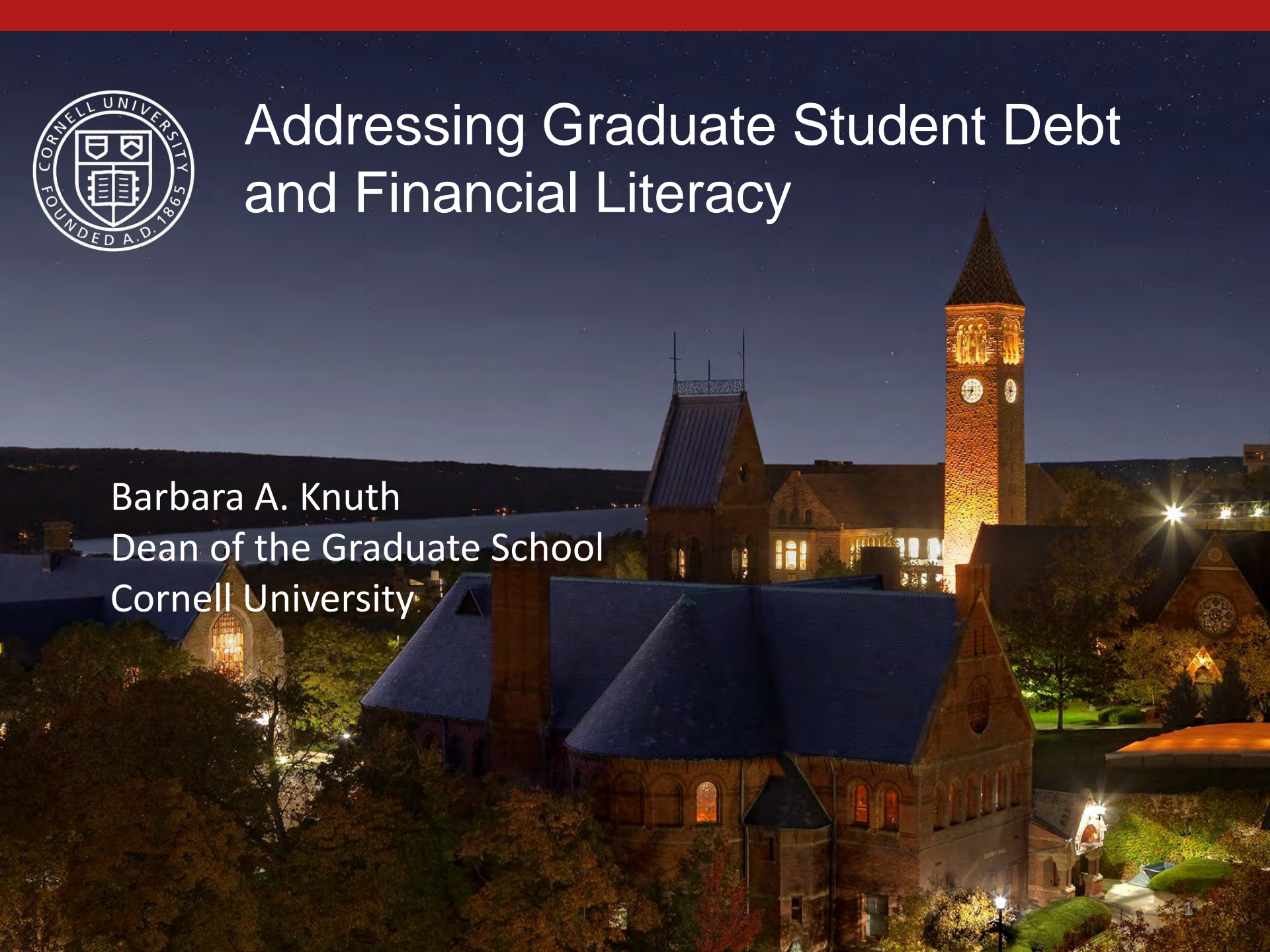


Addressing Graduate Student Debt and Financial Literacy

Barbara A. Knuth
Dean of the Graduate School
Cornell University



What do we know and what can we do?

- Student finances and debt
 - Debt data
 - Educational loans (federal, institutional, private) for which Cornell acts as certifier
 - Student finances in context
- Graduate and professional student personal finance knowledge & behaviors
 - What do we know about students' perceptions & behaviors?
 - What can we help enhance?

Example Graduate Student Debt Data

Degree Type	Percent Graduating with Education-related Loan	Median Loan	Mean Loan	10-yr Repayment Annual Payment (Total)	25-yr Repayment Annual Payment (Total)
PhD	5%	\$25,532	\$30,167	\$4,129 (\$41,289)	\$2,467 (\$61,674)
Research Masters	7%	\$45,877	\$54,447	\$7,452 (\$74,521)	\$4,452 (\$111,312)
Professional Masters	22%	\$50,840	\$56,920	\$7,791 (\$77,906)	\$4,655 (\$116,368)
JD	66%	\$162,751	\$148,871	\$20,376 (\$203,758)	\$12,174 (\$304,353)
DVM	75%	\$152,385	\$139,217	\$19,054 (\$190,545)	\$11,385 (\$284,616)

Student Finances in Budget Context

SAMPLE STUDENT BUDGETS AND EXPENSES

Student A is based on 9-month base academic year stipend of \$26,426 plus summer fellowship rate of \$5,568. Most PhD students receive summer support, with most support ranging from \$5,568 for the summer (\$31,994/year) to \$8,809, reflecting the academic year monthly rate (\$35,235/year – Student B).

Monthly Stipend	\$2,666	\$2,936
	Student A	Student B
Expenses	Summer Fellowship	Summer Full GRA
Taxes	\$533	\$587
Clothing	\$89	\$89
Books	\$78	\$78
Food	\$334	\$334
Personal care, supplies, misc.	\$224	\$224
Telephone & internet	\$150	\$150
Rent + Utilities (standard local rates)	\$880 - \$1060	\$880 - \$1060
Parking Permit (commuter)	\$30	\$30
Gas	\$63	\$63
Car insurance	\$104	\$104
Total	\$2,485-2,665	\$2,539-2,719
<i>Monthly balance for travel, medical, family, etc.</i>	\$1-181	\$217-397

Student Finances in Local Context

COMPARISON WITH TOMPKINS COUNTY LIVING WAGE

Cornell 12-Month Assistantship Stipend (15 hours per week or GRA)	\$35,235
Cornell 9-Month Assistantship Stipend (15 hours per week or GRA)	\$26,426
Tompkins County Living Wage (single adult)	\$26,582
Federal Poverty Wage (single adult)	\$12,060
Federal Poverty Wage (adult + one child)	\$16,240
Federal Poverty Wage (2 adults, one working, + one child)	\$20,420
NYS Minimum Wage (40 hours per week)	\$21,632

- 15-hour/week, 12-month appointment: paid 133% of the local living wage for full time workers, plus receive platinum health insurance.
- 15-hour/week, 9-month appointment and no summer support: paid approximately the local living wage for full time workers, plus receive platinum health insurance.
- Household of two graduate assistants on 15/hour/week, 12-month appointments exceed the Tompkins County Living wage for a family of five (2 adults and 3 children within the household).
- 15-hour/week, 9-month appointment plus a \$5,568 summer fellowship (common in the humanities) earn 120% of the Tompkins County Living Wage for full time workers.

Addressing Personal Financial Literacy & Skills

- CGS/TIAA project raised visibility & enhanced campus partnerships – 15 participating institutions
- CGS project components:
 - Institutions designed programs that prepare students to manage their personal finances and make informed decisions about saving, spending, and borrowing
 - Institutions addressed individual needs of students
 - CGS collected and analyzed data to inform the development of innovative tools and resources for students
- CGS resources:
 - *Financial Education: Developing High Impact Program for Graduate and Undergraduate Students*
<https://cgsnet.org/enhancing-student-financial-education>
 - GradSense

Student Personal Financial Literacy Goals



Cornell Partnership Approach

Campus-wide Awareness

CASH COURSE Workshops

Discipline-specific information

Peer-based Engagement

Incorporate Financial Literacy in Curriculum

Partnership Model

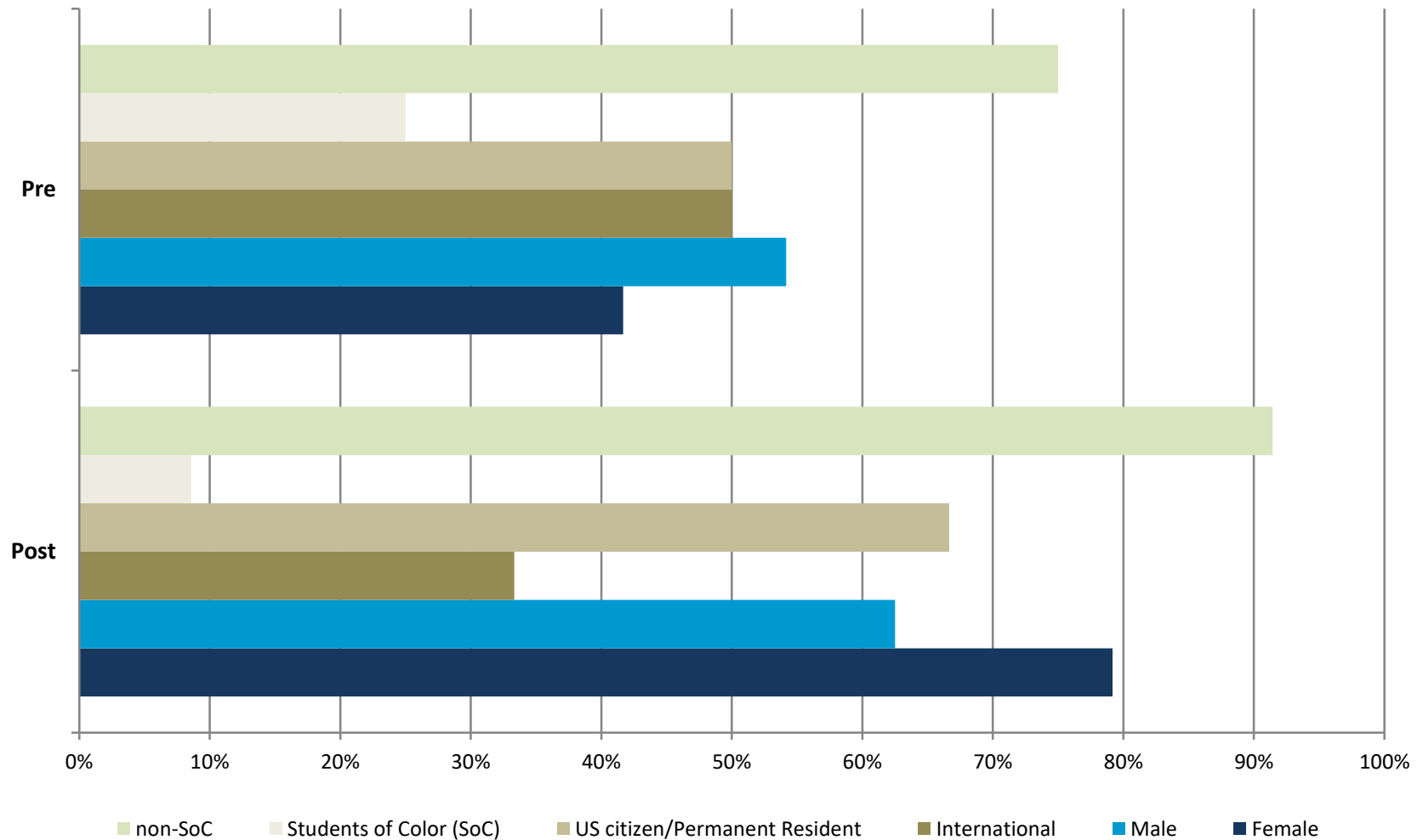


Partners:

- Graduate School
- Professional Schools (MBA, Law, and Vet)
- Graduate Students, including new Financial Literacy Fellow
- Undergraduate Academic Diversity Initiatives Office
- Financial Aid Office
- Faculty whose scholarship and teaching focus on financial literacy
- Office of Human Resources and associated vendors

Cornell Graduate Student Participation in Financial Education

Have you participated in the financial education activities offered by your institution that focus on *graduate student issues*?

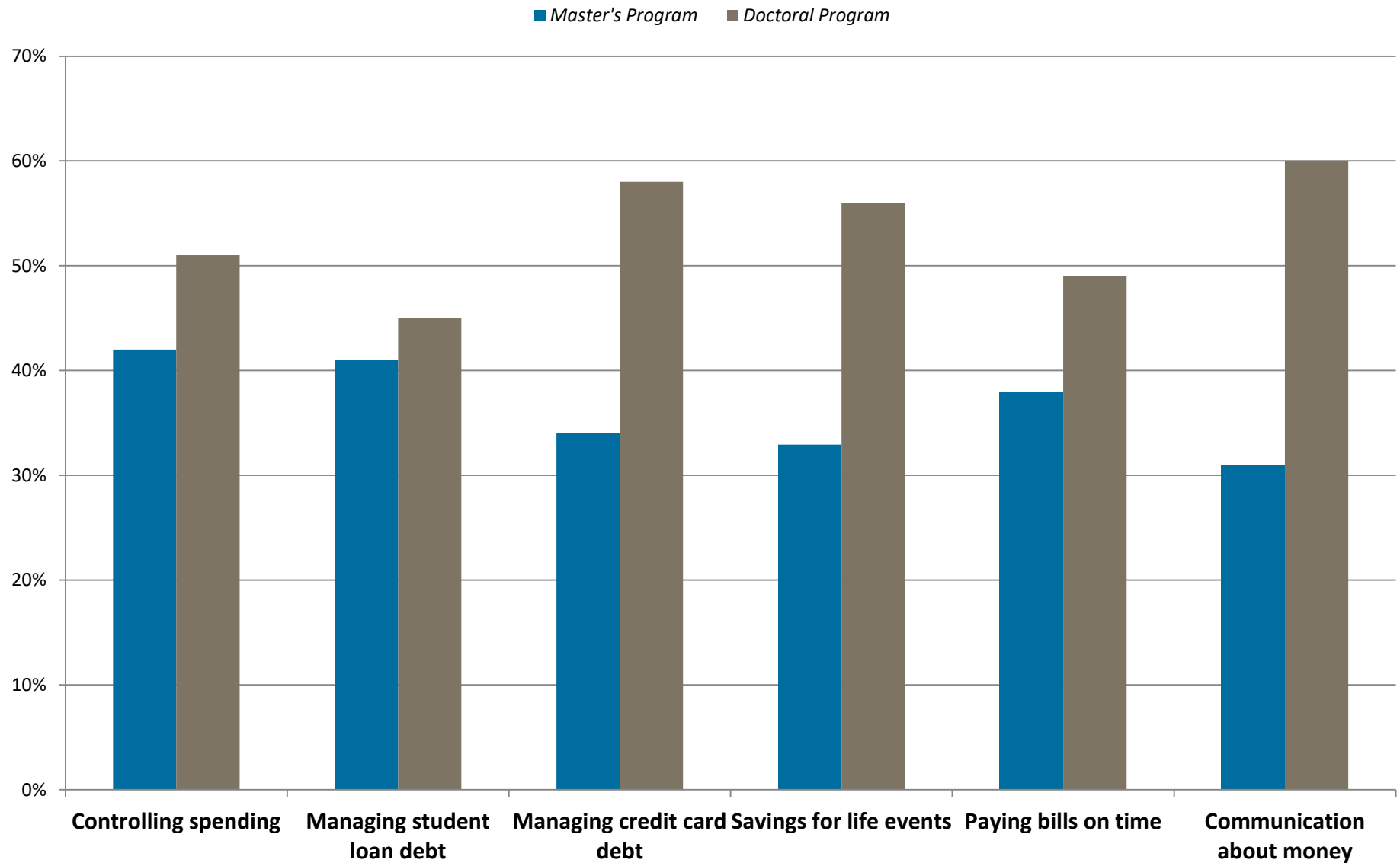


Topics of Interest to Cornell Graduate Students

Cornell Graduate Student Interests*	
Income and other taxes	50%
General investing	49%
Selecting employee benefits	41%
Insurance	34%
Planning for retirement	32%
Buying a home	32%
Saving for life events	30%
Credit reports/scores	27%
Budgeting/controlling spending	24%
How to pay off debt	23%

* Source: Cornell University, CGS/TIAA CREF Enhancing Student Financial Education Initiative, Student Financial Perspectives Survey (Post-Intervention), 2014

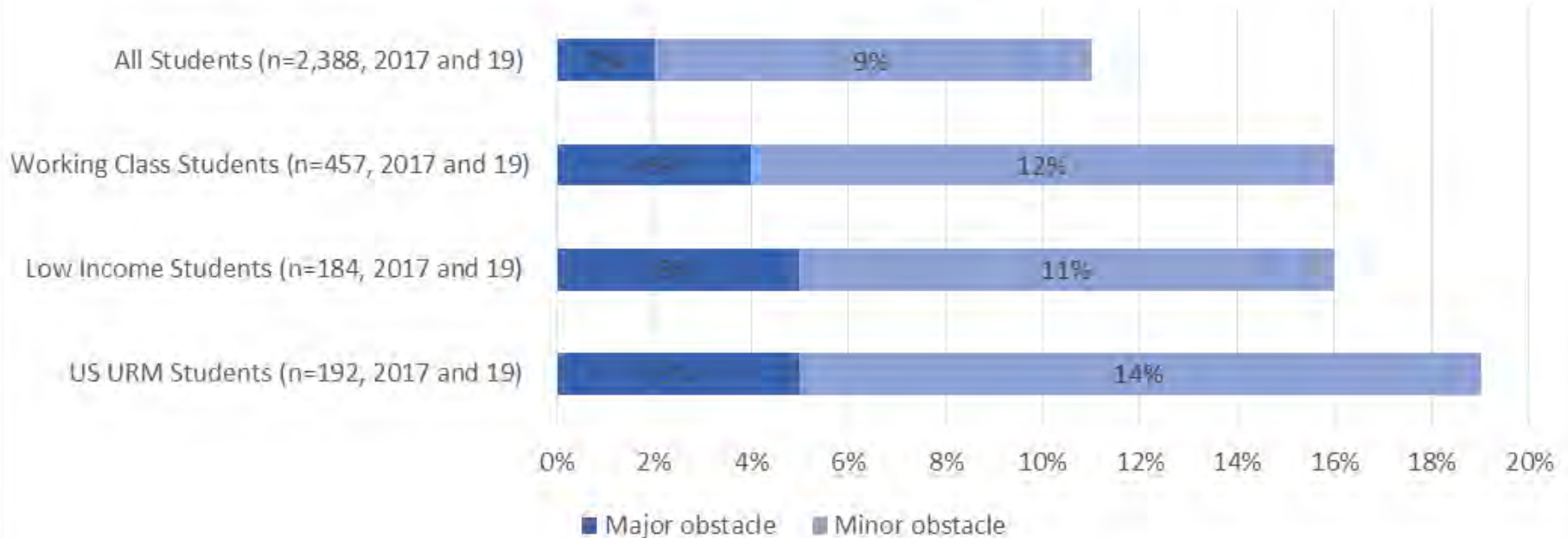
I observe my fellow graduate students struggle with...



Obstacles to Academic Success (Doctoral Experience Survey, 2013, 2015, 2017, 2019)

- Financial obstacles vary by student demographics (e.g., Food Insecurity)

Food Insecurity (skipped meals or not enough food due to finances)



CA\$H COUR\$E Topics

- Strategies for Success in Personal Finance
- Wise Use of Credit and Student Loans
- Understanding Taxes as a Student
- Investment Basics: Saving for Your Life Goals
- Home Ownership Basics
- Beyond Graduation: Selecting Employee Benefits
- Take a Close Look at That Job Offer!
- Financially Inclusive Teaching & Advising

SPECIAL WEBINAR SERIES



CASH COURSE

Learn to manage your own money and investments, and develop teaching and advising skills for working with an economically diverse student community

Personal Finance for Graduate, Professional, and Undergraduate Students

snacks provided 

Strategies for Success in Personal Finance | March 31, 2015 | 2:00-3:00 | 225 U.S. Courthouse 102

Abby Belvin, Iowa State University - This interactive session is offered by financial planning graduate students for graduate students. Learn about tools and strategies for budgeting, becoming informed consumers, and interacting with financial service professionals. Students and postdocs will develop critical thinking skills for financial decision-making in a format tailored to participant needs. You will be asked to fill out a short survey beforehand.

Investment Basics: Saving for Your Life Goals | April 7, 2015 | 2:00-3:00 | 225 U.S. Courthouse 102

Paul Strehel, Cornell University - As you start to accumulate money to fund your future goals, do you know how and where to best put that money to work? The world of investing can be extremely intimidating and the messages we hear from family, friends, and the media can be confusing. This session will focus on basic investment fundamentals. By the end of the session you will be able to describe the building blocks of an investment portfolio in relation to your tolerance for risk and your investment time horizon.

Financially Inclusive Teaching and Advising | April 21, 2015 | 2:00-3:00 | 225 U.S. Courthouse 102

A.T. Miller & William "Woodg" Horning, Cornell University - Costs associated with individual courses and academic experiences can be challenging for some students to meet. Access to higher education doesn't stop with providing financial aid and loans, it includes designing academic experiences with sensitivity to student financial abilities. Learn how to consider and address financial hurdles your students may be facing in courses and other academic experiences.

The Wise Use of Credit and Student Loans | April 28, 2015 | 2:00-3:00 | 225 U.S. Courthouse 102

Gretchen Ryan, Cornell University & Brendan Wilbur, Alternatives Federal Credit Union - Maintaining good credit is more than just paying off your balance. This session will help you to understand the different credit resources available, learn how to obtain, interpret, and improve your credit score, and successfully navigate student loan repayment.



Approved in cooperation with Cornell University's
Center for the Integration of Research, Teaching, and Learning (CU-CIRTL)
and The Office for Graduate Student Life



RSVP requested: www.gradschool.cornell.edu/cashcourse
CONTACT: janna.comez@cornell.edu | 607/255-5417 | 384 Caldwell Hall

Personal Finance at Cornell:

<https://personalfinance.cornell.edu/>



HOME

MONEY AT CORNELL

ESSENTIALS

PROGRAMS

RESOURCES

Be engaged with your money, now and into the future!

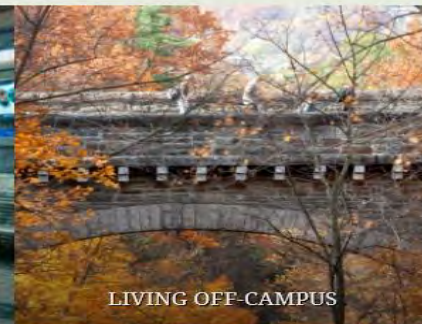
Learning how to manage your finances is an important skill that you will hone throughout your life. Everyone has different values around money, different priorities, and will use different methods to balance wants and needs. Here is a start to navigating your financial life.

This site aims to help you sort through the myriad of information about personal finance. We will present information relevant to the financial lives of Cornell students and beyond.

We are grateful to a grant provided by the Council for Graduate Schools and TIAA-CREF that funded the creation of this site.



EMERGENCY FUNDS



LIVING OFF-CAMPUS



PROTECT YOUR CREDIT



STUDENT EMPLOYMENT



FINANCIAL PLANNER



FOLLOW US ON TWITTER!

Money at Cornell: Bursar, Financial Aid, Student Employment, Living Off-Campus, Saving at Cornell, Emergency Funds

[HOME](#)[MONEY AT CORNELL](#)[ESSENTIALS](#)[PROGRAMS](#)[RESOURCES](#)

IN THIS SECTION:

[Money at Cornell](#)[Bursar](#)[Financial Aid](#)[Student Employment](#)[Living Off-Campus](#)[Saving at Cornell](#)[Emergency Funds](#)

Emergency Funds

Emergencies happen. If you find that you have expenses due to an unforeseen emergency, there may be campus resources that can assist you depending on your relationship with the university, individual need, and availability of funds. Below is a list of resources that may be available to you and a brief description of the resources that are available.

Undergraduate Students

The [Students Helping Students](#) fund is the most prominent fund for undergraduate student emergencies. Visit the Office of Financial Aid and Student Employment in 203 Day Hall or email finaid@cornell.edu if you have questions about the application process or to submit an application. This office also has access to other funding available to undergraduate students should you not qualify for Students Helping Students.

Graduate Students

The Graduate School will make emergency funds available to students based on individual need and availability of funds.

You must meet all of the following criteria to be eligible:

- Be a registered graduate student in the Graduate School,
- Have no bursar holds on your account,
- Be a U.S. citizen or a permanent resident of the United States,
- and be requesting assistance for a non-medical emergency.

The maximum grant amount from the Graduate School fund is \$1,000. Each request for funding requires a new application and signatures. If

Essentials:

- Budgeting
- Saving
- Interest
- Debt
- Credit and Debit Cards
- Student Loans
- Insurance

Resources:

- Borrowing
- How Much Loan Debt is Too Much?
- What is Your Degree Worth?
- Repaying Federal Loans
- Top 10 Student Loan Tips

The screenshot shows the 'Money at Cornell' website with the 'ESSENTIALS' tab selected. The page is titled 'Student Loans' and provides an overview of how student loans can help finance education. It includes a list of key points to remember about student loans and a section on how much to borrow, which varies by degree and individual circumstances. The page also lists resources for borrowing, repaying, and choosing a repayment program.

HOME **MONEY AT CORNELL** **ESSENTIALS**

IN THIS SECTION:

- Essentials
- Budgeting
- Saving
- Interest
- Debt
- Credit and Debit Cards
- Student Loans
- Insurance

RESOURCES

Borrowing:

- How Much You Should Borrow
- How Much Student Loan Debt is Too Much?
- What Might Your Degree be Worth?

Repayment:

- Federal Student Aid
- Repaying Your Federal Graduate Student Loan
- Top 10 Student Loan Tips

Student Loans

Student loans provide you a way to help finance your educational earn more money in your lifetime if you earn the degree you are seeking, assuming that your future earnings will be sufficient to repay the loan.

Here are a few key things to remember about student loans:

- Loans must be repaid with interest
- Loans may be subsidized (interest does not accrue while you are in school)
- The standard repayment term is 10 years

How much should I borrow?

This answer varies depending on who you ask and the degree you are pursuing. You should keep student debt to the minimum that you need in order to graduate. Talk to your financial aid officer to learn your loan eligibility.

For undergraduate students, there are two popular trains of thought about how much to borrow the first year out of college. This is based on the field that you are entering and how you might change your career plans. The second train of thought is that you should borrow what you need at the institution.

Graduate and professional degree students don't have one consistent set of resources that help support tuition, health insurance, or stipends, and they often rely more heavily on self-funding or borrowing (i.e. parents, government grants, or their appointment letters provided at the time of admission). The amount of financial aid for educational expenses is sound for graduate and professional students.

How do I choose a repayment program?

External Resources

- www.cashcourse.org
- GradSense
- Consumer Financial Protection Bureau
- SUNY Perks at Work
- Local Banking
- The Simple Dollar Debt Payoff Calculator

The screenshot displays the 'Resources' page of the Cornell University Financial Literacy Initiative website. The navigation bar at the top includes 'HOME', 'MONEY AT CORNELL', 'ESSENTIALS', and 'PROGRAMS'. The main content area is titled 'Resources' and is divided into two columns: 'Personal Finance Basics' and 'Debt Resources'. The 'Personal Finance Basics' column lists links to CashCourse, GradSense, Consumer Financial Protection Bureau, SUNY Perks at Work, Local Banking, and Cornell's Financial Literacy Initiative. The 'Debt Resources' column lists links to Federal Student Loans and The Simple Dollar Debt Payoff Calculator. A 'NAVIGATING RESOURCES' section on the left provides introductory text about the resources.

HOME **MONEY AT CORNELL** **ESSENTIALS** **PROGRAMS**

NAVIGATING RESOURCES

Here are a few resources to help you learn more about personal finance and manage your money.

Learning is one thing, and executing a personal finance plan is another. It takes time, research, and knowing yourself well to create a solid financial foundation for life.

Read a lot, ask questions when you want more information, learn how your financial plans can provide security and freedom.

Resources

Personal Finance Basics:	Debt Resources:
CashCourse	Federal Student Loans
GradSense	The Simple Dollar Debt Payoff Calculator
Consumer Financial Protection Bureau	
SUNY Perks at Work	
Local Banking	
Cornell's Financial Literacy Initiative	

CGS: GradSense

<https://gradsense.org/gradsense>

GradSense | Enhancing Student Financial Education
In Collaboration with TIAA

Home → Home

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

- BY DEGREES
- ADD IT UP
- COST OF LIVING
- LOAN REPAYMENT
- JOB TIPS
- HELPFUL LINKS

Explore The Value Of Pursuing A Graduate Degree In Your Field

Student Debt

The Top 10 Student Loan Tips For Recent Graduates

Helpful Links

How I Paid Off My Student Loans

Helpful Links

ou have a diploma, a new job, and disposable income. Now wh

33% of U.S. adults do not say they will on time

Although the student loan debt has surpassed \$1,000,000,000,000, **56%** of U.S. adults admit they do not have a budget.

Look at your debt. The average cumulative student loan debt for graduate school alone among those graduating in 2011-12 was **\$34,000.**

How To Transition Out Of Graduate School Financially

Student Debt

Create A Budget

Cost Of Living

Paying For College

Helpful Links

How Much is Your Degree Worth?

<https://gradsense.org/gradsense/salary-debt-calculator>

The screenshot shows the GradSense website interface. At the top, there is a blue header with the GradSense logo (a graduation cap and dollar signs) and the text "GradSense" and "Enhancing Student Financial Education". Below the header, there is a navigation menu on the left with links: "BY DEGREES", "ADD IT UP", "COST OF LIVING", "LOAN REPAYMENT", "JOB TIPS", and "HELPFUL LINKS". The main content area features a blue banner with the text "What might your degree be worth?". Below the banner, there is a form titled "What degree level do you want to pursue*?" with four radio button options: "Bachelor's", "Master's", "Doctorate", and "Professional". Below the radio buttons, there is a dropdown menu labeled "Choose your field of study*" with the text "Make a selection" and a downward arrow. At the bottom of the form, there is an orange "GO" button. The background of the form area is a light blue spiral notebook with a black pen resting on it.

Lessons Learned

- Students vary re: financial literacy background
 - 54% of students had no formal financial literacy education*
- Benefit of campus-wide programs and university-wide steering committee
- Be clear about program goals
- Education vs. Prescription
 - Students' desire for prescribed actions
- Potential program delivery
 - University partners, including faculty
 - Retirement vendors
 - Community organizations (e.g., local credit union; Cooperative Extension)
 - Need to make sure they understand graduate students



Break-out Group Questions & Report Back

- Design a set of next steps for your campus to:
 - (1) identify the needs of your G/P students regarding debt management and personal financial management; and
 - (2) develop and implement programs to address those needs.
 - What activities, specifically, would you undertake?
 - What campus partners on your own campus would you need to engage in needs assessment as well as program development and implementation?
 - What criteria would you use to evaluate the success of your program?
- Revisit questions from beginning of workshop & share thoughts.