

How to Pay for Your Graduate Education

by Donald Asher

You'd love to go to graduate school, if only you could find a way to pay for it, right? Well, maybe you're thinking about it backwards. Maybe you have to decide to go first, and then you'll find the money.

For many types of grad schools, you'll have to apply to the program, simultaneously apply for several internal and external sources of funding, and wait for months to see how it's going to work for you. So step one is clearly to decide to go. Looking for money is just a part of the process.

Next, stop looking for "financial aid." That's an undergraduate term. You want to look for "funding" and "support." In graduate school most people who are called "financial aid officers" are in fact *loan* officers. They're great people, and you're probably going to need them, but they have no idea about all the sources for funding and support. That's what this article is about.

Let's start with **merit scholarships**. If you're brilliant, with the fantastic grades and scores to prove it, many graduate programs, including law and business, will give you a merit scholarship or a full waiver of tuition. Here's the secret: Tier 2 schools poach talent from Tier 1 schools by offering a free ride. So you get into Top Ten School of Law and the Pretty Good School of Law, but Top Ten wants you to pay full fare while Pretty Good gives you a free ride. All kinds of programs do this, but many don't talk about it.

Also, think about taking the plunge and going for the doctorate. Full-time doctoral students at many—but certainly not all—programs automatically get a full waiver of tuition. This is well known among academicians, but not well known by the general public.

Next, look for assistantships. Assistantships are a weird animal. According to the IRS, they are jobs. According to most faculty, they are apprenticeship programs. According to some students, they are a form of modern indentured servitude. They are also an honor and a form of financial aid. The good news is that assistantships almost always include *a full waiver of tuition plus a stipend*. Stipends vary from as little as \$8000 a year to more than \$30,000 per year, but the real value of an assistantship is the waiver of tuition. For ten to twenty hours a week of service to your department, you can go to school for free.

Obviously, if you are not paying tuition, public and private schools cost the same, and in-state and out-of-state tuition is also exactly the same. Because of this, it is frequently cheaper to go to an expensive school! They often have more money to give to students they want to recruit.

There are three types of assistantship. Most undergraduates know about **teaching assistantships**. To get a teaching assistantship, you have to have outstanding grades in

the subject, maybe a strong GRE score, and maybe prior teaching or tutoring experience. Departments have stringent rules about who gets selected to be a teaching assistant.

Research assistantships are much easier to get than teaching assistantships. You don't have to have great grades and scores; you just have to have the same passion as a faculty member who needs an assistant. Prior research experience is more important than your grades or scores. All you have to do is convince one faculty member, not a whole department, that you'd be useful to have around. Start by saying, "Dr. Lee, I've read every article you've ever written. I think you're a genius...." Well, maybe not literally, but you get the idea. There are research assistantships all over any campus, including in areas where students might not think to look, for example, in English and education departments.

Graduate assistantships are the easiest to get, in terms of what credentials you need to possess. GA assignments are really just jobs, with less of an academic component. Jobs in administration, clerical, IT support, admissions and records, and program coordinator-type roles are run as graduate assistantships. Department and program heads dole these out.

Here's a secret assistantship often overlooked: If you are a native speaker of a foreign language, you can sometimes get a teaching assistantship in a foreign language department, leading a conversation group or even a whole class, while you are studying somewhere else, say engineering or business. If you speak a truly needed language, such as Arabic, you may find this an easy way to pay for your graduate education. Sometimes there are opportunities to be an instructor in areas where there are shortages, for example, an acquaintance of mine paid for his doctoral studies by teaching statistics in several departments.

One of the few ways to go to business and law school for free is by being a graduate assistant. They take GAs in only a few select areas, typically career placement, admissions, and IT roles. Interest alone won't win these assignments; some kind of prior experience is usually required.

If you want to get assistantships it helps to be a doctoral student, but all these assistantships are available for you as a master's degree student at all universities that do not offer the doctoral degree in your field of choice. Assistantships are common for full-time students at brick-and-mortar institutions, and pretty rare at online and distributed-model institutions and for all part-time students.

If you want to go to school for free part-time, one of the better ways is through some type of **employer-sponsored educational benefits** program. Many universities themselves have outstanding educational benefits for full-time employees, so making a career move to working for a university may be your best way to get additional degrees and credentials part-time without taking out any loans. Of course, other types of employers subsidize the educations of their employees. Watch out for complicated rules! For example, some employers only reimburse you for completed courses, or for courses

directly related to your ongoing assignments, some cover books and fees and others only tuition, and you may have to pay back every dime if you subsequently leave the company within a specified time of using these benefits.

Suppose you have to pay for your own education. Wouldn't it be nice to have a scholarship for 25 to 30% or more of your tuition? You can! If you'll study something that helps you advance in the career you already have, your tuition is tax deductible. So the government in effect gives you a scholarship equal to your combined federal and state income tax rate. Be careful, though. If an auditor decides your investment in a part-time master's degree in poetry has no bearing on your career in corporate finance, it's not deductible at all. Consult a tax professional before trying to deduct any educational expenses.

Many people pay for their graduate educations through loans. If you stand to earn significantly more money upon completing a degree or credential program, it makes sense to borrow money and pay it back later through increased income. In fact, education is one of the best investments you'll ever make, according to the Bureau of Labor Statistics. People who complete a master's degree will earn \$400,000 more than people who stop at the bachelor's degree. A Ph.D. is worth \$1.3 million more, and doctors and lawyers earn \$2.3 million more. Individual results will vary, but on average, borrowing money for tuition does make sense.

Raul Aldama, financial aid officer for Fielding Graduate University, says "Seventy-five to 80% of our students take out loans, depending on the academic program." His school uses a distributed learning format, and has students all over the country. Faculty and deans manage the fellowships, but true to his title, Mr. Aldama focuses only on student borrowing. "You're allowed \$20,500 per year through the federally funded Stafford Loan Program, and additional monies up to the total cost of attendance through the Graduate Plus Program." Even if you have a high income and tons of assets, you can qualify for these programs if you are a U.S. citizen and not in active default on a prior student loan. The terms will vary by your circumstances. You start by contacting the financial aid office of the program of your choice, and it's a good idea to consult with them *before you even apply*.

To learn about third-party scholarships, grants, and fellowships, check out these sites:

www.finaid.org

www.fastweb.com

www.blackexcel.org

www.cos.com

www.hsf.net

There are some other good sites, but be sure never to pay for a scholarship search. If it's not free, you're in the wrong place.

I like these books better than the web sites, because you can browse your way to money:

Foundation Grants to Individuals

Annual Register of Grant Support

Dan Cassidy's Worldwide Graduate Scholarship Directory

In these books you can learn about weird money specifically reserved for women over 5'9" tall, for people with a certain Italian last name, and for people with bad grades. There's a *lot* of weird money out there.

In the sciences it's expected that you will apply for three or four third-party funding sources and, frankly, that's a good practice for everybody. Just make it part of your application process.

My final piece of advice is to remember how to be poor. You'll need a lot less money for your graduate studies if you'll give up vacations in Europe, new cars, premium cable, and eating out all the time. If you want it bad enough, there are myriad ways to put together the money you need for graduate study.

BIO:

Donald Asher is a public speaker and writer specializing in careers and higher education. He is the author of eleven books, including *Graduate Admissions Essays*, the best-selling guide to the graduate admissions process; *Cool Colleges for the Hyper-Intelligent, Self-Directed, Late Blooming, and Just Plain Different*; *How to Get Any Job: Life Launch and Re-Launch for Everyone Under 30*; and *Who Gets Promoted, Who Doesn't, and Why*. This article was adapted in part from *Graduate Admissions Essays*, © 2010 Asher Associates. Don welcomes comments at don@donaldasher.com or see his web site at www.donaldasher.com.