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The Post-9/11 GI Bill: Beneficiaries, Choices, and Cost

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Outline

- Overview of the Post-9/11 GI Bill program
- Beneficiaries' usage: CBO's findings
- Institutions' tuition and fees: CBO's findings

Overview of the Post-9/11 GI Bill Program

Who Is Eligible? What Programs Are Eligible?

- Post-9/11 GI Bill took effect in August 2009
 - Beneficiaries must have served at least 90 days since September 11, 2001
 - No expiration date for using the benefit for veterans who are eligible after January 1, 2013

- Benefits are available for active-duty service members or veterans, including members of the National Guard and reserves with qualifying service

- Benefits are available for certain dependents

- Definition of institution of higher learning is broad
 - By statute: institution with an “identified educational, professional, or vocational objective”
 - Aside from bartending, unclear what type of programs would be denied

What Educational Assistance Is Covered?

- In-state tuition and fees (100 percent)
 - Private institutions, overseas institutions, and non-degree-granting programs have a tuition cap of \$24,477 for the 2019–2020 academic year
- Housing is equivalent to what the Department of Defense pays for a service member at the E-5 level with dependents for those attending more than half time
 - Amount of housing assistance depends on locality
- Various other related supplies and fees
- Covers 36 months of postsecondary education
 - “Academic month” varies by program
 - Amount that the Veterans Administration covers begins at 40 percent and depends on program, full-time/part-time status, and length of qualifying service
 - No monetary cap on in-state tuition or housing payments

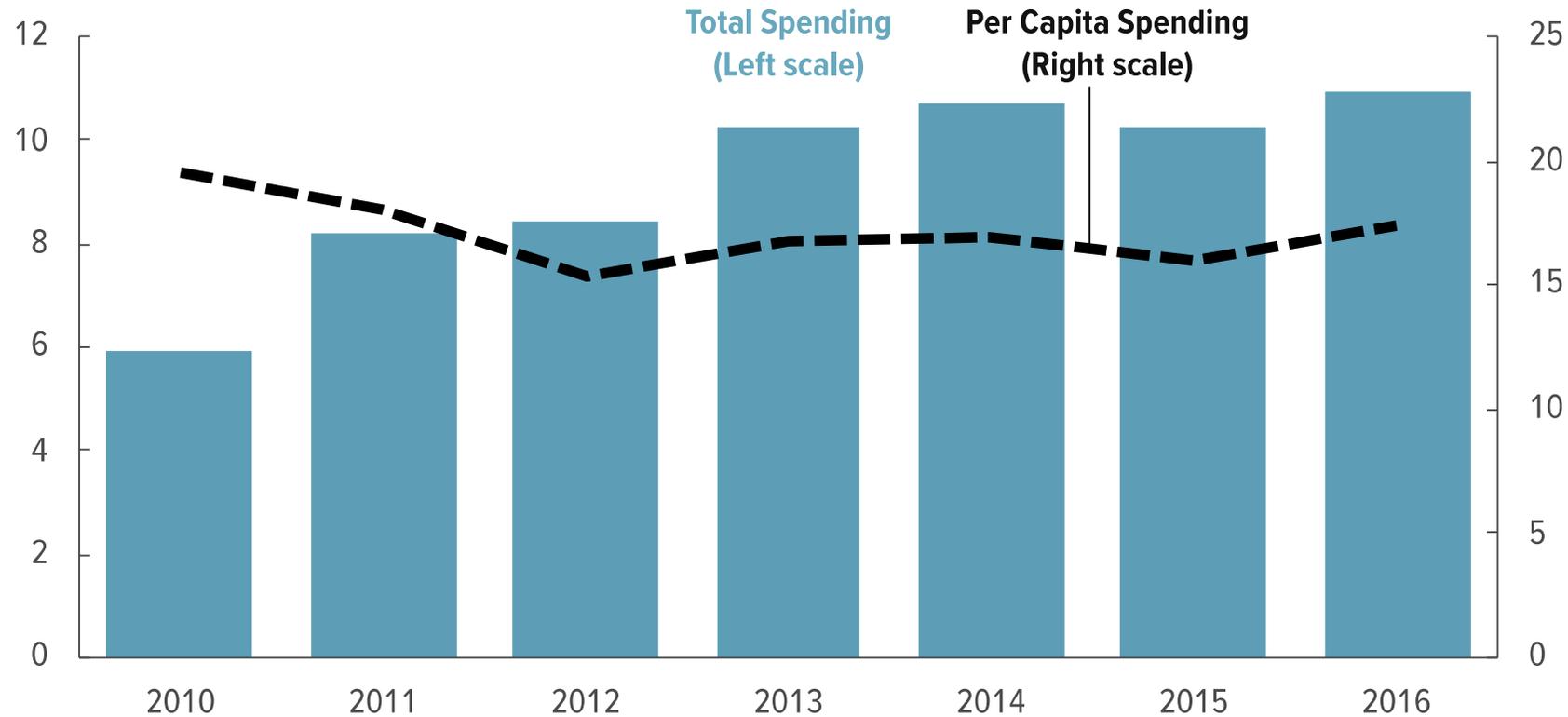
How Much Has Been Spent?

- Since inception, about \$65 billion expended for veterans and dependents (2010 to 2016)
- Veterans Benefits Administration reported outlays for 2018 as \$10.7 billion
 - About a tenth of total VBA budget
 - About 700,000 people, although not all are enrolled
- Outlays in 2016 were four times greater than they were in 2008 (\$2.6 billion) under the Montgomery GI Bill, the last version of the GI Bill before the current one
 - Additional benefits were added in August 2017

Historical Spending on the Post-9/11 GI Bill

Billions of 2018 Dollars

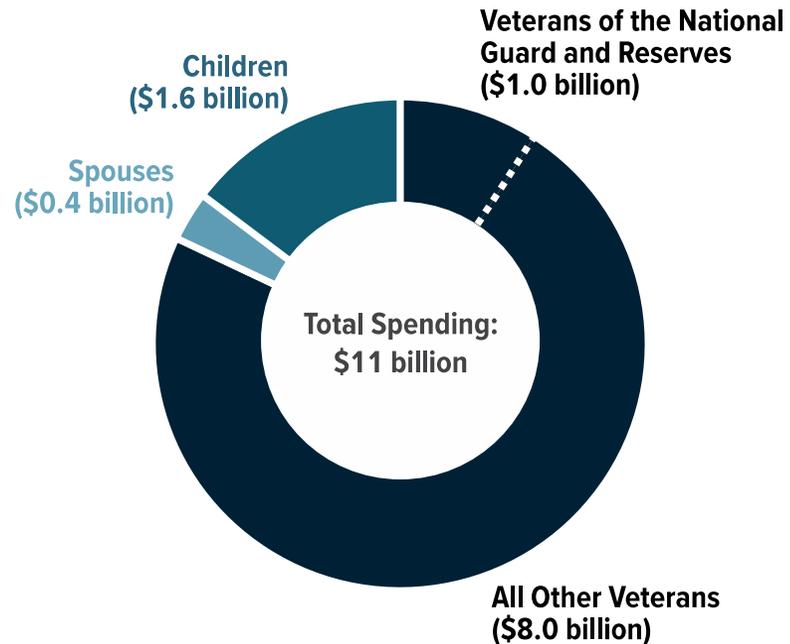
Thousands of 2018 Dollars



The amount of money spent per student each year under the Post-9/11 GI Bill has remained about the same since the law took effect.

Total Spending on the Post-9/11 GI Bill, by Beneficiary Type, 2016

2018 Dollars



Although the Post-9/11 GI Bill allows service members to transfer their benefit to a spouse or child, the vast majority of the benefits were used by veterans themselves.

Beneficiaries' Usage: CBO's Findings

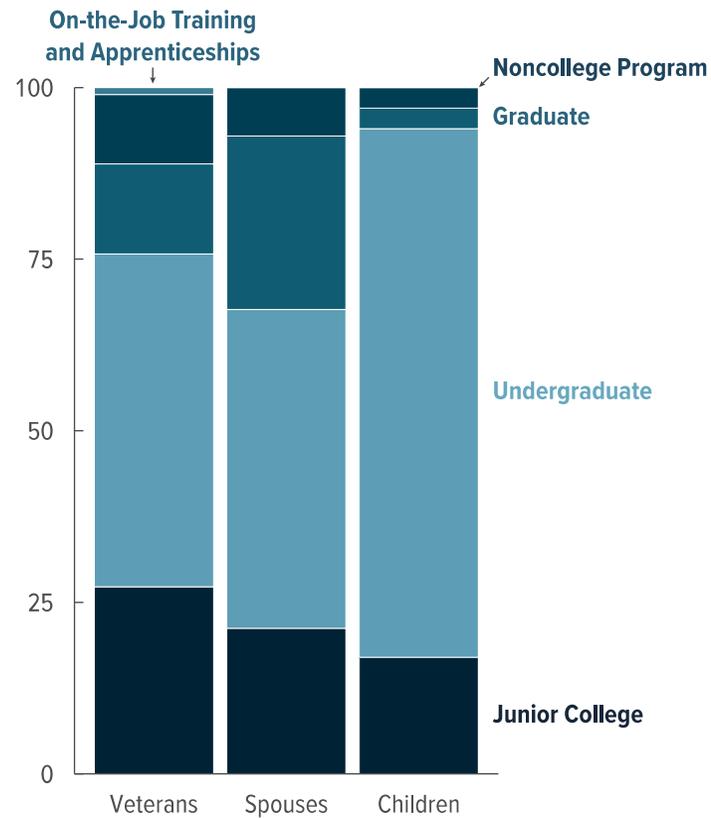
Veterans and Spouses Are Nontraditional Students

- Average age at use is 31
- 70 percent attended full time in 2016
- About one-third of veterans attended junior college; 18 percent attended graduate programs; 1 percent were in apprenticeships; and the remainder were undergraduates*
- The percentages for spouses were similar
- One-third of veterans attended for-profit programs
- By contrast, their children were traditional students: young undergraduates attending full time, mainly at state schools
- Share of veterans choosing online programs was about the same as share of students nationwide (13 percent)

* Veterans in apprenticeships received about \$8,000 in housing, on average.

Type of Education Chosen Under the Post-9/11 GI Bill, by Beneficiary Type, 2016

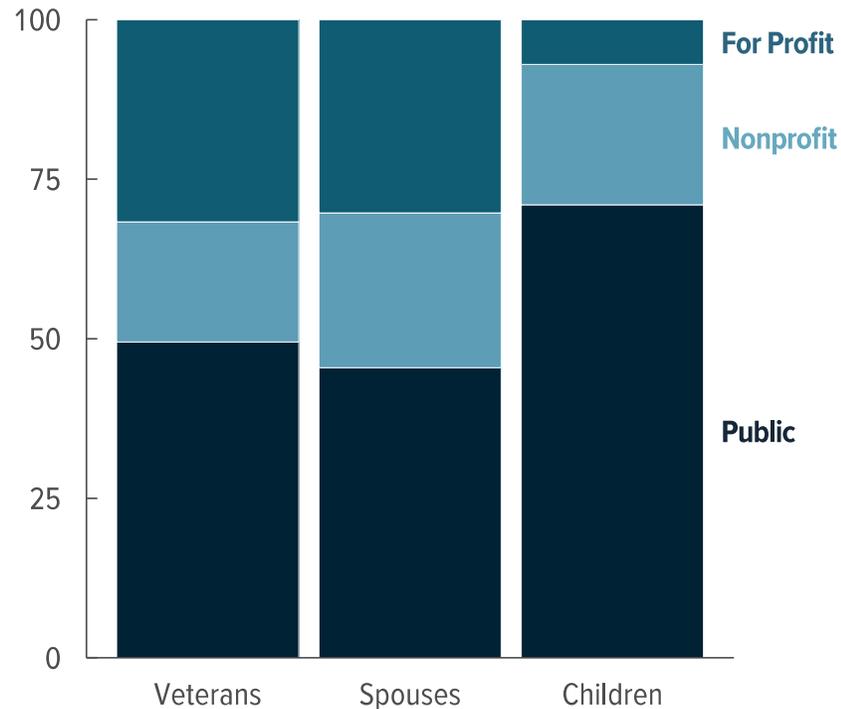
Percentage of Beneficiaries



Beneficiaries chose undergraduate programs more often than other types of educational programs, but children were much more likely to choose undergraduate programs than were veterans and spouses.

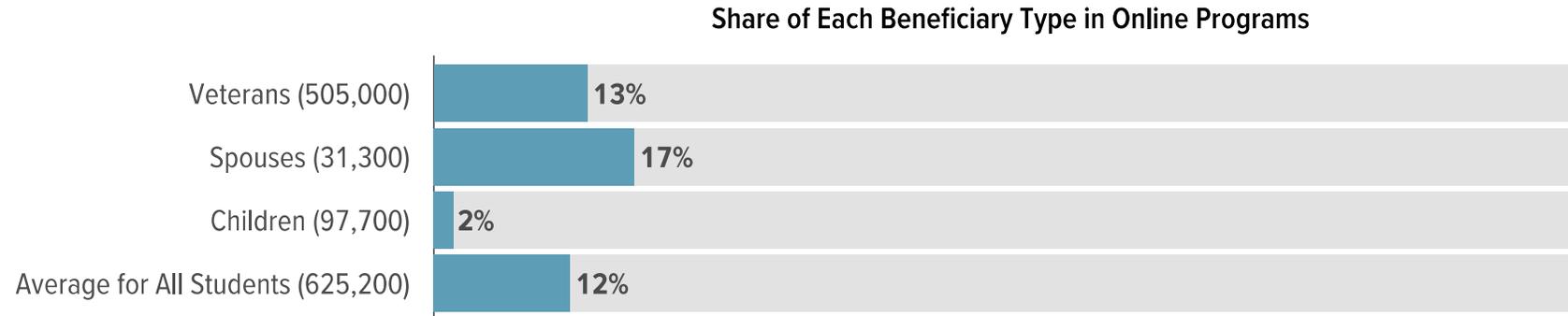
Type of Institution Attended Under the Post-9/11 GI Bill, by Beneficiary Type, 2016

Percentage of Beneficiaries



For-profit schools accounted for a substantial share of the programs attended by veterans and spouses under the Post-9/11 GI Bill. By contrast, most service members' children used the benefit to attend a public college or university.

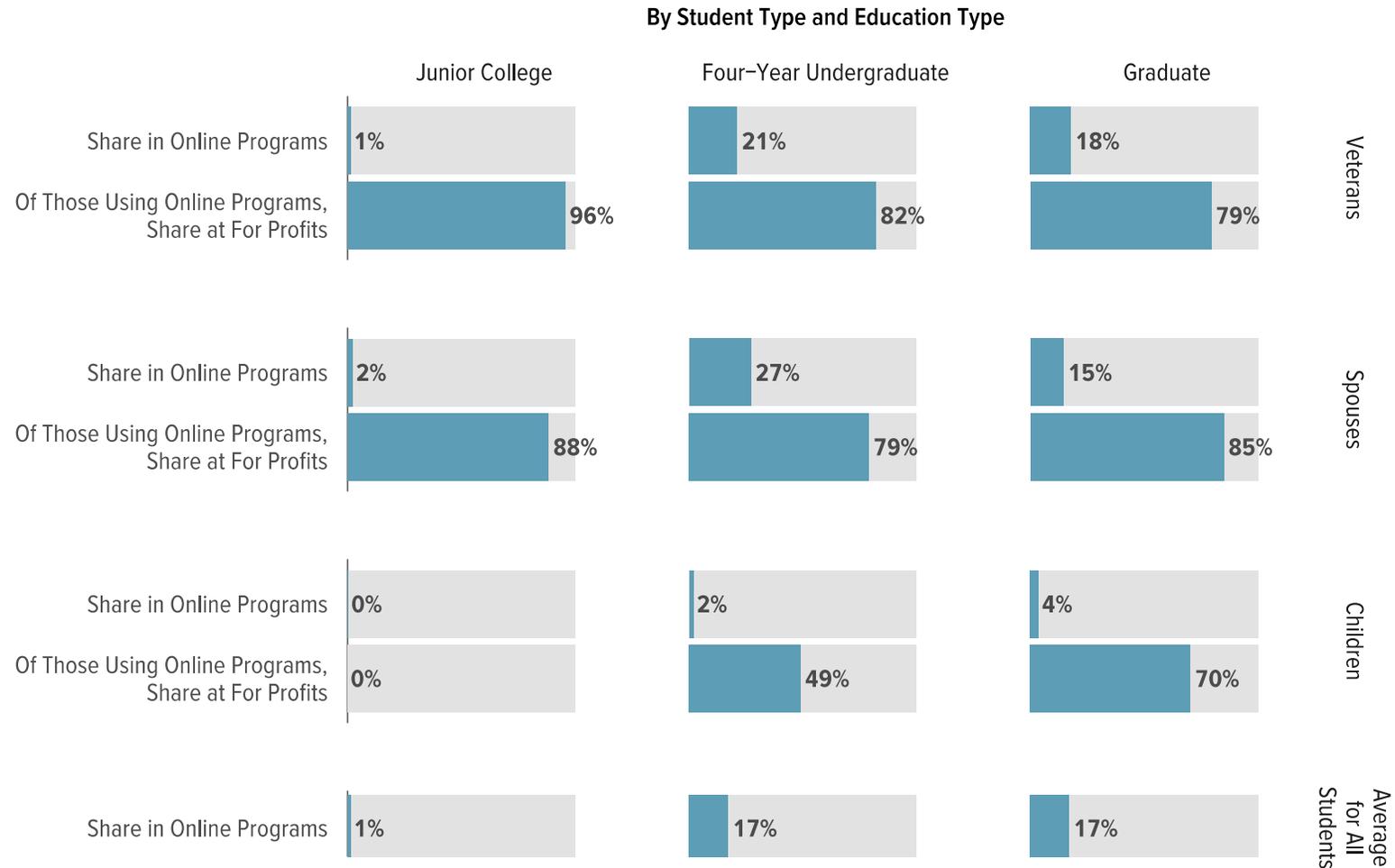
Online Program Use Under the Post-9/11 GI Bill, by Beneficiary Type, 2016



Few beneficiaries chose online programs. Of those who did, most enrolled in for-profit programs.

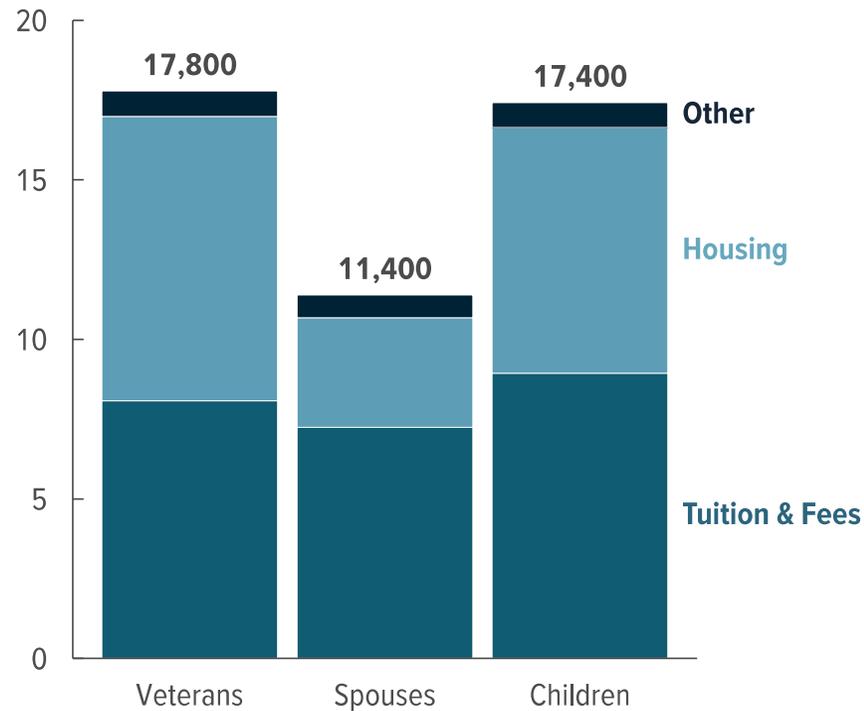
Online Program Use Under the Post-9/11 GI Bill, by Beneficiary Type, 2016 (Continued)

Percent



Average Outlay on the Post-9/11 GI Bill's Benefits, by Beneficiary Type, 2016

Thousands of 2018 Dollars



After housing, tuition and fees accounted for the greatest share of the money spent for veterans and children. Many spouses attend school while the service member is on active duty, so they already receive a housing benefit through the service member.

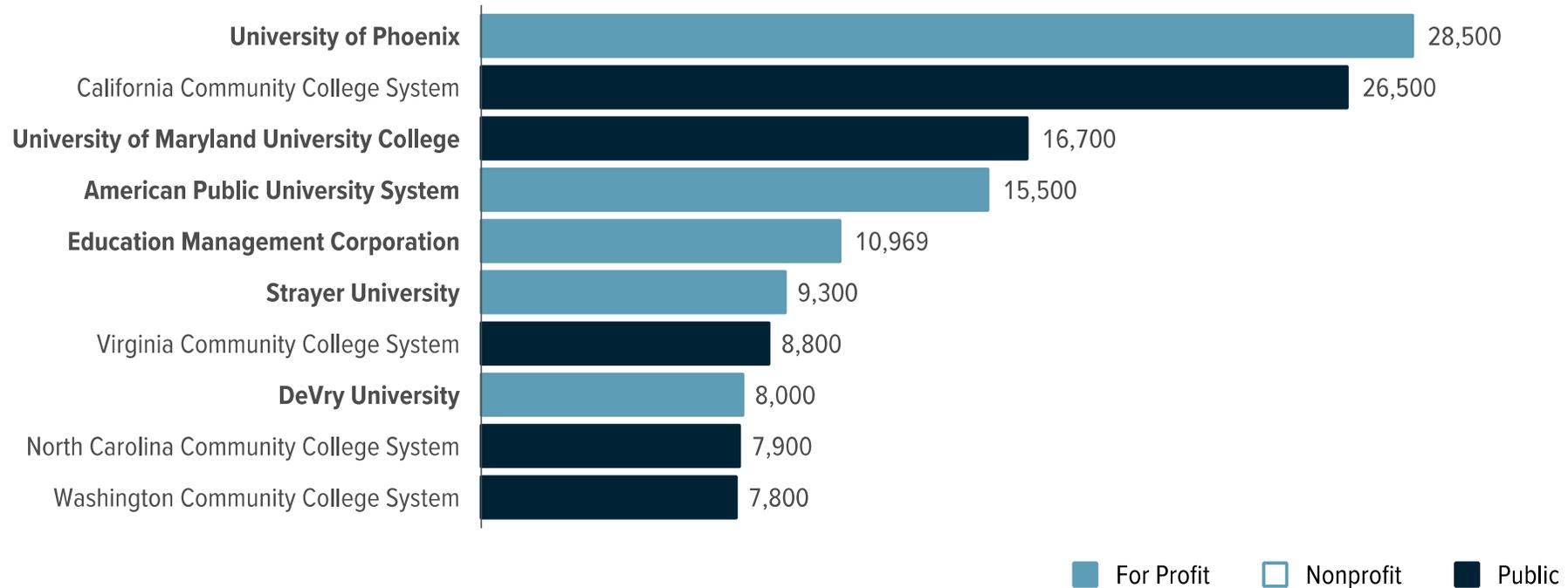
Institutions' Tuition and Fees: CBO's Findings

Average Tuition Outlay per Beneficiary Under the Post-9/11 GI Bill, 2017

2018 Dollars

Type of Education	Public	Nonprofit	For Profit
University, College, or Professional	7,000	10,500	7,600
Junior College	2,400	11,300	11,000
Noncollege Program	4,700	8,700	10,900
Nursing and Health Sciences	9,700	10,000	9,900
Average Tuition Outlay for Each Type of Institution	4,800	10,500	8,700

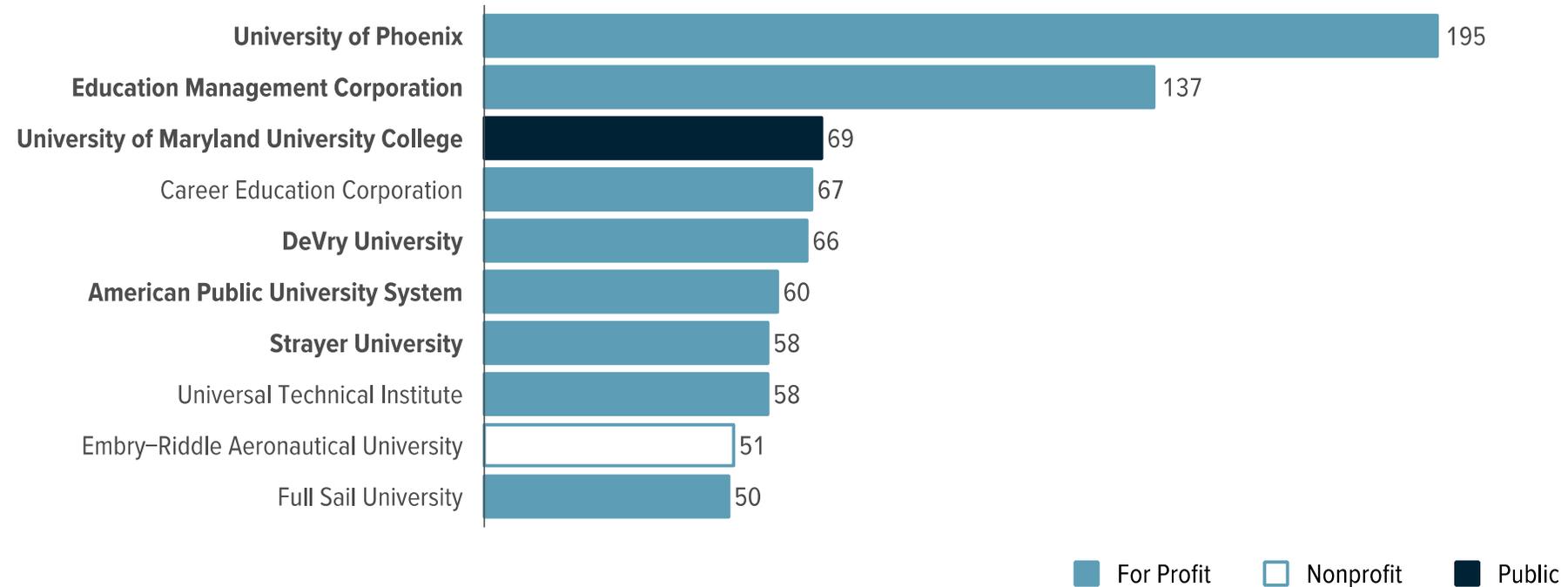
Most Popular Institutions Under the Post-9/11 GI Bill, 2017



Schools with the most enrollees do not always receive the most tuition. A number of for-profit schools receive a disproportionate share of tuition payments, while community colleges receive less money relative to the number of students they enroll.

Institutions That Received the Most Tuition Under the Post-9/11 GI Bill, 2017

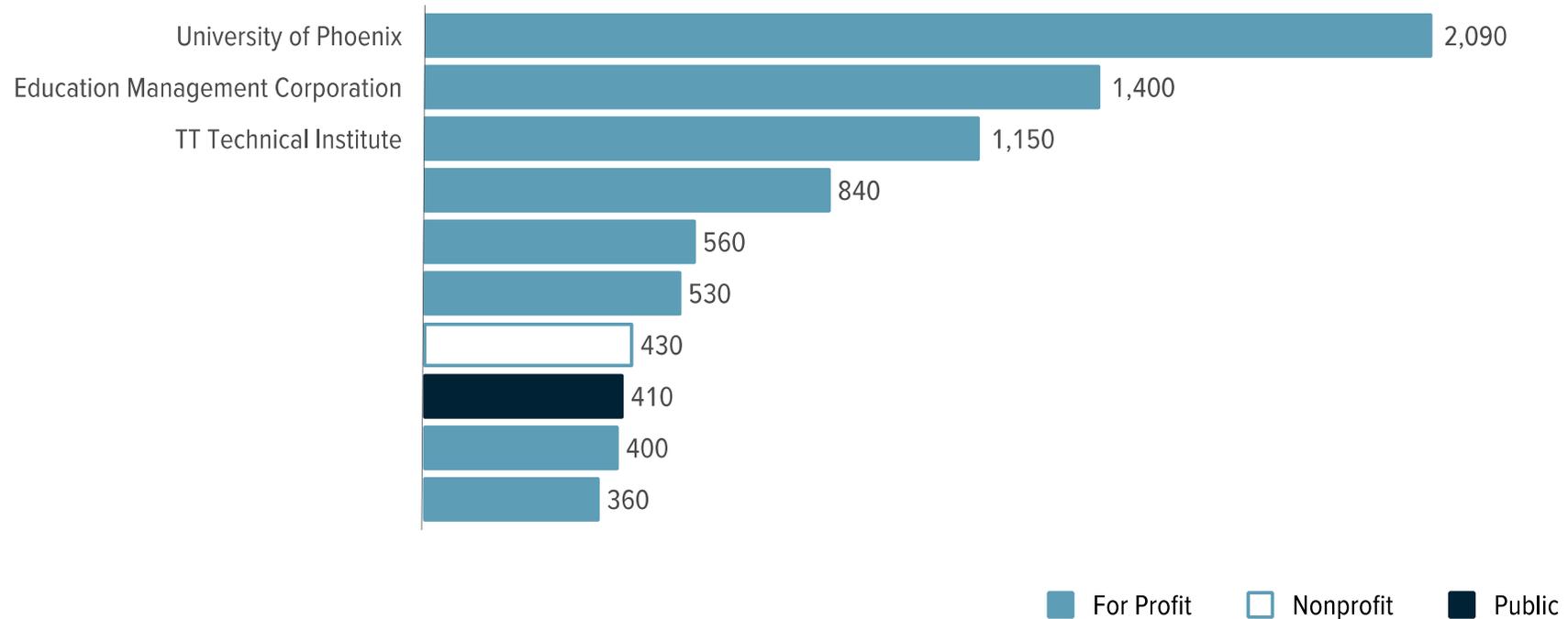
Millions of 2018 Dollars



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The 10 Institutions That Received the Most Tuition Under the Post-9/11 GI Bill, 2009 to 2017

Millions of 2018 Dollars



Since the start of the Post-9/11 GI Bill, a disproportionate share of the money spent on tuition has gone to for-profit schools. Eight of the 10 institutions that received the most in tuition and fees were for-profit schools. Of those, two (ITT Technical Institute and Education Management Corporation) have declared bankruptcy, and Career Education Corporation has sold or closed most of its campuses.