EVERY JUNE, AT THE END of the academic year, there is renewed public interest in new graduates from colleges and institutions across the country. Questions arise: Can these new graduates find jobs? Have they chosen careers wisely? How much debt will they carry into their future lives and how will it impact their decisions about family, mortgages, and retirement? Concerns about the economy and unemployment statistics fuel the debate. Policy-makers propose strategies toward a goal of affordable higher education in the United States in an era of rising tuition, stagnant public support, and lean family budgets. Paying for higher education in our nation is at the center of attention. With the job market poor in general, and prospects for career climbing impacted by the economy, the situation is even more serious for new graduates with debt burden.

So what do we know about newly graduated nursing students? Mancino and Feeg (2014) recently reported that, according to findings from the National Student Nurses’ Association (NSNA) New Graduate Annual Survey, the employment data for new graduates in 2013 indicated some improvement compared to prior years. Regional differences continued over the multiple years of the survey. Compared to a report that more than 40% of all college graduates are underemployed (Reuters, 2013), newly graduated nurses seem to be more successful in the job market. However, many are still facing difficulty in employment and carrying loan debt that adds additional burden to their futures.

To explore this situation further, 4 years of the NSNA New Graduate Annual Survey data (2010 to 2013) from a national sample of new nurses were re-examined.
The purpose of this secondary analysis was to assess the loan burden of new graduates in nursing, describe their financing choices for nursing education, and compare differences in loan debt between types of nursing education programs (BSN and associate degree) and types of institutions (public/private vs. for-profit proprietary).

**United States Student Loan Debt**

Recently, President Obama took executive action to fulfill his promise on upholding our country’s commitment to provide quality higher education for all (White House, 2014). In a White House event, he announced strategies to lift the burden of crushing student loan debt that will allow borrowers with federal student loans to cap their monthly payments relative to their income. With reports of higher education becoming more out of reach for low and middle-income families, the White House action prompted wide discussion about the burden students carry with debt and the need for multiple strategies to make quality education more affordable. The President used his executive authority and sent a Presidential memorandum to the Secretary of Education to propose new regulations for borrowers and asked Congress to pass legislation that could help an estimated 25 million Americans refinance outstanding loans at lower interest rates (White House, 2014). The Senate bill introduced by Elizabeth Warren (D-MA), The Bank on Students Emergency Loan Refinancing Aid (S. 2432) failed to reach cloture (vote was 56-38) but Democrats vowed to reintroduce it again (Kreeger, 2014).

Seven in 10 college seniors (71%) graduated with an average student loan debt of $29,400 in 2012 (Project on Student Debt, 2013), which is a marked increase of median loan debt of $20,000 reported in 2009 (Lewin, 2009). Costs of higher education continue to climb, forcing students to borrow at a higher rate. Several factors influence loan debt. Borrowing varies within types of programs for students who financed their education with loans. For example, the Department of Education National Postsecondary Student Aid Study (Lewin, 2009) reported 10% of students who received bachelor degrees and 6% of those who received certificates borrowed more than $40,000. Data from for-profit 2-year colleges versus public 2-year colleges were markedly different in the percent of students with education loans, 98% versus 38% respectively (Lewin, 2009). More than 600,000 federal student loan borrowers in 2010 defaulted on their loans by 2012. The largest share of these students, 46%, attended for-profit colleges which enrolled just 13% of students nationally. For-profit schools also had a much higher average default rate (21.8% at for-profit schools compared to 13% at public and 8% at nonprofit private colleges) (Project on Student Debt, 2013).

So what is the problem with nursing students borrowing money to obtain a college degree or a technical work credential? Experts suggest borrowers are financially naïve in the knowledge pertaining to student loans and the analysis required to predict consequences or trade-offs of having an education and future financial expectations (Javine, 2013). Financially at-risk students have more debt in general and student lack of success in college is associated with the growing problem of defaulting on student loans (Blumenstyk, 2014). Lieber (2014) states college students have a hard time making initial borrowing decisions. He believes long-term cost should be part of the bigger conversation. He notes the negative financial impact of paying off loans at the expense of postponing saving for future needs, such as retirement, for new graduates at their first jobs. Those without employment face even more serious consequences. 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. High levels of indebtedness among graduates are matters of concern to the education and policy communities. This study used existing data to extract answers to these questions.

**Nursing Student Borrowing: A Secondary Analysis**

Secondary analyses of large datasets provide a mechanism for researchers to study high-impact questions that would be difficult to assess prospectively. The analysis uses data collected by someone else for another primary purpose, and enables one to conduct studies with less time and resources than required for most studies involving primary data collection. It can provide access to larger sample sizes, relevant measures, and longitudinal data. It is important to note, however, that the same basic research principles that apply to primary data analysis also apply to secondary analysis including matters of assuring rigor, ethics, and analyses (Smith et al., 2011). It also has inherent limitations in that the secondary purpose must conform to the primary prospective methods in sample limitations and question development. Finding the right data source that meets these standards is essential.

The National Student Nurses’ Association routinely surveys its over 60,000 members on issues relevant to the organization and member services. Numerous membership surveys are distributed electronically and the organization has cultivated a database of responsive nursing student members on matters that affect them. In the last 6 years, the NSNA New Graduate Annual Survey, assessing employment status 6 months post-graduation, has yielded a large dataset of respons-
es from former students to a wide range of questions that can be relevant for a secondary analysis. Not all nursing students are members of NSNA. Membership in NSNA includes students who self-select and choose to join, and students from “total-membership” schools that include membership as part of fees. NSNA’s membership at the time of the most recent survey (May, 2013) was 60,026 with 34% associate degree, 57% baccalaureate, 5% diploma, 3% RN to BSN, and 1% masters and doctorate pre-licensure students. With institutional review board approval, this study used the NSNA New Graduate Annual Surveys from 2010 to 2013 to focus on the questions of interest including nurse employment, types of nursing programs completed, types of schools attended, and financing decisions of the new graduates sampled.

Method

Sample. The NSNA database is a source for the annual survey of all new graduates each year. The sampling frame includes all email addresses from the membership list of students who indicated they expected to graduate in the year being assessed. The sample for each year is calculated from membership records and responses increased from 3,325 (18%) in 2010 to 6,130 (32%) in 2013. (Responses are de-identified and response rates are conservative estimates due to multiples in the email addresses over the years.) The electronic survey is sent via email with a link to the Surveymonkey® questionnaire, developed each year based on a core of questions and additional areas of particular interest. The reports are published annually in Dean’s Notes (http://www.ajj.com/services/publication-services/deans-notes). The response rate is estimated based on the total number of students who planned to graduate in the given year and whose email addresses were in the database (minus opt-outs and bounced emails).

Questionnaire. The NSNA survey questionnaire has been developed with expert consultation over the years with a series of demographic questions and a wide range of general questions about searching for entry-level RN positions. The primary survey contained over 70 questions with a combination of forced choices in structured questions (“Was the nursing program that you attended a public; private not-for-profit; private for-profit, proprietary school/university?” and “How did you finance your education? Check all that apply.”), and combined structured items with open-ended options (“Do you believe that the nursing program you attended misled you about the availability of job opportunities for new graduates? And if so, describe.”). The core questions used in this secondary analysis included:

1. Are you currently employed as an RN? (yes, no).
2. What type of nursing program did you graduate from? (associate degree nursing, diploma, baccalaureate degree - prelicensure, accelerated BSN program, master’s degree - prelicensure, clinical nurse leader - prelicensure, doctorate - prelicensure, and RN to BSN post-licensure).
3. Was the nursing program you attended public, private not-for-profit, private for-profit proprietary? (a) public [state-colleges and universities or community colleges], (b) private [not-for-profit], and (c) proprietary [for-profit].
5. How much do you owe in student loans? Survey questions from the last 2 years (2012-2013) were analyzed for specific financing data limited to baccalaureate and associate degree graduates, and the last 4 years (2010-2013) for general employment trends.

Results

Employment. The past 4 years of annual surveys provide data for understanding employment trends by regions of the United States and by type of program. Originally reported by Mancino and Feeg (2014), hiring new nursing graduates appears to be improving gradually over the past 4 years in all regions of the country (see Figure 1). Employed new graduates increased from 72% in 2012 nationally to 81% in 2013, with lower employment in the Northeast (70%) and West (65%). The majority of those who graduated in 2013 (72%) observed that employers are hiring BSN graduates over associate degree graduates, which was up 5% from the previous year. Employment success was also reported with different types of institutions: public (76%), private (nonprofit) (77%), and private (for-profit) (68%) schools. Although improved in general, data suggest the West and Northeast lag behind the South and Central regions in jobs for new graduates. The data also showed, during this same time, hiring differences persist for RNs who graduated from associate degree (ADN) and bachelor’s (BSN) programs, with BSN graduates being more likely to be hired (see Table 1). Secondary analysis of the data for this study focused on ADN and baccalaureate (BSN) graduates related to employment and financing.

Debt by type of program. The analysis of loan debt across all graduates over the past 4 years suggests a trend that nursing students have increased their borrowing in order to attain their nursing degrees. This 4-year debt trend mirrors the national trend involving all college students although the proportion of nurs-
ing students with at least some loans to pay off (74%) is slightly higher than the 71% reported for all new graduate data (Project on Student Debt, 2013) and increased more than 2% over the 4 years (see Figure 2).

A closer look at new graduates’ self-report of how they financed their nursing education provides insight into the potential struggle of facing the job market with the burden of loans after graduation, or the reality of students having to work part-time and full-time while they are still in school. Data were analyzed for the 2012 and 2013 new graduates. More than one-third of new nurse graduates who reported having loans to repay were unemployed; more than one-quarter of those who worked part-time and one-quarter of those who worked full-time to finance their education were unemployed; and almost one-third of students whose parents had paid for their education were unemployed (see Figure 3).

Upon separating these 2 years of data by program, similarities and differences were evident. As might be expected, the proportion of ADN students with some type of financial debt was less than those in BSN programs; more parents paid tuition for BSN students than ADN students; more BSN students worked part-time than ADN students but more ADN students worked full-time than BSN students; and more BSN students had scholarships and federal grants. Using personal savings to finance education was comparable between both groups for 2013 (see Figure 4a) and 2012 (see Figure 4b).

In addition to the types of financing choices compared by program in the 2 years of data, the amount of loan debt was analyzed. Findings show ADN new graduates differ from BSN new graduates in the amount of debt reported, although the 2-year comparisons were similar. New ADN graduates were more likely to
report having no debt more frequently than was the case for new BSN graduates. There was also a higher percentage of ADN graduates who had debt in the small loan range ($5,000 to $20,000) while the BSN graduates were more likely to report having larger loans than ADN graduates in the over $30,000 range (see Figure 5).

Debt by type of school. Finally, an important analysis of the 2 years of data by type of school yielded important findings. When the data for students who reported they attended a private, for-profit proprietary school were separated and compared to loan data for all students, a clear pattern emerged. New nursing graduates who were students in for-profit proprietary schools were more likely to report they had accumulated large debt to pay for school when compared to all new nursing student graduates combined; almost 90% of students in for-profit proprietary schools borrowed money; and almost 10% of students in proprietary schools had borrowed more than $100,000 compared to only 3% of all students combined who attended other types of programs (see Figure 6).

Discussion

In this secondary analysis of questions from the NSNA New Graduate Annual Survey related to nursing student debt and financial choices, we discovered nursing students are similar to all undergraduate college students with average student loan debt (approximately $30,000 per borrower). Student loans are the largest source of student funding for undergraduate nursing education. In looking at the differences between ADN and BSN graduates, as expected, BSN students have higher debt. Nonetheless, the fact is ADN graduates also have considerable debt. Having fewer job prospects, ADN students often immediately opt into seamlessly progressing to their next academic program. This not only makes them more marketable for entry-level positions, but it also delays the start of loan repayments.

In a recent NSNA followup survey of members, findings corroborate the issue of student loans with lack of knowledge about financing. For example, when selecting a nursing program, only 16% (n=194) of students answering NSNA’s “One-Minute Trend Survey” (n=1,209), chose “affordability” as their primary criterion; 21% (n=257) indicated geographic location; and 47% (n=565) chose school reputation (NSNA, 2014). Forty-nine percent (n=595) of respondents revealed student loans were their primary source of funding for tuition, fees, and books, but 34% (n=193) reported they did not know their loan inter-
est rate and 34% (n=194) did not know if it was a fixed or variable rate (NSNA, 2014). Without a doubt, students must closely examine their return on investment when considering financing their nursing education. They also need more education about borrowing (Javine, 2013). As one student stated, “Nursing school is expensive, but worth every penny. But it is a burden to wonder how I will afford tuition and how I will be able to afford payments on student loans within 6 months after graduating. Nursing school requires my full devotion and working to afford this program takes away some of my study time and only adds more stress ... I wish there were more resources to pay for school” (NSNA, 2014).

Repayment of student loans is an important policy issue. It is important to the school, the financial institutions and, of course, to the student. High student loan repayment impacts the economy as well as the post-graduate life of the loan consumer. Rising tuition rates will require higher loan amounts needed to complete a program. Skipped or nonpayment will impact the loan consumer’s credit rating and may impact his or her ability to qualify for mortgages and other loans. These life issues need to be part of the decision process in choosing schools and educational goals. But it is equally important that schools are not incentivized to promise job success in these uncertain economic times accompanied by high tuition and fees. The gainful-employment rule coming out of the U.S. Department of Education would deny federal student aid to programs where too many students default on their loans or where their debt, relative to their earnings or discretionary income, is too high (Blumenstyk, 2014). The rule, if implemented, is expected to affect more for-profit college students. The data from this analysis suggest there are issues related to borrowing trends of nursing students in for-profit institutions compared with all other nursing students that need further investigation. With ongoing policy discussions about the growth of proprietary schools, it is important to note this loan debt affects nursing students as well.

Schools must document loan repayment and satisfy other rules to maintain participation in the federal loan program. Academic institutions have a vested interest to assure their students meet federal financial obligations. As consumers of student loans, students...
Figure 5. 
Amount of Loan Debt (2012-2013) for New Nursing Graduates by Types of Programs

Figure 6. 
Amount of Loan Debt (2012-2013) for New Nursing Graduates: Students in For-Profit/Proprietary Programs Compared with Public/Private Schools
and their co-signers need to be well informed and read the fine print before accepting student loans. According to Javine (2013), students need to understand the ramifications of taking student loans and financial aid administrators need to develop programs to educate students about debt, particularly those at-risk of higher levels of debt. Loan consumers must play it forward: What happens after they graduate (or do not graduate)? When will loan payments start? What is the interest rate and is it fixed or variable? What will they do if they cannot find a job and loan repayment starts? These and other questions should be considered carefully along with the exploration of all student financing options including pre-payment tuition plans, loan forgiveness, and employer tuition reimbursement. Student loan debt follows the new nurse until it is paid off. Investing the time to do in-depth research on all forms of student support before, during, and after graduation, will pay off in the long run. The Internet is a powerful tool to aid in this effort with access to helpful websites that offer students information and guidance about loans and debt management (see Table 2).

Loan consolidation is available to eliminate multiple loan monthly payments. Advocacy for policies that allow student loan refinancing will reduce the burden of interest payments. These and other considerations to reduce student debt, if enacted, will put more money in the hands of consumers for other uses, taking the pressure off new graduates as they establish households and support families.

To attract and keep talented employees, corporations and others are supporting tuition reimbursement while the student is still employed by the company. For example, Starbucks® recently announced a new college tuition financing program benefit for employees. During periods of nursing shortages, hospitals provided nursing students with tuition support if they signed an agreement committing a certain number of years of service to the institution (NSNA, 2010, 2011). But if the graduate decided not to work in the institution, the tuition funding was converted to a loan, which had to be paid back by the student (NSNA, 2010, 2011). These attractive financing approaches need careful consideration. It is interesting to note that when the Great Recession began in 2008, NSNA New Graduate Surveys revealed jobs were not available for students to “pay back” their service commitment forcing many students to pay back the loan without assistance (NSNA, 2010, 2011). One student commented in 2010 that 14 students were offered employment (to repay their work-commitment agreements) and over 100 new grads had to repay the hospital (NSNA, 2010). As the recession deepened, hospitals ceased offering these incentives. Employers are also closely scrutinizing college tuition assistance. As more hospitals hire per diem and part-time RNs, the hired new graduate may not meet the qualifying amount of work hours to forgive the loan. Some institutions will pay full tuition to employees who return to school to prepare for greater and different responsibilities (for example, certified nursing assistant becomes an RN) in return for years of service in the new role (NSNA, 2010, 2011).

Among other forms of support for nursing education, the passage of the landmark Nurse Training Act of 1964 established a student loan program for undergraduate nursing students (Yett, 1966). Today, funding for advance practice registered nurse education dominates the grant programs offered through the Health Resources and Services Administration (HRSA). The only undergraduate funding available through HRSA Grant Programs support nursing education opportunities for individuals who are from disadvantaged backgrounds, including racial and ethnic minorities.

### Table 2.

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who are underrepresented among registered nurses (HRSA, 2014). Policymakers and those who influence policy decisions need to consider RN pipeline projections. Entering the nursing profession with higher student loan debt could delay academic progression, which results from the necessity to work to repay loans.

As the nursing profession continues to collectively implement the Institute of Medicine Report (2010) *Future of Nursing: Leading Change and Advancing Health*, it is important to understand how to determine where student financial needs are the greatest.

All new college graduates today face a tough employment market with significant debt, and new nursing graduates appear to be experiencing similar challenges. While health care graduates have traditionally had lower unemployment rates than liberal arts and social sciences graduates, the data from the NSNA New Graduate Annual Surveys suggest they are more likely to be in debt than in the past and the money borrowed may impede their future choices in life and impact their academic progression. Policymakers and educators need to be aware of the debt that is carried by these new graduates. It is imperative strategies be created to support a workforce that is prepared to meet the health care challenges faced by the next generation of nurses.


National Student Nurses’ Association (NSNA). (2010). 2010 new graduate annual survey [In response to question: While in nursing school, did you sign a hospital work-commitment loan agreement?] (unpublished raw data).

National Student Nurses’ Association (NSNA). (2011). 2011 new graduate annual survey [In response to question: While in nursing school, did you sign a hospital work-commitment loan agreement?] (unpublished raw data).

National Student Nurses’ Association (NSNA). (2014). NSNA one-minute survey [In response to questions: What is the one main reason that you chose the type of program you are currently attending? What is the primary source of your funding to pay for tuition, fees and books? Are your student loans variable rate or fixed rate? What is the interest rate on your student loan?] (unpublished raw data).


