

How Graduate Students Finance Their Education

January 2021



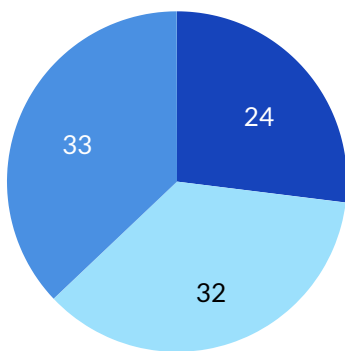
Policy Brief



Graduate students- individuals pursuing master's and doctoral education- are the future pipeline of America's workforce. Investing in graduate education yields high returns on investment, including innovations across multiple industry sectors; ensuring access to health and social services; and strengthening global economic competition. Typically, graduate students are at different stages of their lives compared to undergraduate students. They tend to be older, and a significant portion are married and/or have children. These factors can impact their individual financial aid needs. Therefore, federal policies should support the ability of graduate students to finance their education and promote degree completion.

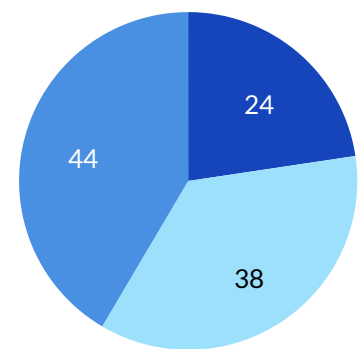
A Profile of Graduate Students

% Who Have Children



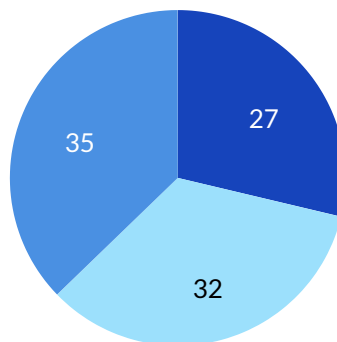
■ Bachelor's (26.97%) ■ Master's (35.96%)
 ■ Doctoral (37.08%)

% Who Are Married



■ Bachelor's (22.64%) ■ Master's (35.85%)
 ■ Doctoral (41.51%)

Average Age of Students



■ Bachelor's (28.72%) ■ Master's (34.04%)
 ■ Doctoral (37.23%)

Percentages rounded to nearest whole number.

Source: U.S. Department of Education, National Center for Education Statistics. (2018). National postsecondary student aid study, for 2007-08 and 2015-16 cohorts. Retrieved from: <https://nces.ed.gov/surveys/npsas/>.



Sources of Financial Support

Federal Loans

Direct Unsubsidized Loans—Eligible students may borrow up to \$20,500 per school year.

Direct PLUS Loans—Eligible graduate or professional students who need to borrow more than the maximum unsubsidized loan amounts to meet their education costs may apply for a PLUS loan.

Federal Grants

Includes the Teacher Education Assistance for College and Higher Education Grant, Graduate Assistance in Areas of National Need, and the Ronald E. McNair Postbaccalaureate Achievement Program.

Federal Work-Study

The FWS Program provides part-time jobs for undergraduate and graduate students with financial need, allowing them to earn money towards their education expenses, and encourages community service work and work related to course of study.

Institutional Grants

Institutional financial aid consists of aid that individual colleges and universities provide to their students, typically through scholarships, grants, and work-study programs.

Federal Education Tax Credits and Deductions

Individuals and employers can apply certain deductions and credits to costs associated with graduate education as well as student loan repayment.

Federal Veteran and Military Benefits

Including the Post 9-11 GI Bill, as well as programs for active and reserve military service members are provided through the Department of Veterans Affairs.

State Grants

Amount and number of awards vary by state. The majority of state grants go to non-graduate students.

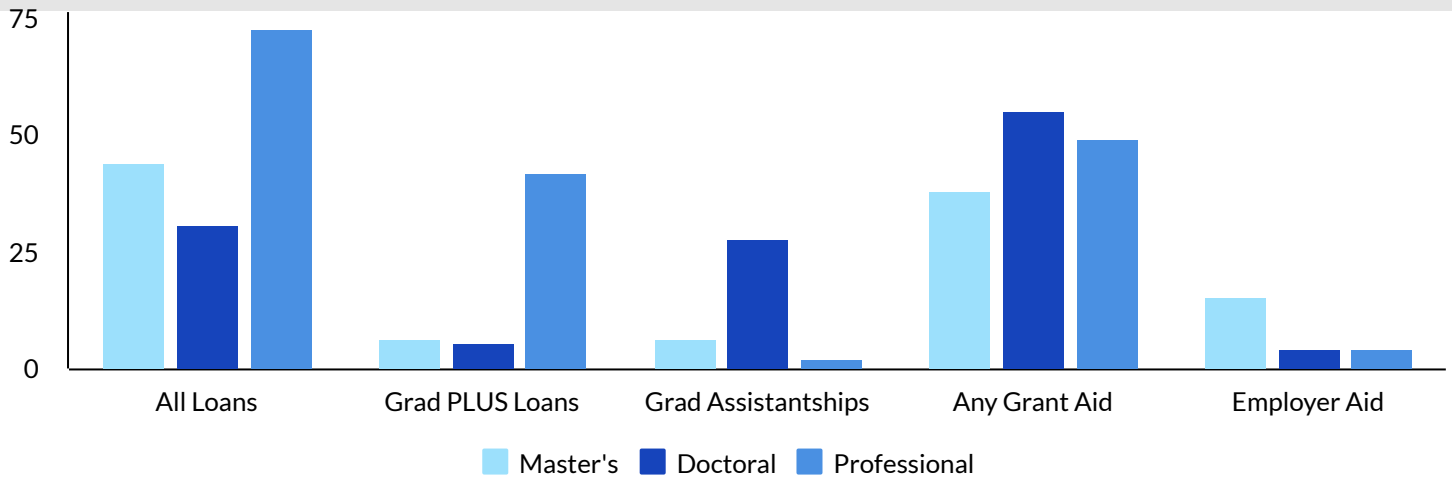
Graduate Assistantships

Provided to graduate students through part-time employment, requiring the student to work as a teaching assistant, research assistant, or assistant to a professor. The teaching assistant program allows the student to work as a teacher in exchange for tuition remission or a stipend, whereas a research assistant will receive aid for assisting a professor with their research.

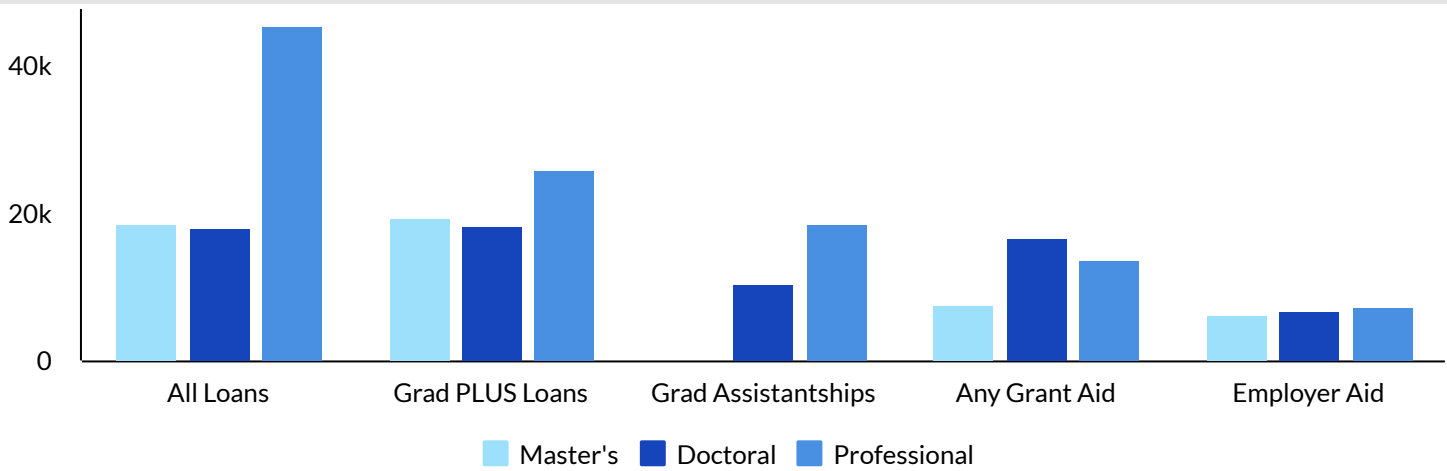
Private and Employer Aid

Typically comes in the form of loans and scholarships, from corporations, religious organizations, cultural organizations, professional and service organizations, and others.

% Graduate Students Receiving Loans or Aid, 2015-2016



Avg. Amount (\$) in Loans or Aid Among Graduate Students, 2015-2016

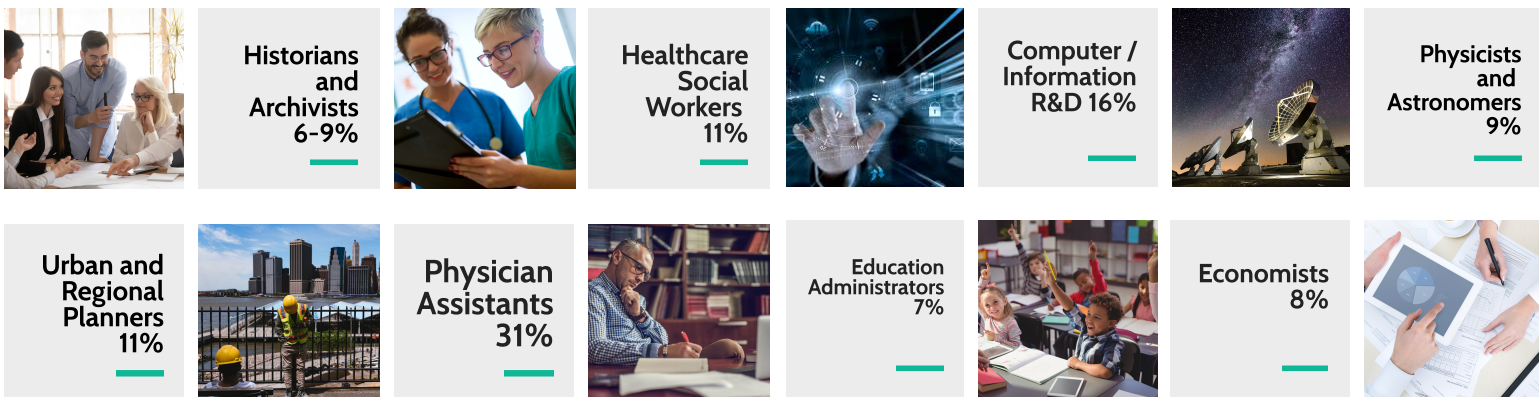


Source: National Center for Education Statistics. (2018). National postsecondary student aid survey (npsas) 2015-2016. Retrieved from: <https://nces.ed.gov/surveys/npsas/>.

Federal Support for the Graduate Pipeline Remains Critical

According to the U.S. Bureau of Labor Statistics, careers that require a master's or doctoral degree at entry-level are projected to comprise the fastest-growing segment of the workforce through 2028. Many of these professions are public service-oriented, where financial compensation is not a primary driving force for individuals in these roles. Therefore, ample financial aid and loan repayment options can have significant influence on whether an individual decides to pursue a graduate degree, enter into a particular field, and where they serve.

Below is a sampling of professions and expected growth (%) in the U.S. workforce.



Source: U.S. Bureau of Labor Statistics. (2020). Occupational outlook handbook. Retrieved from: <https://www.bls.gov/ooh/>.