do not carry the same level of educational debt as graduates of U.S. medical schools. Fifty-two percent of residents said they owe at least \$100,000 in student loans, 41% said they owe at least \$150,000 and 19% said they owe \$200,000 or more (up from 6% in 2008). The fact that a growing number of residents are experiencing high levels of debt of over \$200,000 or more is consistent with other surveys indicating a growing level of educational debt among medical students and residents.

Twenty-eight percent of residents said that repayment of their educational debt was a "major concern" while 26% said it was "somewhat of a concern." Some hospitals and other organizations offer to repay residents all or a portion of their educational debt as part of the recruiting incentive package. Merritt Hawkins' 2011 Review of Physician Recruiting Incentives indicates that educational loan forgiveness was an incentive offered in 28% of the physician search assignments Merritt Hawkins conducted in the 12 month period from April 1, 2010 to March 31, 2011. Residents were asked how repayment of their educational loans would affect their decision to accept a particular practice opportunity offer. Twenty-percent said educational loan repayment would have a "great effect" upon their decision to select a particular offer, while 41% said it would have "some effect." Student loan repayment therefore may be an incentive hospitals and other employers should consider when recruiting medical residents for whom debt forgiveness is a priority.

How Prepared are Residents for the Business of Medicine?

Final-year residents were asked how prepared they are to handle the “business side” of medicine, including such factors as employment contracts and compensation arrangements. Only nine percent said they are “very prepared” to handle such matters (down from 16% in 2008), 43% said they are “somewhat prepared” and close to half (48%) said they are “unprepared.”

Traditionally, medical students and residents have received little instruction in the business of medicine as the preponderance of their education and training is focused on clinical issues. In recent years, however, a number of medical schools and residency programs have reportedly added at least some instruction in medical economics and practice management (the medical school at Texas Tech, for example, offers a “virtual practice” that allows students to experience a medical work environment online). Nevertheless, most residents reported they received no formal business training during their residencies (see chart).



When asked if they had received any formal instruction in employment related issues such as contracts, compensation, only 46% of residents surveyed in 2011 said yes, down from 66% in 2008.

In Merritt Hawkins’ experience many residents remain unfamiliar with the basic terms and conditions of medical employment and therefore may be at a disadvantage when evaluating practice opportunities. A great deal of care should be taken by the recruiting party to educate residents regarding the features, benefits, and drawbacks of the growing number of financial arrangements available to physicians in today’s recruiting market (see Merritt Hawkins’ white paper *Physician Recruiting Financial Models* for more information on this topic). Without such guidance, residents are more likely to accept a practice offer coming out of training that may not suit their needs, leading to a high level of turnover.

What Concerns Residents?

Residents were asked to rate those factors causing them the most concern as they prepare to enter their first professional practice, with one being the most concerning and three the least concerning.

“Availability of free time” was listed as “most concerning” by 48% of residents, higher than any other factor, followed by “dealing with payers” (42%), “earning a good income” (41%), “malpractice” (40%), and “health reform” (39% — see chart below). As referenced earlier, younger physicians today are committed to achieving a work/life balance, particularly as many are beginning to raise families as they complete their training.

Most Concerning Factors

	2011	2008
Availability of free time	48%	33%
Dealing with payers	42%	13%
Earning a good income	41%	38%
Malpractice	40%	32%
Health reform	39%	N/A

Residents also are concerned about the so-called “hassle factors” inherent to contemporary medical practice, which at this point in their careers they may have heard about from more senior physicians or already experienced themselves. These include reimbursement challenges (“dealing with payers”), malpractice and the uncertainties created by health reform. Residents are therefore likely to be attracted to practice opportunities where these challenges are minimized, as they often are in employed settings.

By contrast, fewer residents are concerned about their medical knowledge or ability to interact with patients. Only seven percent listed “insufficient medical knowledge” as “most concerning” and only 2% listed “dealing with patients” as “most concerning.” Concerns about medical knowledge may be minimal because most residents surveyed expressed a desire to work in settings such as hospitals or medical groups, where specialty and information technology support generally are available.

Buyer's Remorse

Residents were asked if they would study medicine again if they had their education to do over or if they would select some other field. The majority (71%) said that they would choose medicine. However, a significant minority (29%) said they would choose another field, up from 18% in 2008. The fact that nearly one in three newly trained physicians expressed "buyer's remorse" over their choice of career is in part a reflection of the current turbulent state of the medical profession, as referenced above.

Would Choose Another Profession

2011	2008
29%	5%



Rather than being eager to begin their medical careers, many residents today may be troubled by the length, expense, and intensity of their training, and by the conditions that may greet them in their first professional practice. As referenced above, this year's class of residents will be entering practice at a unique time of change and uncertainty caused by health reform and a variety of other factors. The survey therefore reflects a larger fact about the medical profession, which is that many in-practice doctors also are disaffected by the current medical practice environment and are seeking alternatives to traditional private practice and to clinical care in general, inhibiting access to physician services and further exacerbating the physician shortage.

These issues are explored in more detail in two documents Merritt Hawkins completed in cooperation with The Physicians Foundation: 1) *Health Reform and the Decline of Physician Private Practice* and, 2) *In Their Own Words, 12,000 Physicians Reveal Their Thoughts on Medical Practice in America*.

Additional information about Merritt Hawkins and AMN Healthcare thought leadership initiatives is available below.

Merritt Hawkins' Additional Surveys

Merritt Hawkins is an AMN Healthcare company. AMN Healthcare is the largest healthcare staffing organization in the United States. Other surveys conducted by Merritt Hawkins or other AMN companies include:

- Review of Physician Recruiting Incentives
- Physicians and Health Reform
- Medical Practice: The Physicians Perspective
- Survey of Physicians 50 to 65 Years Old
- Physician Inpatient/Outpatient Revenue Survey
- Survey of Final Year Medical Residents
- Survey of Primary Care Physicians
- Review of Temporary Healthcare Staffing Trends & Incentives
- Review of Temporary Healthcare Staffing Trends & Incentives (Mid-level Providers)
- Survey of Chief Nursing Officers
- Survey of Men in Nursing
- Survey of Travel Nurses
- Survey of Nurse Students

Books Written by Merritt Hawkins:

Review of Physician Recruiting Incentives
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Will the Last Physician in America Please Turn Off the Lights?
A Look at America's Looming Physician Shortage, Fourth Edition
©2008 Merritt Hawkins

Merritt Hawkins Guide to Physician Recruiting, Third Edition
©2009 Merritt Hawkins

In Their Own Words: 12,000 Physicians Reveal Their Thoughts on Medical Practice in America.
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To order these books from the publisher, visit:
www.practicesupport.com, or, for In Their Own Words, www.amazon.com.

For additional information about this survey or other information generated by Merritt Hawkins or AMN Healthcare, please contact:

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Speaking Presentations from Merritt Hawkins and AMN Healthcare



Merritt Hawkins and AMN Healthcare are committed to providing survey data and other information of use to healthcare executives, physicians, policy makers and members of the media.

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- Recruitment Process Outsourcing
- Other Topics Upon Request

For more information about this survey or to book Merritt Hawkins' speakers contact:

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