



2024
NASPA
SYMPOSIUM ON
MILITARY-CONNECTED
STUDENTS

Insights from Pew about Veterans' Student Loan Debt

Agenda

- Why Pew Analyzed Veterans' Student Loan Debt
- Why Educators/Administrators Should Care
- How Much Veterans Typically Borrow
- Why Veterans Borrow Student Loans
- Key Takeaways

Looking to Solve this Mystery:

Given the robust Post-9/11 GI Bill ...

- Why did 29% of undergraduate student veterans borrow student loans?*
- Why did they take out larger loans than their non-veteran counterparts?
 - \$8,334 median among undergrad, student veteran borrowers
 - \$7,500 median among undergrad, independent non-veterans

*All figures on this slide are derived from the U.S. Dept. of Education's Natl. Post-Secondary Student Aid Study 2018.



Preview of Key Takeaways

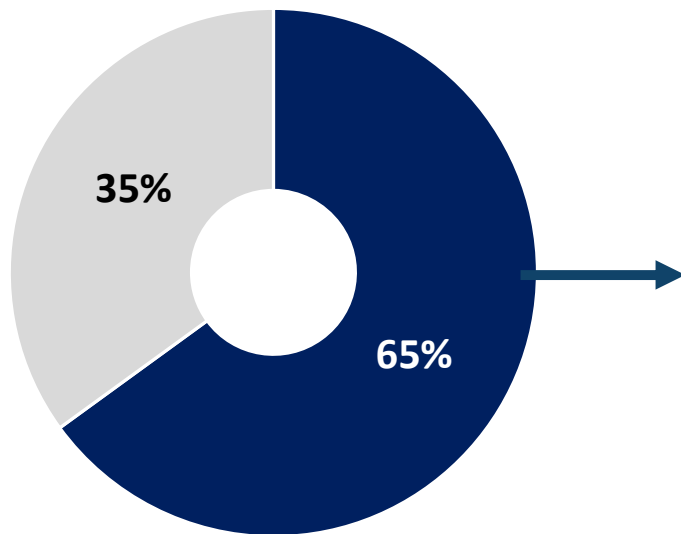
- ❑ Nearly half of veteran borrowers owed more than \$25,000
- ❑ Why this matters:
 - ✓ Student loans are significant source of financial stress for veterans
 - ✓ Challenges of balancing work & school related to non-completion
- ❑ Why do veterans borrow student loans?
 - ✓ To cover education/training costs **before, during, and after** the military
 - ✓ Many vets cannot – or choose not to – use their GI Bill benefits
 - ✓ Some vets choose schools that cost more than the GI Bill max
 - ✓ Many vets struggle with costs beyond tuition

Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

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How did Veterans Describe their Student Loan Debt Burden?

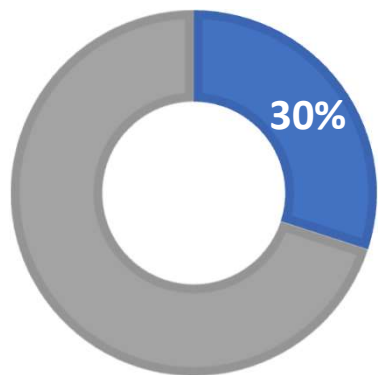


- Student loan debt a source of financial stress.
- Student loan debt *not* a source of financial stress.

- 9% “an overwhelming source of financial stress”
- 13% “a constant source of financial stress”
- 43% “an occasional source of financial stress”

Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

30% of student veterans did not complete program at first school after discharge



Top 5 Reasons for not completing program at first school:

Transferred to another school	33%
Left school to pursue other activities	24%
Could not balance work and school	22%
Difficulties with grades/performance/fitting in	12%
Was undecided or changed my field of study	10%

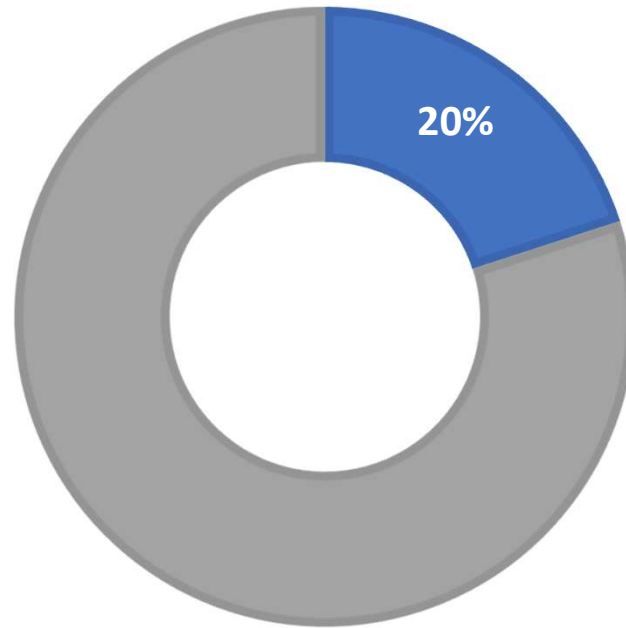
Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

Note: Respondents were asked to select all that apply.

Agenda

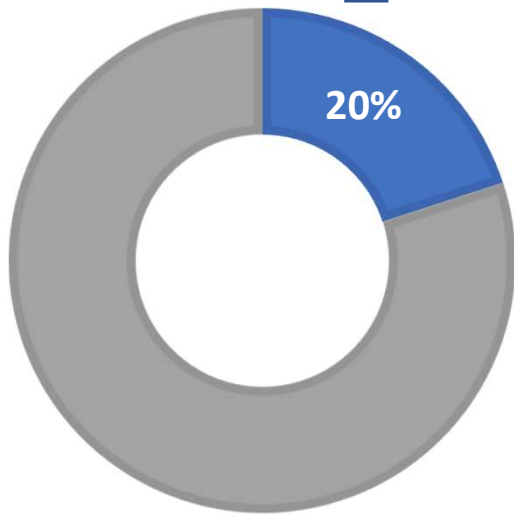
- ✓ Why Pew Analyzed Veterans' Student Loan Debt
- ✓ Why Educators/Administrators Should Care
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One in Five Veterans had Student Loan Debt about Four Years after Discharge



Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

Nearly Half of Veteran Student Loan Borrowers Owed More than \$25K



20% of veterans had student loan debt ~4 years after discharge

Student Loan Amount	~4 Years after Discharge*
Less than \$10,000	5.8%
\$10,000 - \$24,999	5.4%
\$25,000 - \$49,999	3.9%
\$50,000 - \$99,999	2.3%
\$100,000 or more	1.1%

Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

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Why Veterans Borrow Student Loans

Leading Hypotheses

1. Most vets with student loan debt borrow *after* discharge.
2. Some vets were unable to use Post-9/11 GI Bill benefits.
3. Many vets choose schools that cost more than the GI Bill max.
4. Many vets struggle with costs beyond tuition.

Audience Poll!

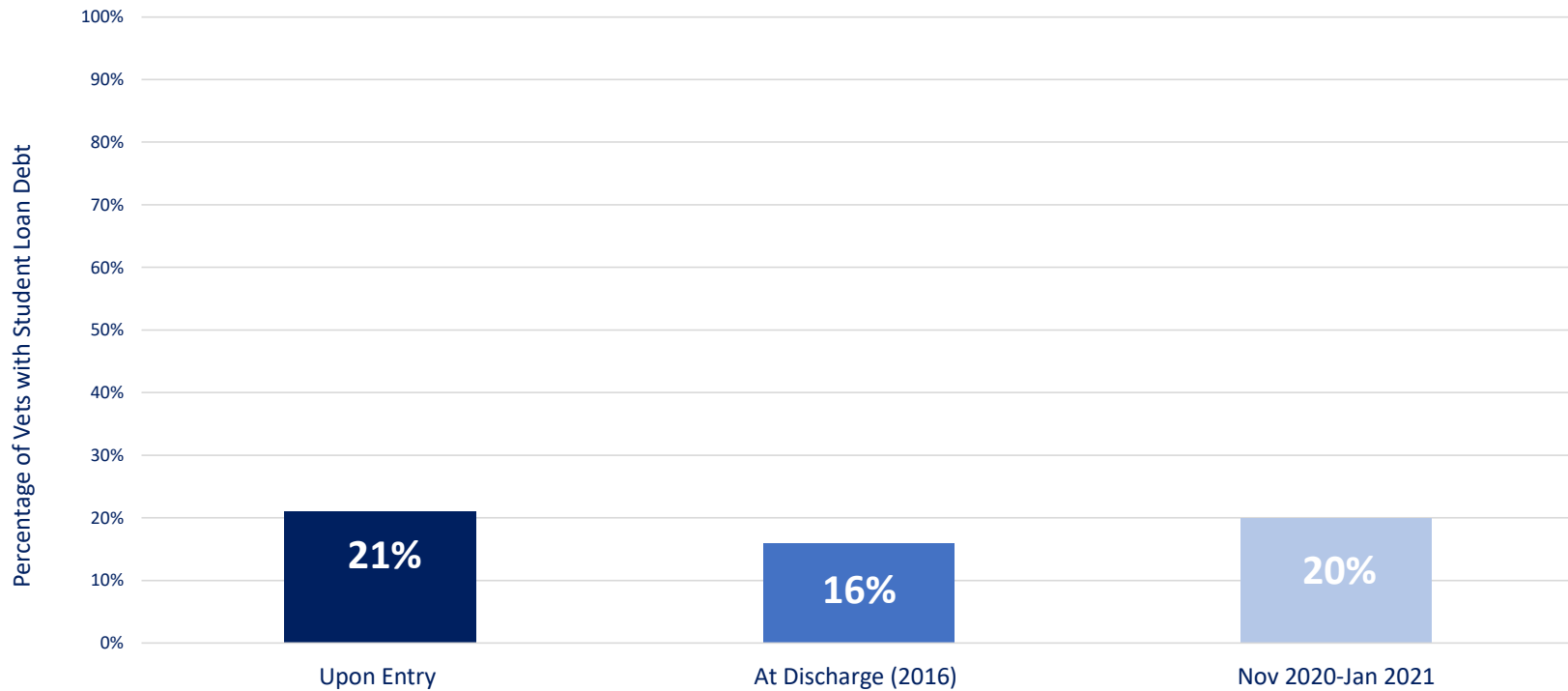
At what milestone did the largest percentage of veterans hold student loan debt?



Milestones:

- A. Upon entry into service.
- B. Upon discharge.
- C. Four years after discharge.

Percentage of Veterans with Student Loan Debt Similar Across Three Milestones



Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)



Nearly Half of Veterans who Borrowed Owed More than \$25K Across Three Milestones

Student Loan Amount	Upon Entry into Service	Upon Discharge (Fall 2016)	~4 Years after Discharge*
Less than \$10,000	6.0%	5.1%	5.8%
\$10,000 - \$24,999	6.1%	4.0%	5.4%
\$25,000 - \$49,999	4.3%	3.3%	3.9%
\$50,000 - \$99,999	2.6%	1.8%	2.3%
\$100,000 or more	0.9%	1.0%	1.1%

Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

* VETS Survey was conducted
Nov 2020 – Jan 2021



Why Veterans Borrow Student Loans

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Describe the GI Bill Experience

Veterans who borrowed ...

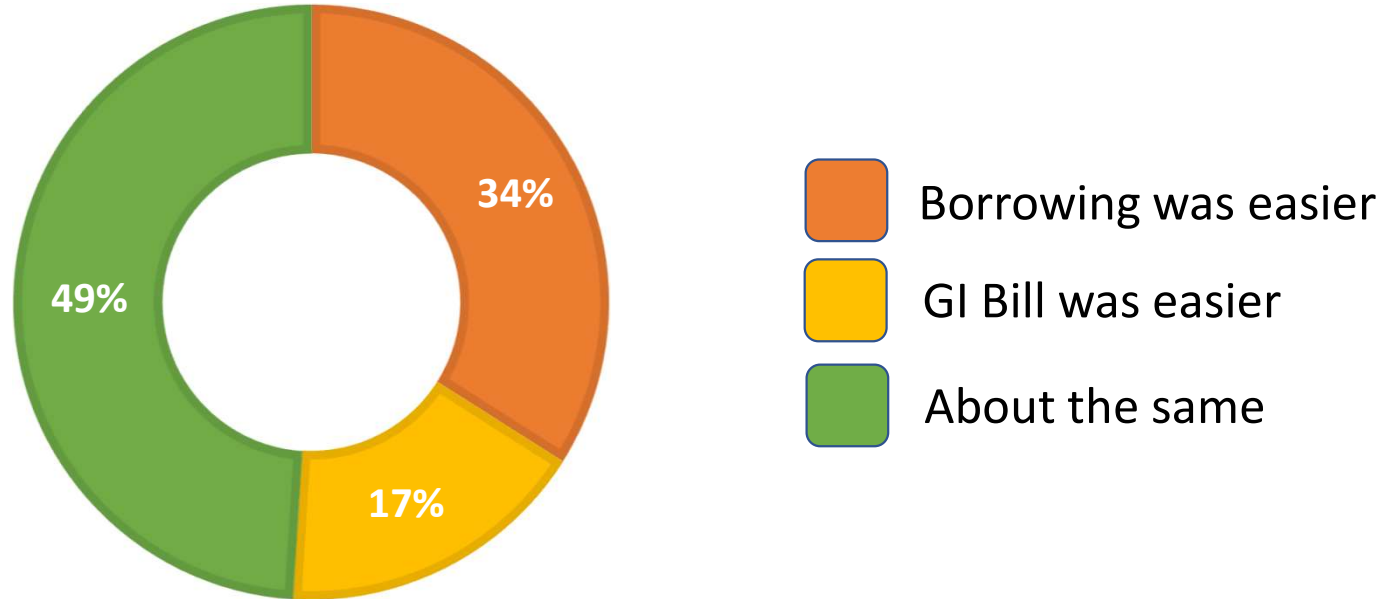


Veterans who did not borrow ...



Source: Veteran focus groups, The Pew Charitable Trusts (2019)

34% Said Borrowing Was Easier than Obtaining Post-9/11 GI Bill Benefits



Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)
Note: Respondents were asked to select all that apply.

Audience Poll!

*What percentage of student veterans did **not** use the Post-9/11 GI Bill at the first school they attended after discharge?*

% of student vets who did not use the Post-9/11 GI Bill at first school after discharge:




A. 1% - 25%

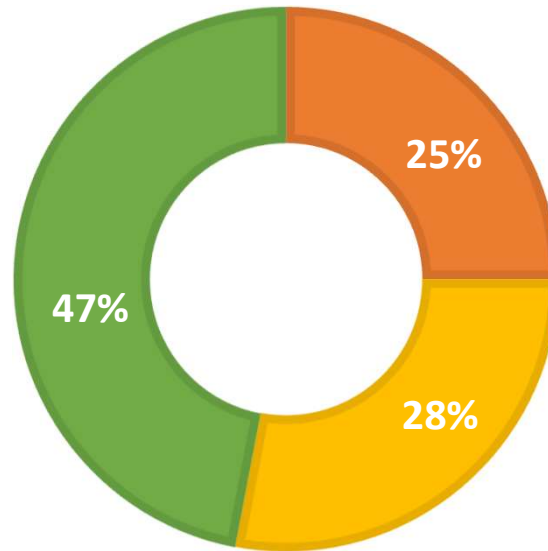
B. 26% - 49%

B. 50% - 75%

C. More than 75%

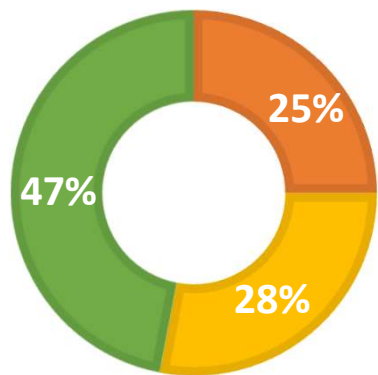
25% of Student Veterans Did *Not* Use the Post-9/11 GI Bill at their First School after Discharge




-  Did Not Use GI Bill
-  Used GI Bill Part of the Time
-  Used GI Bill Entire Time



Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

Why some veterans did not use the Post-9/11 GI Bill at their first school ...



-  **Did Not Use GI Bill**
-  Used GI Bill Part of the Time
-  Used GI Bill Entire Time

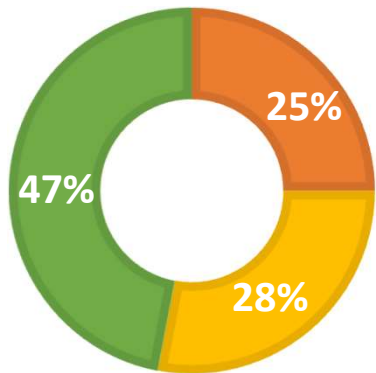
Top 5 Reasons for not using the Post-9/11 GI Bill at first school

Saving for use later	38%
Used DoD Tuition Assistance	20%
Used other sources of financial aid (not from VA)	11%
Passed benefits to dependents	9%
Ran out of Post-9/11 GI Bill benefits	7%

Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)
Note: Respondents were asked to select all that apply.

Why some veterans used the Post-9/11 GI Bill *just part of the time* at their first school ...

- Did Not Use GI Bill
- Used GI Bill Part of the Time**
- Used GI Bill Entire Time



Top 5 Reasons for using the Post-9/11 GI Bill just part of the time at first school

Saving for use later	37%
Used DoD Tuition Assistance	19%
Ran out of Post-9/11 GI Bill benefits	18%
Used the Montgomery GI Bill	14%
Used other sources of financial aid (not from VA)	12%

Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)
Note: Respondents were asked to select all that apply.

Why Veterans Borrow Student Loans

Leading Hypotheses

1. Most vets with student loan debt borrow *after* discharge.
2. Some vets were unable to use Post-9/11 GI Bill benefits.
3. Many vets choose schools that cost more than the GI Bill max.
4. Many vets struggle with costs beyond tuition.

Why Few Compared Borrowing Among Veterans in Different Sectors

- Tuition/fees at many private institutions exceed Post-9/11 GI Bill max
 - \$27,120 limit for 2023-2024 at private and foreign institutions
- Yellow Ribbon Program covers the gap at *some* private institutions
- For-profit schools in the spotlight:
 - Borrower defense lawsuits in wake of closures and bankruptcies
 - Deceptive practices involving student loans for veterans

Sorting Veterans into Sectors

A Complex Landscape

Sector	Examples
Public 2-Year	Community Colleges
Public 4-Year	Penn State, UCLA, UT Austin, etc.
Nonprofit 4-Year	Private liberal arts colleges, Ivy League univs., etc.
For-profit 4-year	Univ. of Phoenix, Strayer Univ., etc.
All Other Sectors	Private 2-year schools, private <2-year schools, Dept. of Defense institutions, etc.

Audience Poll!

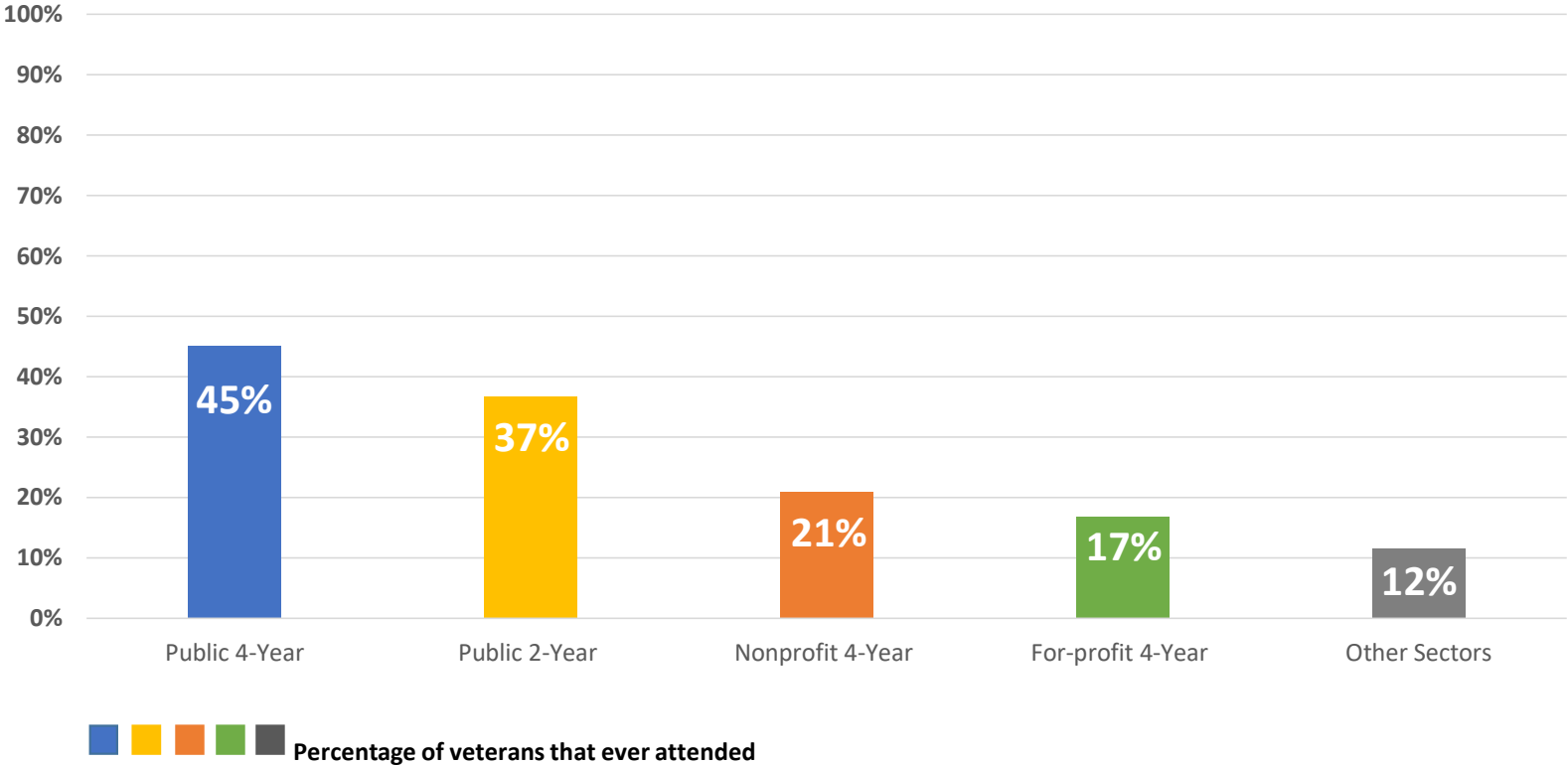
What type of school enrolled the highest percentage of undergraduate veterans during 2016-2020?



Higher Education Sectors:

- A. For-profit 4-year schools (Univ of Phoenix, Strayer)
- B. Nonprofit 4-year schools (pvt. liberal arts colleges, Ivy League)
- C. Public 2-year schools (community colleges)
- D. Public 4-year schools (Penn State, KU, UCLA)
- E. All Other Sectors (for-profit 2-year schools, non-degree progs.)

Percentage of Veterans Who Ever Attended a Given Sector Among Prior Enlisted Undergraduate Students (2016-2020)



Note: Percentages sum up to greater than 100% because 30% of undergraduate veterans attended more than one sector between 2016-2020.

Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)



Audience Poll!

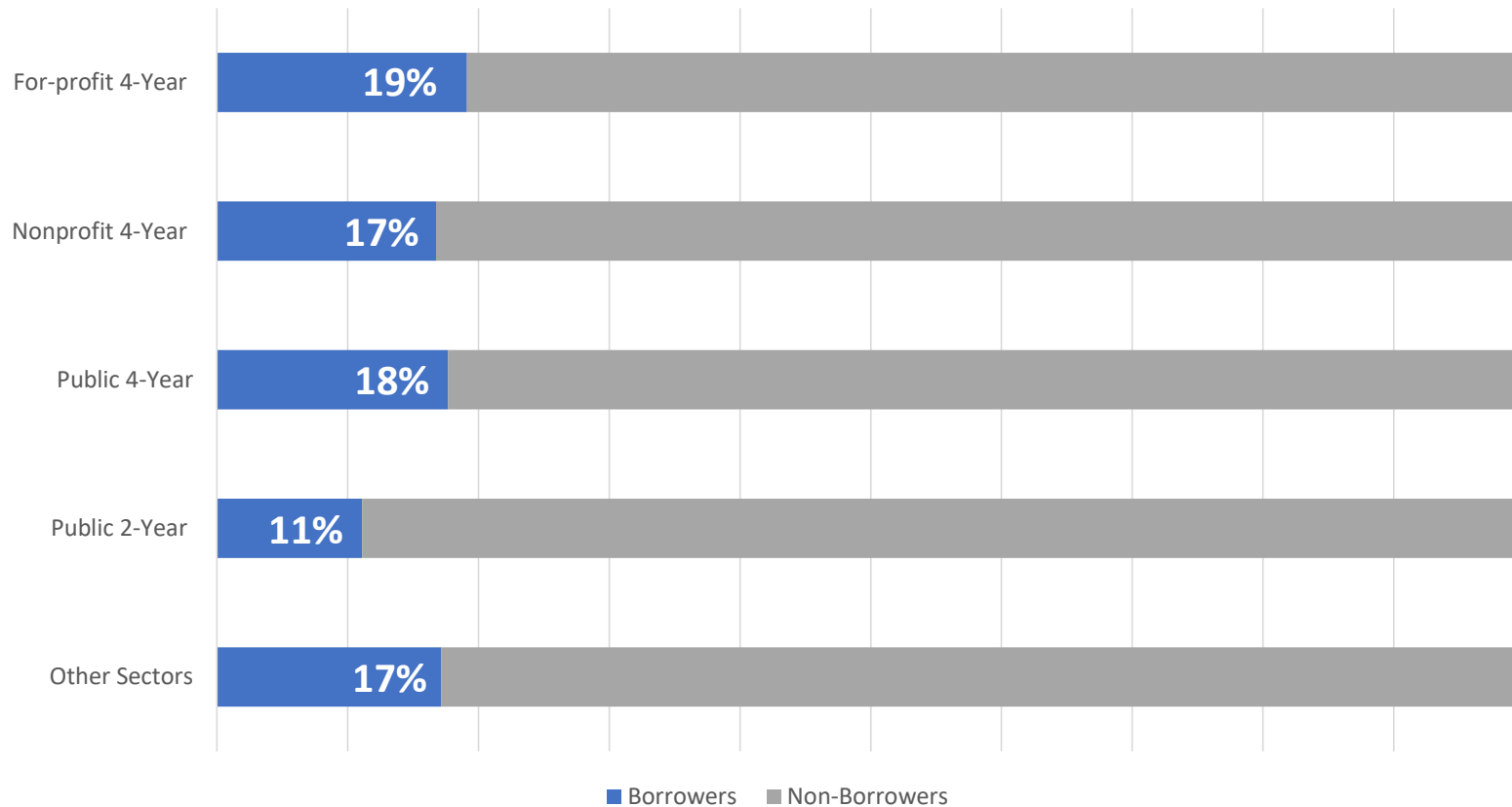
Which of the following types of schools had the highest percentage of veterans taking out student loans?



Higher Education Sectors:

- A. For-profit 4-year schools (Univ of Phoenix, Strayer)
- B. Nonprofit 4-year schools (pvt. liberal arts colleges, Ivy League)
- C. Public 2-year schools (community colleges)
- D. Public 4-year schools (Penn State, KU, UCLA)
- E. All Other Sectors (for-profit 2-year schools, non-degree progs.)

Proportion of Borrowers Roughly Equal Across All Types of 4-year Institutions Among Prior Enlisted Undergraduate Students (2016-2020)



Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

Audience Poll!

At what type of school did undergraduate veterans borrow the highest median amount of student loans?

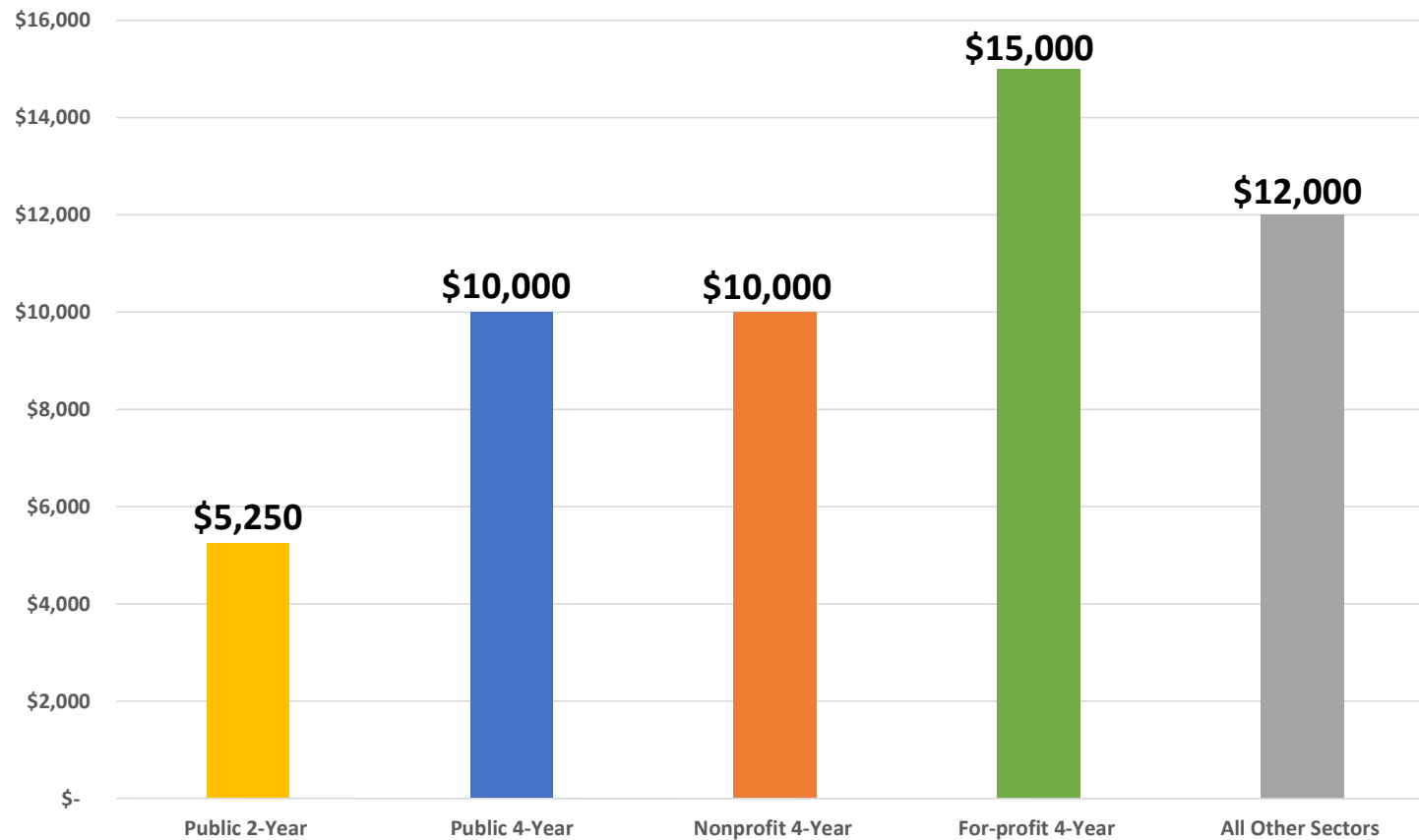


Higher Education Sectors:

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- E. All Other Sectors (for-profit 2-year schools, non-degree progs.)

Median Student Loan Borrowing Highest at For-Profit 4-Year Institutions

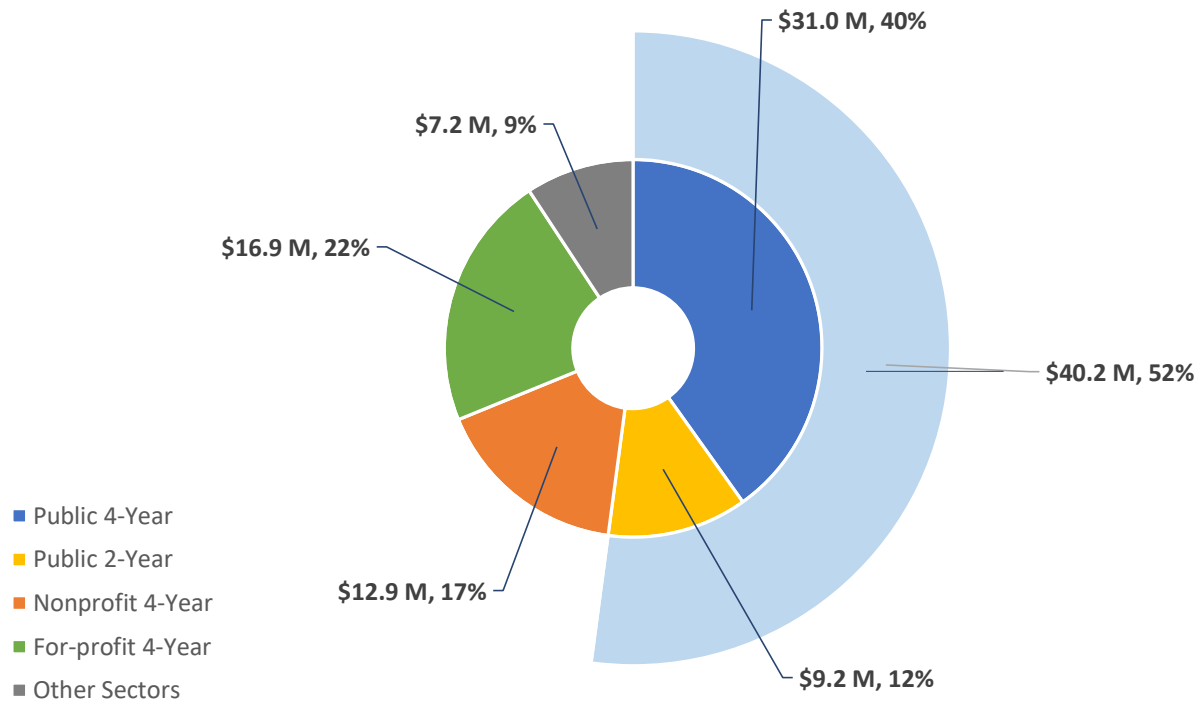
Among Prior Enlisted Undergraduate Students (2016-2020)



Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

Over Half of Student Loan Dollars Borrowed by Veterans at Public Institutions

Total Student Loan Borrowing Among Undergraduate Veterans, 2016-2020



Total Amount Borrowed: \$77.2 Million (2016-2020)

Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

Sector Analysis – Key Takeaways

- Borrowing at for-profit institutions is an important part of the story
 - ✓ Median borrowing highest among vets at for-profit schools
- Yet borrowing at public institutions is also a significant factor
 - ✓ The flow of loan money roughly reflected attendance patterns

Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)



Why Veterans Borrow Student Loans

Leading Hypotheses

1. Most vets with student loan debt borrow *after* discharge.
2. Some vets were unable to use Post-9/11 GI Bill benefits.
3. Many vets choose schools that cost more than the GI Bill max.
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Student Veterans' Real Life Juggling Act






Characteristics of undergrad student veterans reveal that ...

- Most are over the age of 24
- Most rent ... but one-third have mortgages
- About two-thirds have dependents
- Most work while enrolled

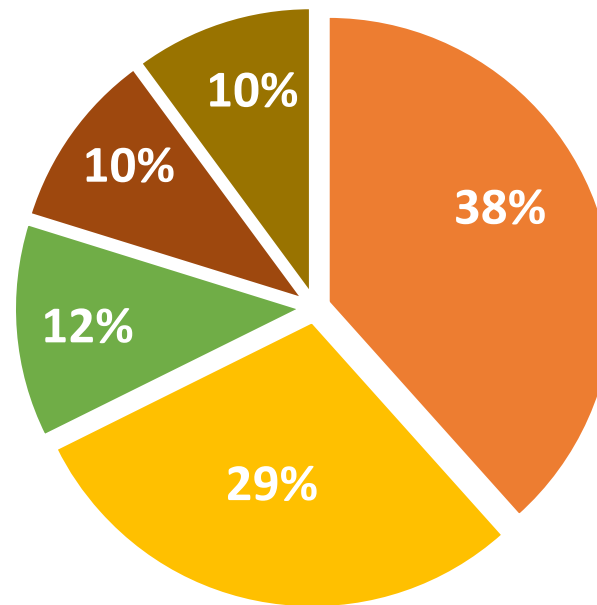
Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)



Most Undergrad Veterans Are Over the Age of 24





-  Ages 18-24
-  Ages 25-29
-  Ages 30-34
-  Ages 35-39
-  Ages 40 +

Age Distribution Among Undergrad Student Veterans (2020)

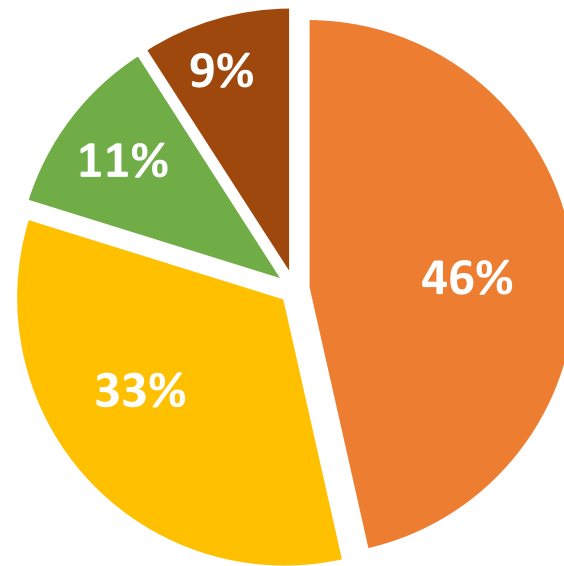


Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

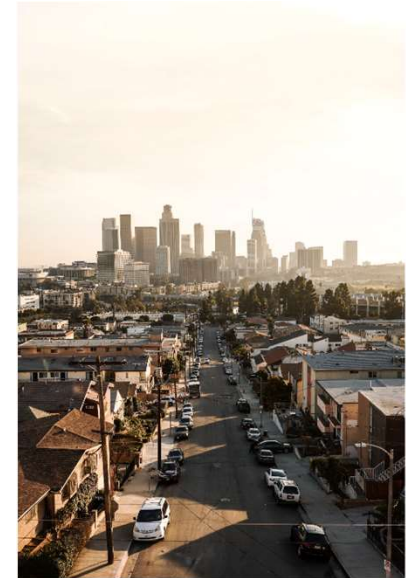
Most Undergrad Vets Rent but ... One-Third Hold Mortgages

-  Rent
-  Mortgage
-  No Rent or Mortgage
-  Changed Status

% Undergrad Veterans Paying
Rent or Mortgage (2016-2020)

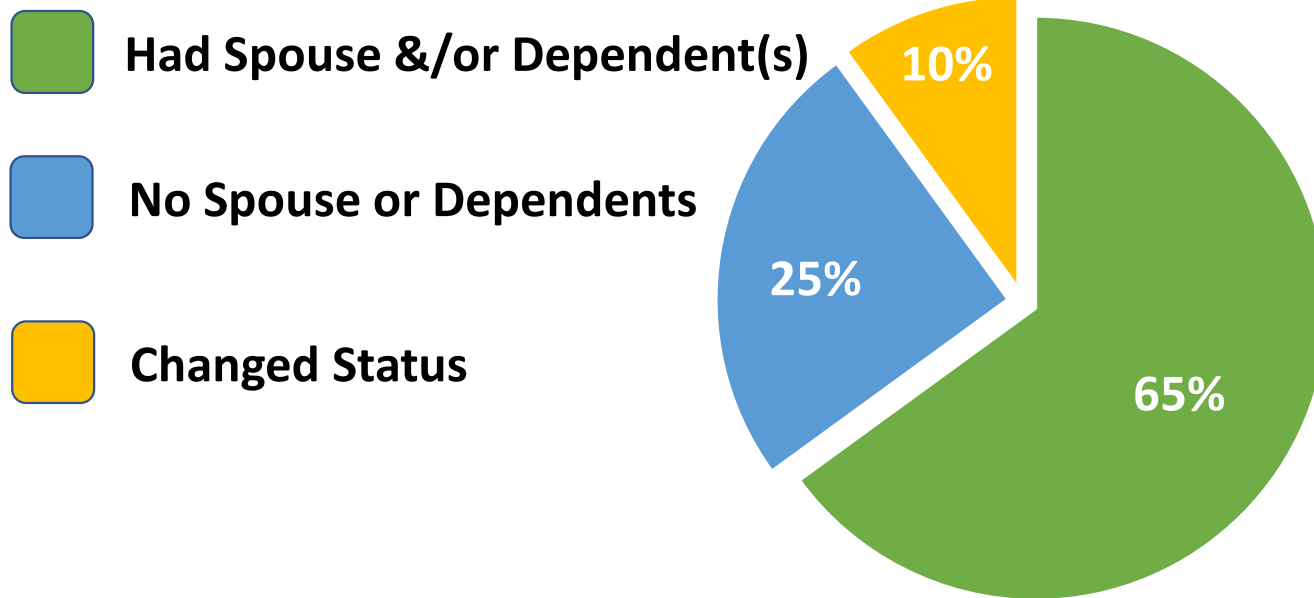


Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)



About 2 out of 3 Undergrad Vets Have Spouse and/or Dependent(s)

% Undergrad Vets With Dependents
(2016-2020)



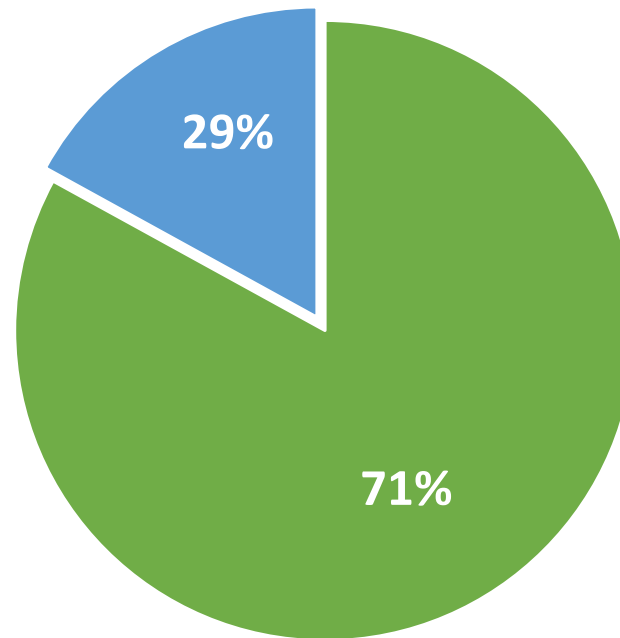
Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

So ... It's Not Surprising that Most Undergrad Vets Work While Enrolled

% Undergrad Vets that Worked While Enrolled (2016-2020)

 Did Not Work While Enrolled




 Worked While Enrolled

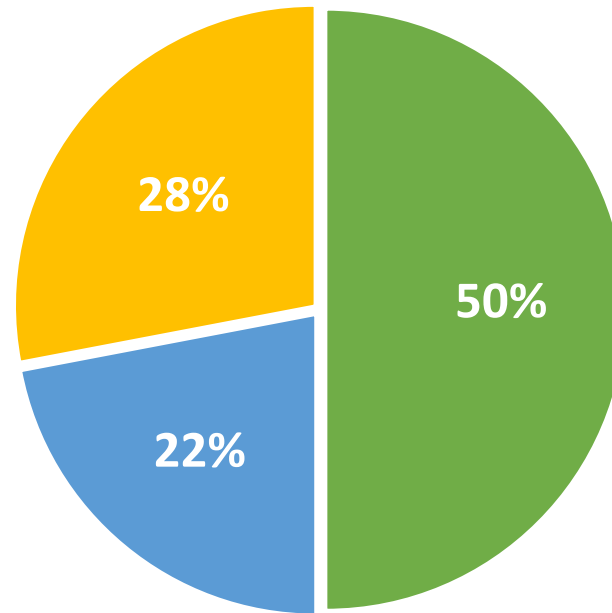


Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

Most Undergrad Vets Choose Online or Hybrid Modes of Learning

% Undergrad Vets by Learning Modality (2016-2020)

-  Mix of In-Person & Online
-  Fully Online
-  Fully In-Person



Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

Audience Poll!

What was the main expense veterans covered with their student loan funds?

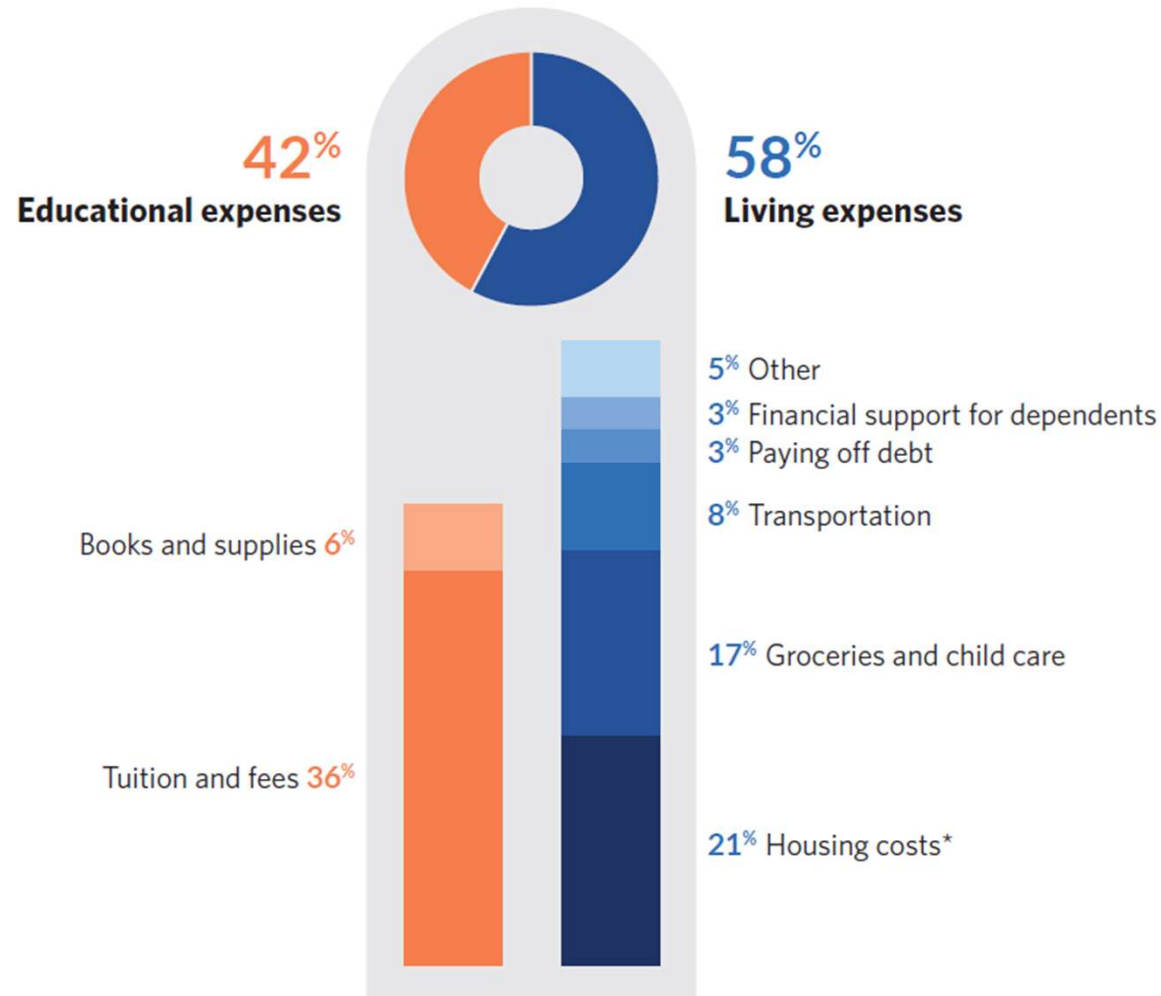


Expense Categories:

A. Education expenses (e.g., tuition, fees, & books).

B. Living expenses (e.g., housing, child care, & transportation).

Expenses that Student Veterans Covered with Student Loans



* Categories do not add up to 100% due to rounding.
Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

GI Bill's Monthly Housing Allowance Fell Short for Many ...

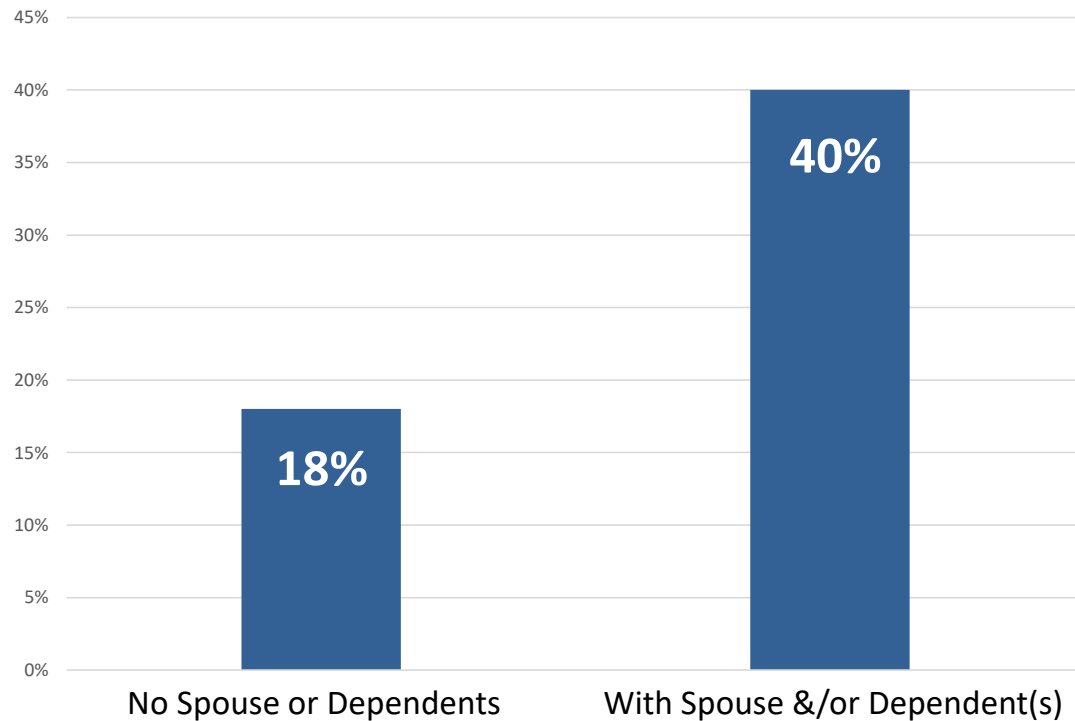
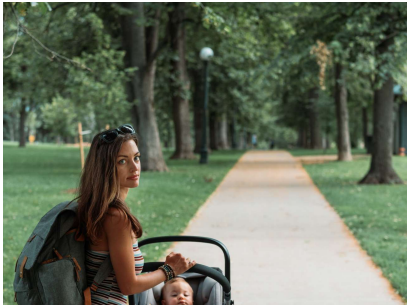
About 1 in 4 student veterans eligible for the *full MHA* reported that it covered *about half* or *less than half* of their housing expenses.



Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

MHA Covered Smaller Portion of Housing Expenses for Undergrad Vets with Spouse and/or Dependent(s)

Percentage of undergrad veterans* who reported MHA covered about half or less than half of housing costs:



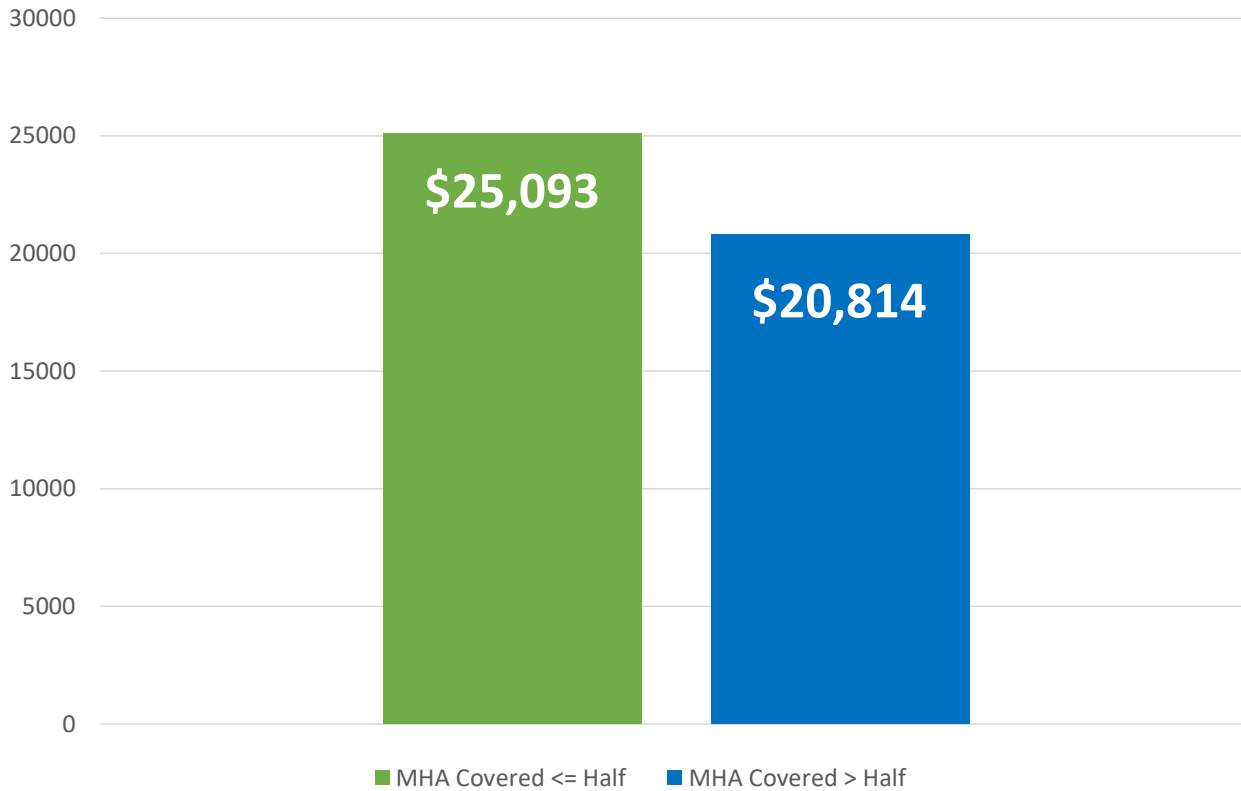
*Among those eligible for full MHA benefit.

Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

Lower coverage of housing expenses linked with higher student loan debt

MHA's Coverage of Housing Costs

Avg. Student Loan Debt Accumulated by Veterans during 2016-2020



Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)



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Recap of Key Takeaways

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- ❑ Why this matters:
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Source: VETS Survey, The Pew Charitable Trusts & Penn State (2021)

A Thank You to our Partner



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