



# GRADUATE SCHOOL FINANCIAL AID: WHAT ARE THE OPTIONS?

Are you thinking about continuing your education and attending graduate or professional school?

In addition to finding time to juggle classes and all of the other responsibilities you may have at this point in life, you also need to figure out what kind of financial aid is available to help you get through the next several semesters. To start, understand that the rules of the game are different for graduate students than they are for undergrads. For the purposes of the FAFSA and financial aid, you are now considered an “independent student.” That means the responsibility is going to fall to you (and your spouse, if married) to pay the majority of your graduate school-related expenses.

The types and amounts of aid available to you are also different, in many respects, than they were while you were getting your Bachelor’s degree. Many graduate students work to pay their way through school – either through an existing job with an employer or by working for their university through a teaching assistantship or research fellowship. Less money is available in terms of the “free stuff” that you may have received as an undergraduate – such as Pell Grants from the federal government or grants from your home state – but there’s no reason to give up hope!

Remember that according to the latest Census Bureau report, college graduates with a Master’s degree earn over \$10,000 a year more on average than graduates with just a Bachelor’s (even more if you get a doctorate or professional degree). In the meantime, here’s what you need to know about the financial aid options you *do* have.

## SOURCE OF GRADUATE SCHOOL AID & OTHER FINANCING

### 1. Federal Government

- ⇒ Federal Work-Study (need-based campus job)
- ⇒ Perkins Loans (need-based campus student loans) – up to \$8,000/year (The total you can borrow as a graduate student is \$60,000 which includes amounts borrowed as an undergraduate)
- ⇒ Direct Unsubsidized Loans (graduate students are no longer eligible for Direct Subsidized Loans)
  - Maximum annual loan limits = \$20,500/year (subject to aggregate Direct loan limits) – Interest rate is 6% for loans disbursed between 7/1/17 and 6/30/18
- ⇒ PLUS Loans – graduate and professional students enrolled at least half-time at an eligible school in a program leading to a degree or certificate can borrow up to the cost of attendance minus any financial aid (including Direct loans)

**2. Colleges and Universities** – The availability and amount of grants and scholarships will vary widely among different colleges and universities, and even by program of study within a college or university. Financial need may be considered along with academic proficiencies and pursuits in the awarding of fellowships, teaching assistantships, departmental scholarships, etc. With many students working for their institutions as they earn their degrees, colleges and universities are key sources of support for students at the graduate level.

### 3. Community & Private Sources (Employers, Foundations, Civic Organizations, etc.)

- ⇒ Check with your employer to see if your company reimburses for graduate or continuing education
- ⇒ Explore local & national scholarship opportunities through free web searches, books and other resources on scholarship opportunities specific to graduate studies and/or particular areas of study
- ⇒ Contact professional associations in the discipline you plan to pursue to find out about any opportunities they may have or know of for those looking to go into that field

**4. Alternative Loans** - Third-party alternative loans through banks, credit unions, and other lenders can be another way to bridge the gap between the other resources available and the funding still needed to pay the bill. Keep in mind your cumulative loan obligations and check to see if there are any restrictions or loan limits imposed by the lender. Remember it is generally a good idea to utilize the federal loan opportunities (outlined above) first and be sure to compare interest rates, loan fees and customer service offerings before selecting a lender.

**5. Tax Breaks** - For the money that you do have to shell out of your pocket, remember to check into and utilize all tax benefits associated with paying for college, such as the Tuition and Fees Deduction (if renewed by Congress for 2018), Lifetime Learning Credit, American Opportunity Tax Credit and/or the Student Loan Interest Deduction. (Certain restrictions and eligibility rules apply.) Students pursuing certain careers may also be eligible for select student loan forgiveness programs.