FINANCING A GRADUATE SCHOOL EDUCATION

Successful Start- Boston College
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AID FOR GRADUATE SCHOOL

- How much does graduate school cost?
- Is aid available?
- What’s the difference between undergraduate & graduate financing?
- What does the graduate aid application process look like?
- Is grad school worth the price?
- Tips & Resources
- Q & A
Average Graduate School Costs

Average Tuition & Fees Grad & Professional Schools (2009)

Source: NCES: Digest of Education Statistics 2009
GOOD NEWS

- Aid is available for graduate studies
  - Federal Student Aid (FSA)
  - Other federal
    - Grants/Scholarships for Native American Students
    - National Science Fellowships
    - National Health Service Corps Scholarships
    - National Institute of Health Awards
    - AmeriCorps
  - Schools
  - Outside agencies

- Parent data generally not required
AID AVAILABLE

Loans
- Federal Direct loans
  - Unsubsidized Stafford loans
  - Grad Plus loans
- Federal Perkins loans
- Institutional loans
- Private loans
  - Variable interest rates
  - Lack of repayment options

Work
- Teaching/Research Assistantship
- Federal Work-Study
AID AVAILABLE

- Gift aid
  - Scholarships & Grants
    - Scholarships merit
    - Grants need-based
  - Stipends & Fellowships
    - Most fluid definitions
    - Different conditions
    - May operate like a job
    - May operate like a scholarship
**Difference in Graduate School Aid**

**Undergraduate Aid Grants Most Common**
- Grants: 52%
- Loans: 39%
- Tax Credits & Work-Study: 9%

**Graduate Aid Loans Most Common**
- Loans: 64%
- Grants: 30%
- Tax Credits & Work-Study: 6%

Source: *Trends in Student Aid 2013* - The College Board
UNDERSTANDING AWARD PACKAGES

- Loans
  - Terms
    - Fees
    - Interest rate
    - Repayment terms
  - Amount

- Gift Aid
  - Renewal process
  - Guaranteed year to year
  - Adjustment for tuition increases
Grad Student Aid Source & Type

- Federal Loans ($33.7): 63%
- Institutional Grants ($9.5): 18%
- Federal Education Tax Credits and Deductions ($3.4): 6%
- Private and Employer Grants ($4.7): 9%
- Federal Grant Programs ($1.8): 3%
- Federal Work-Study ($0.1): <1%

Source: Trends in Student Aid 2013 - The College Board
Graduate School Aid Process

- Varies by school
  - Federal aid only = Free Application for Federal Student Aid (FAFSA)
  - Schools with institutional awards
    - FAFSA
    - Need Access application
    - CSS Profile application
    - Institutional application
    - Any combination of the above
WHO MUST SUBMIT APPLICATION DATA

- All graduate students are independent for federal aid purposes

- For Medical School and Law School parental data often required
  - Medical schools have access to Health professions loans which require parent data
  - Law schools target institutional funding & need more information than FAFSA gives.
APPLICATION PROCESS

• Submit FAFSA
• Other Applications

Dept of Education

• Process FAFSA
• Release data to school(s)

You

School

• Determines eligibility
• Creates award package
AID FORMULA- PART I

- Income
- Assets

- Allowances
- Protections

Result: Expected Family Contribution (EFC)

- EFC takes form of a number, but is a concept
AID FORMULA- Part II

- **Schools**
  - Report Cost of Attendance (COA) annually per program
    - Tuition & fees
    - Room & board
    - Transportation
    - Personal expenses
    - Miscellaneous

- AKA budget or student budget
- Financial aid cannot exceed the COA
Aid Formula - Part III

COA - EFC = Need
Is Grad School Worth the Price?

- Yes
  - Intellectual value
  - Financial value
  - Economic protection

- Need to be an educated consumer
  - Research schools
  - Know deadlines
  - Borrow only what you need
TIPS

- **Start early**
  - Check school’s financial aid website
  - Aid process likely same from year to year
  - Be aware of deadlines

- **Get educated on the process**
  - Schools’ aid website likely have all information needed

- **Ask questions**
  - Be courteous
  - If answer is not online, ask the aid office directly
  - Understand all awards in your package
RESOURCES

- First, best source of help is schools’ aid office
  - Loan advice
  - Scholarships sources
  - Tips on budgeting & savings
- Scholarship searches
  - Salt
  - www.fastweb.com
- Department of Education
  - www.studentaid.gov
  - www.studentloans.gov
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