Financing a Graduate Degree

What Assistant, Associate Deans, and Deans Need to Know

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Dean, The Graduate School
Florida State University
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)
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;

• 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

Related detailed data: table 35.

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


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

- Life sciences
- Physical sciences
- Social sciences
- Engineering
- Education
- Humanities
- Other non-S&E fields

Percent

$30,001 or greater
$10,001-$30,000
$10,000 or less
No debt

Related detailed data: tables 38, 39, 40.

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

Related detailed data: tables 31, 32.
Doctorate recipients with cumulative education-related debt, by type of doctoral institution: 1993–2013

Percent

1993 1995 1997 1999 2001 2003 2005 2007 2009 2011 2013

Doctoral research universities

High research universities

Very high research universities

Related detailed data: tables 38, 40.
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

<table>
<thead>
<tr>
<th>Type of institution and student characteristics</th>
<th>Grants</th>
<th>Student loans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Any aid</td>
<td>Any loans</td>
</tr>
<tr>
<td>Total</td>
<td>70.4</td>
<td>45.1</td>
</tr>
<tr>
<td>Type of institution</td>
<td>Any grants</td>
<td>Direct Subsidized or Unsubsidized Loans</td>
</tr>
<tr>
<td>Public 4-year</td>
<td>35.7</td>
<td>43.0</td>
</tr>
<tr>
<td>Non-doctorate-granting</td>
<td>14.5</td>
<td>11.8</td>
</tr>
<tr>
<td>Doctorate-granting</td>
<td>11.8</td>
<td></td>
</tr>
<tr>
<td>Private nonprofit 4-year</td>
<td>11.8</td>
<td></td>
</tr>
<tr>
<td>Non-doctorate-granting</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>Doctorate-granting</td>
<td>18.9</td>
<td></td>
</tr>
<tr>
<td>Private for-profit 4-year</td>
<td>7.0</td>
<td></td>
</tr>
<tr>
<td>More than one institution</td>
<td>11.8</td>
<td></td>
</tr>
<tr>
<td>Graduate program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Master’s degree</td>
<td>8.3</td>
<td></td>
</tr>
<tr>
<td>Doctor’s degree - research/scholarship</td>
<td>47.6</td>
<td></td>
</tr>
</tbody>
</table>

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

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

LOAN OF LAST RESORT
Next Exit
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%
<table>
<thead>
<tr>
<th>Federal Loan Program</th>
<th>Loan Details</th>
<th>Annual Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Perkins Loan</td>
<td>• For undergraduate and graduate students</td>
<td>Undergraduate students: up to $5,500; graduate and professional students: up to $8,000</td>
</tr>
<tr>
<td></td>
<td>• Eligibility depends on student’s financial need and availability of funds at the college</td>
<td>Total amount may not exceed $27,500 for undergraduates and $60,000 for graduate students (including amounts borrowed as an undergraduate)</td>
</tr>
<tr>
<td></td>
<td>• Interest rate is 5%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• College is the lender; payment is owed to the college that made the loan</td>
<td></td>
</tr>
<tr>
<td>Direct Subsidized Loan</td>
<td>• For undergraduate students who are enrolled at least half-time* and demonstrate financial need</td>
<td>$3,500–$5,500, depending on grade level</td>
</tr>
<tr>
<td></td>
<td>• Loans first disbursed on or after July 1, 2014, and before July 1, 2015, interest rate is 4.66%</td>
<td>For total lifetime limit, go to StudentAid.gov/sub-unsub</td>
</tr>
<tr>
<td></td>
<td>• Student is not usually charged interest on the loan during certain periods</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The U.S. Department of Education (ED) is the lender; payment is owed to ED</td>
<td></td>
</tr>
<tr>
<td>Stafford</td>
<td>Loan Details (subject to change)</td>
<td>Annual Award (subject to change)</td>
</tr>
<tr>
<td>----------</td>
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<td>-------------------------------</td>
</tr>
<tr>
<td>Direct Unsubsidized Loan</td>
<td>• For undergraduate and graduate students who are enrolled at least half-time; financial need is not required</td>
<td>$5,500–$20,500 (less any subsidized amounts received for same period), depending on grade level and dependency status</td>
</tr>
<tr>
<td></td>
<td>• For loans first disbursed on or after July 1, 2014, and before July 1, 2015:</td>
<td>For total lifetime limit, go to StudentAid.gov/sub-unsub</td>
</tr>
<tr>
<td></td>
<td>◊ 4.66% interest rate for undergraduate students, and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>◊ 6.21% interest rate for graduate and professional students</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Student is responsible for interest during all periods</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• ED is the lender; payment is owed to ED</td>
<td></td>
</tr>
<tr>
<td>Direct PLUS Loan</td>
<td>• For parents of dependent undergraduate students and for graduate or professional students; financial need is not required</td>
<td>Maximum amount is cost of attendance minus any other financial aid student receives; no minimum amount</td>
</tr>
<tr>
<td></td>
<td>• 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</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• For loans first disbursed on or after July 1, 2014, and before July 1, 2015, interest rate is 7.21%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Borrower must not have negative credit history</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Borrower is responsible for interest during all periods</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• ED is the lender; payment is owed to ED</td>
<td></td>
</tr>
</tbody>
</table>
Pubic 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
http://cgsnet.org/enhancing-student-financial-education
The future you envision is within your reach. Planning ahead can help get you there.

http://www.gradsense.org/gradsense
Questions?

Hey, is your grant funded by the government?

Yeah, you?

My fellowship is. Did you get a lot of work done today?

Some, not much. Why?

I just realized, when people pay their taxes this year, they’re essentially paying for our stipends.

Your tax dollars at work.

WWW.PHDCOMICS.COM