Is an MBA Worth It for an MD?

[Editor’s Note: I get lots of guest posts submitted to this site, but routinely turn down most of them. I thought this one would make for an interesting discussion, so I decided to run it. I often have doctors who have just become interested in personal finance or who would like to move out of medicine, or who would like to move into administration ask about getting an MBA. The article is written by a freelance writer, Vera Marie Reed, with whom I have no financial relationship.]

An MBA might seem like a degree only meant for the entrepreneurs of our age but the degree is actually very flexible and adaptable to a number of fields. The degree is particularly helpful to use in one of the most lucrative industries in the world. The medical field is a constantly evolving and growing industry that not only requires healthcare knowledge but also business knowledge. As the healthcare industry continues to change by way of care packages and insurance policies for patients, many doctors are seeking to learn the same business knowledge and skills that MBA graduates learn. In a trillion dollar industry having some sort of knowledge about accounting, investing, and marketing is more than helpful especially for physicians looking to start their own practice.
MBA graduates looking to enter the medical field will find that there is a huge demand for their services, especially for administrative positions. There are many different opportunities for business graduates to enter the field from consulting to financial managers. In addition to bringing business-savvy know-how, MBAs are able to bridge the gap between patient and doctor communication by bringing new forms of technology such as mobile applications.

**Career Opportunities for MBA Degrees**

According to a 2013 Corporate Recruiters Survey, about 89 percent of health care employers planned on hiring MBA graduates. Healthcare is one of the few industries that continually sees steady growth in profit and employment year after year. MBA students are primed and groomed to analyze such data to develop the best moves to make and manage profits. There are many lucrative career opportunities for MBA students in the healthcare industry.

Consulting has become a recent necessity for many major providers and private clinics. New changes in healthcare policies has progressed the medical field to seek advice from more business-minded professionals about changing strategies and operations within their practices.

Of all the skills most in need of physicians, management skills seems to be one of the most desired and applied. Many MBA graduates find that their organizational management knowledge and general entrepreneurial skills they learned through their business courses has helped them immensely in working in healthcare. In addition, more physicians are considering larger, group practices rather than attempting opening a practice solo. This allows for more budget to be
considered to hiring administrative staff and others to run the business aspects of the operation so that the doctors can focus on their patients’ needs more attentively. While MBA graduates interested working in the healthcare industry can look into a number of opportunities for their careers, many move into hospital administration.

Hospital administrators are one of the highest paid positions in the medical industry. According to the New York Times, the average annual salary of a hospital administrator was $237,000, about $50,000 more than the average clinical physician who on average earns $185,000. Usually the field is headed by MBA graduates who have the business knowledge to operate and run a major organization such as a hospital. Hospital administrators do more than just delegate tasks to staff, instead this position requires someone that understands how to run essentially a corporation and multi-level organization. A hospital administrator considers hiring on all levels, budgeting for the entire hospital, marketing strategies, operations management, among a myriad of other responsibilities that mirror that of a CEO’s at a major corporation.

MBA graduates have the benefits of understanding how a major organization runs and is trained in understanding how to maintain and increase profits. However, they do not have the
thorough understanding of the medical field and often do not implement the same considerations that seasoned physicians might implement. Thus, more and more hospitals look for possible candidates for such a position that have earned both degrees or a dual degree.

**Consider MD/MBA Degree**

As the medical field becomes increasingly competitive, many prospective students are not just looking for a top M.D. program but also a top MBA program at universities. Many physicians who start their own practices also need not just medical background to care for their patients but also entrepreneurial skills such as managing, accounting, and finance to ensure their practice thrives. Many universities are finding ways to satisfy students’ ambitions and creating MD/MBA programs that combine the two prestigious post-graduate degrees with the number of programs rising from six to 65 in the last two decades. The degree allows students to complete both degrees in four to five years. Combining the two degrees also helps lower the costs of earning the degrees separately as both advanced programs have seen rising tuition in the last couple of years. More and more students take on academic debt because of the cost of just one degree. However, a dual degree can eliminate the need to look into more years of financial aid. There are also many financial aid opportunities for dual degree earners such as specialized grants and scholarships.
The dual degree program gives medical students not just the necessary medical knowledge and practices but also grooms them to become top business leaders in their field. For example, Harvard’s joint MD/MBA program has opened up numerous opportunities for students that single degree holders might not possess after graduation. Many of their graduates go on to open several private practices and medical organizations. The skills of caring for patients they learned in their MD program courses, but the business skills they acquired to make profit and progress was from the MBA courses of the program. According to an article from The Atlantic, many medical students find that earning an MBA has helped them make innovative and risk-taking decisions that benefited their hospitals. This calculating and risky decision comes from business thinking, not necessarily the kind of thinking physicians are trained to do.

The healthcare industry is one of the top fields to enter for lucrative and positive career growth. Not only do you contribute to the health and well-being of others, satisfying an emotional need to help others, but you also are able to have a successful financial career. Whether you are an an MBA graduate or a dual degree holder, the skills that business courses instill are clearly beneficial for working in the healthcare industry.

What do you think? Have you obtained an MBA? Have you found it to be worth it or not? Did you do an MD/MBA program? What was it like? Have you considered a typical or even an executive MBA? Why or why not? Comment below!