



The Market for Veterinary Medical Education

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The Market for Veterinary Medical Education

Outline

- The latest on the veterinary applicant pool
- How applicants make decisions
- Understanding financial literacy education in influencing decision-making
- The future of the market.

The Latest...Class of 2022

Applications for the Class of 2022 were received on September 21.

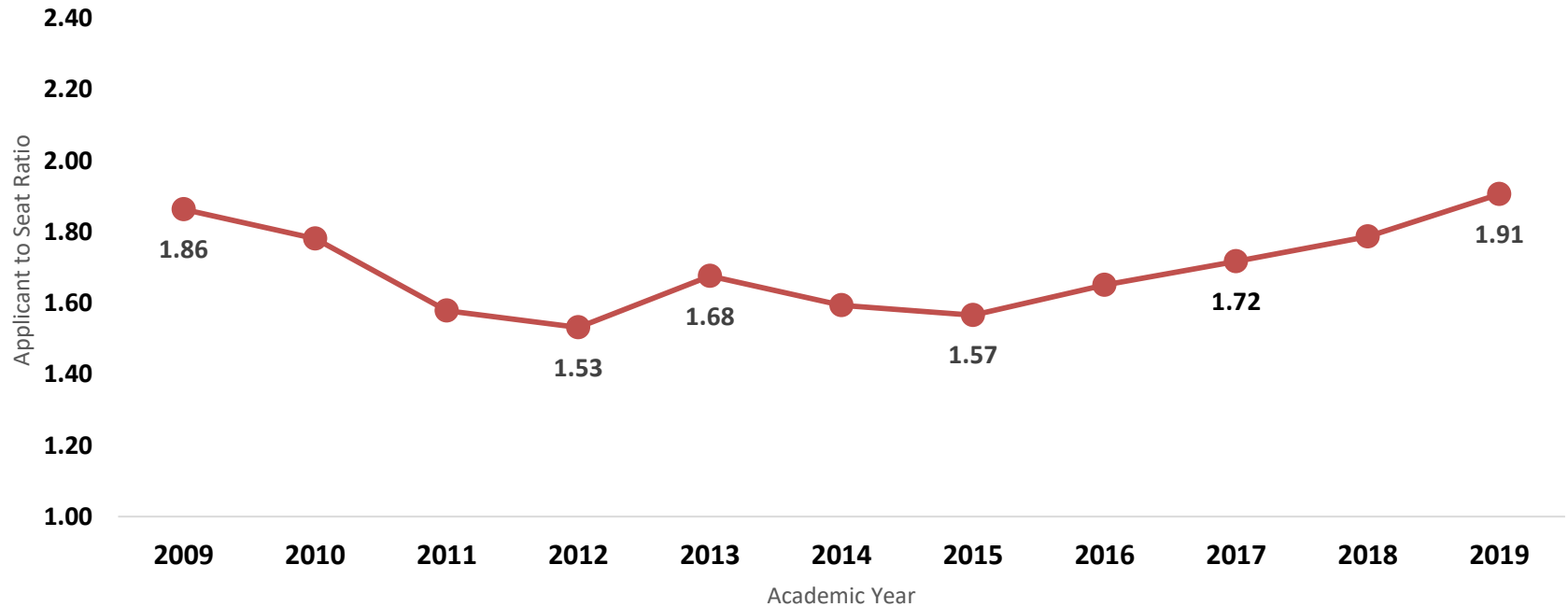
- Number of applicants increased 7% to 8,151.
- Applied to an average 5 number of schools
- Applicant research is just starting...More Soon!

Applicant to Seat Ratio

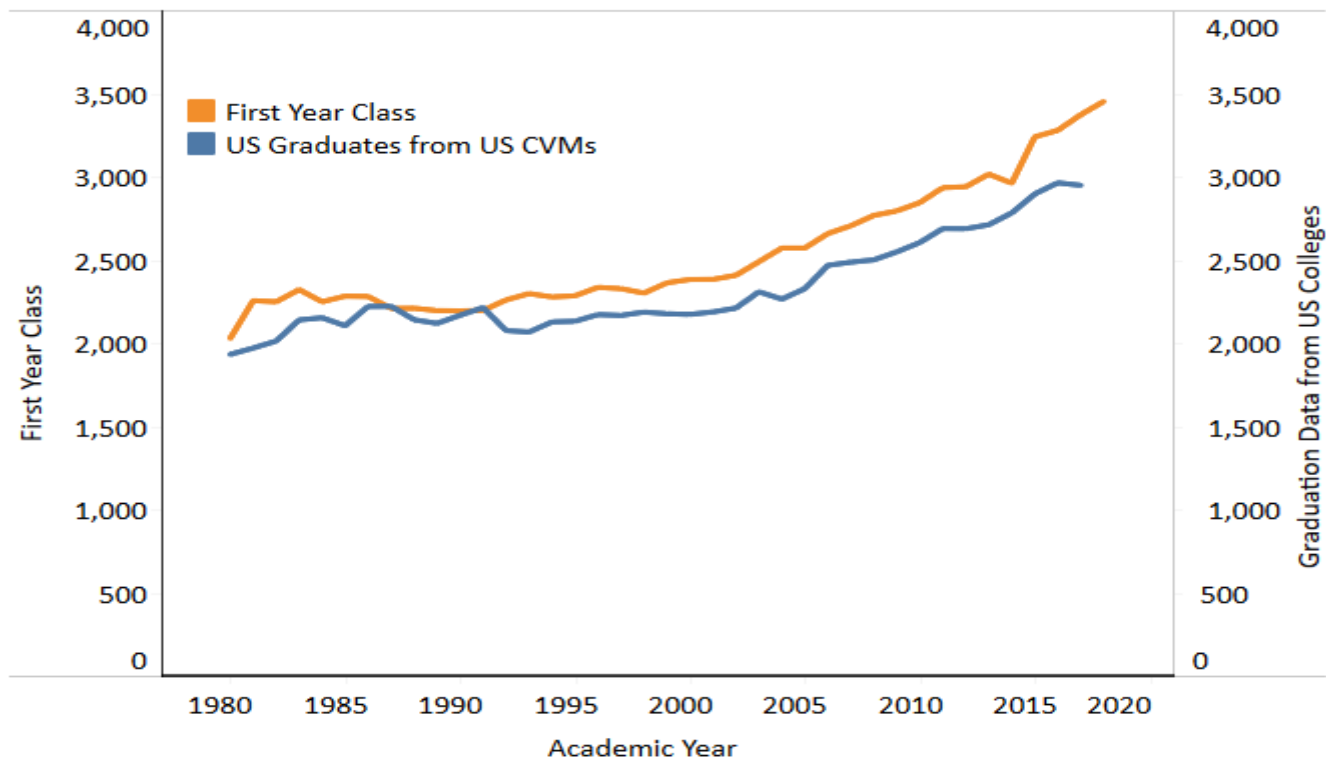
US and International Institutions

AAVMC Internal Reports

2009-2019



First Year & Graduation Classes at US Colleges of Veterinary Medicine Internal AAVMC Data Reports 1980-2018



Class of 2021



- *14.8% men, group continues to decline.*
- *15.1% racial/ethnic minorities*
- *9.2% sexual minorities*
- *28.0% are Pell or Pell eligible*
- *28.4% First generation college attendees*
- *20% from Rural communities, 21% want to practice in Rural communities*

Class of 2021



- 47.2% took community colleges; Average of 29.5 credit hours
 - *1st Gen & Pell grant applicants most likely to have CC hours.*
- 22.9% applied to at least one international school
- 48.7% applied to 2-5 CVMs; URVM applicants typically apply to 6-10 CVMs
- 53% have no undergraduate debt
 - *URVM, 1st Gen & Pell have higher than average debt.*

Class of 2021

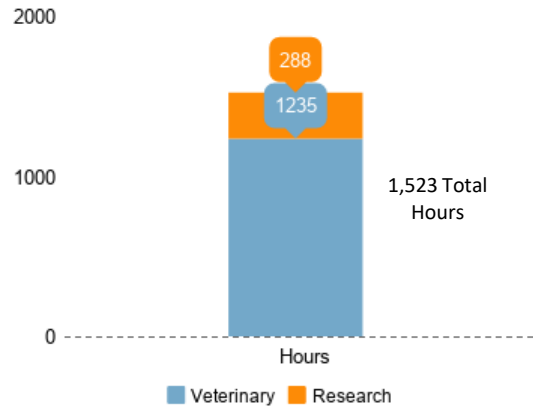


- Generally have a low confidence about being admitted to veterinary school.
 - *Grades are consistent with previous cohorts—3.5-3.6 Mean GPAs, 50/60 GRE percentiles.*
- URVM applicants are less likely to see advisors → trust issues.
 - *1st Gen—less likely to have access to advisors*
- 1st Gen and Pell applicants are more likely to seek out financial advice related to financial aid and financial planning

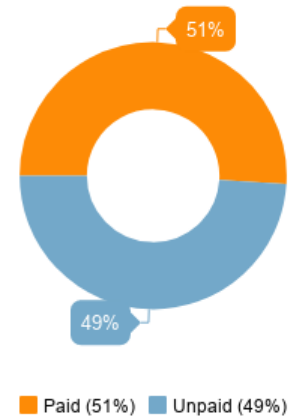
Class of 2021



Experiential Hours



Paid v. Unpaid Experience



1st Gen and Pell Applicants have more hours due to a higher likelihood of paid positions.

Less likely to have other extracurricular activities, which means they also have less “leadership” positions.

So, About the Money...

- **Increasingly hard to get experiential hours, very hard to get research hours.**
 - It doesn't matter that experience requirements for hours are going down! The pressure to accumulate hours to be competitive is very strong and there are major impacts for applicants around this.
 - Burgeoning wellness issue---balancing work/experience/activities/courses.
- **Pre-vet debt is on the slowly on the rise.**
 - Average undergrad debt is \$11K, nearly 1/3 higher for low SES applicants.
 - Median undergrad debt is \$0.
 - Family support is the primary reason why debt remains low.

So, About the Money...

- The **cost of applying** is a driver in where and how many schools to apply to; applicants apply to 5 CVMs on average.
- **Cost of attendance is not the driving decision factor until applicants have an offer of admission.**
 - It is a consideration.
 - Strategy in application is primarily driven by perceptions in seat availability, program offerings, perceptions of applicant competitiveness.
 - Applicants report considering costs and financial aid offers after admissions as primary decision drivers.

So, About the Money...

- **After Admission**

- Cost ranks higher for more affluent applicants.
- Cost ranks much lower for low SES and 1st generation students – they typically have fewer choices.
 - *Barriers to being perceived as competitive*
 - Less family support
 - Fewer financial resources
 - Less likely to attend full time & demonstrate capacity to bear the weight of a rigorous curriculum.
 - More likely to be working FT—often in clinical settings—to raise \$\$ for school.
 - Less access to opportunities to demonstrate competitiveness and leadership.

It's all about the money!

- Applicants are increasingly aware of the cost of the DVM.
- *They generally believe they will be able to find work and service their debts after completing their program.*
 - 36.2% are slightly concerned about employability after finishing degree.
- They are willing to pay about an average **\$1,200 a month** to service their veterinary school debt.
 - This assumes a debt of \$140K with 10 year repayment and requires a >\$100K salary.
 - Certainly there are other repayment options.
 - Suggests a financial disconnect.

Financial Literacy Education

- Types of Financial Literacy
 - **Objective** – knowledge about principles, tools, and application of knowledge.
 - **Subjective** – how you feel about financial issues, how you self-assess your own knowledge, confidence and satisfaction in financial behaviors.
- Current applicants have comparable rates of financial literacy as their peers.
 - Multiple touch points to improve financial literacy through financial education.

Financial Literacy Education

Does it work?

It really depends on your goal!

- Goal 1 – Improving literacy?
 - Yes, education absolutely improve literacy levels. ↑↑↑
- Goal 2 – Changing financial behavior based on improved literacy?
 - Increased financial literacy is correlated with improved financial behaviors, but it is a weak correlation & it's not a causal correlation.
 - At most, it is responsible for **.1% of behavioral change**.

Financial Literacy Education

Financial education programs that have some modicum of success:

- Time limited/deadline oriented
- Short term programs
- Focus on a specific activity with specific decisions

Examples:

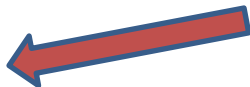
- *House purchase*
- *Car purchase*
- *Imminent retirement plans*
- *Paying an application fee, rather than the cost of attendance.*

So, About the Money...



Graduate/Professional Students

- Complete Entrance Counseling
- Complete Loan Agreement for a Subsi
- Complete Loan Agreement for a PLUS
- Apply for a PLUS Loan



- 38.5% say that no financial education was offered at their school, college or workplace.
 - Of those who did have financial education, 56.1% had it in college; 38.0% had it in high school.
- 22% have ever visited a certified financial planner; only 18.9% of this group say it was related to financing their education.
- 28.1% say they did NOT complete loan/financial awareness counseling for student loans.

Still a high demand market; with a slow growth rate in the applicant pool.

- Applicants with strong, increasingly diverse profiles.
- More affluent applicants are dominating the applicant pool.
- Applicants have access to more financial literacy education.
 - Knowing better is not necessarily correlated with doing better.
- Our *grittiest* applicants are likely being pushed out of the market long before cost considerations.
 - Less affluent applicants have many more hurdles to consider well before getting to the application process.

Still a high demand market; with a slow growth rate in the applicant pool.

- Undergraduate debt loads are rising; unclear how this will affect the veterinary pool long term.
- 84% of applicants are in states with veterinary schools, but the percentage of non-resident seats is now about 50%.
 - Pressure to establish residency and/or examine cost of the DVM more closely.
- 40% of accepted applicants were accepted at only 1 college
 - Limited choices.

There are some populations that may be slipping out of the market at a time when we really need to be concerned..

Questions?

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