

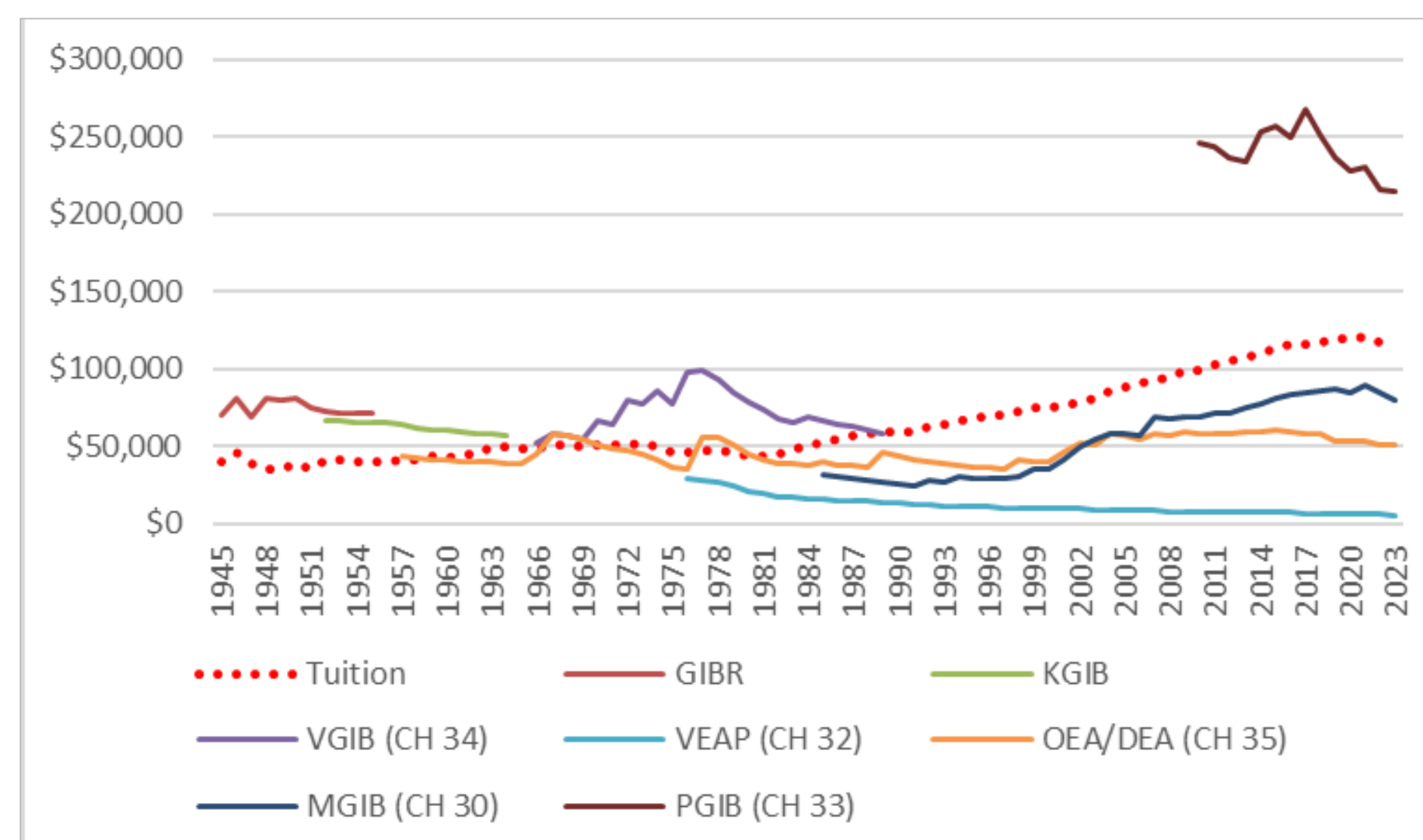
An Assessment of the Post 9/11 GI Bill Impact on Retention and Cost



NAVAL
POSTGRADUATE
SCHOOL

Abstract

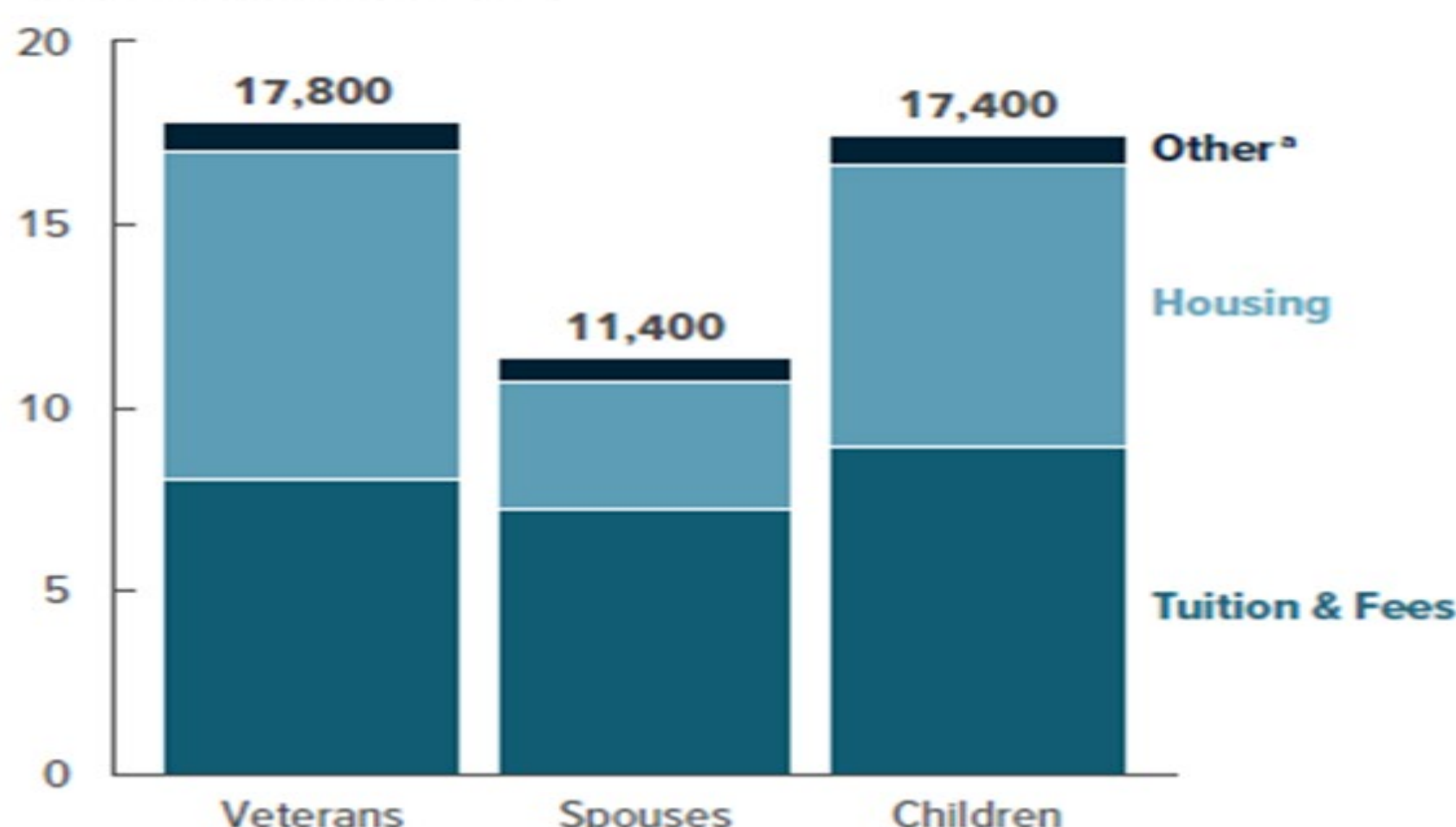
The Post-9/11 GI Bill (PGIB) was the most expanded program in VA history since the introduction of the Original GI Bill. It made the pursuit of higher education more affordable for veterans and their Families. The PGIB was expected to increase accession but reduce retention. To mitigate the retention rate drop, a Transfer Entitlement was added to the program. It was expected the Transfer Entitlement would boost retention rates.



Maximum GI Bill Benefits for Each User
(Adjusted for Inflation)

After housing, tuition and fees accounted for the greatest share of the money spent for veterans and children. Many spouses attend school while the service member is on active duty, so they already receive a housing benefit through the service member.

Thousands of 2018 Dollars



Average Cost per GI Bill User Type

Methods

To adequately assess the impact that PGIB has on retention rates, the first step was to isolate the retention rates of service members with the option to transfer benefits from those who did not have the option. Then, by assessing the rates before and after implantation and performing a regression on the data to find the impact of the PGIB on retention.

Results & Their Impact

When conducting the analysis, the data showed that there is a negative effect of the PGIB on retention rates for service members able to transfer benefits compared to those unable to transfer benefits. It is unknown what is causing this reduction in the comparable retention rates, but a potential possibility could be that the Transfer Entitlement has little to no impact on a service member's decision to reenlist and that other factors are reducing retention rates for service members with families.

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	92.515	1.166	79.315	0.000	90.096	94.934	90.096	94.934
With Family	-1.805	1.650	-1.094	0.286	-5.226	1.616	-5.226	1.616
Post Period	-0.239	1.214	-0.197	0.845	-2.757	2.278	-2.757	2.278
With Family *Post	-8.848	1.717	-5.153	0.000	-12.409	-5.287	-12.409	-5.287

Regression of the Impact of the PGIB on Retention

Recommendations

- Make the PGIB Transfer Entitlement a retention incentive option during re-enlistment/re-obligation negotiations, counter to the SRB.
- Reduce the six years of service requirement to three, to increase the retention rate for initial enlistments, or obligated services.

