

# How Well Does Our Higher Ed System Serve Those Who Served Us?



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Every year, veterans who have served our country are provided with GI Bill benefits to cover the costs of postsecondary training and education as a way to ensure they are equipped for good jobs in the 21st century economy. Last year alone, over one million veterans and their family members received more than \$11 billion in GI Bill benefits to provide them up to four years of free college tuition, books, and housing at higher education institutions across the United States.<sup>1</sup>

Even with such a substantial taxpayer investment, until this point, the American public has had very limited information about outcomes at the schools veteran students attend, including whether they're enrolling in institutions that provide the best chance of post-military success. Because this benefit is crucial to our returning servicemembers, veteran students and taxpayers alike should have some assurances that the money spent on higher

education is being used at institutions that are likely to help veterans further their educational

education is being used at institutions that are likely to help veterans further their educational or career endeavors to succeed.

This memo aims to explore these questions: Are veterans attending institutions that give them the best chance of success after enrollment? And if not, what can be done to better ensure that GI Benefits and federal student aid go towards providing veterans with the quality education they deserve after serving our country?

## Methodology

In order to examine the outcomes of institutions that veteran students attend, we used information from the U.S. Department of Veterans Affairs GI Bill Comparison Tool, the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS), and Performance by Accreditor databases.<sup>2</sup> Together, these data provide us with information on how many GI Bill beneficiaries attend each institution, as well as the graduation rates and salary information at each of those institutions. These metrics help us assess the outcomes of the education that students receive at the institutions they attend.

We limited our analysis to institutions with at least 100 GI Bill beneficiaries that predominately awarded certificates, associate's degrees, or bachelor's degrees.<sup>3</sup> Therefore, institutions that predominately offer non-degree and graduate degree programs were left out of this analysis.<sup>4</sup>

For graduation rate data, we used the new Outcome Measures data released by the Department of Education in October 2017.<sup>5</sup> For the first time, this data incorporates part-time and transfer students into institutional graduation rates—an enrollment status common with veteran students. We limited our findings to those institutions that had at least 100 GI Bill beneficiaries and 100 students within their graduation cohort for students.<sup>6</sup> And, we measured only those who graduated from that institution within eight years of entering.

Earnings data used in our analysis came from the U.S. Department of Education's Performance by Accreditor database. It measures the percentage of students who earn at least \$25,000 within six years of entering an institution. This metric is limited to students who have received federal grants or loans.

## Better Data is Needed

Over the past several years, we've heard more and more stories of veterans who have been misled by predatory colleges and lured by aggressive – and sometime unscrupulous – recruitment strategies.<sup>7</sup> Yet, it's hard to fully understand the prospects for veterans pursuing a higher education, as we actually have very little data on how well institutions across the board are serving this population. Our analysis looks at institutions that serve over 100

veterans in their entire student body population; however, the data we have does not and

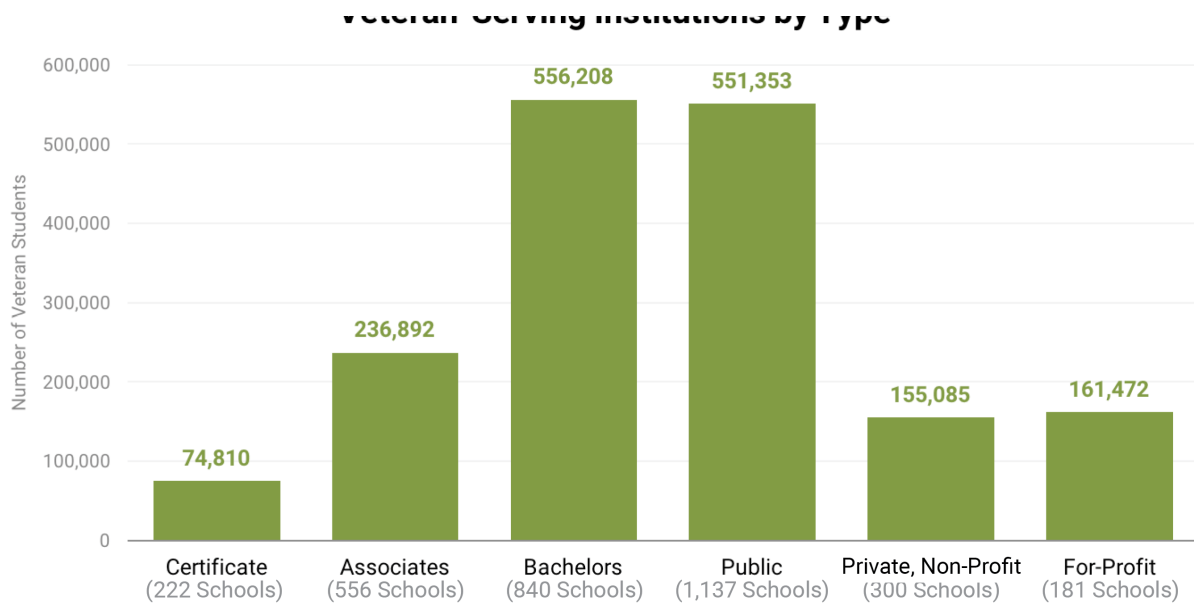
veterans in their entire student body population, however, the data we have does not and cannot provide the actual outcomes for the veteran population at those institutions since there is no publicly available information on this student demographic. The Department of Veterans Affairs has recently begun to collect information on graduation rates and retention rates for first-time, full-time veteran students; however, this data is unavailable for four-year institutions and leaves out over 2/3 of all veteran-serving institutions. And while the Department of Education now makes graduation rate outcomes available for part-time and transfer students, veteran-specific outcomes remain absent.

In addition to understanding how many veteran students successfully complete a higher education institution or program, it's also important to know how well these students do post-attendance. Unfortunately, we have no data available on how much veteran students earn after attending, how much debt they are required to take out in addition to their GI benefits, or whether they are able to successfully pay down their educational debt. We also don't know if there are any inequities between veteran and non-veteran populations on any of those metrics. Right now we're limited to the data we have. But the available data strongly suggests that many veterans enroll in schools that leave the bulk of their students degreeless and underemployed after they attend.

## **Breakdown of Where Veteran Students Enroll**

Veterans go to all kinds of institutions across the United States. The most recent data show that 1,623 campus locations enrolled over 100 GI Bill recipients.<sup>8</sup>

Over half (52%) of veteran-serving institutions predominately award bachelor's degrees. A third of those institutions grant mostly two-year degrees, while 14% award certificates (programs that are structured to help workers obtain the skills they need to perform a specific type of job—like becoming an auto mechanic, nursing assistant, or welder). Nearly 70% of these institutions are public, while 19% are private and 11% are for-profit institutions.

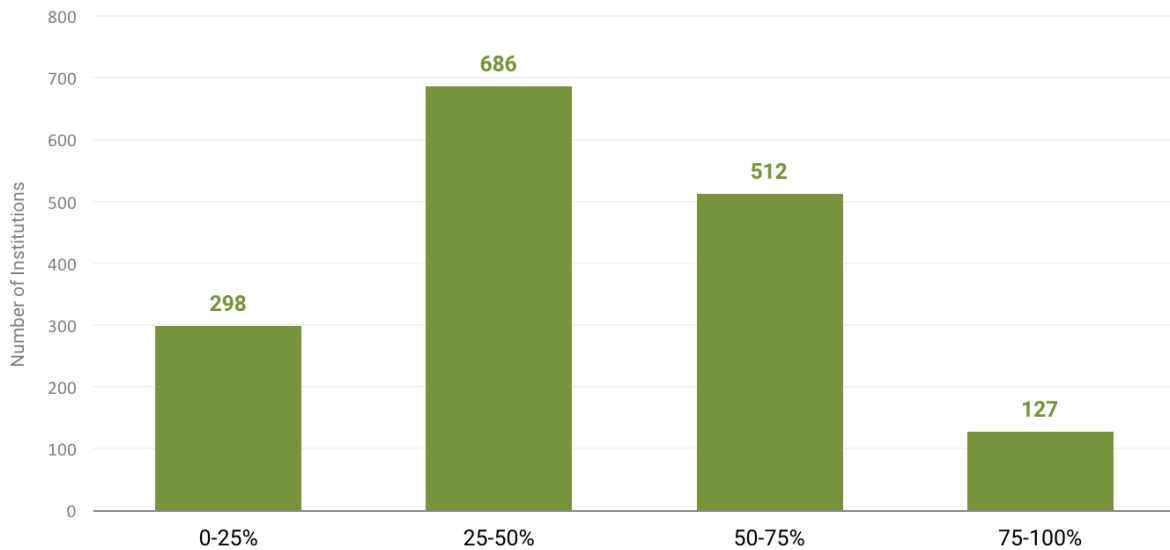


Out of the 867,910 GI Bill beneficiaries that attend the schools in our analysis, 64% enrolled in a bachelor’s degree-granting institution, 27% attend two-year schools, and 9% attended certificate-granting schools. And while 70% of these institutions are public, the proportion of students attending those institutions is slightly lower (64%). Despite increasing stories of veterans attending and not being served well by for-profit colleges, they make up the smallest share of veteran-serving institutions. However, while for-profits made up only 11% of the institutions in our analysis, they enrolled 19% of students with GI Bill benefits.

## Graduation Rates at Veteran-Serving Institutions

It’s imperative that our country provide opportunities for veterans to gain additional skills and credentials following their military service, and it’s equally important that their time and money spent lead to positive outcomes. In postsecondary education, that should mean that students are able to graduate and obtain a good-paying job after earning their degree. Unfortunately, far too many don’t even make it past that first step, as most veteran-serving institutions leave the majority of their students without a certificate or degree.

## Veteran-Serving Institutions Graduation Rate

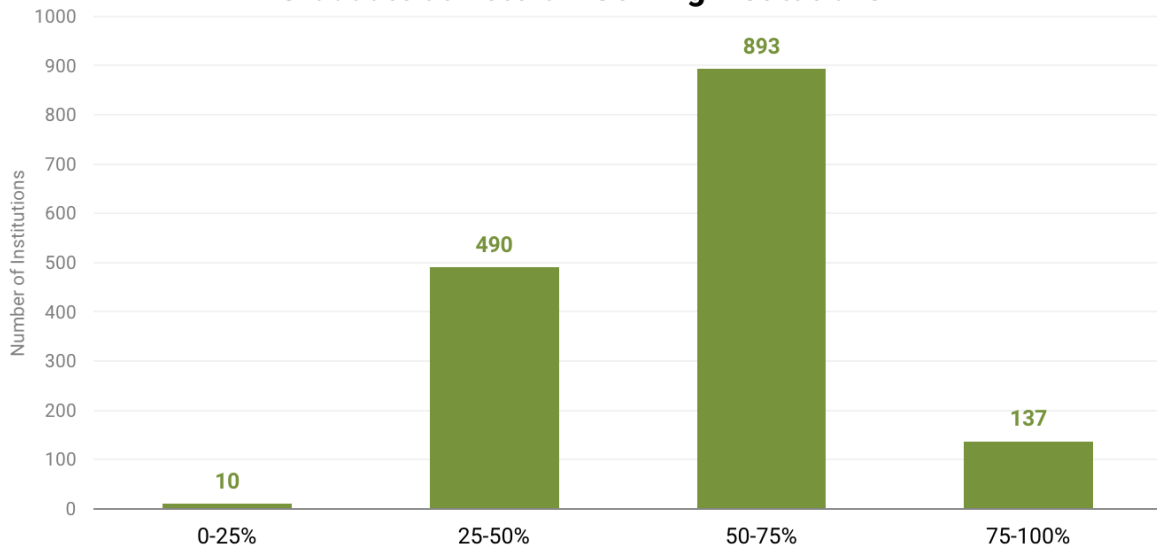


In fact, out of the 1,623 institutions serving at least 100 GI Bill recipients, 984 institutions (more than 60%) graduate fewer than half of their students within eight years of entering the institution. That means that of the 545,853 veterans who attend these schools, it's likely that fewer than 270,000 will end up with an award or degree from that institution within eight years of entering. Even worse, nearly one-fifth these schools graduate fewer than 25% of their students. And because research from the Department of Veterans Affairs suggests that veteran graduation outcomes often lag behind their non-veteran peers, actual veteran outcomes at these institutions may even be lower than is shown in the analysis above, which is based on outcomes for all students.<sup>9</sup>

## Earnings After Attendance

The number one reason students attend college is the promise of a well-paying career.<sup>10</sup> After students attend, it's important that they have obtained the proper skills and competencies that allow them to land at least a modest paying job. To help evaluate whether institutions are setting students up for success in this way effectively, the Department of Education publishes information on the percentage of financially-aided students who earn more than the average high school graduate (\$25,000 a year) within six years of entering an institution.<sup>11</sup> If most students earn less than that amount, it may not be a smart financial investment to attend that institution in the first place, as students may be accruing debt and spending precious time with little to gain.

## Percentage of Students Earning More Than a High School Graduate at Veteran-Serving Institutions



Even though many of these institutions leave most of their students degreeless, two-thirds still leave the majority of their students earning at least slightly above this \$25,000 threshold. Even so, 500 veteran-serving institutions see most of their students earning less than the average high school graduate six years after they enroll, while ten institutions show over three-quarters of their students earning less than that amount.

## 10% of Veterans Go to 10 Institutions

While it's true more than 1,500 institutions across the United States serve a significant student veteran population, 10 institutions within our analysis serve over 10% of all veterans attending institutions today.<sup>12</sup>

Institution name	Predominant degree	Control	GI Bill Students	8 Year Graduation Rate	% Earnings greater than \$25,000
University of Phoenix	Bachelor's	For-profit	36,718	29.6%	64%
American Public University System	Bachelor's	For-profit	19,037	24.1%	78%
University of Maryland University College	Bachelor's	Public	17,805	24.1%	70%
Devry University	Bachelor's	For-profit	12,184	29.5%	N/A
Liberty University	Bachelor's	Private, non-profit	10,187	52.4%	59%
Ashford University	Bachelor's	For-profit	9,308	45.0%	62%
Embry-Riddle Aeronautical University	Bachelor's	Private, non-profit	9,243	40.2%	79%
Strayer University	Bachelor's	For-profit	9,144	28.3%	70%
Southern New Hampshire University	Bachelor's	Private, non-profit	6,794	55.7%	72%
Central Texas College	Associate's	Public	6,643	11.5%	51%

Because such a high concentration of veteran students are attending just a few institutions, the outcomes at these ten institutions can have a disproportionate effect on how well veteran students are faring across the United States. When looking specifically at the graduation rates and earnings data for these ten schools, we see that out of the 136,413 veteran students who attend these institutions, 43,485 (or 32%) are enrolled in one where less than a quarter of students graduate. And nine out of 10 GI Bill beneficiaries enrolled at one these schools where they have less than a 50/50 chance of getting a degree within eight years of entering.

The data also shows that these 10 institutions also leave most of their students earning above the average high school graduate after attending. Most of these institutions are bachelor's degree-granting institutions with larger student body populations that in some cases may attract more mid-career professionals or offer highly-specialized areas of studies. Institutions serving that kind of population typically produce higher earnings, which may account for some of these findings.<sup>13</sup> And because we cannot disaggregate the outcomes for veteran students, we cannot yet know if they fare as well in earnings as the top line averages indicate.

## Conclusion

The federal government awards institutions over \$11 billion in GI Bill benefits every year.<sup>14</sup> This is in addition to the \$130 billion in student aid that institutions receive through federal grants and loans.<sup>15</sup> For those who have served in our military, we must ensure that these critical federal education benefits are going to institutions that equip students with the skills and credentials they need to successfully enter the workforce. It's clear that we need two things in order to accomplish this goal: better information on veteran-specific outcomes and

things in order to accomplish this goal. Better information on veteran-specific outcomes and more quality assurance that ensures taxpayer money is being used at institutions that lead to positive student outcomes.

As available data shows, there is wide variation in the quality of veteran-serving institutions, with many providing serious value add to their veteran students but a significant number actually making their students worse off. With one million veterans enrolling in higher education every year and the much-needed expansion of GI benefits through the recent passage of the *Forever GI Bill*, it is more imperative than ever that students and taxpayers have more clarity and assurance that our institutions are serving our veterans well. After all, it is our responsibility to see that those men and women get a quality education that is worthy of their service to our country.<sup>16</sup>

## TOPICS

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### ENDNOTES

1. United States, Congressional Research Service, “The Post-9/11 Veterans’ Educational Assistance Act of 2008 (Post-9/11 GI Bill)” A Primer,” Report, Accessed on November 16, 2017. Available at: [https://www.everycrsreport.com/files/20170913\\_R42755\\_cde63ca4669394b60b4f0bc6aab64998ed5aea88.pdf](https://www.everycrsreport.com/files/20170913_R42755_cde63ca4669394b60b4f0bc6aab64998ed5aea88.pdf).
2. United States, U.S. Department of Veterans Affairs, “GI Bill Comparison Tool,” Database, Accessed November 7, 2017. Available at: <https://www.vets.gov/gi-bill-comparison-tool>; See also, United States, U.S. Department of Education, “Performance Data by Accreditor,” Database. Accessed November 9, 2017. Available at: <https://www.ed.gov/accreditation>; See also, United States, U.S. Department of Education, National Center for Education Statistics, “IPEDS Survey Data,” Accessed on November 8, 2017. Available at: <https://nces.ed.gov/ipeds/Home/UseTheData>.
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4. When combining datasets, unmatched information was excluded from our analysis.
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11. United States, United States Department of Education, "College Scorecard Data," Accessed on November 6, 2017, Available at: <https://collegescorecard.ed.gov/data/>.
12. While graduation rate information was calculated at the IPEDS Unit ID Level earlier in the paper, the Top-Ten Veteran Serving Institutions graduation rates and GI Bill beneficiaries were calculated at the 6-digit OPEID Level.
13. United States, Congressional Research Service, "The Post-9/11 Veterans' Educational Assistance Act of 2008 (Post-9/11 GI Bill)" A Primer," Report, Accessed on November 16, 2017. Available at: [https://www.everycrsreport.com/files/20170913\\_R42755\\_cde63ca4669394b60b4f0bc6aab64998ed5aea88.pdf](https://www.everycrsreport.com/files/20170913_R42755_cde63ca4669394b60b4f0bc6aab64998ed5aea88.pdf).
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