

THE NUMBERS

BEHIND THE DEGREE

FINANCING GRADUATE NURSING EDUCATION

OCTOBER 2017



American Association
of Colleges of Nursing

SURVEY SUMMARY

Graduate Student Sample



2,235 Students



328 Schools



50 States + DC

By the Numbers



69% Took out Loans

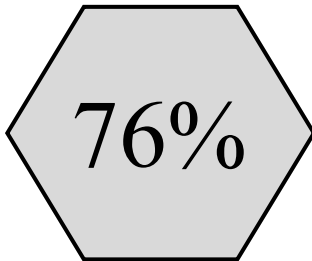


27% Received Institutional Aid

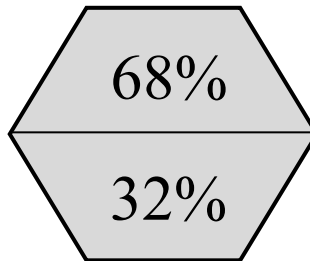


51% Have Dependents

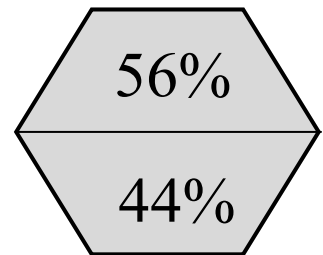
Borrower Characteristics



Have Undergraduate Loans

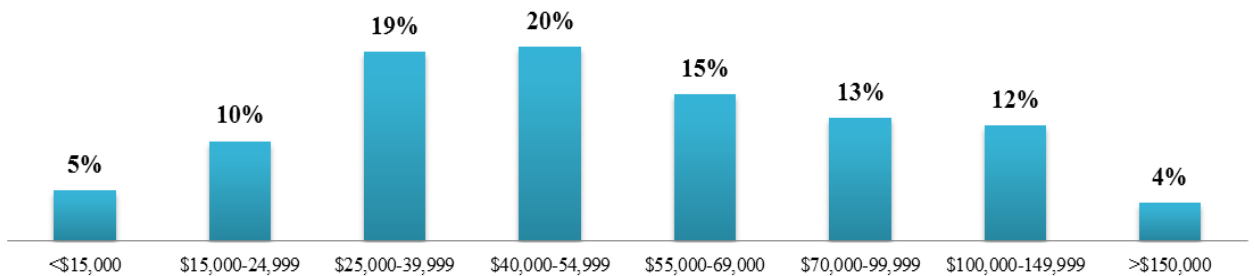


Master's vs. Doctoral



Full-Time vs. Part-Time

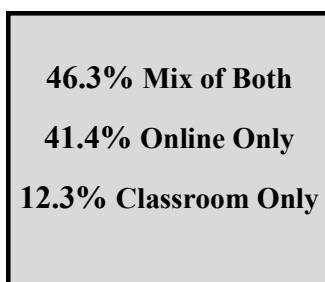
Debt Distribution



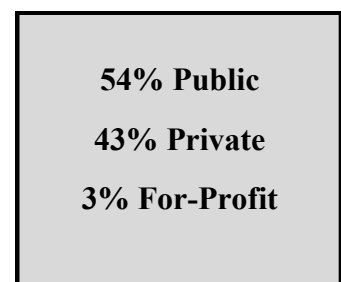
Program Characteristics



Regional Distribution



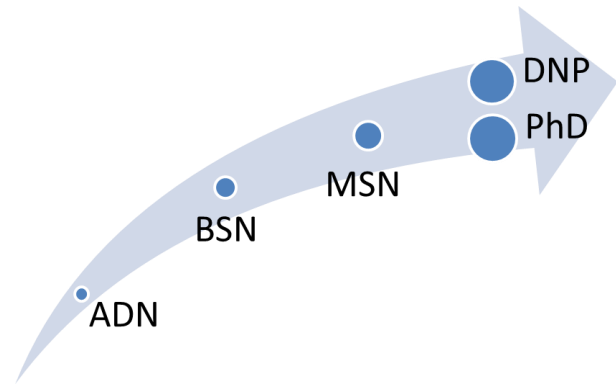
Education Delivery



Institutional Type

EXECUTIVE SUMMARY

The American Association of Colleges of Nursing (AACN) conducted a national survey to gain a better understanding of the financial needs and borrowing habits of graduate nursing students. Today, the most comprehensive survey of nursing students is conducted by the National Student Nursing Association or [NSNA](#).¹ The state-based chapters of NSNA survey their membership on a wide variety of topics relevant to recent pre-licensure nursing graduates (associate's degree and bachelor's degree), and the results of these surveys are disseminated in journals. Unfortunately, there remains a lack of information on graduate nursing students and, more specifically, the debt that these students accumulate to attain their advanced degrees. Although other health professions have been tracking and researching graduate student debt for many years, these disciplines require a graduate degree as the minimum preparation for entry into the profession and maintain institutional memberships of fewer than 200 colleges and doctoral degrees in programs operating in over 2,000 higher education institutions. The breadth and depth of nursing programs highlights a primary value of academic nursing: to ensure access to the profession for individuals from a variety of demographic, socioeconomic, and geographic backgrounds. Yet, as stated by Feeg and Mancino, "understanding educational loan debt, school choice, and borrowing patterns of nursing students specifically is essential to forecast and plan for an adequate supply of educated nurses in the future" (p. 232).²



KEY FINDINGS

Graduate Nursing Student Loan Debt

Sixty-nine percent of graduate nursing students surveyed in 2016 took out federal student loans to finance their education. The median amount of student loan debt anticipated by graduate nursing students upon completion of their program was between \$40,000 and \$54,999. This range captures all graduate levels (i.e., MSN, DNP, PhD) and covers both advanced practice registered nursing (APRN) students (e.g., Certified Registered Nurse Anesthetists, Certified Nurse Midwives, Clinical Nurse Specialists, and Nurse Practitioners) and advanced nursing students. The most significant differences in borrowing habits was that more than half of all students from diverse backgrounds borrowed more than \$55,000 to finance their education. This is higher than the total average for the entire sample population.

Loan Repayment

Fifty percent of all graduate students within this sample who borrowed federal student loans stated that their largest concern upon completion of their program will be their ability to repay loans. The second most pressing concern for students was the rise in interest rates on their student loans. These concerns are jointly connected, as the rise in interest rates makes student loan repayment more costly to the borrower. Aside from repayment concerns, it is important to understand the repayment plans in which nursing students are most likely to enroll. Forty-five percent of survey respondents indicated that they will likely enroll in the standard 10-year repayment plan upon repayment, while only 22 percent plan on utilizing one of the income-based repayment plans the federal government offers. However, 57 percent of respondents plan on utilizing Public Service Loan Forgiveness and 38 percent plan to utilize one of the various Title VIII Nursing Workforce Development Programs loan repayment plans.

Financial Support

Aside from taking out loans, there are alternative means to financing graduate nursing programs, such as tuition reimbursement, institutional aid, and Title VIII funding. Based on the findings of this survey, only 27 percent of respondents received any form of institutional or employer aid. Further, only 4 percent of respondents indicated that they received Title VIII funding for their graduate nursing program.

METHODOLOGY

AACN created and conducted a national online survey to collect the data for this report. AACN received institutional review board (IRB) approval through the American Institutes for Research (AIR) to administer the survey. After receiving IRB approval, the survey went through a piloting process with select individuals from the Graduate Nursing Student Academy (GNSA). The survey was widely distributed between October 2016 and January 2017 and disseminated through the GNSA, as well as various other AACN publications. All graduate nursing students were asked to complete the survey regardless of their loan status. This survey focused on the financial burden of graduate nursing students from the master's, PhD, and DNP levels.

Due to the nature of this survey, AACN utilized snowball sampling - a technique where study subjects refer the survey to eligible peers. This was possible because the survey was created through a single, shareable hyperlink. The sample included 2,235 completed surveys and consisted of graduate nursing

students from all 50 states and the District of Columbia. The data were cleaned, and duplicates were taken out to ensure the integrity of the data. While the sample size is a small proportion in comparison to graduate nursing enrollment, validity checks against student characteristics indicated that the responding sample is representative of the graduate nursing student population. The data were analyzed through a series of regression and crosstab analyses utilizing STATA. All data are reported in the aggregate to protect survey participants.

Notes about figures/tables: Percentages may not always add up to 100 percent due to computation rounding or the acceptance of multiple answers from respondents.

THE SURVEY

The survey was created as a modification of AACN's 2015 Graduate Nursing Loan Survey. AACN redesigned the 2015 survey to better align with the questions within the Department of Education's National Postsecondary Student Aid Study (NPSAS).³ NPSAS is a longitudinal study run by the Department of Education that examines the means with which students finance their higher education. Using questions from this standardized survey is beneficial in so far as each question has already been carefully derived from panel experts, vetted, piloted, and tested for validity. The redesign primarily consisted of rephrasing and adding specific context to questions regarding financial aid programs. The 2016 survey built upon the 2015 survey, added questions regarding dependents, and looked more closely at federal student loans as opposed to private loans.

The survey was voluntary to complete and consisted of questions regarding participants' experience with financial assistance at the federal level. Required survey fields included school data, age, graduate program,

student status, and the amount borrowed. Optional fields included school name, gender, race/ethnicity, relationship status, dependent status, military benefits, and any financial assistance provided by employers.

The goal of the survey is to collect data on the borrowing habits of graduate nursing students to gain a better understanding of how graduate nursing programs are financed. The data from this survey will provide information on the average debt graduate nursing students accrue to finance their education and what kinds of financial support they are obtaining for their advanced degree.

2015 Respondents = 815

2016 Respondents = 2,235

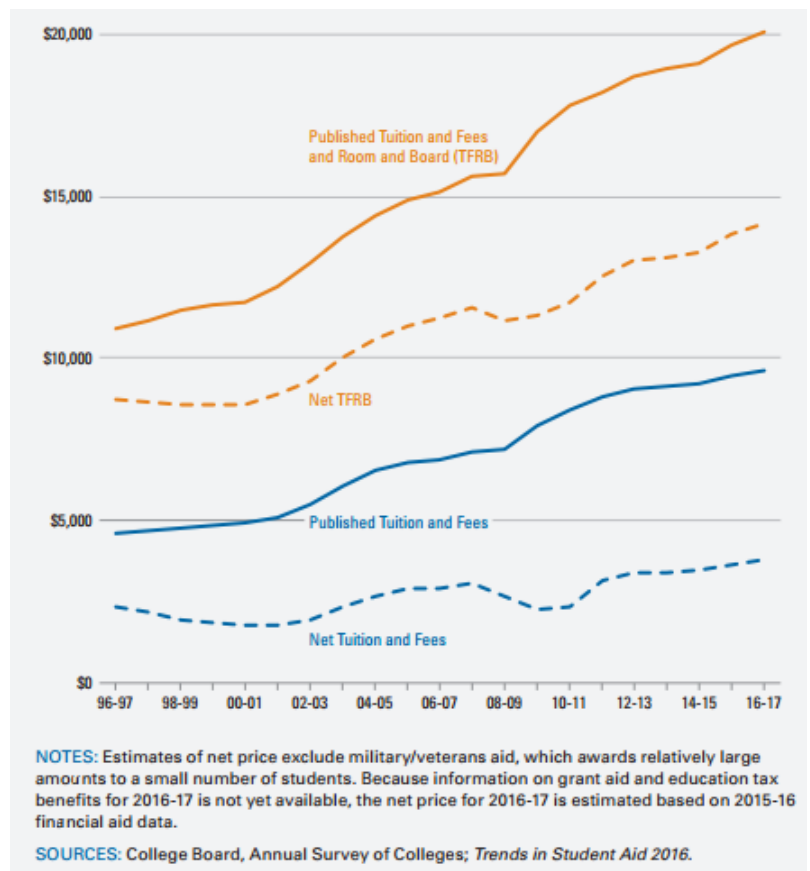
Introduction: Understanding Student Debt

Student loans have become the gateway to higher education in the United States. At over \$1.31 trillion dollars and a total of 44 million borrowers, student loan debt is now the second largest source of consumer debt in the U.S. after mortgage debt.⁴ As the rate of students attending institutions of higher education increases, tuition continues to rise at a rate faster than inflation. Since the 2007-2008 school year, annual published tuition at four-year public colleges has risen by 33 percent to compensate for the decline in state funding and rising institutional costs.⁵ These sharp increases in tuition have accelerated the notion that college has become less affordable and has shifted costs from states to students. This shift has caused more students to take out student loans to pay for their education, and the increased costs have grown significantly faster than the median income.⁶ The rise in total student debt has been driven by the increased number of individuals borrowing and also the increased amount borrowed.

The Institute for College Access and Success found that among bachelor's degree recipients, 68 percent of students graduated with student loan debt and among those students the average amount of debt was \$30,100.⁷ The amount of student loan debt held by a typical college graduate has nearly doubled in the past decade.³

While many undergraduate students accrue student loan debt, some of the total debt growth can be attributed to an increase in individuals attending graduate programs. Roughly 40 percent of student loan debt is carried by those who borrow for graduate school.⁸ NSPAS indicates that 7 in 10 students borrow for post-baccalaureate education and the average graduate student acquires \$57,600 in student loans.³ While there is significant variation in the student loans borrowed to acquire a graduate degree, health professions tend to be amongst the highest borrowers. For context, 63 percent of doctoral students in health professions accrued over \$100,000.⁹

Due to the variation in post-baccalaureate degrees available in nursing, graduate nursing student debt has previously been quite difficult to conceptualize. This report seeks to provide context around the borrowing habits of graduate nursing students and provide a deeper understanding to the student debt graduate nursing students accrue.



Graduate Nursing Debt by Age

Graduate nursing students vary in age significantly and do not model the typical aesthetic of a graduate student in the United States.^{10,11} A key factor in understanding the age demographics of graduate nursing students is that roughly 51 percent have dependents. This is very important in understanding the financial needs of graduate nursing students and their borrowing tendencies. The graphs below show the distribution of graduate nursing students' age and the spread of students with dependents across age groups.

Figure 2: Age Distribution

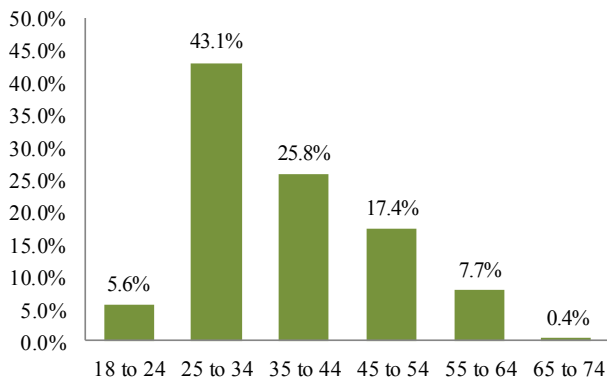
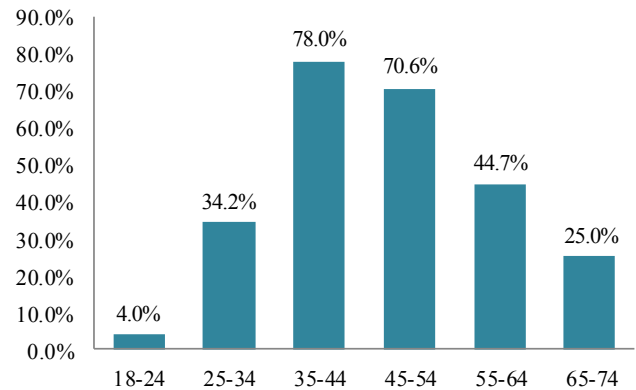
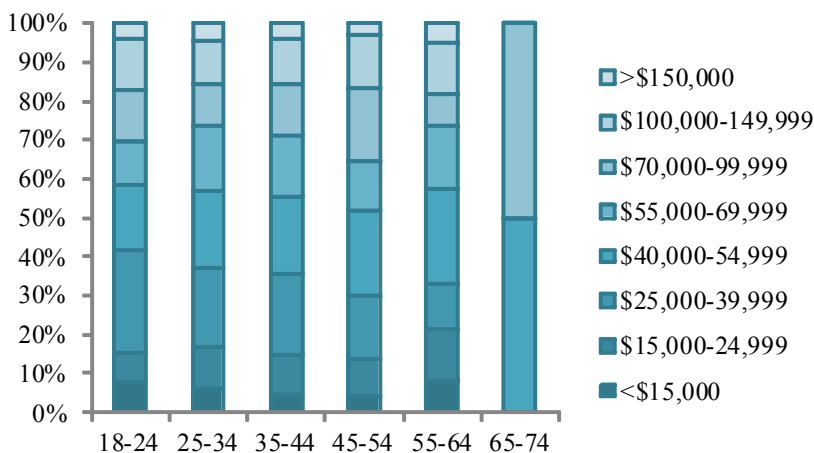


Figure 3: Age vs. Percent with Dependents



Across the board, students from all age ranges were concerned about similar aspects of their loan repayment. However, students from the 55-64 age range were outliers. Students from this age range were more concerned with interest rates and being able to take out adequate amounts in loans. While students from all other ranges valued similar aspects of loan repayment, all students valued being able to afford their loan repayments the most.

Figure 4: Anticipated Student Debt by Age



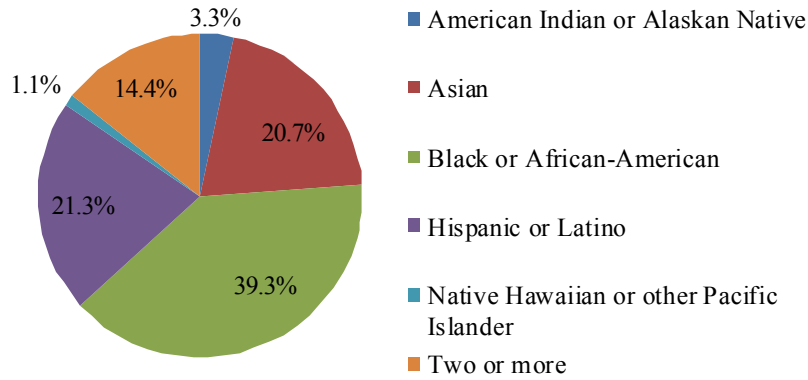
Given the fact that many graduate nursing students have dependents, the survey results indicates that regardless of dependency status, graduate nursing students anticipate borrowing between \$25,000-\$55,000 to complete their advanced degree. Additionally, 13 percent of students with dependents anticipated borrowing over \$100,000 to complete their degree, while 20 percent of students without dependents anticipated to borrow over \$100,000 to complete their degree. While the survey did not ask about loans taken out for dependents, future research should examine this factor to add clarity to the financial needs of students with dependents.

In analyzing the data, student status was a point of interest. To better understand the financial aid needs of graduate nursing students, it is important to focus on the shift of student status among differing age groups. From ages 18 to 44, the majority of students within those age groups were full-time students. The majority of students ages 45 and up considered themselves to be part-time students. A smaller cohort, students ages 45 and up, anticipate borrowing larger sums to fund their graduate nursing programs, much of which can be attributed to the amount of time their program will take to complete, as many are part-time.

Graduate Nursing Debt by Race/Ethnicity

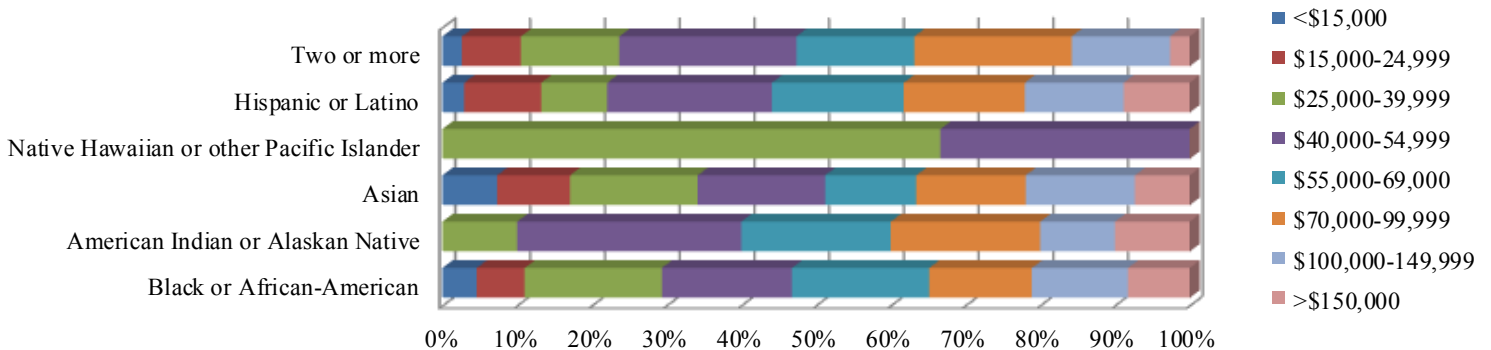
Diversity within nursing education is on the rise with nearly 30 percent of all nursing students coming from diverse racial and ethnic backgrounds.¹² Among survey respondents, 23 percent were from diverse backgrounds. This segment will look specifically at the borrowing habits of non-Caucasian respondents.

Figure 5: Ethnic/Racial Composition of Diverse Survey Participants



Given the diverse population composition of the survey, it is important to understand how their borrowing habits differ from the survey sample writ large. When looking specifically within this population, the data suggest that students who are Black/African American, American Indian or Alaska Native, Hispanic or Latino, and two or more races, are taking out loans of larger value. For example, 56 percent of Hispanic or Latino students and 54 percent of Black or African American students are taking out loans that are greater than \$55,000. The only ethnic/racial group who borrowed with greater frequency at lower levels were Asian students. Across the board, students from all diverse backgrounds borrowed more than \$150,000 at the lowest frequency. Compared to the total survey population, students of diverse background anticipate borrowing more to fund their graduate nursing program, as they are taking out loans of larger value than the group at-large.

Figure 6: Diverse Student Borrowing Levels



Aside from the loan amounts students are borrowing, there are additional indicators that suggest students from diverse backgrounds have additional financial needs to complete their graduate nursing program. Over 50 percent of all diverse students have dependents. Approximately 60 percent of Hispanic or Latino students have dependents.

Concerns regarding repayment also varied among racial/ethnic groups. While Black/African American and American Indian or Alaska Native students listed being able to afford repayment as their primary concern, Asian, Native Hawaiian or other Pacific Islander, and Hispanic or Latino students listed interest rates as their primary concern when asked about the most important/concerning aspect of repayment.

Graduate Nursing Debt by Institutional Type

Institutions vary significantly on the borrowing habits of their students due to differences in programs, tuition, and financial aid. Understanding the differences of graduate nursing student borrowing habits across institution type will provide substantial information on the financial responsibility of students across the three major institution sectors; public, private, and for-profit.

Three out of four students attending private institutions took out federal loans to finance their graduate nursing education. Comparatively, two-thirds of students attending public institutions took out federal loans and nearly three out of four students attending for-profit institutions took out federal loans for their graduate nursing education. While students from different institutions are borrowing at similar rates, the variation comes through the amounts at which they are borrowing.

Figure 7: Borrowing Levels by Institution Type

Figure 7 shows the borrowing levels for each institution type. Based on the data, students attending private institutions are taking out loans of larger quantity, while students attending public institutions are borrowing the most in the \$40,000-54,999 range. Based on the sample of this survey, graduate nursing students at for-profit institutions are borrowing the lowest in the upper quartile of borrowing levels. They are borrowing the most within the \$15,000-24,999 range. While this data varies across programs, it does suggest that students attending private institutions are taking on more borrowing burden than their counterparts at public and for-profit institutions.



Another instance in which survey respondents differed based on institution type was in regards to how they anticipate to repay their loans. Students from both public and private institutions plan to repay their loans under the standard 10-year repayment plan. An interesting finding from this survey, is that just over half of the respondents from for-profit institutions plan to enroll in one of the income-based repayment plans to repay their loans. While this finding is significant within the confines of this study, it also has additional implications for institutional-based analyses surrounding loan repayment. Additional work should be done to identify other factors that might contribute to students from for-profit institutions seeking to enroll in an income-based repayment plan as opposed to deferring to the standard repayment model. See AACN's [How Much Is Too Much?: A Look Into Federal Loan](#) for additional information on repayment.

Within the institutional comparison, it is clear that students from private and for-profit institutions are borrowing more to finance their graduate nursing education than their counterparts at public institutions. Much of this can also be attributed to the historically higher tuition at both private and for-profit institutions. However, when looking on a broader scale, students across institutions prioritize their financing needs similarly. All students, regardless of institution type, prioritize being able to afford their loan repayments above all other concerns. Although students from private and for-profit institutions are borrowing more to finance their education, students from public institutions are equally as concerned about affording their monthly loan payments.

APRN & Program Level Comparison

The borrowing habits of APRN students was of interest throughout this study, as each specific field has different professional outcomes. Similarly, taking a closer look at how program levels might impact borrowing habits was also of interest, as there are multiple academic gateways into the nursing profession. However, upon closer examination, the results of the survey found that given the population, there was very little impact on borrowing habits given students' program level or APRN status. The tables below highlight the percent of survey respondents from each program level and APRN program who have taken out loans.

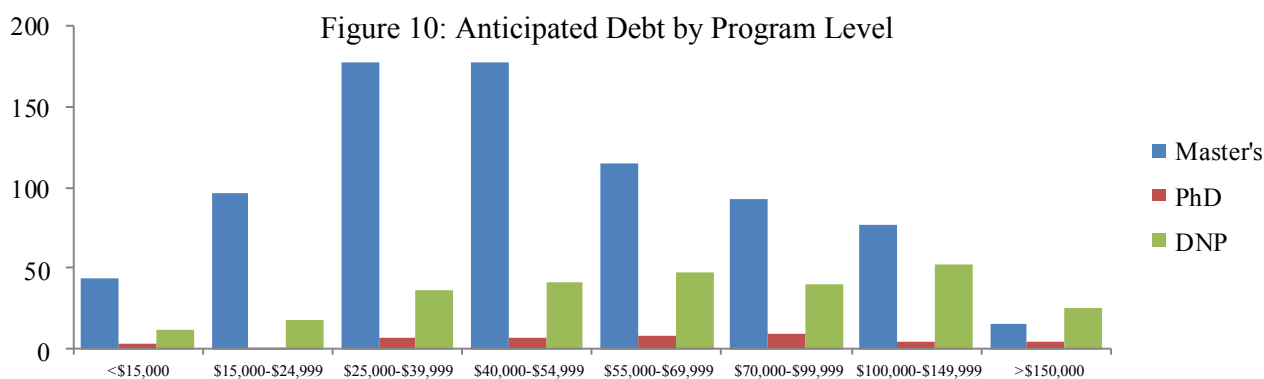
Figure 8: Percent with Loans by Program Level

Program Level	Percent with Loans
Master's	71%
PhD	48%
DNP	67%

Figure 9: Percent with Loans by APRN Program

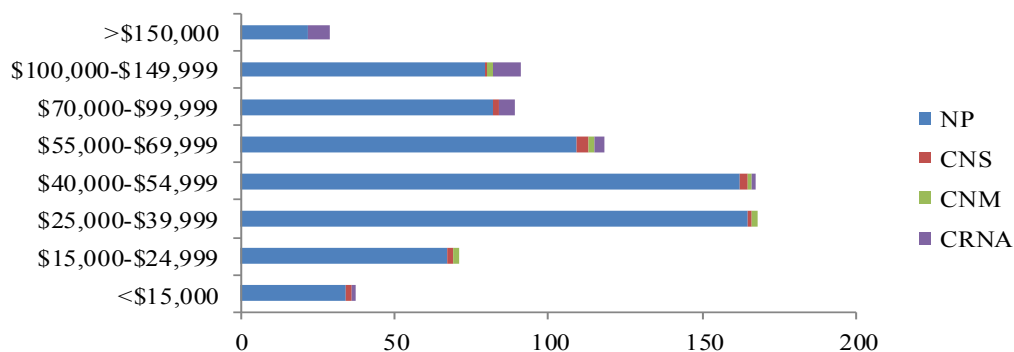
APRN Program	Percent with Loans
Nurse Practitioners	74%
Clinical Nurse Specialists	61%
Certified Nurse Midwives	75%
Certified Registered Nurse Anesthetists	92%

While the survey results did not vary significantly by program level or APRN program, there was variation among anticipated debt at the end of the program. Figure 10 shows the variation by program level.



A similar trend was found among students in APRN programs. Figure 11 shows that CRNA students anticipate much larger levels of debt upon graduation.

Figure 11: Anticipated Debt by APRN Program



Graduate Nursing Debt by Gender

Nursing is largely a female-dominated profession. With men comprising 12 percent of all nursing students, females will take out loans in larger amounts due to the nature of the profession.¹² However, it is important to understand the borrowing habits between males and females at the graduate nursing level.



On average, men and women are taking out loans to fund their graduate education at the same rate. Roughly 89 percent of both males and females are taking out federal loans to fund their education. Their borrowing habits are relatively similar, given the small sample of men who completed the survey. However, this information is helpful in understanding the demands for funding in nursing education. Based on the survey sample, 71 percent of men and 67 percent of women took out federal loans to finance their graduate nursing education.

On average, men are borrowing between \$15,000-\$40,000 to fund their graduate nursing education. While there are men borrowing more or less than this range, the majority of male respondents are borrowing at the highest frequency within this borrowing range. Women are also borrowing within this same range to fund their graduate education, however, the majority of women are borrowing between \$15,000-\$24,999 to fund their graduate nursing education. Many women have also borrowed less than \$15,000 to fund their education; however, it should be noted that many of our respondents are only in their first year of their graduate program, which means the total borrowed amount covers one academic year.

In terms of borrowing habits, it appears that men and women within graduate nursing education have similar tendencies. When it comes to their concerns upon repayment, this is also true. Both men and women are most concerned about their ability to afford their loan payments upon graduation, and they are also concerned with the impact of interest rates. Alternatively, both men and women are least concerned with the adequacy and accessibility of information about borrowing and repaying federal loans.

Upon graduation, males and females also are considering the same repayment options. Among men, 45 percent of respondents said they anticipate following a standard repayment plan, while 45 percent of women anticipate they will utilize the standard repayment plan. Alternatively, 31 percent of men anticipate using one of the various income-driven repayment plans, while 21 percent of women plan to enroll in these plans.

Conclusion

Nursing education is unlike many other health professions, where students typically enter the profession at the graduate level. To best support nursing's continuum of education, which spans from associate degree to doctoral preparation, policymakers must ensure that graduate education continues to be funded and supported at the local, state, and federal levels. Ensuring funding for graduate education programs will allow these post-baccalaureate programs to remain accessible for all students. Along with accessibility, affordability is equally as important. Making an emphasis on the rising cost of tuition and the financial burden that leaves on graduate nursing students is also very important to acknowledge.

The findings in this report signal the need for additional research on the financing of graduate nursing education. Given that 51% of graduate nursing students have dependents, future research should work to incorporate any additional financial burden students may have outside of their own loans. This will not only produce more accurate data, but it will highlight the complexities of understanding graduate nursing student debt. Additionally, more work must be done broadly to understand the financial circumstances of all nursing students, including baccalaureate students. By gaining an understanding of their borrowing habits, future research will be able to generate more significant findings on nursing debt levels across the board.

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