



Positive Impacts of Payment Plans

Increased Retention Rates and Credit Hours

Payment plans make it easier for students to manage costs and reduce debt by allowing them to budget payments for tuition and fees over time. While the benefits to students seem straightforward, calculating the impact for the colleges and universities that offer these plans can be challenging to quantify.

In 2020, Nelnet Campus Commerce data scientists worked with our institutional partners to empirically measure the impact our Payment Plans have on a number of key data points for both 2-year and 4-year institutions.

Below are some of the most meaningful impacts on key student outcomes evaluated by higher education institutions.

Analysis Overview

Participating institutional partners provided anonymized data —no names or other personally identifiable information (PII) were utilized as part of the analysis — to Nelnet Campus Commerce via secure file transfers.

Data Sets

2-year institutions - 70,000+ student records, over 5 years

4-year institutions - 469,000+ student records, over 15 years

In all possible instances, data was subjected to Chi-Square analysis, which determines if the difference in numbers between two groups is simply random chance or if there is an effect happening between them. In all instances where a Chi-Square analysis was performed, the results indicated a statistically significant variance.

Payment Plan Participation Rates Over Last 5 Years





Key Findings

Increased Retention

The largest impact payment plan usage had at institutions studied is related to student retention. Across our study, while only 18-25% of students on any given campus utilized a payment plan, per semester; those students were nearly **8% more likely to retain from semester-to-semester** than those not utilizing a payment plan.

In addition to a positive impact on overall retention, the data also demonstrated enhanced retention for key student demographics.

Retention by Demographic

Demographic	2-Year Institutions	4-Year Institutions
First Generation	+7%	
Asian	+10.8%	+6.4%
Black	+7.6%	+7.8%

...students were nearly **8% more likely to retain from semester-to-semester** than those not utilizing a payment plan.

More Credit Hours

Alongside a positive impact on student retention, payment plan usage also influences credit hours. On average, **students utilizing payment plans completed an additional six (6) credit hours** over the course of their enrollment at 2-year institutions, and a nearly 12 additional (11.73) hours during their enrollment at 4-Year institutions.

Leveraging the Power of Payment Plans

The impact of payment plans on student success, and their direct support of institutional goals around retention and receivables, make them a valuable resource for institutions. With only 1 in 5 students, on average, utilizing a payment

plan in any given term, the opportunity to increase their impact is substantial.

To learn more about how Nelnet Campus Commerce Payment Plans can help you increase retention and matriculation, please visit CampusCommerce.com/Payment-Plans.

Interested in Your Institution's Payment Plan Metrics?

The data scientists at Nelnet Campus Commerce are available to provide you with information specific to your institution around the impacts of payment plans. To learn more, please contact NelnetCampusCommerce@nelnet.net.