Economic Summit 2016

Market for Veterinary Medical Education

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Market for Veterinary Medical Education Outline

- **Applicant Data**
- **Applicant Behaviors & Beliefs**
- **Applicant Financial Literacy**

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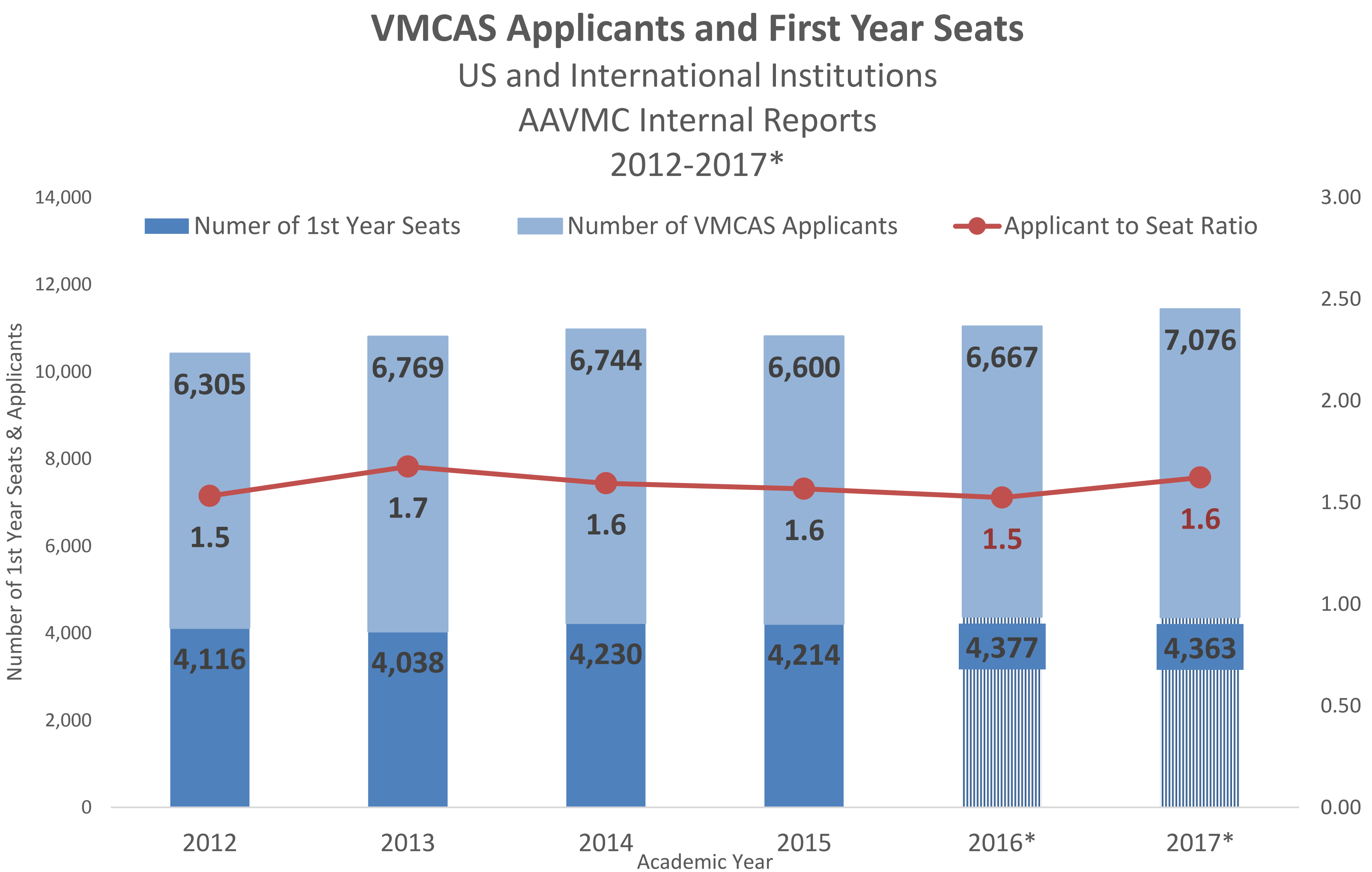
Applicant Data



Applicant Data

The veterinary profession continues to attract a robust applicant pool.

- Just over 7,000 applicants for the Class of 2021.
- GPAs continue to be consistent at 3.5.
- Less than 20% of the applicant pool have GPAs lower than 3.0.
- Roughly 25% apply to international institutions (to include Canada).

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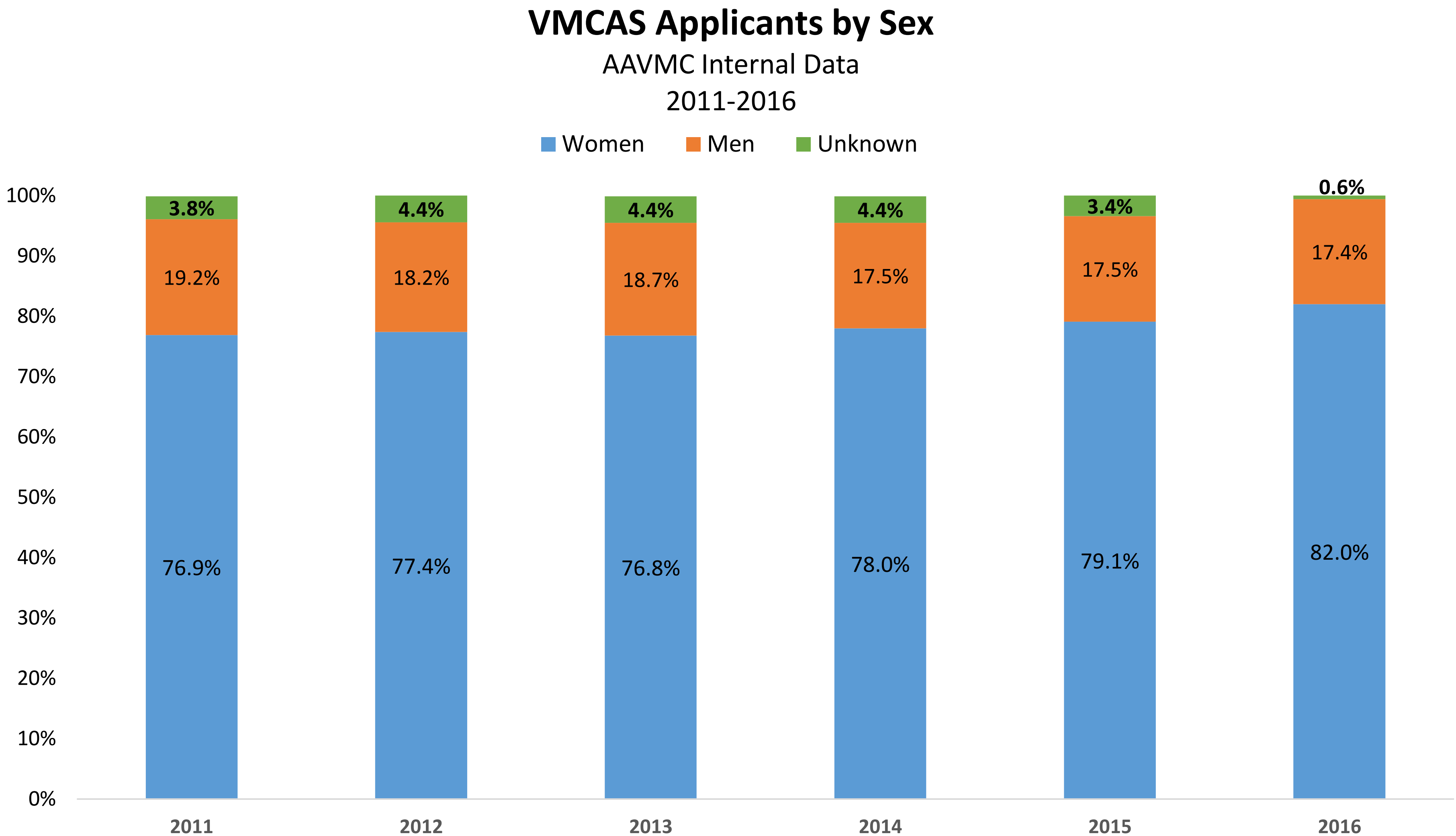
Applicant Data



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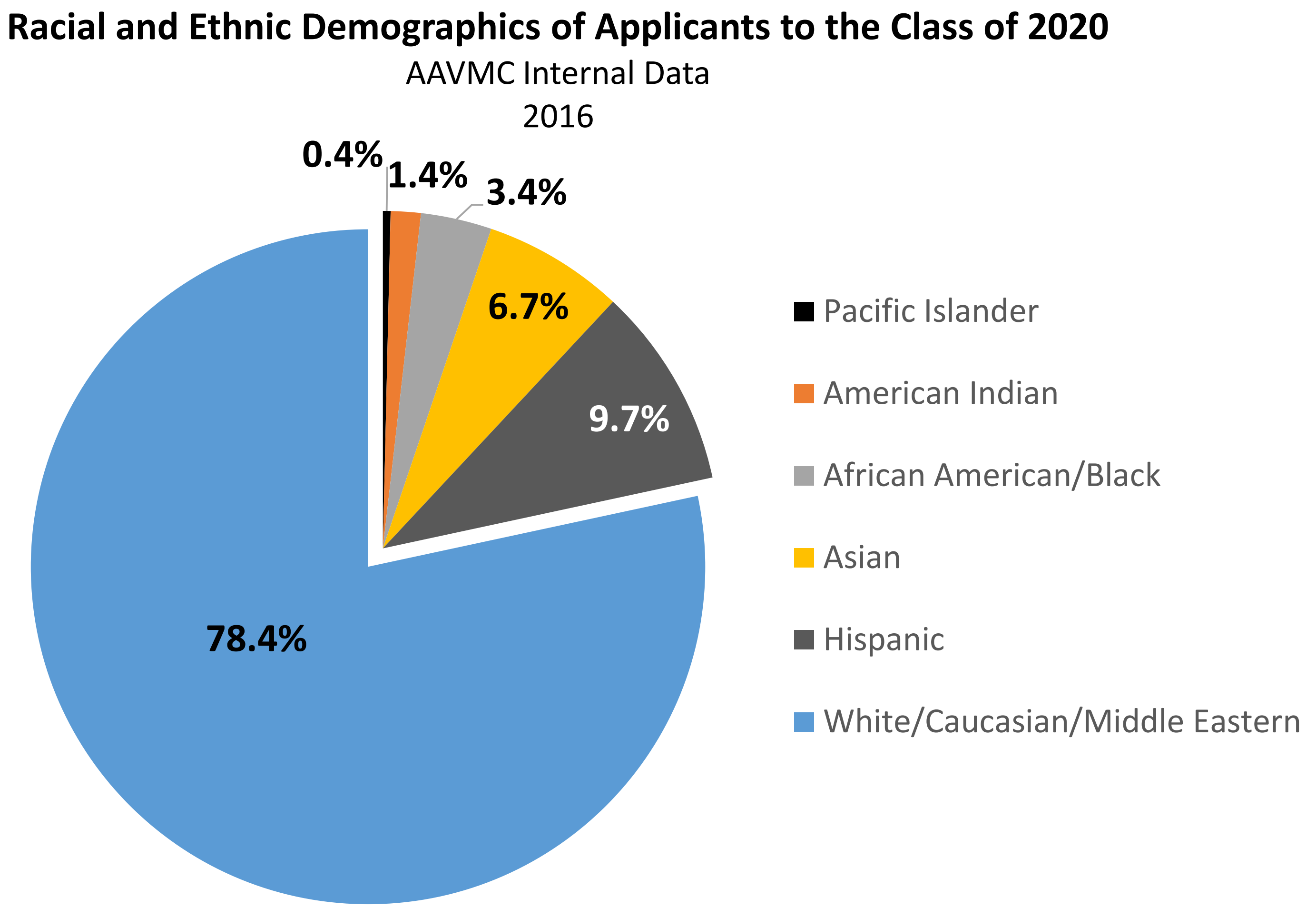

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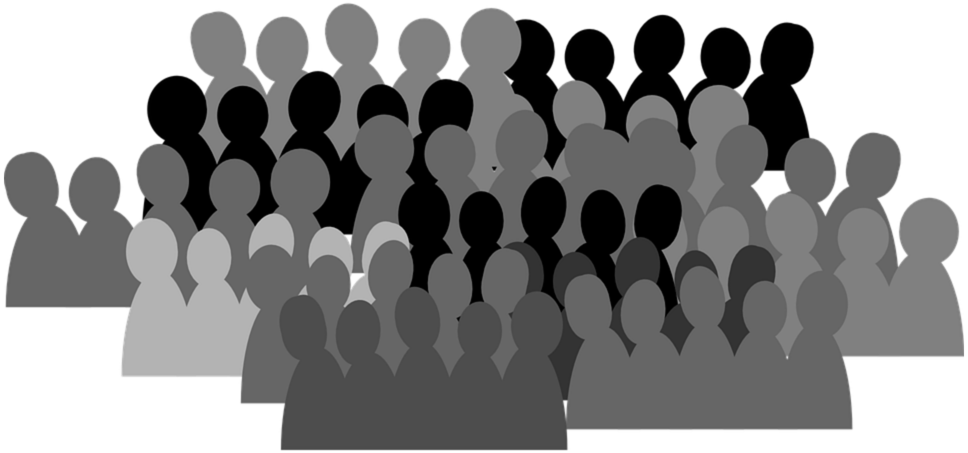
Applicant Data

Applicants in Brief.

- 75% attended a public undergrad.
- They want to go home to work.
- 21% are 1st gen college students.
- 27% are Pell eligible or recipients.
- 83% are working students
  - 1/3 are FT employed



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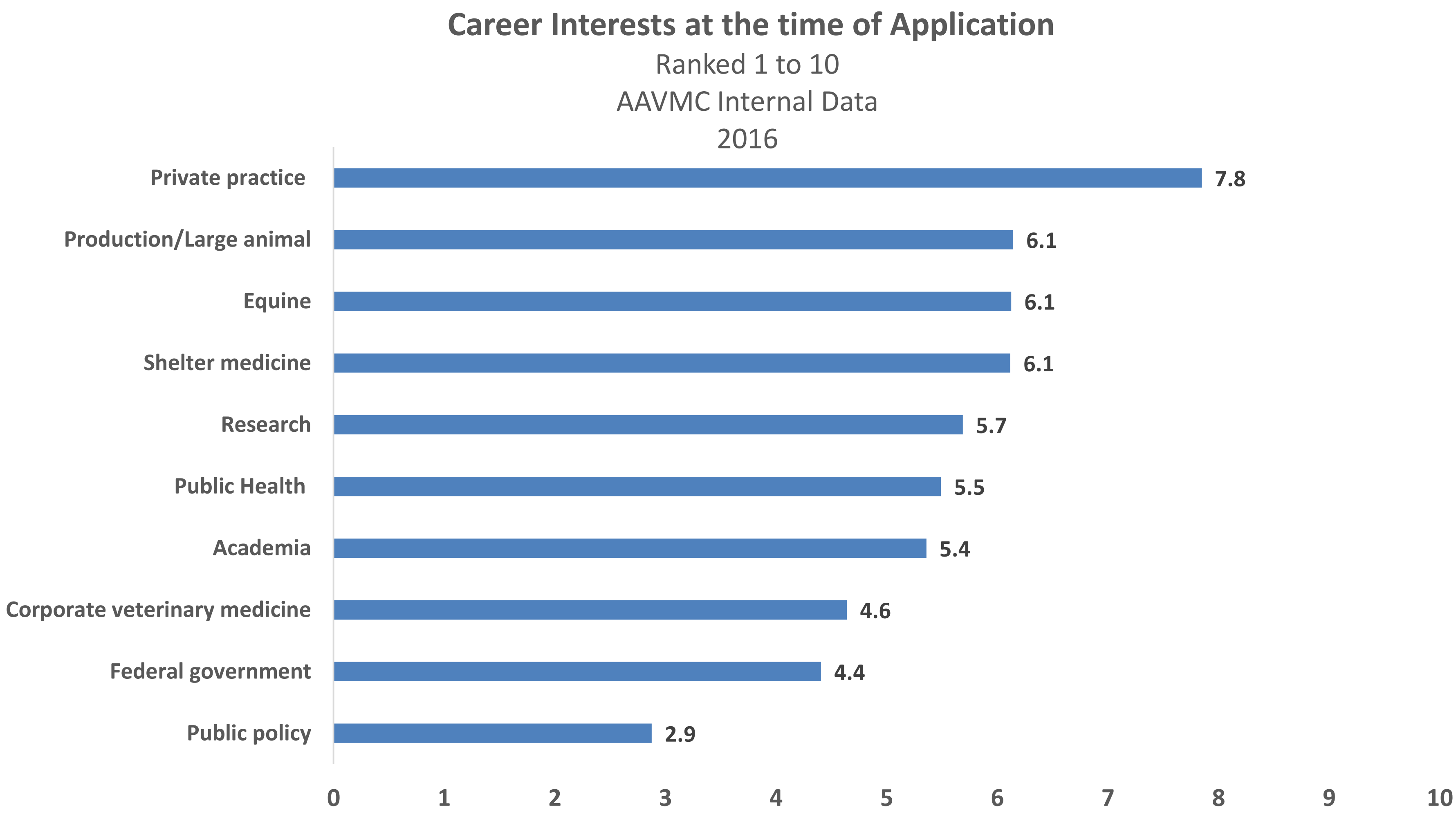

Applicant Data

Applicants in Brief

- 73% have pets.
  - 44% have 2 or more.
- 63% spend as much as $100/Month.
  - $50 → $4,383 over 25 year loan.
  - $100 → $8,766 over 25 year loan.
- 73% intend to bring their animals to vet school.
  - Only 1 in 3 have budgeted related expenses.
  - Mean = $186/month → $16,305

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Applicant Data

There is evidence that the profession is attracting applicants more likely to afford attending.

- Average applicant has less than $10K in debt
  - Family support is key to keeping debt low
- Number of rural, 1st generation and Pell grant students less than 30% with incremental declines.
- Scholarship funds are disproportionately going to students with more diversified funding portfolios.

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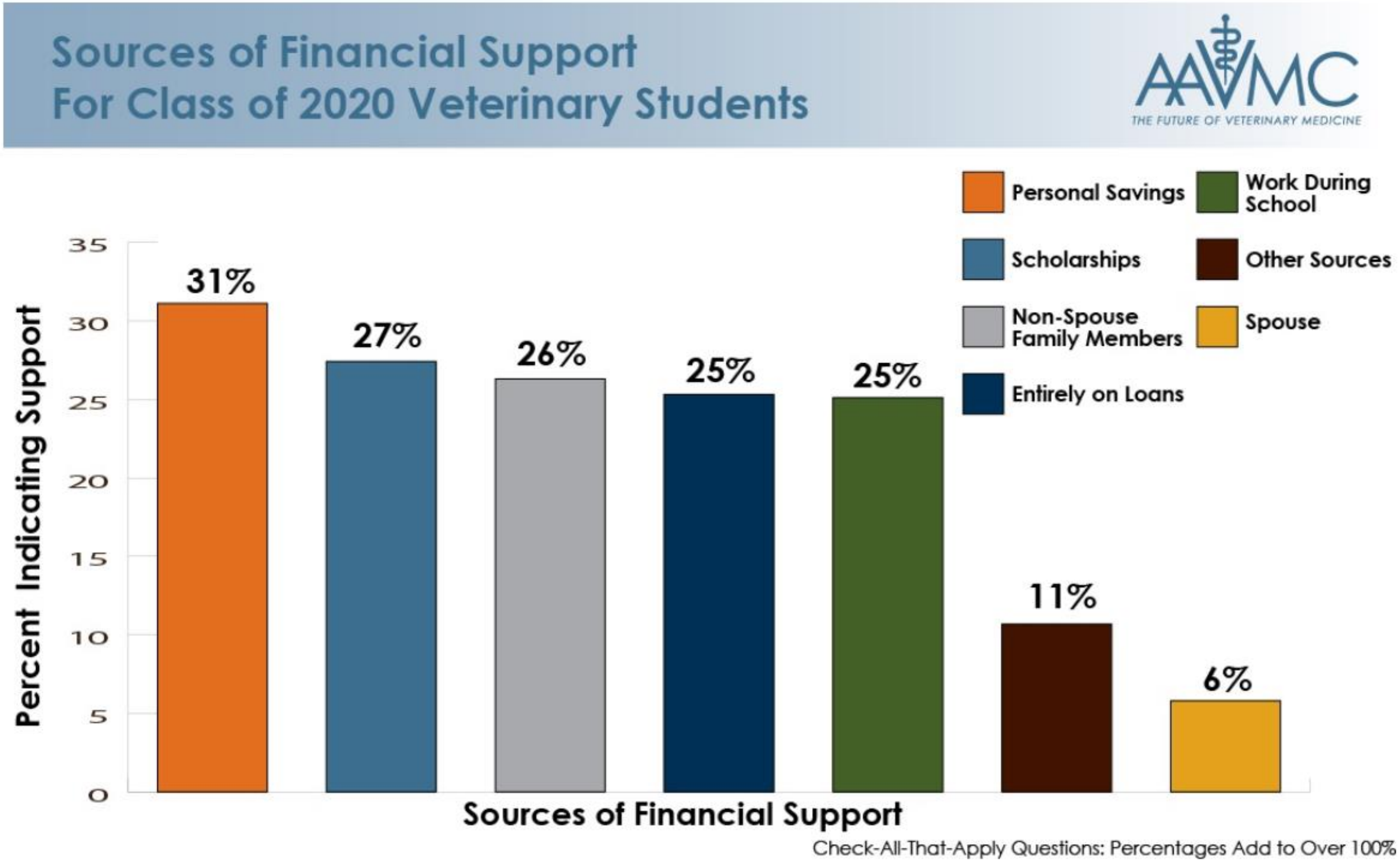
Applicant Data



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Applicant Behaviors & Beliefs

Applicants Believe Numerous Things:

- Applying strategically increases likelihood of admission.
- Applicants to international institutions tend to believe there are not enough seats in the US.
- Holistic admissions—looking beyond grades and scores– is a better evaluation methodology. The cost of studying outside of the US is comparable to studying internationally.

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Financial Literacy

Applicants…What do they know?

- Nearly 60% report that their pre-vet advisors do not talk to them about educational debt.
- 55% have never talked to a financial aid advisor.
  - 19% have only met with this professional 1 once.
- Less than ½ have checked their credit score.
- ¾ have not sought out a financial professional
- Just under half pay CC's in full.
- They are engaging in positive behaviors already.

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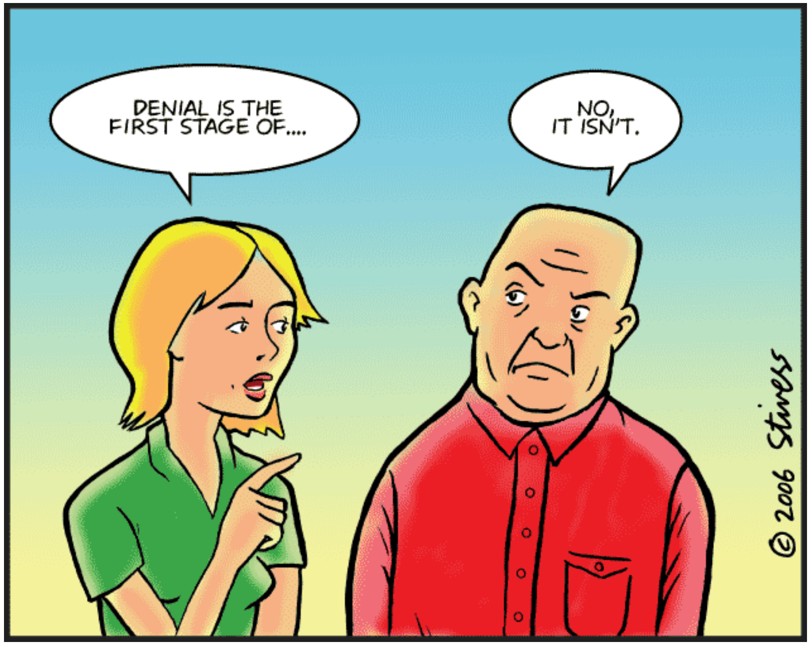
Financial Literacy

Applicants' financial literacy profile is typical for their peer group.



- Their knowledge and use of financial products and usage is consistent with college age students.
- There are applicants who do appear to have a greater depth of knowledge, but behaviors are unchanged.
- There is not a correlation between their low debt and their financial literacy levels.

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Financial Literacy Education

Increased financial literacy is <u>not causally correlated</u> with improved financial behaviors or decision making.

There are broad expectations for causal correlations that simply **do not exist**.

Financial literacy programs are responsible for only 0.1% of the variance in financial behaviors

(Fernandes, Lynch & Netemeyer, 2014)

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Financial Literacy Education

Why isn't there a causal correlation?

- No standards for what constitutes "good" financial literacy education leading to flawed models.
- Financial literacy is not static; it decays with time.
- Programming is rarely tied to a specific, temporal outcome, like buying a home, making the content seem abstract.
- History of flawed scientific research in this area.
    - Failure to control for numerous intervening variables such as various demographics, psychological biases and level of financial experience.

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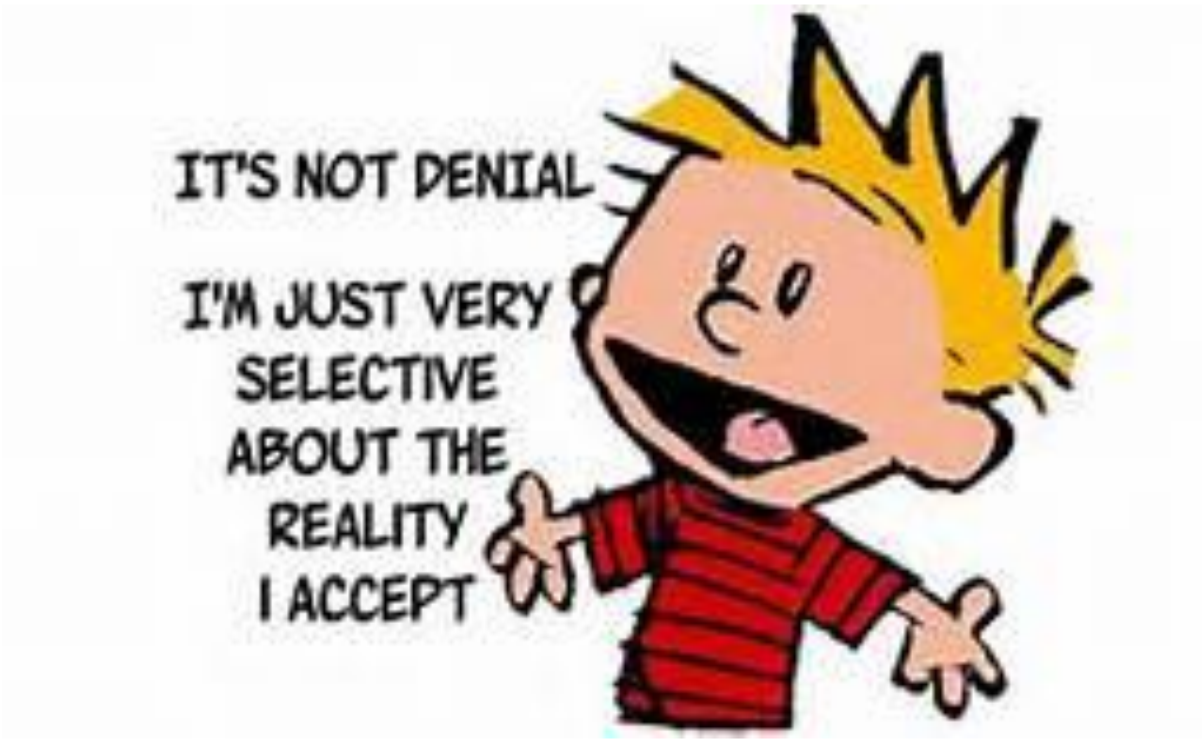
Financial Literacy Education



Financial Literacy Education

Increased financial education programming is not likely to produce the desired results.

- Development of evidence based curricula.
- Need for faculty from other disciplines.
- Increased costs → Tuition
- *We need to cease undermining behaviors*
  - Research on experiential hours & academic performance
  - Freebies/reduced pet care and accessories
  - Good Samaritan saving of medically fragile animals

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Financial Literacy Education

Increased financial education programming is not likely to produce the desired results.

- More affluent students = poorer financial decision-making.
- Very limited *required* high school & college financial literacy programming.
  - This programming does improve literacy, but again, the causal correlation with any behavior change is shaky.

So Where Does That Leave the Market?

High demand market; even with concerns about an anticipated drop in applicant numbers.

- Applicants with strong socio-academic profiles.
- Applicants with diversified career interests.
- Evidence that we are beginning to attract a more affluent applicant profile.
- Bringing a menagerie of critters that will increase their debt.
- Applicants are likely to have had very little financial literacy education.
- Applicants who engage in positive use of financial products, but aren't really battle tested.

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So Where Does That Leave the Market?

High demand market; even with concerns about an anticipated drop in applicant numbers.

- The CVMs must determine whether it should provide financial literacy programming and the appropriateness of programming to change behavior.
- Applicants (anecdotally) are not clamoring for this kind of programming.
  - Awareness for desired programming occurs during matriculation.
- There is also a need to assess the financial implications of the offerings and whether supporting services will back literacy programming.

The applicants are coming, we really need to focus on sustaining the pipeline and managing our expectations about what they should learn while in school.

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