

# FINANCING GRADUATE EDUCATION

Prepared by the Council of Graduate Schools

**N**ow that you are considering getting a graduate degree, you have probably already asked yourself, "How will I pay for graduate school?" While some students pay for graduate school entirely out of pocket, most graduate students receive at least some financial assistance.

There are several ways to finance your graduate education, including fellowships and traineeships, teaching and research assistantships, employer support, and loans. Most students pay for graduate school with a combination of these forms of financial support, but the combination often varies by degree level (master's vs. doctoral), by field of study, by type of degree (academic/research vs. professional), and by year of study within the graduate program. The combination that is best for you may not be best for another student, so you should carefully consider the pros and cons of each type of financial support. Some of the most common forms of financial support are discussed below, and the financial aid office, graduate school, department and/or program at the institution(s) to which you are applying can provide additional information.

## *Fellowships and Traineeships*

Fellowships or traineeships for graduate study are grants, generally awarded on the basis of academic merit, that do not need to be repaid. They are intended to attract the most highly qualified students to graduate programs, and can be either portable (offered by an organization or federal agency for study at an institution of the student's choice) or institutional (offered by a university or department for study in that specific institution or program).

Fellowships and traineeships generally provide partial or complete payment of tuition and a stipend for living expenses. Some institutions actively recruiting students from populations underrepresented in their student body, such as women, minorities, or first generation college students, may have special fellowship programs to attract them. Application deadlines for some fellowships are in the fall so begin your financial support planning early in the graduate school application process.

## *Financial Support Statistics*

**During academic year 2007-08:**

- **Nearly three-quarters (74%) of all master's-level students and 86% of doctoral students received some type of financial support.**
- **44% of master's-level students and nearly one-third (32%) of doctoral students, received loans.**
- **One in five master's-level students (21%) and 13% of all doctoral students received financial support from their employers.**
- **4% of master's students and 26% of doctoral students had research assistantships; 5% of master's students and 24% of doctoral students had teaching assistantships.**

Source: National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08)

## *Assistantships*

Teaching assistantships may involve teaching courses, leading a discussion section, supervising a laboratory, grading papers, or meeting with students. The typical appointment involves working approximately 20 hours per week. A teaching assistant receives a stipend (and sometimes health insurance and a fee or tuition waiver or reduction) that helps support his or her own graduate studies.

Research assistantships are most common in science and engineering fields, but are often available in other fields as well. Research assistants work in laboratories and other settings to assist faculty on research projects. Research assistants also receive a stipend and may receive health insurance and a reduction or waiver in fees or tuition.

Some institutions also offer graduate assistantships which provide support for students who assist with non-teaching and non-research efforts, often in an administrative office.

### ***Employer Support***

Many employers offer a tuition assistance plan for their employees. In most cases these plans provide partial reimbursement of tuition for approved classes or degree programs up to certain annual dollar limits, but some employers may provide full reimbursement for tuition, books and fees. Nearly all employer plans require successful course completion and in some cases a specific academic standing to continue to receive employer support. If you are working, contact your Human Resources office to inquire about educational benefits.

### ***Federal Loans***

Loans are an important source of support for graduate students, especially at the master's level where fellowships, traineeships, and assistantships are less common than at the doctoral level. Loans for graduate students include Federal Perkins Loans awarded through institutions, as well as Stafford Loans and PLUS Loans administered by the U.S. Department of Education through the Federal Family Education Loans (FFEL) and Direct Loans programs. Stafford loans are the most common type of loan for graduate students and may be subsidized (meaning that interest will not accrue until you begin repayment) or unsubsidized, depending upon your financial need. The interest rate is lower on subsidized loans than unsubsidized loans. Before taking out loans, you should make sure that you will be able to make the monthly payments on the combined graduate loan debt you accumulate while in graduate school based on the expected starting salary in your chosen field and likely occupation.

### ***Other Sources of Financial Aid***

Graduate students can also receive financial support through the Federal Work-Study program; community organizations like Rotary or Kiwanis; college honor societies, fraternities, and

sororities; or employment opportunities on campus. In addition, students can apply for private student loans, however, these loans typically have higher interest rates than federal loans, and the interest on these loans may begin accruing while you are still in graduate school. For most students, private student loans should only be used as a last resort to pay for graduate school.

### ***Next Steps***

An application for financial support is generally separate from your application to graduate school. Before you submit your graduate school application, contact the graduate school, department or program to which you are applying to ask for information on sources of financial support. Also, contact the financial aid office at the institution(s) to which you will be applying to obtain financial aid information, forms, and deadlines. Other sources of information are listed below.

Graduate school is a major investment, both in the time that you will devote to your degree and the income you may forego by being in school, but the rewards include the satisfaction of studying a field that stimulates your curiosity, challenges your intellect, and expands your career options.

### ***Sources of Financial Aid Information***

- Council of Graduate Schools, *Graduate School and You*, [www.cgsnet.org](http://www.cgsnet.org) (click on 'CGS Publications').
- Council of Graduate Schools, *Fellowships and Financial Aid*, [www.cgsnet.org](http://www.cgsnet.org) (click on 'Resources for Students').
- Gradschools.com, [www.gradschools.com/Category/Finance-Your-Study.html](http://www.gradschools.com/Category/Finance-Your-Study.html).
- Peterson's, [www.petersons.com/graduate](http://www.petersons.com/graduate).
- U.S. Department of Education, Federal Student Aid Office, <http://studentaid.ed.gov>.



*To order additional copies of this flyer, contact:*

Council of Graduate Schools • One Dupont Circle, NW • Suite 230  
Washington, DC 20036-1173 • Phone: (202) 223-3791 • Fax (202) 331-7157  
[www.cgsnet.org](http://www.cgsnet.org)