



# Financing a Graduate Degree


*What Assistant, Associate Deans, and Deans  
Need to Know*

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# What is on the minds of deans?



- Graduate student financial support was identified by 54% of the deans as their top issue in the CGS Pressing Issues Survey 2013
  - Health insurance
  - Direct support (assistantships, fellowships)



**“10 Ways to  
Avoid Student  
Loan Debt,”**



Money for what?

# Money for What?

- Living expenses

- Rent

- Food

- Personal

- Books

- Research, travel

- Health insurance

- Tuition



Stipend or fellowship



Are your offers in the ballpark?

# Stipend Surveys - Duty

- Chronicle survey 2008-2009
- American Association of Universities Data Exchange (AAUDE) - Annual Survey of Graduate Assistant Stipends
- Oklahoma State University Graduate Assistant Stipend Survey (2014-2015)

# Fellowships – Non-duty

- Full cost; single vs multi year
- Supplements to assistantships
- University vs college vs department level

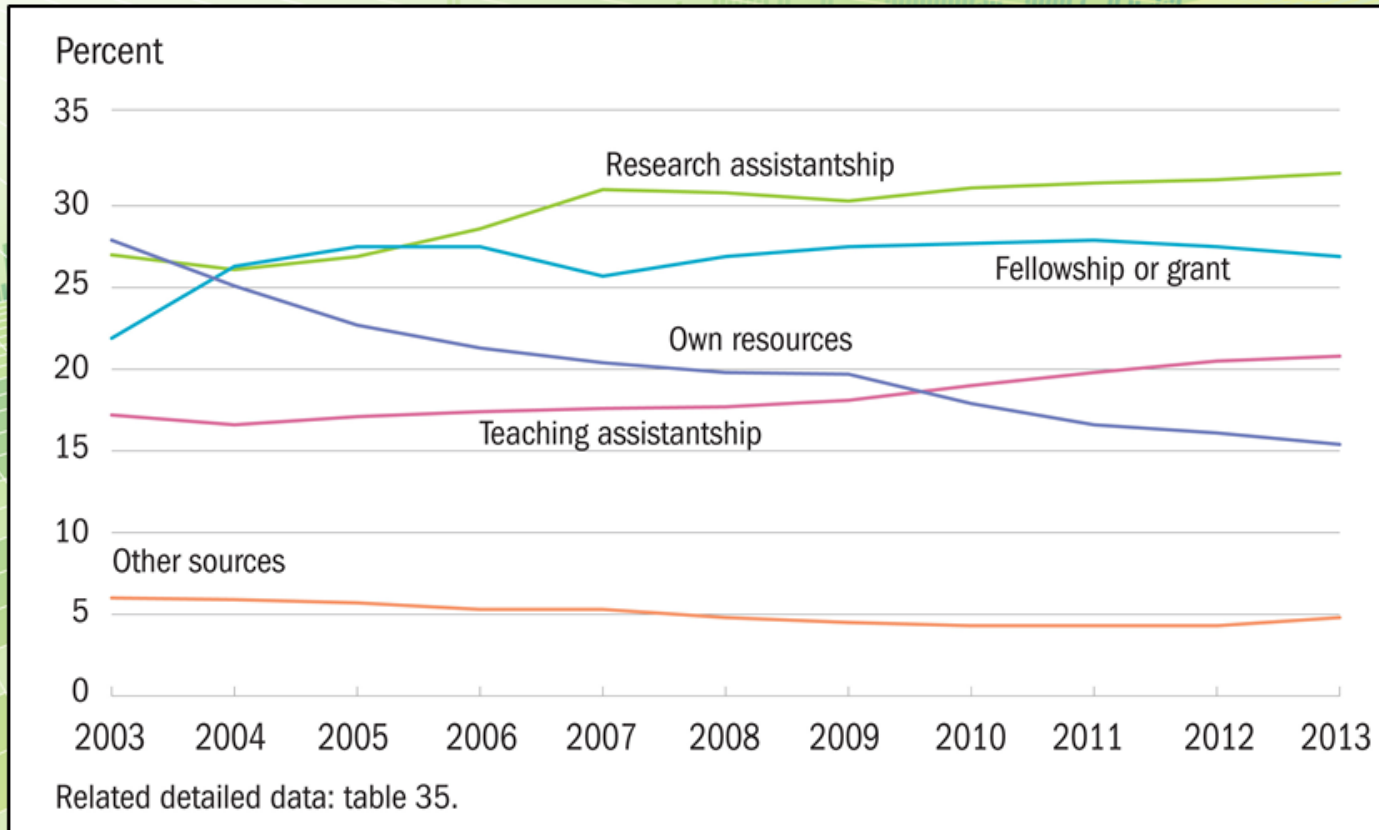


# Benchmarking

- Survey of Earned Doctorates
  - Sponsored by 6 federal agencies
  - Doctorate Recipients from US Universities: 2013;  
<http://www.nsf.gov/statistics/sed/2013/start.cfm>
- National Center for Education Statistics
  - <http://nces.ed.gov>
  - NPSAS:12 (National Postsecondary Student Aid Survey)

# **SURVEY OF EARNED DOCTORATES**

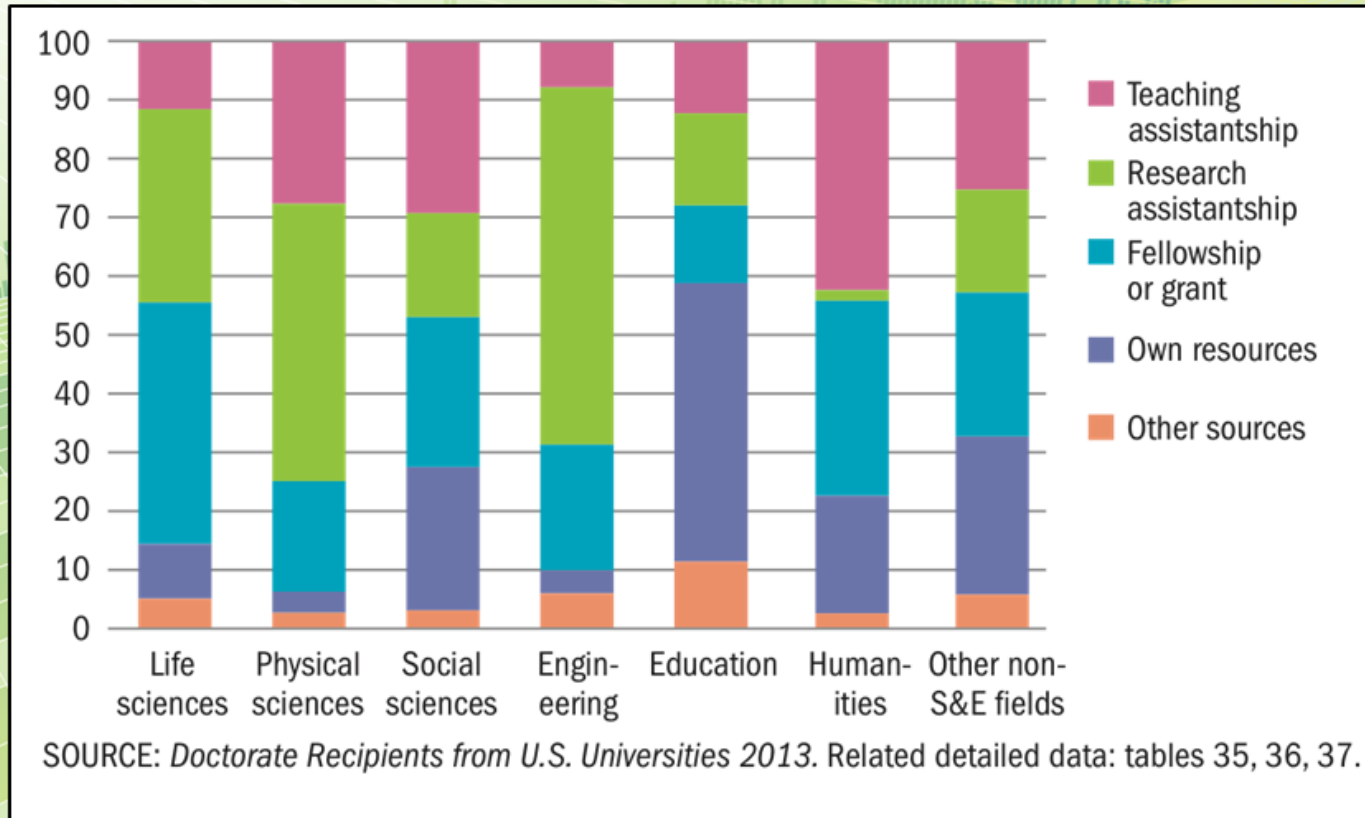
## Primary source of financial support: 2003–13



Doctorate Recipients from U.S. Universities 2013; [www.nsf.gov/statistics/sed/](http://www.nsf.gov/statistics/sed/)



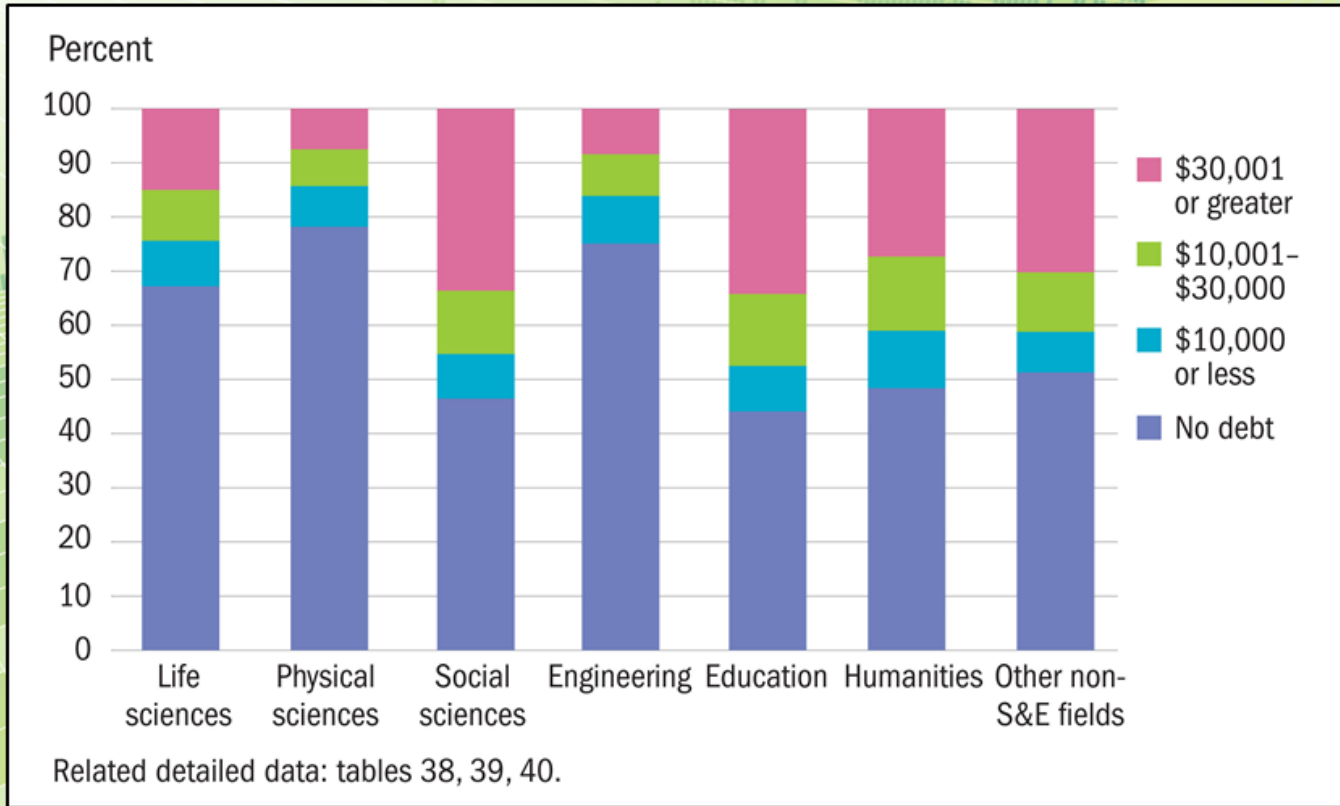
## Primary source of financial support, by field of study: 2013



Doctorate Recipients from U.S. Universities 2013; [www.nsf.gov/statistics/sed/](http://www.nsf.gov/statistics/sed/)



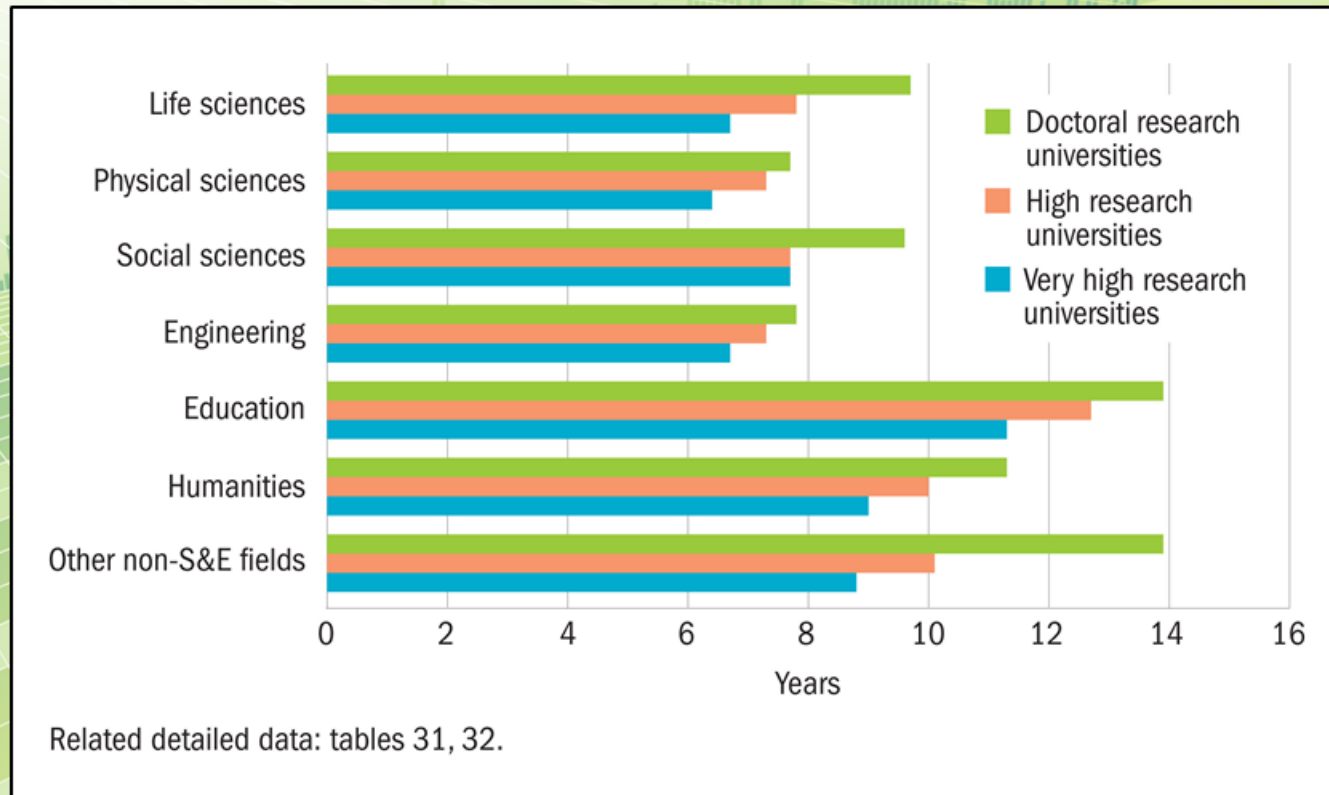
## Graduate education-related debt, by field of study: 2013



Doctorate Recipients from U.S. Universities 2013; [www.nsf.gov/statistics/sed/](http://www.nsf.gov/statistics/sed/)



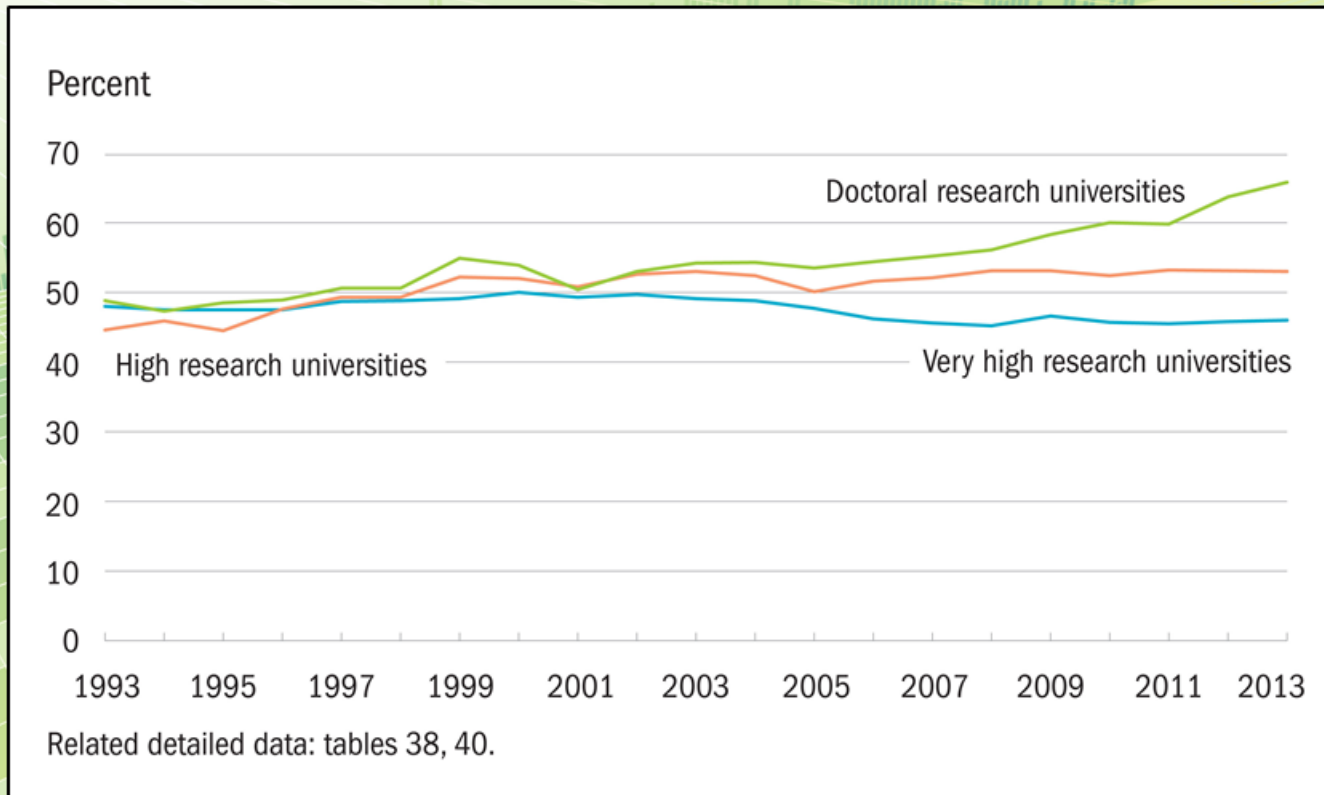
## Median time to degree, by type of doctoral institution and broad field of study: 2009–13



Doctorate Recipients from U.S. Universities 2013; [www.nsf.gov/statistics/sed/](http://www.nsf.gov/statistics/sed/)



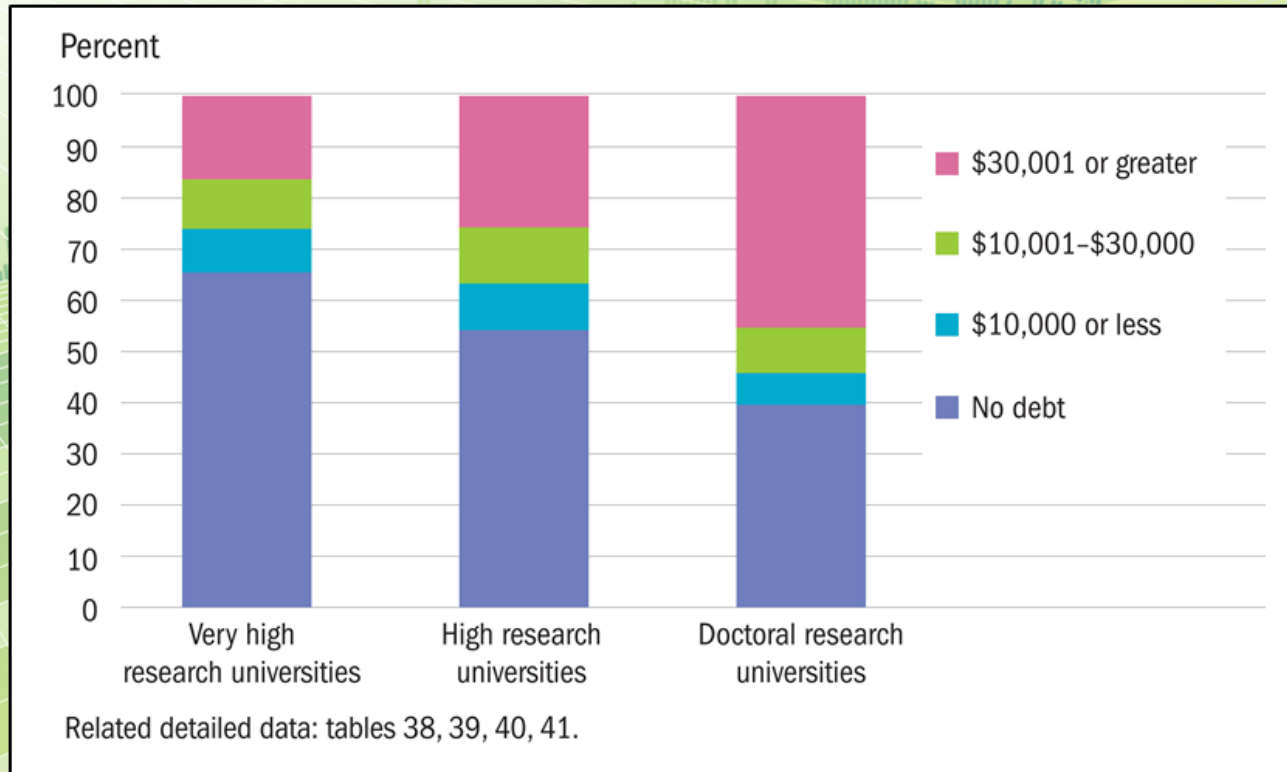
## Doctorate recipients with cumulative education-related debt, by type of doctoral institution: 1993–2013



Doctorate Recipients from U.S. Universities 2013; [www.nsf.gov/statistics/sed/](http://www.nsf.gov/statistics/sed/)



## Level of graduate education-related debt, by type of doctoral institution: 2013



Doctorate Recipients from U.S. Universities 2013; [www.nsf.gov/statistics/sed/](http://www.nsf.gov/statistics/sed/)





# National Landscape

- 2011-2012 National Postsecondary Student Aid Study (NPSAS:12) conducted by the National Center for Education Statistics
- 2011-2012
  - 4 million students enrolled in graduate degree programs in US
  - Types of aid for graduate students
    - Grants/fellowships
    - Federal loans (Direct subsidized, unsubsidized, PLUS)
    - Assistantships

Table 9.

Percentage of graduate students receiving selected types of financial aid, by type of institution, graduate program, attendance pattern, and income level: 2011–12

Type of institution and student characteristics	Any aid <sup>1</sup>	Grants			Student loans		
		Any grants <sup>2</sup>	Employer aid <sup>3</sup>	Total assistant-ships <sup>4</sup>	Any loans <sup>5</sup>	Direct Subsidized or Unsubsidized Loans <sup>6</sup>	Direct PLUS Loans <sup>7</sup>
<b>Total</b>	<b>70.4</b>	<b>35.7</b>	<b>14.5</b>	<b>11.8</b>	<b>45.1</b>	<b>43.0</b>	<b>9.9</b>
<b>Type of institution</b>							
Public 4-year							
Non-doctorate-granting	50.5	19.3	8.9	7.0	35.6	33.3	1.7
Doctorate-granting	68.8	40.8	15.1	18.9	38.6	36.6	7.8
Private nonprofit 4-year							
Non-doctorate-granting	65.5	34.6	14.3	3.6	45.9	43.9	5.2
Doctorate-granting	74.1	38.0	14.7	9.2	48.6	46.1	16.4
Private for-profit 4-year	75.7	20.7	14.5	‡	58.7	57.5	5.1
More than one institution	77.4	32.4	14.5	9.4	54.9	53.0	10.9
<b>Graduate program</b>							
Master's degree	68.8	32.2	14.6	8.3	45.7	43.7	6.7
Doctor's degree - research/scholarship	83.1	60.2	22.6	47.6	24.9	23.2	4.6

Radwin, D., Wine, J., Siegel, P., and Bryan, M. (2013). 2011–12 National Postsecondary Student Aid Study (NPSAS:12): Student Financial Aid Estimates for 2011–12 (NCES 2013-165). National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education. Washington, DC.

**Table 10.**  
Average amounts of selected types of financial aid received by graduate students, by type of institution, graduate program, attendance pattern, and income level: 2011–12

Type of institution and student characteristics	Grants				Student loans		
	Any aid <sup>1</sup>	Any grants <sup>2</sup>	Employer aid <sup>3</sup>	Total assistant-ships <sup>4</sup>	Any loans <sup>5</sup>	Direct Subsidized or Unsubsidized Loans <sup>6</sup>	Direct PLUS Loans <sup>7</sup>
<b>Total</b>	<b>\$22,000</b>	<b>\$10,800</b>	<b>\$8,200</b>	<b>\$14,600</b>	<b>\$21,400</b>	<b>\$17,000</b>	<b>\$18,600</b>
<b>Type of institution</b>							
Public 4-year							
Non-doctorate-granting	11,600	5,100	3,800	7,800	11,800	12,100	‡
Doctorate-granting	21,300	10,000	8,100	14,800	19,600	16,900	12,600
Private nonprofit 4-year							
Non-doctorate-granting	15,200	6,300	5,600	8,200	15,700	14,000	14,300
Doctorate-granting	28,000	14,700	11,000	15,900	27,500	19,300	22,300
<b>Graduate program</b>							
Master's degree	17,000	7,900	6,800	10,900	17,500	14,800	16,100
Doctor's degree - research/scholarship	32,000	21,000	14,700	19,100	18,400	15,600	16,000
<b>Attendance pattern</b>							
Full-time/full-year <sup>8</sup>	31,500	15,200	13,300	15,600	27,400	20,000	20,200
Part-time or part-year	13,900	7,000	6,400	12,700	15,000	13,700	13,400

Radwin, D., Wine, J., Siegel, P., and Bryan, M. (2013). 2011–12 National Postsecondary Student Aid Study (NPSAS:12): Student Financial Aid Estimates for 2011–12 (NCES 2013-165). National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education. Washington, DC.



# Loan Programs

- Federal
  - Low interest; flexible repayment terms
  - Advise students to exhaust federal loan options before seeking private loans
- Private
  - From a bank or other lender
  - Credit checks



# Budget Control Act of 2011

- Since July 1, 2012
  - Graduate students can only receive unsubsidized Stafford loans; interest begins accumulating while in school



# Bipartisan Student Loan Certainty Act of 2013

- Ties interest rates to the markets
- Rate locked in for the life of the loan
- Graduate Stafford loans are capped at 9.5%
- Graduate PLUS loans are capped at 10.5%



Federal Loan Program	Loan Details (subject to change)	Annual Award (subject to change)
Federal Perkins Loan	<ul style="list-style-type: none"> <li>• For undergraduate and graduate students</li> <li>• Eligibility depends on student's financial need and availability of funds at the college</li> <li>• Interest rate is 5%</li> <li>• College is the lender; payment is owed to the college that made the loan</li> </ul>	<p>Undergraduate students: up to \$5,500; graduate and professional students: up to \$8,000</p> <p>Total amount may not exceed \$27,500 for undergraduates and \$60,000 for graduate students (including amounts borrowed as an undergraduate)</p>
Direct Subsidized Loan	<ul style="list-style-type: none"> <li>• For undergraduate students who are enrolled at least half-time* and demonstrate financial need</li> <li>• Loans first disbursed on or after July 1, 2014, and before July 1, 2015, interest rate is 4.66%</li> <li>• Student is not usually charged interest on the loan during certain periods</li> <li>• The U.S. Department of Education (ED) is the lender; payment is owed to ED</li> </ul>	<p>\$3,500–\$5,500, depending on grade level</p> <p>For total lifetime limit, go to <a href="http://StudentAid.gov/sub-unsub">StudentAid.gov/sub-unsub</a></p>

July 2014



Federal  
**Student  
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Federal Loan Program	Loan Details (subject to change)	Annual Award (subject to change)
Direct Unsubsidized Loan  <b>Stafford</b>	<ul style="list-style-type: none"> <li>• For undergraduate and graduate students who are enrolled at least half-time; financial need is not required</li> <li>• For loans first disbursed on or after July 1, 2014, and before July 1, 2015:               <ul style="list-style-type: none"> <li>◊ 4.66% interest rate for undergraduate students, and</li> <li>◊ 6.21% interest rate for graduate and professional students</li> </ul> </li> <li>• Student is responsible for interest during all periods</li> <li>• ED is the lender; payment is owed to ED</li> </ul>	\$5,500–\$20,500 (less any subsidized amounts received for same period), depending on grade level and dependency status  For total lifetime limit, go to <b>StudentAid.gov/sub-unsub</b>
Direct PLUS Loan	<ul style="list-style-type: none"> <li>• For parents of dependent undergraduate students and for graduate or professional students; financial need is not required</li> <li>• Student must be enrolled at least half-time and must be either a dependent undergraduate student for whom a parent is taking out a Direct PLUS Loan or a graduate or professional student who is receiving a Direct PLUS Loan</li> <li>• For loans first disbursed on or after July 1, 2014, and before July 1, 2015, interest rate is 7.21%</li> <li>• Borrower must not have negative credit history</li> <li>• Borrower is responsible for interest during all periods</li> <li>• ED is the lender; payment is owed to ED</li> </ul>	Maximum amount is cost of attendance minus any other financial aid student receives; no minimum amount

July 2014



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# Public loan forgiveness

- Must be employed full time in an eligible public service or non profit job, and you must have made 120 eligible on-time payments in no less than 10 years



# What is Your COA?

- Cost of attendance
  - How is this determined at your institution?
  - Who determines COA?
- Who is in charge of Financial Aid?
- How are stipend levels determined?
  - How do your stipends compare across the institution and nationally?

# Questions to ask

- How are teaching assistantships determined and funded?
  - Centrally or by program/college?
  - Master's and doctoral
  - Maximum number of years?
- Tuition remission/waivers
  - Part of the offer of an assistantship?
  - Instate and out of state?
  - Minimum FTE appointment?
- Health insurance
  - Full or partial subsidy?
  - Who is eligible?
- Additional fees? Who pays?



# Questions to ask

- Research assistantships
  - When paid by grants is tuition and health insurance charged to the grant?
  - Is university money used to support students as RAs?

# Types and Sources of Support

- Assistantships
- Fellowships
- Grants, awards
- Crowdfunding
- Loans
- Internal
  - Graduate School
  - Departments/colleges
  - Financial Aid
- External
  - Government
  - Private foundations
  - Industry

<http://www.gradschools.com/financial-aid/graduate-fellowships-scholarships/fellowships-for-graduate-students>

# Tax issues

- Taxation of graduate-level tuition benefits
  - Above \$5,250 is to be recorded as income and subject to withholding
  - Exception for graduate students conducting teaching or research (generally TAs and RAs)



# What students want and need to know

- Admission vs appointment letter
  - Who is authorized to sign?
- Appointment letter should provide details of appointment
  - Stipend, FTE
  - Benefits (tuition, health supplement)
  - Supervisor
  - Start and end dates
  - Duties
- What about multiple appointments as it relates to ACA and the 30 hour rule?

# Promote



# Financial Literacy



THE FLORIDA STATE UNIVERSITY - THE GRADUATE SCHOOL

Admissions »

Attrition and Completion »

Career Pathways »

Preparing Future Faculty »

Professional Development »

**Financial Education »**

- Why is Financial Education Necessary?
- What Do Students Need to Know?
- What Can Institutions Do?
- Resource Library



## Enhancing Student Financial Education

Today's graduate and undergraduate students are in a much different place financially than previous generations of students. In 2012, total student debt for the first time exceeded \$1 trillion. Rising debt levels can cause some students to defer graduate study or to decide that a graduate degree is not for them. At a time when public funding for education is decreasing and student debt is rising, more students are taking on debt to support their educational aspirations.

To help students learn how to successfully manage their finances and educational costs, the Council of Graduate Schools, funded by a grant from TIAA-CREF, a leading financial services organization with a long history of serving those in the academic, research, medical and cultural fields, has launched a three-year project to enhance the financial literacy of graduate and undergraduate students.

### Project Goals

Participating colleges and universities will design programs that prepare students to play an active role in managing their personal finances and making informed decisions about saving, spending, and borrowing. The institutions will address the needs of different groups of students, while considering factors such as their field of study, degree levels, and chosen career pathways, each of which has significant financial ramifications. CGS and partnering

<http://cgsnet.org/enhancing-student-financial-education>



Enhancing Student  
Financial Education

In Collaboration with



BY DEGREES

ADD IT UP

COST OF LIVING

LOAN REPAYMENT

JOB TIPS

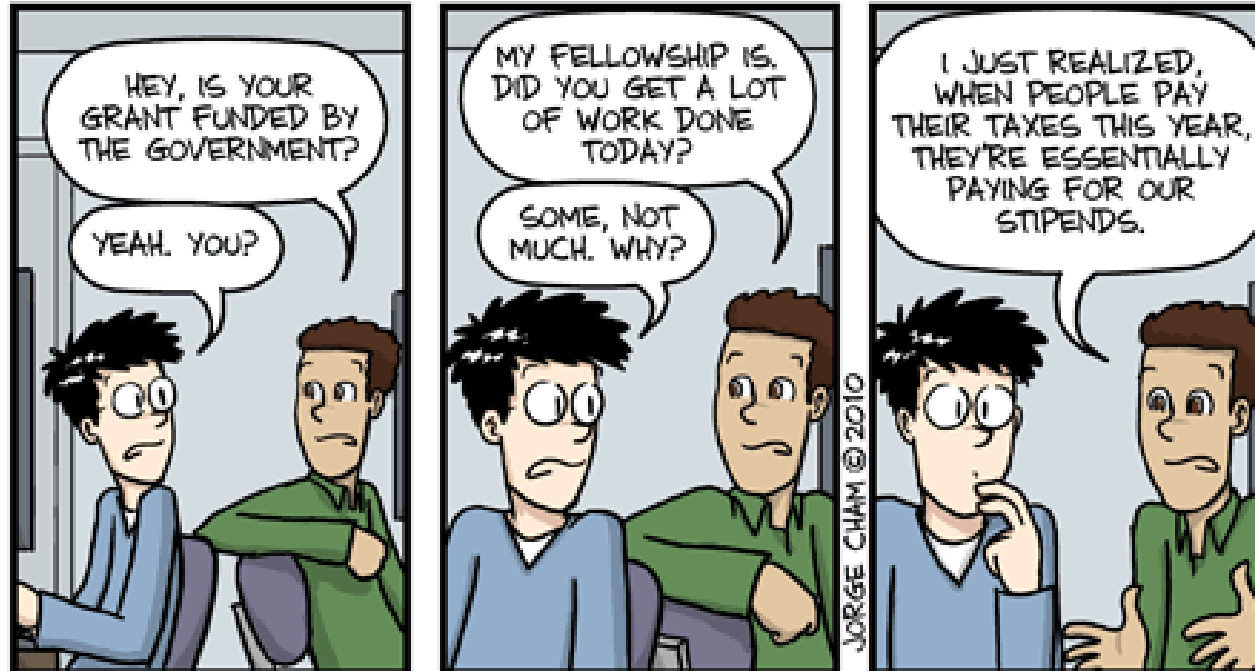
HELPFUL LINKS

Home → Home

**The future you envision is within  
your reach. Planning ahead can help  
get you there.**

<http://www.gradsense.org/gradsense>

# Questions?



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DOLLARS  
AT WORK.**



[WWW.PHDCOMICS.COM](http://WWW.PHDCOMICS.COM)