Addressing Graduate Student Debt and Financial Literacy

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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

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

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Student A (Summer Fellowship)</th>
<th>Student B (Summer Full GRA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Stipend</td>
<td>$2,666</td>
<td>$2,936</td>
</tr>
<tr>
<td>Taxes</td>
<td>$533</td>
<td>$587</td>
</tr>
<tr>
<td>Clothing</td>
<td>$89</td>
<td>$89</td>
</tr>
<tr>
<td>Books</td>
<td>$78</td>
<td>$78</td>
</tr>
<tr>
<td>Food</td>
<td>$334</td>
<td>$334</td>
</tr>
<tr>
<td>Personal care, supplies, misc.</td>
<td>$224</td>
<td>$224</td>
</tr>
<tr>
<td>Telephone &amp; internet</td>
<td>$150</td>
<td>$150</td>
</tr>
<tr>
<td>Rent + Utilities (standard local rates)</td>
<td>$880 - $1060</td>
<td>$880 - $1060</td>
</tr>
<tr>
<td>Parking Permit (commuter)</td>
<td>$30</td>
<td>$30</td>
</tr>
<tr>
<td>Gas</td>
<td>$63</td>
<td>$63</td>
</tr>
<tr>
<td>Car insurance</td>
<td>$104</td>
<td>$104</td>
</tr>
<tr>
<td>Total</td>
<td>$2,485 - 2,665</td>
<td>$2,539 - 2,719</td>
</tr>
</tbody>
</table>

Monthly balance for travel, medical, family, etc.: $1 - 181 $217 - 397
### Student Finances in Local Context

#### Comparison with Tompkins County Living Wage

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

- 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
- CA$H COUR$E 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*?

* Source: Cornell University, CGS/TIAA CREF Enhancing Student Financial Education Initiative, Student Financial Perspectives Survey (Pre and Post-Intervention), 2014
# Topics of Interest to Cornell Graduate Students

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

* 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...

- Controlling spending
- Managing student loan debt
- Managing credit card debt
- Savings for life events
- Paying bills on time
- Communication about money

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

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

![Food Insecurity Chart]
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
Personal Finance at Cornell: https://personalfinance.cornell.edu/

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.
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
External Resources

- www.cashcourse.org
- GradSense
- Consumer Financial Protection Bureau
- SUNY Perks at Work
- Local Banking
- The Simple Dollar Debt Payoff Calculator
CGS: GradSense  
https://gradsense.org/gradsense
How Much is Your Degree Worth?

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

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