FINANCING YOUR GRADUATE EDUCATION

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TOPICS

- THE FINANCIAL AID PROCESS
- GRADUATE SCHOOL COSTS & BUDGET
- CATEGORIES OF FINANCIAL AID
- GRADUATE SCHOOL DEBT
- WAYS TO REPAY DEBT
- QUESTIONS
FINANCIAL AID APPLICATION PROCESS

FALL
- Explore the Fin Aid application procedures and deadlines
- Obtain institutional application forms
- Begin researching the web for scholarships

JANUARY
- Fill out the FAFSA

WINTER/SPRING
- Obtain estimates of financial aid offers from all schools
- Make a decision as to which graduate school you want to attend
## 2013-14 UCSD 1st Year Off Campus Graduate School Budget

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>FIRST YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOOKS &amp; SUPPLIES</td>
<td>$1,224</td>
</tr>
<tr>
<td>HOUSING &amp; MEALS</td>
<td>$15,191</td>
</tr>
<tr>
<td>TRANSPORTATION</td>
<td>$2,453</td>
</tr>
<tr>
<td>PERSONAL</td>
<td>$2,064</td>
</tr>
<tr>
<td>CA RESIDENT TUITION/FEES</td>
<td>$15,650</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$36,582</strong></td>
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</tbody>
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*For non-California residents add an additional $15,102 for Supplemental Tuition*
PACKAGING STRATEGIES

• **STRATEGY 1** - Federal Loans used to supplement merit based aid
  • Benefit: Recruiting Top Students

• **STRATEGY 2** - Institutional Funds and Federal Loans used to supplement merit based aid
  • Benefit 1: Recruiting Top Students
  • Benefit 2: Maximizing institutional funds to needy students serves to minimize average school indebtedness
**WHY USE PARENTS’ INCOME AND ASSET INFORMATION?**

Students from low-income backgrounds usually enter graduate school with a substantially higher debt than students from more affluent families.

In general, students from affluent backgrounds are able to call on their parents for assistance, whereas students from lower income families do not have this resource.

If limited school-based funds were distributed evenly among all students in the school, regardless of parent income, the amount of grant and low-income interest loan money available to each student would be substantially reduced. This would increase the indebtedness of students from lower income families, where the bulk of the debt lies.
FINANCIAL AID ELIGIBILITY PROCESS

Financial Aid Budget

MINUS

Expected Family Contribution (EFC)

MINUS

Merit Based Aid, Outside Grants/Scholarships/Private Loans

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Eligibility for Federal Loans & other institutional funds

*Present year wages do not affect fin aid eligibility for the current year
CATEGORIES OF FINANCIAL AID

- **INSTITUTIONAL NEED BASED AID**
  - MAY BE BASED ON STUDENT’S & PARENTS’ INCOME AND ASSETS
  - INCLUDES GRANTS, SCHOLARSHIPS, FELLOWSHIPS AND LOANS

- **MERIT BASED AID**
  - FELLOWSHIPS/GRANTS
    - Includes extramural fellowships and grants which may be:
      1. Restrictive in nature
      2. Based on factors such as academic discipline, ethnicity, religious affiliation, etc.
      3. Difficulty in obtaining as success is based on student’s initiative and advisor’s mentorship

- **ACADEMIC EMPLOYMENT**
  - TA SHIPS/RA SHIPS
CATEGORIES OF FINANCIAL AID

• OUTSIDE FEDERAL LOANS

FEDERAL DIRECT UNSUBSIDIZED LOAN
- INTEREST RATE 5.41% - for loans disbursed between July 1, 2013 to June 30th, 2014
- ORIGINATION FEE 1.072%
- ANNUAL MAXIMUM $20,500
- 6 MONTH GRACE PERIOD
- CUMMULATIVE MAXIMUM $138,500 ($65,500 Subsidized)

FEDERAL DIRECT GRAD PLUS LOAN
- INTEREST RATE 6.41% – for loans disbursed between July 1, 2013 to June 30th, 2014
- ORIGINATION FEE 4.288%
- NO ANNUAL MAXIMUM
- 6 MONTH GRACE PERIOD – for loans disbursed after July 1, 2008
CATEGORIES OF FINANCIAL AID

• **SERVICE OBLIGATION PROGRAMS**
  - REQUIRE A SERVICE COMMITMENT
  - HAVE STIFF PENALTIES FOR DEFAULTING ON THE SERVICE COMMITMENT
  - EXAMPLES: ARMED FORCES SCHOLARSHIP PROGRAMS

• **PRIVATE LOAN PROGRAMS**
  - UC PREFERRED LENDER LIST
  - DO NOT OFFER INCOME DRIVE REPAYMENT PLANS
  - CREDIT CRITERIA NOT AS GENEROUS AS WITH THE GRAD PLUS
  - NOT FEDERALLY GUARANTEED
UC PREFERRED LENDER LIST

Refine Your Search

Adjust your search criteria then click the Search button.

- Program Type: Select...
- Index Rate Type: Select...
- Amount To Borrow: $1
- Graduation Date: 1/1/2000

Search
Available financial support is discipline-specific. More federal money available for the sciences. More corporate money available for engineering.

Most graduate academic students at UCSD receive some support of merit-based support and/or academic employment. All things being equal, preference is given to pre-doctoral students.

The more a student must work to finance his/her education, the greater the time to degree and the likelihood of non-completion.

“Free” money is the best: fellowships awarded based on merit – no “exchange-for-service” as with employment, no payback required as with loans.
UCSD ACADEMIC DOCTORAL STUDENTS' GRADUATE DEBT AT GRADUATION BY DISCIPLINE


*average debt for those with debt shown at top of bar
WAYS TO REPAY DEBT

• **STUDENT LOAN REPAYMENT PLANS**
  - Available for **FEDERAL** loans only
  - Original – Standard, Extended, Graduated, Income Contingent
  - New Income Driven – IBR, PAYE

• **PUBLIC SERVICE LOAN FORGIVENESS**
  - Remaining student loan balance forgiven after **120** payments in qualified public service position 501(c)(3) non profit organization

• **LOAN REPAYMENT PROGRAMS**
  - Provide back-end help after graduation by repaying all or a portion of a student’s outstanding educational debt
  - Most are tied to working for a particular agency or in a specified geographic location
  - Example: NIH Loan Repayment Program
QUESTIONS?