



Housing Allowances and the GI Bill

Should Veterans Enrolled Online Receive Full Benefits?

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Institutions of higher education are increasingly offering online classes and programs, and a greater share of students are opting to enroll in such formats. Online programs are particularly popular among veterans using the GI Bill to fund their education, but Congress has stipulated that the housing stipend provided as part of the program must be reduced for students attending a fully online program. Students attending online receive half the national average monthly housing allowance. Recipients attending classes through a mix of online and in-person classes, however, qualify for the full housing allowance.

The rationale that led lawmakers to enact this policy is not well documented, and it is difficult to assess the basis for the disparate treatment in housing benefits. The US Department of Veterans Affairs does not provide an explanation for the reduced benefit on its website or as part of its online benefits calculator. Policymakers may have been trying to discourage students from enrolling in online programs under the belief that such programs offer inferior educations. Whatever lawmakers' reasoning for the policy, our analysis of data from the US Department of Education and the Department of Veterans Affairs suggests there is little justification for a reduced housing benefit for fully online programs.

We find that housing costs among GI Bill recipients attending fully online undergraduate courses are not lower than costs for students attending in person or through a mix of in-person and online courses. These fully online students, however, receive a housing benefit that is \$1,533 less per year, on average, than their peers attending at least some classes in person. The data also show that GI Bill recipients attending fully online classes have similar or even lower incomes than those attending in traditional or mixed formats, meaning that the policy affects students who do not have additional resources to make up for the reduced benefits meant to cover their housing costs.

It is difficult to determine whether predominantly online institutions that enroll a large share of GI Bill recipients produce weaker student outcomes. Postenrollment earnings at predominantly online institutions popular among GI Bill recipients are not substantially different from those at institutions offering predominantly in-person courses. But students attending predominantly online institutions make slower progress paying down their student loans shortly after leaving school.

The GI Bill Monthly Housing Allowance and Online Education

The federal government provides postsecondary education benefits to military veterans primarily through the GI Bill program. The program is intended in part to help veterans adjust to civilian life after service and as an incentive to increase military recruitment. The most recent version, the Post-9/11 GI Bill (officially the Post-9/11 Veterans Educational Assistance Act of 2008), took effect in 2009 and provides benefits to veterans who were on active duty on or after September 11, 2001.

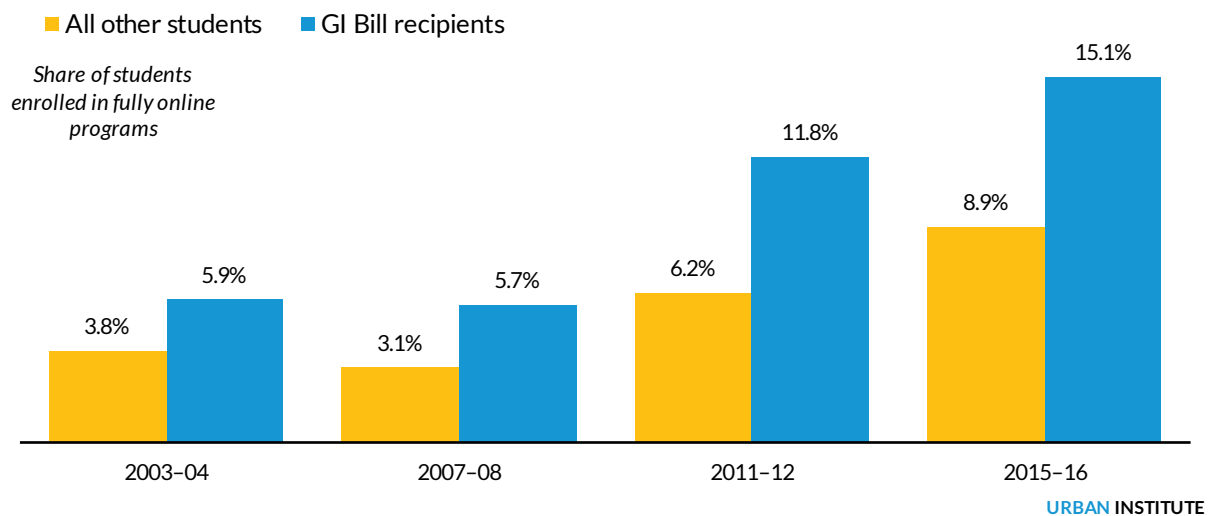
The main benefits under the program are payments to cover tuition and fees and a housing allowance, generally for 36 months of enrollment. Under the maximum benefit, payments cover the full cost of in-state tuition and fees at public institutions with no specific dollar limit and cover up to \$26,381 at private institutions.¹ These amounts are reduced depending on a veteran's length of active-duty service.² The monthly housing allowance, or MHA, is set according to US Department of Defense housing payments for military members and varies based on the institution's location and length of active-duty service.³ Students must be enrolled more than half time to receive the MHA.⁴ Veterans may use the GI Bill tuition and MHA benefits at nearly all institutions of higher education, including public, private nonprofit, and private for-profit institutions.

Veterans may also use their GI Bill benefits for education programs that are partially or fully online without any restrictions or reductions in payments, with one major exception. Students attending a fully online program receive only half the housing benefit.⁵ In the 2015–16 academic year, 15.1 percent of GI Bill recipients attending full time were enrolled in a fully online program (figure 1). For these students, the MHA is set at half the national average of the underlying Department of Defense housing allowance used to calculate the MHA.⁶ For the 2022–23 school year, the national average housing allowance is \$1,976 per month, which equates to an MHA for fully online students of \$988 per month (for students qualifying for the maximum GI Bill benefits because they meet the length-of-service requirements).⁷

Since the early 2000s, the share of GI Bill recipients attending fully online (along with that of all students) has steadily increased.⁸ And these increases came before the COVID-19 pandemic, which exposed many more students to online education options. Although online attendance rates among GI Bill recipients are higher than for the overall undergraduate population, rates are comparable with or somewhat lower than online attendance rates of independent students, depending on the year. This is expected, because most GI Bill recipients are independent students. But GI Bill recipients are not more likely to attend exclusively online than their independent student peers.

FIGURE 1

GI Bill Recipients Increasingly Enroll in Exclusively Online Programs and at Higher Rates Than Other Students



Source: Authors’ analysis of US Department of Education data. Data come from PowerStats [table jocrgc](#) for 2004, [nvbgad](#) for 2008, [ioctyr](#) for 2012, and [mwewio](#) for 2016.

Note: Figure includes all dependent and independent undergraduates enrolled full time. Online attendance rates among only independent students are comparable with or higher than those of GI Bill recipients, depending on the year.

Flaws in the Online MHA Policy

Unlike the MHA for students attending at least some classes in person, which is linked to housing costs based on the institution’s location, the MHA for exclusively online students may bear little relation to where a student actually lives because it is based on a national average. As a result, the MHA for fully online students can be greater or less than half of what a student would receive attending in person if they live in a location with below-average or above-average housing costs.

For example, a GI bill recipient attending in-person classes at the University of Maryland Global Campus in Hanover, Maryland, would receive a \$2,436 MHA but would receive only \$988 if they attended the school fully online, even if they lived in Hanover. Hanover has above-average housing costs, and the full MHA is linked to the institution’s actual location. But the fully online MHA is based on national average housing costs, which are \$400 lower per month than those in Hanover. GI Bill recipients in these circumstances have their housing benefit effectively reduced twice—one time when the MHA is set to national average housing costs and a second time when that amount is halved. The policy can also work the other way. Students living in areas with costs that are well below average could receive a higher MHA than what they actually incur in housing costs.

The reduced-MHA policy can also create incentives for students to enroll in a program that is at least partially in person to receive a larger MHA. In theory, the reduced-MHA policy could also encourage students to needlessly enroll in just one in person class while taking their other courses

online simply to increase their MHA.⁹ As we have shown, opting to add just one in-person class could increase a veteran's monthly housing benefit by more than \$1,000.

But some observers may see these incentives as an intended feature of the policy if they believe exclusively online programs are more likely to be of dubious quality. Programs with at least some in-person component could be seen as a quality check. There is evidence, however, that following the mass switch to online learning during the pandemic, most students' opinions about online courses became more positive.¹⁰ The reduced-MHA policy might also be an intentional attempt to steer veterans away from for-profit colleges, which have historically dominated the online education market, though public and private nonprofit institutions now offer many online programs. In the 2015–16 academic year, more than two-thirds of undergraduates attending exclusively online programs were enrolled in public or private nonprofit institutions.¹¹ Among full-time students who received GI Bill benefits and enrolled exclusively online, about half attended public or private nonprofit institutions.¹²

Recent congressional actions in response to the pandemic also imply that the reduced-MHA policy may not be sound policy. In the pandemic's early months, many in-person programs moved entirely online. That change would have made GI Bill recipients ineligible for a full MHA. To prevent the disruption such a change would cause, Congress enacted legislation to prevent GI Bill recipients' housing benefits from being cut. Lawmakers temporarily allowed GI Bill recipients who were enrolled in person to remain eligible for the full MHA while attending a fully online program through the end of the 2021–22 academic year.¹³ This could be interpreted as a tacit acknowledgement that students attending fully online courses should receive the full MHA. On the other hand, the temporary pandemic policy was to prevent benefits from being cut by surprise after students had made decisions about where to enroll. Moreover, lawmakers did not extend the temporary full-MHA policy to programs that were exclusively online before the pandemic. Only "converted" courses were eligible. This suggests lawmakers may still see a justification for the reduced MHA for exclusively online courses.

The reduced-MHA policy seems particularly out of step with the challenges disabled veterans face. A Government Accountability Office report that features focus group sessions with veterans noted that those with disabilities can have difficulty attending in-person classes. Exclusively online courses may be these students' best or only option to pursue an education. The reduced MHA penalizes veterans in these situations (GAO 2013).

Housing Costs among GI Bill Recipients

Examining data on GI Bill recipients' housing costs can help inform whether the reduced MHA for exclusively online courses is aligned with students' actual experiences. Moreover, a potential rationale for the reduced-MHA policy is that students attending fully online programs incur lower housing costs, on average, than other students.

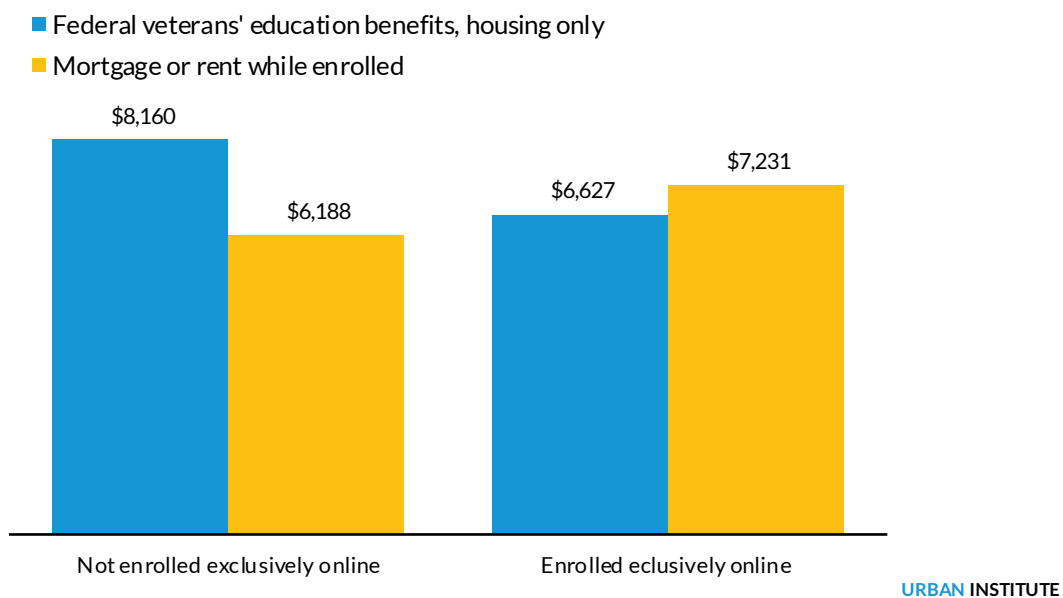
We use a nationally representative dataset of undergraduates, the National Postsecondary Student Aid Study, which includes information on students' financial situations while enrolled and data from the Department of Veterans Affairs on students' GI Bill benefits, to examine whether housing costs are

indeed different for these two groups. The most recent version of the dataset covers the 2015–16 academic year. We limit this analysis to students attending exclusively full time because students attending at lower intensity rates may qualify only for a reduced MHA or not at all if they attend half time or less.

The data suggest that GI Bill recipients attending fully online programs incur similar housing costs as those attending some or all in-person classes (figure 2). GI Bill recipients who attended fully online classes reported monthly housing costs of \$803.44, on average.¹⁴ Assuming a nine-month enrollment period, that equates to average housing costs of \$7,231. GI Bill recipients who were enrolled in programs that were not exclusively online reported monthly housing costs of \$687.55, or \$6,188 for nine months of enrollment.¹⁵ These costs are for dependent and independent students combined, but we see no difference between average housing costs between exclusively online students and others when looking only at independent students who received GI Bill benefits.¹⁶

FIGURE 2
GI Bill Recipients Enrolled Exclusively Online Incur Similar Housing Costs as Those Not Enrolled Exclusively Online

Undergraduate GI Bill recipients in 2015–16



Source: Authors’ analysis of US Department of Education data from PowerStats [table utxpuq](#).

Note: Statistics are averages and include dependent and independent undergraduates who received GI Bill benefits and were enrolled full time in the 2015–16 school year. Average mortgage and rent payments reflect only those students living off campus and reflect nine months of payments.

Even though online students’ costs appear higher, the difference is within the margin of error partly because of small sample sizes for students receiving GI Bill benefits. But if we increase the sample size to include a broader set of students, not just those who received GI Bill benefits, the results are similar. Broadening the sample to include all independent students (the group most similar to GI Bill recipients)

enrolled full time, we find that those attending exclusively online incur monthly housing costs \$148 higher, on average, than those not attending exclusively online.¹⁷ The difference is statistically significant. Given these two data points, it is reasonable to conclude that GI Bill recipients who are enrolled exclusively online do not incur lower housing costs than students not attending exclusively online, the opposite of what the reduced-MHA policy implies is the case.¹⁸

Data from the National Postsecondary Student Aid Study also suggest that fully online students who receive GI Bill benefits receive lower average MHA payments, as we would expect from the policy that reduces their benefit (figure 2). But the small sample size makes it difficult to reach a strong conclusion on that point. And there can be other explanations for why the MHA would be lower, on average, for these students not related to their online status, such as whether they tend to have served on active duty for shorter periods than other students. We cannot examine these factors with the available data.

Income of GI Bill Recipients

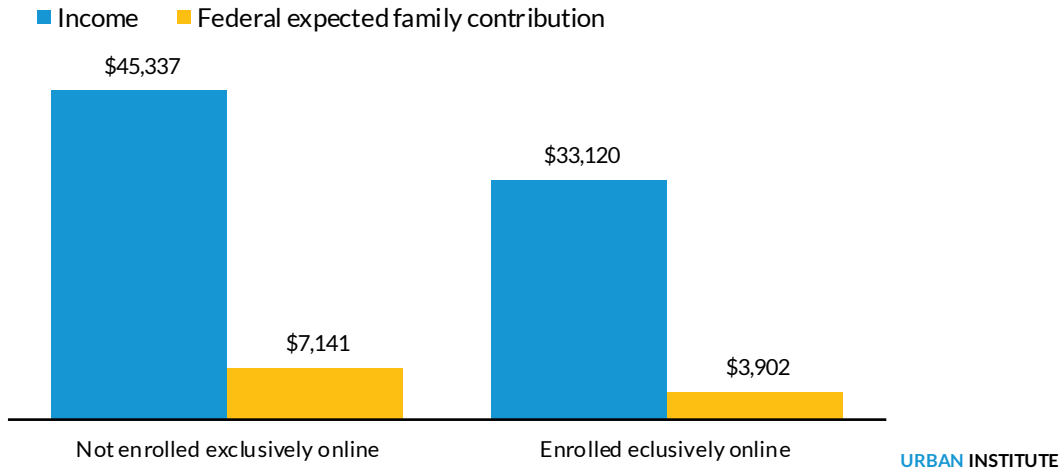
Examining data on GI Bill recipients' income and personal financial resources can provide further context to consider whether the MHA policy is justified. We find that GI Bill recipients attending programs exclusively online have substantially lower incomes, on average, than their peers attending programs not exclusively online (figure 3). Online students also have lower expected family contributions under the federal formula used to determine how much a student and family can contribute to their education, meaning they have fewer total financial resources (income and assets) to contribute toward their education. These differences result from the fact that students attending programs not exclusively online are more likely to be dependent students while enrolled (GI Bill benefits can be transferred to children). Parental income is included in the income data for these dependent students, which causes their income to be higher than independent students' income. When looking only at independent students who received GI Bill benefits, we find that incomes and expected family contributions are similar between those who attend programs exclusively online and those who do not.¹⁹ In other words, lower average income among GI Bill recipients attending exclusively online may be driven largely by the fact that they are more likely to be independent students.

It should still concern policymakers, however, that the reduced-MHA policy for exclusively online students is borne mainly by students with lower incomes and fewer financial resources. In that regard, the policy appears to cut benefits for students who have more financial need. And even among independent students, income data do not support a rationale for the reduced MHA. GI Bill recipients who are independent students and attend programs exclusively online have similar incomes to those not attending programs exclusively online. In short, the MHA policy provides different benefits to students in similar financial situations.

FIGURE 3A

GI Bill Recipients Enrolled Fully Online Have Lower Incomes and Fewer Financial Resources Than Recipients Attending Programs In Person

GI Bill recipients in 2015-16



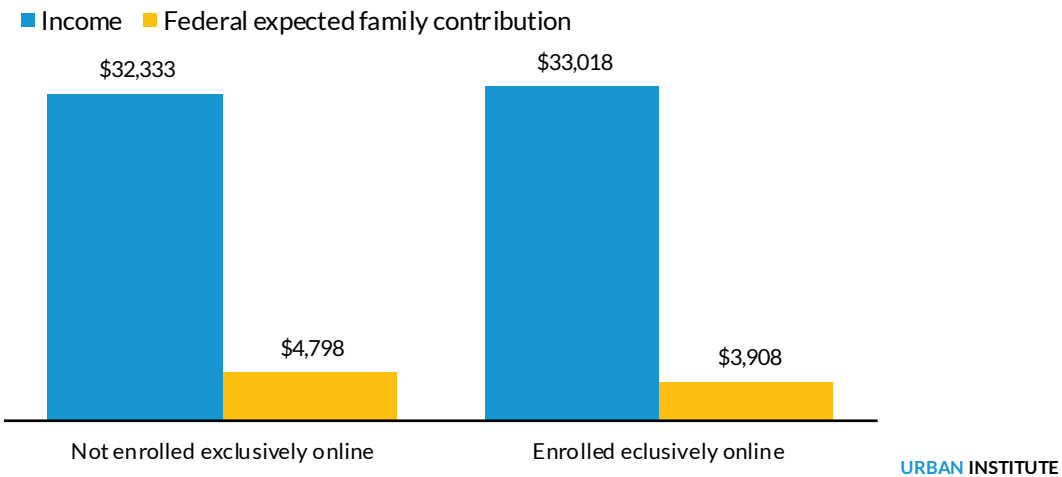
Source: Authors' analysis of US Department of Education data from PowerStats table [bpgqrqs](#).

Notes: Statistics are averages. Data are based on undergraduates who received GI Bill benefits and were enrolled full time in the 2015-16 school year. Figure includes both dependent and independent students.

FIGURE 3B

Independent GI Bill Recipients Enrolled Fully Online Have Similar Incomes and Financial Resources to Recipients Attending Programs In Person

Independent GI Bill recipients in 2015-16



Source: Authors' analysis of US Department of Education data from PowerStats table [wvsxtm](#).

Notes: Statistics are averages. Data are based on undergraduates who received GI Bill benefits and were enrolled full time in the 2015-16 school year. Figure includes only independent students.

Outcomes at Predominantly Online Institutions

Congress may have included the reduced-MHA provision in the 2011 law that made exclusively online programs eligible for the benefit on the belief that such programs were lower quality. The policy could be a way to discourage students from enrolling in such programs. But programs and institutions must pass quality assurance policies to accept GI Bill benefits, including those offering exclusively online programs, and many large institutions must also comply with quality assurance policies for Department of Education aid programs (Hegji 2019).²⁰ Advocates and policymakers have, however, criticized those policies for being ineffective, though deficiencies in the policies may affect quality assurance for in-person courses as well as exclusively online ones.

In the years since the reduced-MHA provision was enacted, a large and rich amount of data on student outcomes has become available. These data suggest that institutions that predominantly offer online programs often produce student outcomes in line with institutions that primarily offer in-person classes. But in some cases, student outcomes are weaker at predominantly online institutions, though our analysis does not attempt to establish a causal link between these factors.

Postenrollment earnings are perhaps one of the best measures of education quality because most students pursue higher education to increase their earnings potential, and earnings information is difficult for institutions to manipulate because it is collected by the government from federal income tax information. At least by this metric, there is little justification for the reduced-MHA benefit for exclusively online education if it aims to steer students away from such programs.

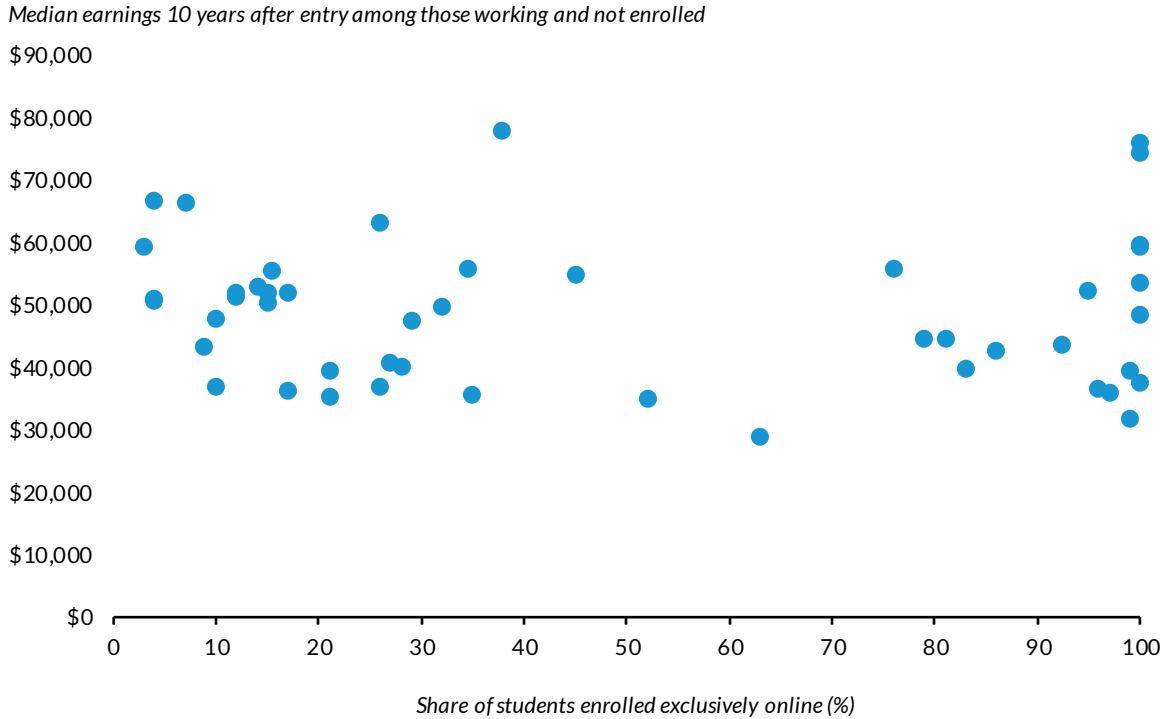
The postenrollment earnings among students who attended one of the 50 most-popular institutions among GI bill recipients bear little relation to the share of students enrolled online at the institution (figure 4).²¹ Among the institutions offering mainly online degrees, median earnings 10 years after enrollment run the gamut. Some institutions produce median earnings as high as or higher than those produced at many predominantly in-person institutions. Earnings are also just as varied among predominantly in-person institutions. Predominantly online status is a poor proxy for institutional quality, at least when quality is measured by former students' earnings.

For example, typical earnings among former students at Excelsior University, an exclusively online institution popular among GI Bill recipients, are among the highest for the 50 institutions we examined (\$75,846). But another exclusively online institution popular among GI Bill recipients, the University of Arizona Global Campus, shows some of the lowest earnings among the 50 institutions (\$37,270). Students from Tidewater Community College, a predominately in-person institution in Virginia, typically earn \$35,053 10 years after enrolling, placing it near the bottom of the list, while students at Texas A&M University in College Station, another predominately in-person university, are among the highest in the 50 institutions we examined. See the appendix for a list of the 50 institutions and these statistics.

FIGURE 4

Students from Predominantly Online Institutions Have Similar Earnings to Those from In-Person Institutions

Student earnings and online enrollment rates for institutions popular among GI Bill recipients



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Source: Authors' analysis of data from the College Scorecard, the Integrated Postsecondary Education Data System, and the US Department of Veterans Affairs. Veterans Affairs data are available at "GI Bill Comparison Tool," US Department of Veterans Affairs, accessed March 6, 2023, <https://www.va.gov/education/gi-bill-comparison-tool/>.

Notes: Each dot represents one of the 50 institutions of higher education that enroll the most students receiving GI Bill benefits (two institutions are excluded because of missing data). See the appendix for a list of the institutions. Earnings data are in 2020 dollars and are for all students working in 2018 and 2019 and not enrolled who received federal aid. Online enrollment rates are for all students.

Student loan repayment rates are another outcome metric that can be a proxy for education quality. If a large share of students pay back their loans slowly because they use unemployment deferments, forbearances, income-driven repayment, or even default, it may signal poor program quality because students did not achieve earnings sufficient to repay their debts. We find that among students who attended one of the 50 most-popular institutions for GI Bill recipients, student loan repayment rates are generally weaker among predominantly online institutions.²²

But there is also sufficient variation in the repayment rates that makes it difficult to conclude that online programs categorically are associated with weaker outcomes. Some predominantly online institutions show loan repayment rates that are much higher than those at institutions that are predominantly in person. Western Governors University, for example, offers only online programs and

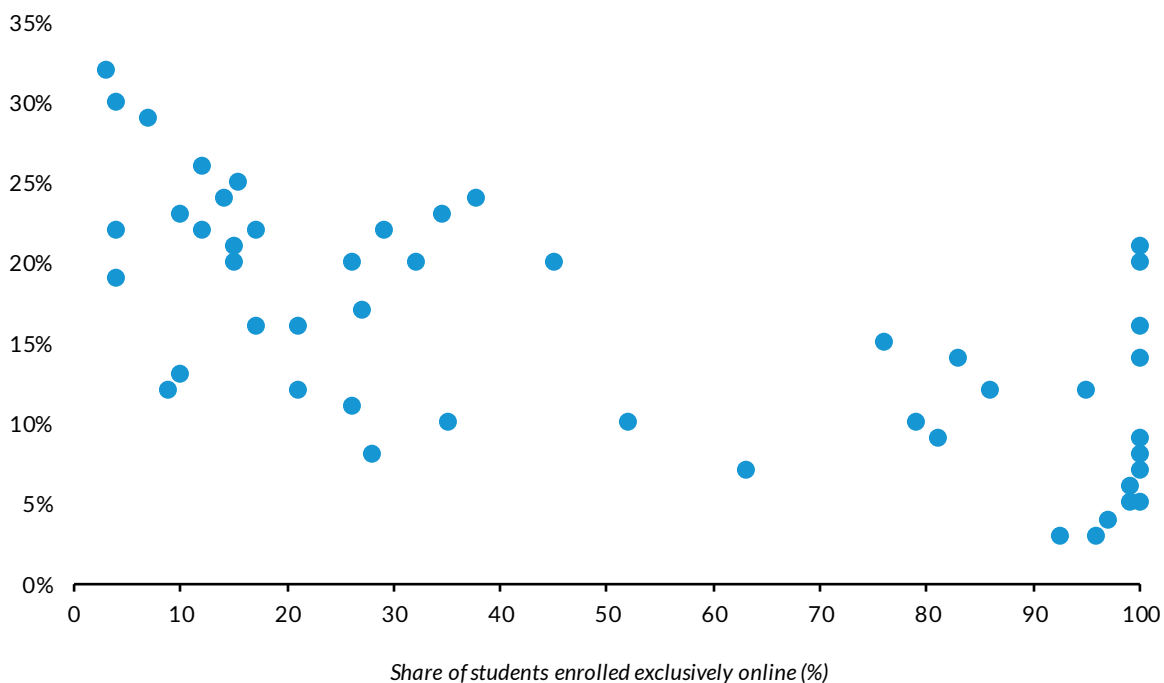
has above-average loan repayment rates for the 50 institutions that enroll the most GI Bill recipients. Students discouraged from attending that institution and who opt to attend an in-person program instead may end up at an institution where loan repayment rates are lower.

FIGURE 5

Students from Predominantly Online Institutions Pay Down Their Loans More Slowly Than Other Students

Student loan repayment and online enrollment rates for institutions popular among GI Bill recipients

Share of borrowers paying down principal after three years



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Source: Authors’ analysis of data from the College Scorecard, the Integrated Postsecondary Education Data System, and the US Department of Veterans Affairs. Veterans Affairs data are available at “GI Bill Comparison Tool,” US Department of Veterans Affairs, accessed March 6, 2023, <https://www.va.gov/education/gi-bill-comparison-tool/>.

Notes: Each dot represents one of the 50 institutions of higher education that enroll the most students receiving GI Bill benefits (one institution is excluded because of missing data). See the appendix for a list of the institutions. Repayment data are for all undergraduate borrowers. Online enrollment rates are for all students.

Policy Implications

Congress recognizes the important role of online learning in helping veterans advance their postsecondary educations. Lawmakers have generally allowed GI Bill benefits to be used at either in-person or online programs. In 2011, lawmakers took another step to create parity between these two educational formats when they extended housing benefits to veterans enrolled exclusively online, a benefit that had previously been restricted to those attending courses with some in-person instruction. But for reasons that remain unclear, lawmakers required that only half the monthly housing allowance

be available to students attending programs exclusively online. Moreover, lawmakers did not link the housing benefit to a student’s area of residence (as is the case for students attending programs in person) but set the benefit according to national average housing costs.

Taken together, these policies result in arbitrary reductions in housing benefits for students attending exclusively online. And as we have shown, GI Bill recipients attending online programs incur housing costs that are comparable with or even higher than those of their peers attending programs in person who receive a full MHA. We also find that students using their GI Bill in exclusively online programs do not have greater financial resources to pay for their education than those attending programs in person, making the policy particularly counterproductive.

Our analysis suggests that Congress should consider allowing a full MHA for students attending programs exclusively online and that the MHA for these students be based on where they reside rather than a national average. We estimate that these changes could result in a modest increase in the cost of the GI Bill program of about \$100 million a year, or a 1 percent increase in the approximately \$10 billion annual cost of the entire GI Bill program.²³ But data limitations require that we make several assumptions that create uncertainty in our estimate, some of which are likely to bias our estimate lower than actual costs.²⁴ As veterans increasingly turn to online education options to use their GI Bill benefits, these changes will ensure that former members of the armed forces receive the educational benefits they have earned.

Appendix

TABLE A.1

List of Institutions and Statistics for Figure 4

Institution	Share of students enrolled exclusively online	Median earnings 10 years after entry
Embry-Riddle Aeronautical University Online	38%	\$77,768
Excelsior University	100%	\$75,846
Columbia Southern University	100%	\$74,398
Texas A&M University, College Station	4%	\$66,566
George Mason University	7%	\$66,148
National University San Diego	26%	\$62,885
American Public University System	100%	\$59,367
Capella University	100%	\$59,307
San Diego State University	3%	\$59,027
Arizona State University, Tempe	34%	\$55,749
University of Maryland Global Campus	76%	\$55,598
University of Arizona	15%	\$55,205
University of Texas at Arlington	45%	\$54,633
Walden University	100%	\$53,448
University of Alabama, Tuscaloosa	14%	\$52,751
Southern New Hampshire University Online	95%	\$52,024
University of Central Florida	17%	\$51,912
Kennesaw State University	15%	\$51,792
University of Arkansas	12%	\$51,702
University of North Texas	12%	\$51,232
University of Texas at San Antonio	4%	\$50,810

Institution	Share of students enrolled exclusively online	Median earnings 10 years after entry
Texas State University	4%	\$50,671
University of South Florida, Main Campus	15%	\$50,262
Old Dominion University	32%	\$49,678
Western Governors University	100%	\$48,210
University of Colorado Colorado Springs	10%	\$47,797
East Carolina University	29%	\$47,403
DeVry University Online	81%	\$44,484
Full Sail University	79%	\$44,344
Strayer University Online, Washington, DC	92%	\$43,590
Georgia State University	9%	\$43,099
Liberty University	86%	\$42,394
Austin Community College Districts	27%	\$40,710
Lone Star College System	28%	\$39,901
Grand Canyon University	83%	\$39,783
University of Phoenix Online Campus	99%	\$39,382
Austin Peay State University	21%	\$39,320
University of Arizona Global Campus	100%	\$37,270
ECPI University	26%	\$36,822
Florida State College at Jacksonville	10%	\$36,819
Trident at American InterContinental University	96%	\$36,551
Pikes Peak State College	17%	\$36,036
Colorado Technical University Online	97%	\$35,877
San Antonio College	35%	\$35,467
Tidewater Community College, Virginia Beach	21%	\$35,053
Central Texas College Main Campus	52%	\$34,775
Purdue University Global	99%	\$31,462
Fayetteville Technical Community College	63%	\$28,838

Source: Authors' analysis of data from the College Scorecard, the Integrated Postsecondary Education Data System, and the US Department of Veterans Affairs. Veterans Affairs data are available at "GI Bill Comparison Tool," US Department of Veterans Affairs, accessed March 6, 2023, <https://www.va.gov/education/gi-bill-comparison-tool/>.

Notes: The table includes 48 of the 50 institutions of higher education that enroll the most students receiving GI Bill benefits. Two are excluded because of missing data. Earnings data are for all students 10 years after enrollment who are working, who are not enrolled in school, and who received federal aid. Earnings are observed in 2018 and 2019 for the pooled cohort of students who entered in the 2007–08 and 2008–09 academic years and are inflated to 2020 dollars. Online enrollment rates are for all students.

TABLE A.2

List of Institutions and Statistics for Figure 5

Institution	Share of students enrolled exclusively online	Share of borrowers paying down principal after three years
San Diego State University	3%	32%
Texas A&M University, College Station	4%	30%
George Mason University	7%	29%
University of Arkansas	12%	26%
University of Arizona	15%	25%
University of Alabama, Tuscaloosa	14%	24%
Embry-Riddle Aeronautical University Online	38%	24%
Arizona State University, Tempe	34%	23%
University of Colorado Colorado Springs	10%	23%
East Carolina University	29%	22%
University of North Texas	12%	22%
Texas State University	4%	22%
University of Central Florida	17%	22%

Institution	Share of students enrolled exclusively online	Share of borrowers paying down principal after three years
University of South Florida, Main Campus	15%	21%
Western Governors University	100%	21%
Kennesaw State University	15%	20%
University of Texas at Arlington	45%	20%
Old Dominion University	32%	20%
National University San Diego	26%	20%
Sonoran Desert Institute	100%	20%
University of Texas at San Antonio	4%	19%
Austin Community College District	27%	17%
Excelsior University	100%	16%
Austin Peay State University	21%	16%
Pikes Peak State College	17%	16%
University of Maryland Global Campus	76%	15%
Grand Canyon University	83%	14%
Columbia Southern University	100%	14%
Florida State College at Jacksonville	10%	13%
Georgia State University	9%	12%
Southern New Hampshire University Online	95%	12%
Tidewater Community College, Virginia Beach	21%	12%
Liberty University	86%	12%
ECPI University	26%	11%
Central Texas College Main Campus	52%	10%
San Antonio College	35%	10%
Full Sail University	79%	10%
DeVry University Online	81%	9%
Capella University	100%	9%
Lone Star College System	28%	8%
Walden University	100%	8%
Fayetteville Technical Community College	63%	7%
American Public University System	100%	7%
University of Phoenix Online Campus	99%	6%
University of Arizona Global Campus	100%	5%
Purdue University Global	99%	5%
Colorado Technical University Online	97%	4%
Strayer University Online, Washington, DC	92%	3%
Trident at American InterContinental University	96%	3%

Source: Authors' analysis of data from the College Scorecard, the Integrated Postsecondary Education Data System, and the US Department of Veterans Affairs. Veterans Affairs data are available at "GI Bill Comparison Tool," US Department of Veterans Affairs, accessed March 6, 2023, <https://www.va.gov/education/gi-bill-comparison-tool/>.

Notes: The table includes 49 of the 50 institutions of higher education that enroll the most students receiving GI Bill benefits. One is excluded because of missing data. Repayment data are for all undergraduate borrowers with federal student loans. Online enrollment rates are for all students.

Notes

- ¹ "Post-9/11 GI Bill (Chapter 33) Rates," US Department of Veterans Affairs, last updated February 7, 2023, <https://www.va.gov/education/benefit-rates/post-9-11-gi-bill-rates/>.
- ² "Post-9/11 GI Bill (Chapter 33) Rates," US Department of Veterans Affairs.
- ³ The MHA is generally the same as the military Basic Allowance for Housing for an E-5 with dependents and is based on the zip code for the institution the student is attending. See "Post-9/11 GI Bill (Chapter 33) Payment Rates for 2018 Academic Year (August 1, 2019–July 31, 2019)," US Department of Veterans Affairs, last

updated November 7, 2019,
https://www.benefits.va.gov/GIBILL/resources/benefits_resources/rates/ch33/ch33rates080118.asp.

- ⁴ The MHA is reduced for students attending less than full time in proportion to the reduction in attendance intensity. A student taking classes that amount to an attendance intensity of 80 percent of full-time status according to the institution they attend will receive an MHA worth 80 percent of what they would otherwise receive. See “Post-9/11 GI Bill (Chapter 33),” US Department of Veterans Affairs, last updated February 14, 2023, <https://www.va.gov/education/about-gi-bill-benefits/post-9-11/#how-does-va-determine-my-month>.
- ⁵ Congress made students attending exclusively online programs eligible for an MHA in 2011 but included the provision that benefits be set at half the national average for students enrolled exclusively online. See [Post-9/11 Veterans Educational Assistance Improvements Act of 2010](#), Pub. L. No. 111-377, 124 Stat. 4106 (2011).
- ⁶ “GI Bill Comparison Tool,” US Department of Veterans Affairs, accessed March 6, 2023, <https://www.va.gov/education/gi-bill-comparison-tool/institution/>.
- ⁷ “GI Bill Comparison Tool,” US Department of Veterans Affairs.
- ⁸ Authors’ calculations using the National Postsecondary Student Aid Study.
- ⁹ Russ Poulin, “Ask Congress to Address the Housing Allowance for Online Veterans in New GI Bill,” WICHE Cooperative for Educational Technologies, July 17, 2017, <https://wcet.wiche.edu/frontiers/2017/07/17/ask-congress-to-address-the-housing-allowance-for-online-veterans-gi-bill/>.
- ¹⁰ Lindsay McKenzie, “Students Want Online Learning Options Post-Pandemic,” Inside Higher Ed, April 27, 2021, <https://www.insidehighered.com/news/2021/04/27/survey-reveals-positive-outlook-online-instruction-post-pandemic>.
- ¹¹ Authors’ calculations using the 2015–16 National Postsecondary Student Aid Study. See PowerStats [table xttghk](#).
- ¹² Authors’ calculations using the 2015–16 National Postsecondary Student Aid Study. See PowerStats [table ibvnqo](#).
- ¹³ “Student FAQs: COVID-19 Information Affecting Education Benefits for Students,” US Department of Veterans Affairs, accessed September 2, 2022, <https://www.benefits.va.gov/GIBill/COVID19EducationBenefits.asp>.
- ¹⁴ Authors’ calculations using the 2015–16 National Postsecondary Student Aid Study. Students living on campus are excluded from the housing cost statistics. The calculation includes dependent and independent students, but the results are similar when only independent students are included. See PowerStats [table xewitv](#).
- ¹⁵ Authors’ calculations using the 2015–16 National Postsecondary Student Aid Study. Students living on campus are excluded from the housing cost statistics.
- ¹⁶ Authors’ calculations using the 2015–16 National Postsecondary Student Aid Study. See PowerStats [table xewitv](#).
- ¹⁷ Authors’ calculations using the 2015–16 National Postsecondary Student Aid Study. Students living on campus are excluded from the housing cost statistics. We include only full-time independent students in this instance because the group is most comparable with students who receive the GI Bill. Veterans are automatically considered independent students. And full-time status captures students who would be eligible for the GI Bill MHA. Dependent students are also more likely to report \$0 housing costs when living off campus because a parent may be paying their rent. See PowerStats [table celkew](#).
- ¹⁸ Nontuition expenses reported by the institutions that GI Bill recipients attend offer additional information about housing costs for students attending online and in person. Although the nontuition expenses reported by institutions include more than housing costs, such as food, and transportation expenses, on- and off-campus housing costs are a major component. The National Postsecondary Student Aid Study data show that average annual nontuition expenses for full-time GI Bill recipients attending programs exclusively online are \$10,365 and are \$11,298 for those attending not exclusively online, though the difference is within the margin of error. Because of the range of costs included in nontuition expenses, it is difficult to know whether the difference is

attributable to differences in housing costs. Authors' calculations using the 2015–16 National Postsecondary Student Aid Study. See PowerStats [table yvkpra](#).

¹⁹ See PowerStats [table grarit](#).

²⁰ See also “School Program Approval,” US Department of Veterans Affairs, last updated February 15, 2023, https://benefits.va.gov/gibill/School_Program_Approval.asp.

²¹ Earnings data are for all students who received federal aid from the Department of Education and are not specific to veterans who received GI Bill benefits. The institutions we selected for the analysis are the 50 institutions that enroll the largest number of students receiving GI Bill benefits. Earnings data are from the College Scorecard and are for the pooled cohort of students who entered in the 2007–08 and 2008–09 academic years. Earnings are observed in 2018 and 2019 and reported in 2020 dollars. See the website for the US Department of Education’s College Scorecard at <https://collegescorecard.ed.gov/data/>.

²² Loan repayment data are for all students who received federal loans from the Department of Education and are not specific to veterans who received GI Bill benefits. The institutions we selected for the analysis are the 50 institutions that enroll the largest number of students receiving GI Bill benefits.

²³ The estimate is based on the following calculation and data. Of GI Bill recipients, 17.1 percent attend programs exclusively online. Of those, 46.9 percent attend full time, which we use as a proxy for GI Bill recipients eligible for an MHA. They are technically eligible for an MHA if they attend more than half time, but the data we use do not include a status between half-time and full-time enrollment, which makes the estimated share of students with a reduced MHA a lower bound. Therefore, 8 percent of GI Bill recipients are seeing their housing benefit reduced. The average reduction we estimate is about \$1,533 for a year of enrollment. There were 841,603 GI Bill recipients in 2021. If 8 percent of them (67,328) received larger housing benefits of \$1,533, on average, the total annual cost of MHA parity would be about \$103 million a year. That assumes no increase in students attending programs fully online. The Congressional Budget Office estimates that \$900 million in GI Bill benefits was spent on students attending programs online, which means that MHA parity would increase the cost of benefits already spent on online students by about 11 percent, or about a 1 percent increase in the overall cost of the \$10 billion spent on the GI Bill program annually. Data for this estimate are from the 2015–16 National Postsecondary Student Aid Study. See PowerStats [tables xlqvdu](#) and [vetnyf](#). See also Bass (2019) and VBA (2021).

²⁴ We assume that if online students received parity in their MHA benefits, the students attending programs exclusively online would receive a larger MHA equal to the difference between the average MHA for students currently attending programs exclusively online and GI Bill recipients not attending programs exclusively online. But we do not have data on students’ actual locations and therefore cannot calculate the actual MHA they would receive if they qualified for a full MHA. We also can examine data only for students attending programs exclusively full time. Veterans may qualify for an MHA if they attend less than full time but more than half time. The data do not allow us to capture the share of GI Bill recipients these students make up, nor their reported housing costs or average MHA. We therefore exclude them and the related increase in costs from our estimate. We also do not assess any behavioral effects, such as more students opting to use their GI Bill benefits because they can now use them in exclusively online courses, should lawmakers provide the full MHA for these programs. Including such effects would increase the cost estimate.

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