Financing Your Graduate Education

Overview of Today’s Workshop

• Estimating Graduate School Costs
• Making a Budget
• Funding Options Available
• Example
• Additional Resources
Did you know...

The tuition for medical school varies according to program, the 2015-2016 John A Burns School of Medicine tuition is $34,896 per year for residents and $69,240 for non-residents.

<table>
<thead>
<tr>
<th>UH Manoa (per semester)</th>
<th>2015-2016</th>
<th>2016-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Resident</td>
<td>Non-resident</td>
</tr>
<tr>
<td>Graduate</td>
<td>$7,116</td>
<td>$17,160</td>
</tr>
<tr>
<td>Graduate Business - MBA</td>
<td>$10,116</td>
<td>$17,952</td>
</tr>
<tr>
<td>Graduate Education - EdD</td>
<td>$7,836</td>
<td>$17,868</td>
</tr>
<tr>
<td>Graduate Nursing</td>
<td>$11,196</td>
<td>$21,240</td>
</tr>
<tr>
<td>Medicine - MD</td>
<td>$17,448</td>
<td>$34,620</td>
</tr>
<tr>
<td>Law - JD</td>
<td>$10,440</td>
<td>$21,192</td>
</tr>
<tr>
<td>Law - LLM</td>
<td>$20,844</td>
<td>$20,844</td>
</tr>
</tbody>
</table>

Source: http://www.hawaii.edu/finaid/tuition.html

Estimating Medical School Costs

Costs of Attendance: John A Burns School of Medicine 2015-2016

<table>
<thead>
<tr>
<th>Costs</th>
<th>Resident</th>
<th>Non-resident</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
<td>$34,896</td>
<td>$69,240</td>
</tr>
<tr>
<td>Fees</td>
<td>$730</td>
<td>$730</td>
</tr>
<tr>
<td>Books &amp; Supplies</td>
<td>$2,465</td>
<td>$2,465</td>
</tr>
<tr>
<td>Meals &amp; Housing (living in town)</td>
<td>$16,986</td>
<td>$16,986</td>
</tr>
<tr>
<td>Personal Expenses</td>
<td>$3,831</td>
<td>$3,831</td>
</tr>
<tr>
<td>Transportation</td>
<td>$3,065</td>
<td>$3,065</td>
</tr>
<tr>
<td>Loan fees</td>
<td>$220</td>
<td>$220</td>
</tr>
<tr>
<td>Annual (1-Year)</td>
<td>$62,193</td>
<td>$96,537</td>
</tr>
<tr>
<td>Total (4-Years)</td>
<td>$248,772</td>
<td>$386,148</td>
</tr>
</tbody>
</table>

Making a Budget
Managing your Money

Terminology

| Fixed Expenses | Tuition  |
|               | Fees     |
|               | School Expenses |
| Variable Expenses | Clothing |
|                 | Food     |
|                 | TV       |
|                 | Internet |
| Income          | Family Contribution |
|                 | Scholarships |
|                 | Grants    |
|                 | Loans     |
| Disposable income | Money remaining after paying for expenses |
Budget Variables

Monthly Income
- (Monthly Fixed + Variable Expenses)

Monthly Disposable Income

Monthly Disposable Income

$3,000 (income)
- [$2,693(fixed expenses)+$169(variable expenses)]

$138

$138 = monthly disposable income
## Little Changes Mean A Lot

<table>
<thead>
<tr>
<th></th>
<th>No Change</th>
<th>Reduced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$3,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>Fixed Expenses</td>
<td>$2,693</td>
<td>$2,693</td>
</tr>
<tr>
<td>Variable Expenses</td>
<td>$169</td>
<td>$80</td>
</tr>
<tr>
<td>Disposable Income (Month)</td>
<td>$138</td>
<td>$227</td>
</tr>
<tr>
<td>Annually</td>
<td>$1,656</td>
<td>$2,724</td>
</tr>
</tbody>
</table>

## Fee Assistance & Waiver Programs

Getting in to Grad School
Fee Assistance/Waiver Programs

• Available for financially disadvantaged applicants.
• Reduced or waived fees
  ▫ Entrance exam registration
  ▫ Application
• First-come, first-served basis
• Request 3-6 months in advance

ASUH Grad Test Prep Award

• Eligibility:
  ▫ Full-time, classified undergraduate student at UHM
  ▫ Junior Status (55+ credits)
  ▫ 3.0 cumulative GPA
  ▫ Plan on taking a graduate test or prep course during Fall 2014, Spring 2015, or Summer 2015
  ▫ Cannot be a senator or employee of ASUH, both past and present

• Requirements:
  ▫ Application Form (http://asuh.hawaii.edu/)
  ▫ Budget Sheet listing costs of graduate tests, prep courses, study materials, etc.
  ▫ Proof of tests or courses already taken (if applying for reimbursement)
  ▫ Official transcript
  ▫ 1 Letter of Recommendation
  ▫ 1 750-1000 word essay
  ▫ List of extra curricular activities you have been involved in while attending college

Deadline: March 10, 2015 @4:00p.m.
AAMC Fee Assistance Program

Benefits:
- Reduced MCAT fees
- Official MCAT preparation guide
- Waiver for one AMCAS application submission up to 15 medical schools ($664 value)

Eligibility:
- US citizen, US national or a holder of US “Green Card”
- Your household is 300% or less below the US 2014 national poverty level
- Can only receive up to 5 times in your lifetime
- Parental financial information & tax documents

Requirements:
- Application Form (http://asuh.hawaii.edu/)
- Supporting documents

Types of Financial Aid
Types of Financial Aid

• Free Money
• Family Contributions
• Work
• Forgiveness/Payback Loans
• Loans
  ▫ Federal
  ▫ Private
Free Money – What is it?

- Money you do not need to pay back
  - E.g. Scholarships, grants, fellowships
  - Awarded by
    - Merit
    - Need

Free Money – Where to find?

- Program
  - E.g. East-West Center
- Institution
  - E.g. UH STAR database, UH Foundation, Financial Aid website
- State
  - E.g. Hawaii Community Foundation, WICHE
- National
  - E.g. Fast Web, Hamilton Library Reference desk
Types of Financial Aid

- Free Money
- Family Contributions
- Work
- Forgiveness/Payback Loans
- Loans
  - Federal
  - Private

Family Contributions

- Family’s ability to pay
- Calculated by
  - Free Application for Federal Student Aid (FAFSA)
    - Most schools will ask for this
    - Expected Family Contribution (EFC): the number that’s used to determine your eligibility for federal student aid
      - EFC is always more than you think you can afford
      - **Note:** Your EFC is not the amount of money your family will have to pay for college nor is it the amount of federal student aid you will receive.
- Most students rely on scholarships, grants, & loans
- Graduate students are generally considered independent
Types of Financial Aid

• Free Money
• Family Contributions
• Work
• Forgiveness/Payback Loans
• Loans
  ▫ Federal
  ▫ Private

Work

• Most medical schools do not allow students to work
  • Check with your desired school
Types of Financial Aid

- Free Money
- Family Contributions
- Work
- Forgiveness/Payback Loans
- Loans
  - Federal
  - Private

Forgiveness/Payback Loans:

- Loans that can be partially or fully eliminated in return for choosing certain careers, military service, or specific volunteer work.
Forgiveness/Payback Loans:

- **Public Service Loan Forgiveness (PSLF)**
  - Work full-time in a qualifying public service job
  - Make at least 120 qualifying monthly payments
  - Government will forgive some of loan balance
  - E.g. Americorps, Peacecorps, military

  [studentaid.ed.gov](http://www.studentaid.ed.gov)

Forgiveness/Payback Loans

- Questions to ask:
  - Which student loans are eligible?
  - Is there a minimum debt requirement?
  - What service obligation do I have & for how long?
  - Is there an income cap & what is it?
  - What employment qualifies?
Types of Financial Aid

- Free Money
- Family Contributions
- Work
- Forgiveness/Payback Loans
- Loans
  - Federal
  - Private

Federal Loans

- Federal Perkins loans
- Federal Stafford loans
- Grad PLUS loans
- Discipline/specialty specific loans
### Graduate Student Loan Comparison

<table>
<thead>
<tr>
<th></th>
<th>State Higher Education Loan (SHEL)</th>
<th>Federal Perkin Loan</th>
<th>Federal Stafford Unsubsidized Loan</th>
<th>Grad Plus Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lender</strong></td>
<td>UH Manoa</td>
<td>UH Manoa</td>
<td>U.S. Department of Education</td>
<td>U.S. Department of Education</td>
</tr>
<tr>
<td><strong>Interest Rate</strong></td>
<td>5% Fixed</td>
<td>5% Fixed</td>
<td>6.21%</td>
<td>7.21%</td>
</tr>
<tr>
<td><strong>Interest Free in School?</strong></td>
<td>Yes</td>
<td>Yes</td>
<td>No. It begins to accumulate once disbursed.</td>
<td>No. It begins to accumulate once disbursed.</td>
</tr>
<tr>
<td><strong>Loan Fees</strong></td>
<td>None except for late/missed payments</td>
<td>None except for late/missed payments</td>
<td>1.073% Disbursement fee</td>
<td>4.292% Disbursement fee</td>
</tr>
<tr>
<td><strong>Grace Period</strong></td>
<td>9 months</td>
<td>9 months</td>
<td>6 months</td>
<td>6 months</td>
</tr>
<tr>
<td><strong>Annual Amount You May Borrow</strong></td>
<td>Determined by Financial Aid for each student. Will not exceed amounts established for Federal Perkin Loan</td>
<td>$8,000 for graduates</td>
<td>$20,500</td>
<td>Cost of attendance (determined by school) minus any other aid</td>
</tr>
<tr>
<td><strong>Lifetime Maximum Amount You May Borrow</strong></td>
<td>$60,000</td>
<td>$138,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Eligibility</strong></td>
<td>Bona Fide Hawaii Resident</td>
<td>Demonstrate financial need</td>
<td>Non-need based</td>
<td>Enrolled at least half-time (4 credits for Grad students)</td>
</tr>
<tr>
<td></td>
<td>Demonstrate financial need</td>
<td>Enrolled part-time or full-time</td>
<td>Applied for maximum Stafford Loans</td>
<td>Good credit history</td>
</tr>
<tr>
<td></td>
<td>Enrolled part-time or full-time</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Private Loans

- Offered through well-established educational lenders
  - E.g. Sallie Mae, Access Group, Discover, your bank
- Involve credit checks & require satisfactory credit history
- Eligibility differs by lender
- Rates and repayment plans differ depending on credit
Private vs. Federal Loans

- Federal loans are a better option for repayment
  - Low fixed interest rates
  - Income-based repayment plans
  - Cancellations or reductions for certain employment/service
  - Deferment options

**Tip:**
Federal loan rates may double in 2015!!!
Medical Student Profiles:
Planning your Finances

Graduate Student Profiles

Medical Students

- Non-Residents

- Entering Medical School Fall 2015
  - $96,537 tuition for the first year

- Same Financial Background
  - No family contributions
  - Will not work
Cost of Attendance: UH Manoa 2015-2016

<table>
<thead>
<tr>
<th>Description</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
<td>$69,240</td>
</tr>
<tr>
<td>Student Fees, Transportation, Living Expenses, etc.</td>
<td>$27,297</td>
</tr>
<tr>
<td>Total (1 year)</td>
<td>$96,537</td>
</tr>
<tr>
<td>Total (After 4 years)</td>
<td>$386,148</td>
</tr>
</tbody>
</table>

Student A

- **Plan of Action:**
  - Relax, Eat, Sleep...
  - Why not he just got into Medical School?!
  - Apply for Financial Aid as late as possible!

- **How:**
Student B

• **Plan of Action:**
  ▫ Make a budget & stick to IT!

• **How:**
  ▫ Reduce her **Variable Expenses**
    ▪ Spend less on clothes
    ▪ Rarely eat out
    ▪ Will not pay for internet
      *(use Internet at School—FREE!)*

Student C

• **Plan of Action**
  ▫ Research scholarships and grants EARLY!

• **How:**
  ▫ Visit Hamilton Library (reference desk)
  ▫ Visit Financial Aid Website *(http://www.hawaii.edu/fas/)*
  ▫ Visit UH STAR database
  ▫ Apply to several scholarships
Who will you be?

A

B

C

4 Years Later...
Student A

- **Plan of Action:**
  - Relax, eat, sleep until Medical School starts

- **Result:**
  - Applied at the **Deadline** for Financial Aid
    - No more Scholarships available 😐
  - Took out loans for his expenses
### Plan of Action

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of attendance</td>
<td>$389,148</td>
</tr>
<tr>
<td>Savings</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Amount:</strong></td>
<td><strong>$389,148</strong></td>
</tr>
</tbody>
</table>

### Payment Plan

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total loans taken out</td>
<td>$389,148</td>
</tr>
<tr>
<td>Interest on loans</td>
<td>$134,231.32</td>
</tr>
<tr>
<td>(6.21% Stafford Interest Rate)</td>
<td></td>
</tr>
<tr>
<td>Payments—10 years</td>
<td>120 Payments</td>
</tr>
<tr>
<td><strong>Total Monthly Payment</strong> (Interest + loans)</td>
<td><strong>$4,361.49</strong></td>
</tr>
</tbody>
</table>

$4,361.49 \times 120 \text{ Payments} = $
Student B

- **Plan of Action:**
  - Create a budget and stick to it
- **Result:**
  - Saved $10,000 each year through reducing her Variable Expenses
<table>
<thead>
<tr>
<th>Plan of Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Attendance</td>
</tr>
<tr>
<td>Savings (4 years)</td>
</tr>
<tr>
<td><strong>Amount</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payment Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total loans taken out</td>
</tr>
<tr>
<td>Interest on Loans (6.21% Stafford Interest Rate)</td>
</tr>
<tr>
<td>Payments—10 years</td>
</tr>
<tr>
<td><strong>Total Monthly Payment (Interest + loans)</strong></td>
</tr>
</tbody>
</table>

$3,913.18 \times 120 \text{ Payments}
<table>
<thead>
<tr>
<th>Student</th>
<th>Total Cost</th>
<th>Total Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student A</td>
<td>$523,379.32</td>
<td>$0</td>
</tr>
<tr>
<td>Student B</td>
<td>$469,581.78</td>
<td>$53,797.54</td>
</tr>
</tbody>
</table>
Student C

- **Plan of Action:**
  - Research and apply for Scholarships and Grants
  - Research different loans
- **Result:**
  - Received $20,000/year in Scholarships

<table>
<thead>
<tr>
<th>Plan of Action</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Attendance</td>
<td>$389,148</td>
</tr>
<tr>
<td>Savings</td>
<td>$80,000</td>
</tr>
<tr>
<td><strong>Total Amount:</strong></td>
<td><strong>$309,148</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payment Plan</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total loan</td>
<td>$309,148</td>
</tr>
<tr>
<td>Interest on Loans (6.21% Stafford Loan)</td>
<td>$106,636.25</td>
</tr>
<tr>
<td>Payments—10 years</td>
<td>120</td>
</tr>
<tr>
<td><strong>Total Monthly Payment (Interest+ loan)</strong></td>
<td><strong>$3,464.87</strong></td>
</tr>
</tbody>
</table>
$3,464.87 \times 120 \text{ Payments} = \$415,784.25
Student A

Total Savings: $523,379.32

Student B

Total Savings: $469,581.78

Student C

Total Savings: $415,784.25

Important Financial Aid Tips

Do your research, APPLY EARLY, & apply broadly!
USA Funds Life Skills
Financial Literacy Website:  http://manoa.hawaii.edu/finlit/

Contact Us

Phone: (808) 956-6572
Email: finlit@hawaii.edu
Website: http://manoa.hawaii.edu/finlit

Crawford Hall Room 225
2550 Campus Road
Honolulu, HI 96822-2217

Phone: (808) 956-4045
Email: uhpac@hawaii.edu
Website: http://manoa.hawaii.edu/pac

Sinclair Library Room 108
2425 Campus Road
Honolulu, HI 96822-2217