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!
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
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.
• 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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