

# Student Veteran Financial Challenges

What Policy Makers, Universities,  
and Veterans Need to Know

Swords to Plowshares  
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VETS HELPING VETS SINCE 1974



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## Executive Summary

In order to understand the financial challenges and needs of student veterans, Swords to Plowshares conducted eleven online focus groups and three in-person research workshops with seventy-seven student veterans in California from forty colleges and universities in 2019 and early 2020.\*

The patchwork of veteran education benefits as well as limitations in funding drive many student veterans to face financial challenges similar to the financial challenges their nonveteran classmates face. However, they would not bear those financial burdens if the GI Bill fulfilled its promise to fund veteran education. Our key takeaway from this study is that if veterans' education benefits truly meet their stated aim to fund a veteran's post-secondary education, we should never hear a student veteran say: "I wasn't doing too well in school. Too busy working and trying to make ends meet at the time."

Although most of our participants said they benefitted from the Montgomery and Post-9/11 GI Bill and Basic Allowance for Housing (BAH), most also described financial hardships and debt accumulation due to time limits within which their GI Bill benefits must be used, funding gaps during the months when they were not in school because of holiday or seasonal breaks, and inadequate stipends for course materials.† Some student veterans said they sought part-time jobs or added work hours to an existing job to sustain them through the gap periods and when they exhausted their benefits. The struggle to balance financial challenges and coursework can negatively impact student veterans' academic success.

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Legislators, policymakers, the Department of Veterans Affairs (VA), universities, and colleges must address student veteran financial burdens and stress. Legislators should rethink the funding framework when they authorize veterans' education benefit programs, including how the amount is determined and the time frame for using benefits. The VA can assure that the process is smooth and that information is easily accessible for veterans. Universities and colleges that receive GI Bill funds must ensure consistent levels of trained staff to provide thorough guidance for student veterans.

The following material reports the key findings of this study, and includes our suggestions as well as those from student veterans, for actions that can ease student veterans' financial burdens and promote their academic success. While this report reflects the experiences of the participants in this study, their perspectives and recommendations—informed by those firsthand experiences—can provide guidance for legislators, policy makers, post-secondary education institutional staff, and student veterans.

## Main Findings

**The GI Bill and other veterans' education benefits fall short of covering the true cost of education for most veterans.**

Inadequate funding or gaps in housing allowances during scheduled breaks from school necessitate seeking full or part-time employment and can result in credit card or student loan debt accumulation as well.

**Veterans lack a consistent and reliable source of information about their educational benefits.**

**The struggle to live within their benefit income or to manage debt has a cumulative effect on veterans' academic performance.**

Administrative delays or errors by school personnel or the VA can negatively impact student veteran funding, enrollment, and ability to complete their degree.



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\* This research was conducted prior to the COVID-19 pandemic, which has severely impacted the financial well-being of student veterans and has likely exacerbated the already significant financial struggles among those we studied.

† If a veteran left active duty before January 1, 2013, they must use their GI Bill benefits within fifteen years. For those whose last discharge date was on or after January 1, 2013, the rule has changed and there is no time limit within which they must use their GI Bill benefits

# Background & Methods

## Background

The United States Government Accountability Office (GAO) predicted in 2013 that as many as five million US military service members will leave the military by 2020.<sup>1</sup> Many of these veterans will seek to reintegrate into their communities by enrolling in educational programs. A report by Student Veterans of America found that almost 52 percent of veterans completed post-secondary education (degree or certificate).<sup>2</sup> The continued exodus by veterans from the military will likely increase participation in veteran educational benefit programs.

The Post-9/11 GI Bill, accessed by more than 1.4 million veterans since 2009, provides veterans who were on active duty thirty-six academic months of funding to attend a public post-secondary education institution, partial assistance to attend a non-profit or for-profit institution, and a stipend for course materials. Under the program, student veterans may also receive a Basic Allowance for Housing (BAH),

which provides money for rent based on the zip code of the school a student attends.

However, although the GI Bill and housing allowance are intended to cover a veteran's education, cost increases for both tuition and housing have outpaced funding changes and have devalued the benefits. Despite the existence of education funding, financial security and debt accumulation can still be key challenges for student veterans. A recent Pew Research survey found approximately one-third of Post-9/11 veterans reported trouble paying their bills in the first few years after they leave the military.<sup>4</sup> Thirty-five percent of service members have resorted to non-bank loans; nearly half of those borrowers are entry-level enlisted personnel. These loans can lead to massive debt accumulation and persistent demands from debt collectors.<sup>5</sup>

## Project Aim

The aim of this project is to identify the factors that student veterans perceive as barriers to, and facilitators of, access and use of veteran education benefits, as well as financial challenges they face while enrolled in colleges or universities.

## Methods

### Study Design

During the fall and winter of 2019–2020, Swords to Plowshares conducted eleven 1.5-hour online focus groups, and three two-hour in-person research workshops with seventy-seven student veterans in California who were attending or had recently graduated from among forty colleges or universities. Any veteran who currently attends or who had graduated within a year from any college or school was eligible to participate.

Participants were recruited through campus veteran resource centers and through User Interviews, an online portal that provides researchers access to vetted potential participants who have

registered to take part in studies. We asked potential study participants to complete an online questionnaire inquiring about demographic, educational, and veteran-specific information in order to better determine their eligibility for the study.\* The survey also asked them to indicate which focus group or research workshop session they would be available to attend. After they registered for a focus group or research workshop session, participants signed an informed consent form and verified their veteran status by providing a copy of their military identification card, VA card, or DD-214 documentation<sup>†</sup> through DocuSign, an online electronic signature platform. Each student veteran who participated in an online focus group or in-person research workshop received electronically a \$60 or \$100 Amazon gift card, respectively, at the conclusion of their session.

\* Veterans who were on active duty for at least ninety aggregate days (after 9/10/01) or 30 continuous days if discharged for disability are eligible for the Post-9/11 GI Bill.

### Focus Groups

The online focus groups were in the form of a text chat on the Zoom platform. For the purposes of anonymity, video was not an option. To further protect participants' identities, the focus group protocol called for all participants to use screen names unrelated to their actual names.

The online focus group started with an initial interview guide, which provided a basic framework for the questions posed to the participants and allowed for follow-up questions. The interview guide included questions about their use of veteran-specific education benefits, past and present experience with debt including student loans or payday loans, housing costs, expenses associated with post-secondary education, and the impact of financial well-being on academic success. The questions were intentionally open-ended in order to elicit detailed descriptions, using words such as "describe" or the phrase "tell me." The session procedures also included opportunities for veterans to raise additional topics that were not included in the interview guide.

All focus groups yielded verbatim transcripts generated by the Zoom text chat. Three investigators analyzed the focus group transcripts to identify and reach consensus on the major themes raised during the focus groups. Storage of transcripts and recordings on password-protected computers maintained session confidentiality.

### Research Workshops

The research workshops took place in the San Francisco Bay Area. Two workshops were held in San Francisco and one was held in Oakland so that the greatest number of veterans would have geographic convenient access to the sessions. The primary goal of the workshops was to offer student veterans an opportunity to identify solutions to what they decided were common financial issues facing student veterans.

Workshop facilitators initially asked participants to identify and describe the primary financial challenges for student veterans. Subsequently, the facilitators sought consensus on the top three challenges identified from the initial discussion. The facilitators then divided the participants into three smaller groups and asked the groups to discuss and list solutions to those challenges.

During the final stage of the workshop, the larger group reconvened, and one member from each small group presented their group's solutions while all participants weighed in with additional suggestions. At the conclusion of the workshop, the facilitators compiled a list of identified solutions on which the participants had reached consensus. We recorded the research workshops after seeking verbal consent from the attendees in order to more precisely document the workshop content.



\* Not all study participants took the survey (survey n=71). Any survey data presented in this report only refers to those who actually took the survey.  
 † A DD-214 is the document the Department of Defense issues to military service members when they leave active duty in the Armed Forces of the United States.

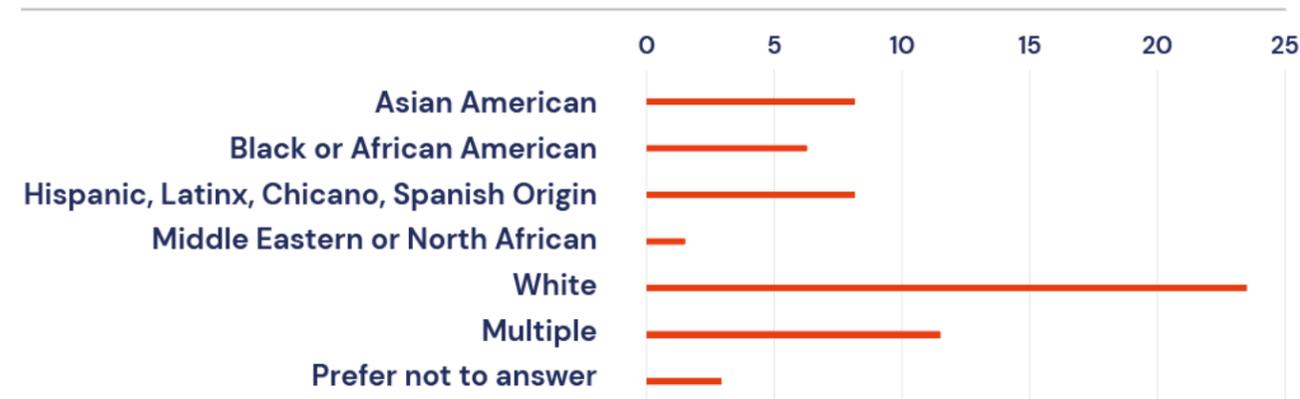
# Demographic Overview of Veteran Survey Participants

The majority of the participants who took the survey (n=71) identified as male (71 percent), served in the Army, Marines or Navy, and more than 76 percent were between the ages of 25 and 44. The highest percentage identified as White (34 percent), 15 percent as Black or African American; 14 percent as Asian, and 12 percent as Hispanic, Latinx, Chicano, or Spanish origin. Nearly 18 percent identified as multi-racial or multi-ethnic. As is true of most student veterans, the respondents differed from their civilian counterparts in several ways: they were older, and were more likely to be married, divorced or in a relationship, and have dependent children.<sup>6</sup>

The majority said they rented their homes (57 percent); 25 percent indicated that they owned their home; nearly 13 percent said they were temporarily living with friends or relatives or in a transitional program; and more than 4 percent indicated they had lived in multiple housing situations at the time they took the survey. Almost 88 percent of participants had an honorable discharge.\* More than 49 percent of the study participants were currently receiving funding through the Montgomery GI Bill, the Post-9/11 GI Bill, or the Forever GI Bill; and 14 percent had received GI Bill funding in the past, but had exhausted the benefit. Twenty percent had not applied for GI Bill benefits and nearly 3 percent had applied but were not eligible.

## Demographics

### RACIAL AND ETHNIC IDENTITY

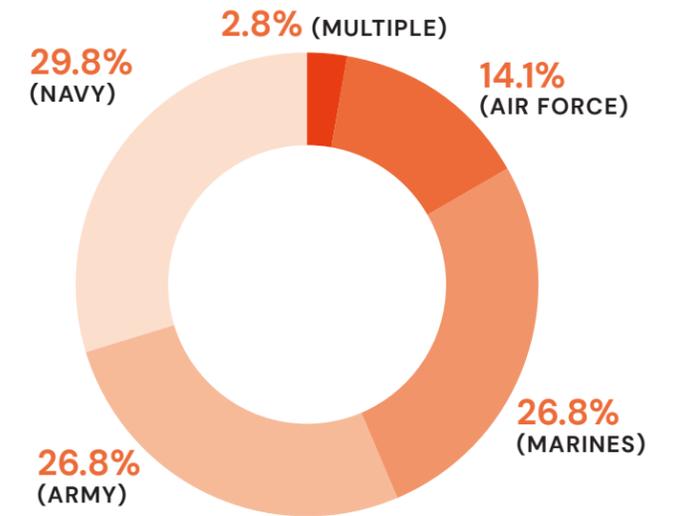


### GENDER IDENTITY AND AGE

71% identified as male

76% ages 25-44

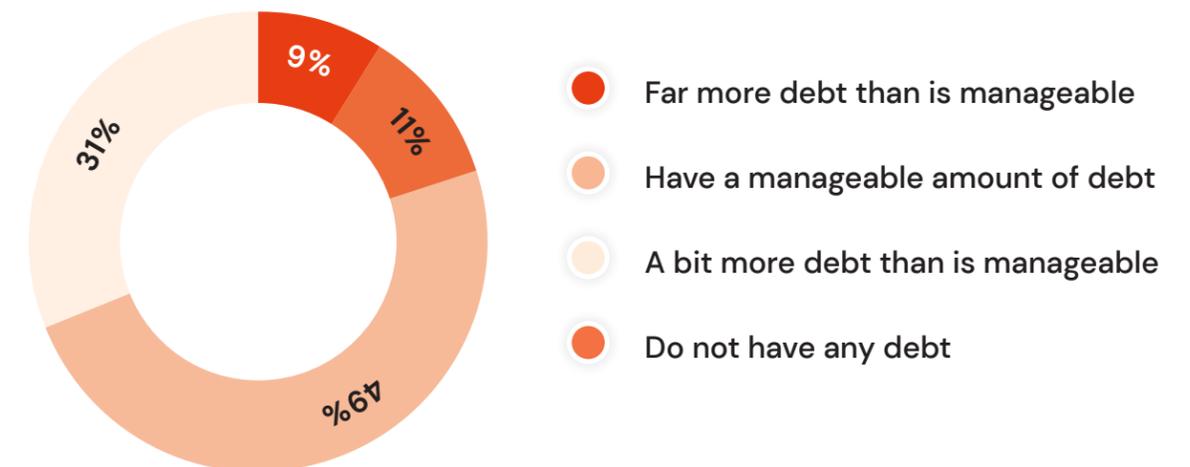
### MILITARY BRANCH



## 77% had applied for the GI Bill.

- › 50% currently using it
- › The others had either exhausted, were awaiting, had paused, or were not eligible for the benefit.

### DEBT



36% of the participants have over \$30,000 of debt, 10% have over \$100,000.



## FINDINGS

### Veteran Educational Benefits Have Too Many Limitations and Gaps

There is a general assumption that veteran education benefits cover the cost of college or university, but participants made it clear that there are too many shortfalls for this to be the case. Although many of the participants said they benefitted from the Montgomery and Post-9/11 GI Bills and appreciated that they could access these benefits, the funding gaps during holiday or seasonal breaks and other funding shortfalls required them to rely on their own devices to cover the costs of housing, food, and living expenses.

One participant summarized the reality of funding limitations in light of the premise that veteran educational benefits adequately fund the cost of college. "For me it was assuming that I would be able to go to school full-time and not have to have a full-time job to pay the bills. That is not possible and I learned the hard way." Another veteran described the discrepancy between the annual book stipend and the true cost of course materials, "\$1000 for books is definitely not enough. I took 4 science course one semester, and

bills came out to be \$2000 almost."<sup>†</sup> During winter or spring breaks, the Veterans Benefits Administration (VBA) halts housing allowance payments until classes resume. This funding gap creates a financial hardship: "GI bills helps me throughout the school year. Which mean[s] during the winter break (1month long) and summer if I am not taking any classes. I do not get paid. As such, it was hard during the winter break since that's the time when all the heavy bills occur." One veteran said that the gap in funding can potentially pose dire consequences: "I've faced eviction three times because I rely on that money for housing."

Veterans said they found part-time jobs, worked gig jobs such as driving for Uber or food delivery, or added work hours to an existing job to sustain them through the gap periods. However, some participants said that it was difficult to find employment to cover the funding gaps because employers are reluctant to hire someone temporarily. One told us: "It is very hard to get a job for less than a month of even a few weeks to make up the difference."

\* Only veterans with an honorable discharge are eligible for GI Bill education benefits..

<sup>†</sup> In order to accurately portray the tone of the online text conversations, all quotes from veterans have been left as they wrote them. Any changes are indicated with brackets.

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Another pointed out: “Most employers dislike that fact that I have to return to school, and the majority of them don't want to hire, and then re-hire once I depart.”

The GI Bill's thirty-six-month limit on funding is another reason that the program does not adequately finance veteran education. Many students—veterans and nonveterans alike—are unable to complete their degree within thirty-six months. Focus group participants often talked about their benefits running out and their struggle to finance the remainder of their education. Our past research found that this thirty-six-month limitation was one of the most visible challenges facing student veterans.<sup>7</sup>

Finally, GI Bill funding is determined by whether a veteran is a part-time or full-time student. Some classes require more time outside of sessions than others and credit hours do not always reflect time spent on coursework. Veterans in more time-intensive courses mentioned they are often unable to take a full-time course load even if they are doing the same amount of work, and thus are given less GI Bill funds.

All of these funding limitations and gaps create substantial financial burdens on student veterans when veteran education funding programs are supposed to prevent such a burden. Student veterans made it clear these shortfalls add up to an unkept promise.

## RECOMMENDATIONS

### Funding Limitations and Gaps

- 1.** Rent does not take a winter or spring break. The Veterans Benefits Administration (VBA) should increase the housing allowance and give veterans BAH during gap periods, as long as they enroll in classes the following term. The current system of stopping payments during breaks forces some students to seek additional employment which can threaten their academic success and lead to burnout.
- 2.** Thirty-six months is not enough time to complete a degree even in the best of circumstances. This creates a burden for veterans to take on extra units and causes many veterans to spiral into unnecessary debt. The VBA should award benefits until the veteran finishes their degree.
- 3.** Schools should base a student's full-time or part-time status on the total time spent on schoolwork, not just credit hours. For veterans taking more time-intensive courses, this will alleviate their burden of taking on additional courses to maintain their full-time status and receive a consistent rate of GI Bill funds.
- 4.** Community colleges cost far less and may enable a veteran to avoid substantial debt. So long as the current funding limitations persist, veterans should consider attending a community college first and reserve their benefits for a four-year institution.

**FINDINGS**

## Funding Shortfalls Lead to Debt Accumulation

A substantial number of focus group participants described accumulating and struggling with managing debt, whether it was debt they accrued during the military, post-separation, or while they were in school. Participants said they accumulated credit card debt or took out student loans while in school to compensate for inadequate funding or BAH gaps.

In some cases, the funding shortfall was because their BAH was based on their school's zip code and did not match the high cost of housing where they actually live. In other cases, there was inadequate funding for course materials or other education costs. One participant told us: "It's hard managing the debt I already had and not letting it increase when I am in need of financial resources that the GI Bill doesn't provide. (breaks in rent, etc...)." Another veteran described how, despite their efforts to limit their spending, they accumulated substantial credit card debt: "For me during the winter, It happened twice, I spent only on the essentials and still came up with 4000\$ in credit card expenses and had to play catch up till school started."

The results of our screening survey reflect this accumulation of debt: Thirty-five percent of participants responded that they had more than \$30,000 in total current debt, and 40 percent responded that their total debt was "a bit more debt than is manageable or "far more debt than is manageable." Seventy-eight percent said they had credit card debt and nearly 48 percent had taken out student loans.

One might wonder why veterans need to take out student loans if they have access to educational funding. The focus group participants clarified that veterans take out student loans for the same reason they accumulate credit card debt: to ease funding shortfalls. In addition, because of the time limits on funding some veterans may need to take out loans if they pursue a graduate degree.

The only good news about student veteran debt is that the majority of participants said they had avoided high-interest payday loans that charge exorbitant interest rates, because they knew how those loans can lead to

massive debt accumulation. However, those who had used payday loans characterized them as emergency measures, said they had paid off the balances as quickly as possible, and expressed determination to not use them again.

Whether it is to make up for housing allowance gaps, the inadequate stipends for course materials, the thirty-six month time limit on funding, or the essentials of daily living, student veterans told us they rely on credit cards and pursue loans, which only adds to their unnecessary financial challenges.

**RECOMMENDATIONS**

## Debt Accumulation and Management

1. **Loans can be a minefield of high interest that can severely impact overall credit. Veterans should ask as many questions as possible of potential lenders and seek loans from banks or entities with which they already have a relationship, as these lenders are more likely to work with and assist them.**
2. **Interest can accumulate exponentially. Veterans should pay off loans systematically and as quickly as possible either by first paying off the debt with the smallest balance first, or first paying off debts with the highest interest rates.**
3. **Financial counseling and guidance can be an effective way to prevent debt accumulation or mismanagement. Before separation,\* the military should assign service personnel financial counselors who can offer them "real-time" individualized counseling on how to prevent debt accumulation and how to manage existing debt.**
4. **Peer support and advice is also an effective way to guide veterans. The VA should create an online platform where a network of veterans can offer one another tips about how to prevent and manage debt.**

## FINDINGS

## Financial Challenges Require Careful Spending and Budgeting Knowledge

Funding shortfalls mean student veterans must be frugal and budget carefully to avoid excess debt, let alone afford college. Especially for veteran participants who received an inadequate housing allowance, budgeting was a tool not only for limiting their spending within their benefit income, but also a tool for covering expenses during funding gap periods.

Focus group participants described their careful spending habits in order live within their means. One said: “The bulk of what I typically spend is in rent. More than half of what I earn goes there. Food comes in next with about a third. At the end of the day I usually have a couple hundred dollars left or zero dollars left but food in the fridge.”

Another described a tactic for stretching the book stipend as far as possible as well as economizing on household items and leisure activities: “Don’t buy the books if I don’t need to buy it for the class. I look for someone in the class and be friends with them and look at it... I buy the cheapest items for TP, or toothpaste. I try to catch rides with friends or carpool with them. I don’t do

anything anymore if I need to go outside and spend money for entertainment.”

Veterans bemoaned their own lack of budgeting knowledge or training, either because they had not taken advantage of available training before they separated from the military or they had no access to other budgeting programs. One said: “I can’t stress how invaluable it would be for me to meet with an individual or business to look at ALL my financial responsibilities and show me where to cut, where to pay more, etc.” Another veteran added: “I have no family, (military out of foster care) and no one has ever taught me these things. I would be so grateful for a plan to have to follow.”

Participants who had access to budgeting training during their active duty service or from their schools seemed to have an advantage over those who separated from the military without any such training. “My university had a class that was required for transfer students using the GI bill, and it was invaluable. They told us everything from how to certify to how to access other benefits to help if our GI bill runs

out (which most my classmates will, because the average bachelor’s degree is taking approximately five years to complete).”

Older veterans who had been out of the military for a longer time displayed more knowledge about budgeting. They described their structured approaches to budgeting and how that budgeting dictated their careful spending. One described how they closely monitored bank accounts: “I check my bank accounts almost daily and know exactly where my money goes and 90 percent of the time know how much money I need for that month unless an emergency occurs.” Another likened budgeting to lifestyle changes: “Tracking spending and conscious spending is a lifestyle. Kinda like dieting, budgets fail because we want what we’ve told ourselves not to buy so a low spending lifestyle is just easy and simple.”

Some participants described even more structured budgeting techniques: “To allocate my funds, I place them in categories within my apps, and I set daily reminders, weekly, and monthly to assure me that I’m within my spending,

savings, and credit ranges.” Another described a more complex approach: “I calculate all of my bills and pay them all at the beginning of the month even though their due dates are all spread throughout the month. I set up automatic payments to my savings regardless of how much I am being paid in that period. I would forget that something is due in the middle of the month and buy something I do not need so its best for me to have a set day. Also, each month prior my husband and I sit and budget together going over calendars seeing what necessary unnecessary thing needs to be taken care of within the upcoming month.” A few veterans attributed their spending and budgeting practices to lessons they learned during their military service as well as to their military lifestyle: “The military taught me some budgeting, but I think being in the military and living out of a cubby for months teaches you minimalism and I have consumed less and less ever since.”

Careful spending and budgeting can make all the difference between financial burden and financial health. The veterans in this study clearly understood that.

\* Separation refers to someone leaving their active duty military term of service.

## Spending and Budgeting

1.

A funding program should include guidance on how to use the money wisely. The VBA should require that schools provide budget education for all student veterans who are receiving education benefits. This could be a course veterans take for credit toward their degree so that it is not an extra hurdle for them.

2.

Budgeting for the long-term is more effective than short-term budgeting. Veterans should plan ahead for financing the full cost of college, housing, and extracurricular activities by saving money—even if it means not enrolling in college right away. They should also seek advice from military financial services and veteran service offices on campus, find out as early as possible how much books or other course materials will cost, and devise a financial plan based on their needs.



## Financial Challenges Can Create Academic Stress and Affect Performance

Funding shortfalls and struggles to manage debt have a cumulative effect on academic stress and performance. One focus group participant described how efforts to manage their finances within funding limitations can mushroom into multiple problems: “For starters you get another job. Then this forces you to cut out some classes. This then puts you below full-time status, so you get a reduced MHA, which makes you work more hours or get a third job. Before long, you find yourself working full-time and no longer in school. GI Bill issues cause a snowball effect of second and third order consequences.”

These second and third-order consequences include the impact of working full or part-time on academic success. One veteran pointed out: “For [the]second half of January, and entire [month] of February, I had to do two part time jobs which is more than 1 full time job along with school. which was 1 year ago, I was taking 21 units which made a huge impact. I got 1 C and that was the only C in my transcript out of As and Bs.”

Financial worries can lead to hard choices between the amount of time they spend working and the amount of time they devote to coursework. One participant talked about that dilemma: “Having to choose between working to pay off debt and spending the necessary time on an assignment is stressful. Even though I get good grades I know in my heart if I had the time and I took the time to execute my assignments I could do so much better so sometimes I feel like I'm selling myself short and tend to beat myself up knowing that I am capable of better.”

Balancing financial struggles and coursework can affect academic self-esteem as well. One veteran described this effect: “It was difficult to shoulder financial challenges and be proud of the work I produced in school. It was like I needed to either go extra hard in work or in school, but the stress made it difficult to go extra hard in both.”

Finally, as nontraditional students, veterans not only tend to be older, as previously mentioned, but are also more likely to have families to support. Thirty-one percent of participants said they had at least one dependent child (ranging from one to five) and 15 percent said they had more than one. Those participants who had dependent children described how they juggled family responsibilities, which added to the cumulative toll of financial pressures. One research workshop participant talked about this: "I got my son...so I have to work. You're going to school, you're working, you're so tired that you skip homework, you slack off... It's just because your body can't take it ... I was working forty-plus hours like two semesters. I was going full time. But it was just so hard ... your body can't take it."

The stream of multiple consequences can cascade to academic pressure on students who may already feel challenged by their coursework under the best circumstances. Stopping this flow of stressors is a vital goal for the sake of student veteran well-being.

**Research workshop participants suggested several additional ways for the military and VA to ease student veteran financial challenges by helping veterans when they transition out of the military:**

The military should include targeted individual counseling about financial planning for college in their Transition Assistance Program (TAP) before personnel leave active duty.

The VA should provide a peer resource site with a database of veterans who can advise those transitioning out of the military and into college.

The federal work study program for veterans includes opportunities to work in a school's veterans office, VA medical facility, VA regional Office, or a state employment office. In order to prepare student veterans for more diverse career paths, the VBA should expand the federal work study program for veterans to include a broader range of community job opportunities that the nonveteran work study program includes.

## Finances and Academic Stress

1. Veterans should receive up-to-date information from prospective colleges on financial resources, cost of living, and other expected school expenses when they are deciding where to apply.
2. Veterans may experience a delay in receiving their initial VA benefits payments. In order to ease this potential burden, they should be sure to budget for this before college enrollment.
3. Veterans should take their health into account when they make enrollment decisions. Students may be tempted to take a heavy course load in order to finish a degree early, but focus group participants stressed to avoid this temptation as the extra work may impact overall academic performance and well-being.
4. Colleges need to provide resources for veterans with families, including childcare financial assistance, housing and campus spaces for families, accommodation for parents with babies and young children, and veteran family scholarships.

## FINDINGS

## Housing Costs Can Lead to Long Commutes That Increase Academic Stress

Veterans with high housing costs described the challenges of finding affordable housing in order to live within the limitations of their BAH. Some pointed out that their BAH was tied to the location of their schools, even if their circumstances required them to live in another area where housing was more expensive. For example, if a student attends a school in Hayward, but lives in San Francisco, their BAH would be based on the cost of housing in Hayward, which is considerably lower than the cost of housing in San Francisco. Consequently, their BAH might have covered the cost of housing near campus but was not intended to cover the cost of housing where they actually lived. Unfortunately, even when BAH is apparently based on the housing costs in cities such as San Francisco, it is likely still not enough to afford the exorbitant rents there.

For some veterans, finding affordable housing requires long commutes, which further adds to their financial burden. One enumerated their commuting expenses: “Gas, parking permits, finding parking, running late, auto insurance, car payments, maintenance – all of this adds up.” These additional expenses can necessitate working part or full-time, taking out loans, or accumulating credit card debt in order to make ends meet.

While it adds to their expenses, some veterans said the long commutes also consumed time that might be better devoted to coursework, therefore impacting their academic performance. One discussed this toll of commuting: “The commute is the worst part of going to school. just moved and cut about 20 minutes off of my drive time; it feels like a weight has been lifted off my shoulders.” Another participant talked about how the commute led to poor grades: “I almost failed a course because I underestimated the time and missed my finals appointment.”

Some student veterans were fortunate enough to find solutions that decreased their commute time: “I used to take the bus to school but taking the bus cost me two hours back and forth. Now, I drive to school because it only costs me an hour of time ... I think the time taken can have an effect on my academics because driving has allowed me to sleep later and more.”

Housing costs are another factor that can have cumulative effects on veteran financial and academic well-being. Rent, commuting costs, parking, and time spent travelling to school all highlight an imperfect system used to calculate the allowance.

## RECOMMENDATIONS

## Housing and Commuting

1.

**Some veterans may need to live in a particular city that is more expensive than the school or college’s surrounding area. The BAH should be based on the zip code where a veteran lives, not based on where a veteran attends school, as in some regions the housing cost differences can be great. For veterans who live far from school, education benefits should include reimbursement for commuting costs, including bridge and road tolls, and on-campus parking.**

2.

**The cost of housing is not limited to rent or mortgage payments. The VBA should factor in other costs of housing— including utilities—when calculating a student’s BAH.**

3.

**Relying solely on zip code does not factor in specific housing needs. Veterans who live with families have different housing and funding needs than those who are single. The VBA should consider the number of dependents in determining BAH payments and should also fund childcare costs.**

## Inconsistent Information Can Lead to Misunderstanding Benefits

When veterans have access to accurate information and work with knowledgeable advisors, misunderstandings or errors in benefits can be avoided. Although most of the student veterans were familiar with some of the details of the GI Bill and other educational benefits, participants also described how they struggled to find accurate or consistent information about those benefits. In some cases, they faulted their campus' veterans office, or their VA certifying official, whose job is to guide student veterans and verify their classes so that they remain eligible to receive their benefits.

The lack of access to accurate information can amplify financial challenges. One veteran who said they were told they were outside the time window to qualify for education funding may have been misinformed. Unfortunately, they paid out of pocket for their education based on that misinformation: "For me at this time, I have been paying for my tuition, books and other supplies only because I have not found any benefit the VA can offer me to pay these expenses ... I gave up on pursuing the GI bill because I was told I was outside the

window to qualify for assistance." Veterans identified problems with other sources of information as well, such as online sources that purported to provide resources for student veterans, but either had incorrect information or did not appear to be trustworthy: "When looking up information about the GI bill online there are a lot of website[s] that look like traps ... Where they muddle the information or make you want to call them to ask about it but I don't trust it."

Veterans mentioned peers often gave them conflicting messages as well. One recalled: "And the student veterans would tell me 569 different things about the same question." Another veteran told the other focus group participants: "Everyone pretends to know what they are talking about but rarely is this the case."

Accurate and consistent information can make the difference between the best use of education benefits and missing out on components of the programs. When there are lost opportunities, veterans must face additional financial hurdles.

## Finances and Academic Stress

1.

The military should assign an advisor to meet individually with a service member prior to separation. The advisor can help them identify the veterans service organization closest to their home or school, key educational or benefits' contacts, and inform them how to get connected to the VA and other resources to help ease the transition to their community.

2.

In the interest of better record sharing, the VA should create a portal that provides all the details about veteran educational benefits, resources and funding; where they can easily access their electronic files after separation when applying for education benefits; track the claim or benefit process; and where veterans can also share information about benefits and resources.



## FINDINGS

## Institutional Errors and Delays Can Harm Funding and Academics

Benefit processing errors and delays were sources of frustration for veterans that impacted their enrollment, ability to complete their degree, and ability to pay rent. Some participants stated they could not always rely on the VA, their campus certifying official, or their campus veteran service offices to guide them through their benefit process or to make sure payments are made in a timely manner, citing they felt misinformed at times about benefits processing or planning. It was unclear whether some errors and delays were due to user error rather than an error by the institution.

Turnover in campus veterans' offices or VA certifying officials can also be problematic when it leads to a lack of continuity or consistency. Our past research has found that unfortunately at many schools, certifying officials are not assigned to work with veterans full-time, this work is on top of other duties, and there is a high rate of turnover in these positions.<sup>8</sup> This may explain why some veterans find certifying

officials unresponsive. Veteran resource centers may also experience a high rate of staff turnover, which can lead to an inconsistency of information and resources for students. Turnover can also jeopardize a veteran's funding. One veteran said: "All was good until the school hired someone new to do the VA certifications. The new certifying official messed up and certified me at the Missouri campus. This resulted in a 80% reduction in my MHA. I could not finish the semester and took two incompletes. The school fixed the issue but it took a whole semester before the VA paid me the correct MHA."

Errors can have more serious consequences in other instances, multiplying to a point that the challenges seem insurmountable: "I have no degree, lost my home in Virginia, and wasted 18 months of my GI Bill eligibility all over a screw up in the school certifying official sending the wrong data to the VA. No one realizes how things can snowball out of financial control."

One participant described how things went from good to bad at their school: "It was good in the beginning ... it ran smoothly but the last year and a half was a nightmare. We lost the representative so there wasn't a person to help or paperwork wasn't submitted correctly the first time, concerns couldn't be answered, and we didn't know what were our options."

Veterans perceived that delays by the VA can also affect their academic status. One participant told us: "I experienced the VA not paying the school by the tuition deadline, requiring me to jump through some hoops at the school to keep from getting dropped from my courses." Veterans also voiced frustration at what they said were persistent delays in resolving problems with their claims: "Most of the difficulty was in the fact that every correspondence took so long. I would get a letter asking for X and I would send it in. 9 months later I finally would get a response asking for something else. Rinse and repeat. Finally, I just gave up. I couldn't find anyone back then to assist me at all."

In other cases, participants described bureaucratic complications when the VA gave them false information, ultimately leading them to rely on student loans: "Well, when I first enlisted, I signed up for the GI bill and they added the VEAP (Veterans' Educational Assistance Program)\* to it, so the payout was going to be pretty good. Then, when I got out, they told me that I had 're-enlisted too early' while in Germany, so I was disqualified for getting either, even though I actually signed my contract 6 months prior to my going to boot camp. It was a mess. I ended up using student loans to finance my first degree." The institutions responsible for smoothing the path to veteran education can cause errors or delays when they give misinformation, have high staff turnover, or overburden the personnel who advise or guide student veterans.

\* VEAP is a program that requires 181 continuous days active service between December 31, 1976 and July 1, 1985. The program requires service members to make contributions and the military would match two dollars for every one dollar contributed.

## RECOMMENDATIONS

### Recommendations: Institutional Errors and Barriers

1.

Transition to school can be challenging for veterans—especially for those who have more recently left active duty. Schools should assign a peer mentor for each student veteran to offer advice about school, financial planning, and barriers and facilitators to education benefits.

2.

Veterans share a common history and bond in many cases. Campus veteran resource centers should include veteran staff, who may have more inside knowledge about the claims process and may be more concerned about meeting the needs of their fellow veterans. The VA work study program is an excellent and cost-effective way for veteran resource centers to provide veteran staff, and very often these student veterans have experience with education benefits and financial planning.

3.

The VA needs to provide additional resources to overburdened certifying officials, including more funding to ease their claims caseloads, to help them do their job more effectively.



# Strengths and Limitations of Online Focus Groups

## Strengths

Conducting the study's focus groups online allowed for participation by a broader range of veterans who otherwise would have had to travel to a specific location. In addition, the ability to preserve anonymity online can contribute to a freer flow of ideas and may have allowed those who would otherwise be reluctant to voice their opinions in person to speak up. Conversing via text online also more likely prevents certain participants from dominating a conversation as they might during an in-person focus group, thus allowing input from everyone.

## Limitations

Chatting via text at times seemed to impede the flow of conversations and interactions. Responses lagged while participants typed their comments. In the interest of not over-extending veterans' time commitment, we would move on to the next question while participants were still posting responses to previous questions. Consequently, the conversations at times lacked coherence when a comment by a participant was a response to something someone else said about a different topic.

Although most students are expected to use technology as part of their coursework, our study was limited to those who had adequate access to internet so that they could participate. Veterans who rely on their campus facilities to access computers or the internet may have been at a disadvantage compared to those who could access technology from the comfort of their own homes without time constraints.

# Discussion of Our Findings

The promise of the GI Bill and other educational benefits is that, for most veterans, the funding will cover the cost of a public post-secondary education, including tuition, course materials, and housing. Student veterans repeatedly told us that promise has been broken.

The current veteran education funding programs do not realistically meet their stated aim of covering the cost of education. This is our most troubling finding and is consistent with what we have found in past research.<sup>9</sup> Not only does funding fall short of financing housing and course materials, but the thirty-six-month time limit—intended to cover the cost of an undergraduate education—is outdated. A 2019 report found that fewer than 41 percent of “first-time full-time” college students complete their bachelor's degree in four years and 56 percent completed their bachelor's degree within five years.<sup>10</sup>

BAH gaps during school breaks exacerbate the problem. This was the number one complaint we heard. Therefore, the suggestion that student veterans should receive their BAH even

when classes are not in session—as long as they are enrolled in classes for the next term—is important. Unfortunately, participants' suggestions for how to manage the funding limitations and gaps and how to avoid debt accumulation seem based on the notion that these shortfalls are inevitable. This should not be the case.

The study's finding that the struggle to manage accumulated debt may not only jeopardize veteran financial well-being, but academic well-being, too, is also disturbing. We know that, like many young people, veterans may have been enticed by what seems like easy money, and they accumulated debt as soon as they were eligible to apply for credit cards or loans. Some veterans accumulated debt while in the military. However, accumulating debt to compensate for inadequate education funding is a different matter altogether. No matter how disciplined and frugal, too many veterans ultimately overextend their credit card spending in order to pay for the cost of their education.

Nearly 50 percent of our participants had taken out student loans, which is similar to the percentage of all college students who have assumed education debt—including student loans.<sup>11</sup> While it is not surprising that nonveteran students rely on loans to pay for their education, it should not be necessary for veterans to do so, and it reinforces the message that GI Bill funding is inadequate.

It is unacceptable that student veterans said they at times felt let down by the very institutions that are supposed to provide for them and guide them. Their complaints about certifying officials and campus veteran service offices speak to a lack of proper representation for student veterans and to the problem of turnover. No school that receives GI Bill funds should lack a representative for benefit claims or have a representative who improperly files them. As stated earlier, our previous research<sup>12</sup> found that some campus veteran representatives lack sufficient training, time, or capacity to address veterans' concerns.

Veterans also repeatedly told us that because of the GI Bill's thirty-six-month time limit on funding school, they had to pay out of pocket or take out student loans if they went to graduate school.

Therefore, a primary question is whether it is fair that the GI Bill only covers four years of school (thirty-six academic months) when we live in an era when an increasing percentage of undergraduate students go on to graduate school.<sup>13</sup> As the job market has become more competitive, students receive the message that a graduate-level degree can lead to a higher salary and better employment prospects overall. Indeed, they feel compelled to enroll in graduate school.

All of the above lead to the most troubling finding: academic stress results from financial challenges and debt management. According to the VA, as many as one-third of student veterans may suffer from traumatic brain injury, post-traumatic stress disorder (PTSD), or major depression; and these conditions can affect a student's ability to concentrate, complete assignments, and do well in school.<sup>14</sup> When asked in our survey to identify the reasons for their disability rating, nearly 21 percent of participants cited a mental health condition including PTSD, anxiety, depression, and military sexual trauma. The additional stress from financial challenges can only make matters worse.

## Conclusion

Veterans earn their educational benefits through their service. They sign away their safety and freedom through a military service contract with the expectation that the GI Bill will cover the costs of a diploma. Indeed, they rely on this benefit of service to transition to successful civilian lives.

The current veteran education program does not fulfill that promise. Veterans are often older than traditional students with financial responsibilities for dependents as well as themselves. The GI Bill does not adequately cover the cost of tuition, course materials, housing, and other expenses. The promise of a bachelor's degree or even graduate degree is a major factor in many veterans' decision to serve, indeed paying in advance for the opportunity for an education without debt.

We already know that higher education generally leads to better job prospects, general health outcomes, and post-military lifestyle. Now recent research focusing on post-9/11 veterans suggests that veterans who have access to post-secondary education are less likely to experience homelessness.<sup>23</sup> We can add this to the myriad of reasons that it is good policy to make higher education accessible to as many veterans as possible and ensure it is fully funded.

The lofty talk we hear about the need to meet obligations and thank veterans for their service is in stark contrast to student veterans' perceptions of broken promises. If policy makers who devise veteran education funding programs and legislators who allocate budgets for those programs think they truly cover the cost of veteran education, they are mistaken.

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