

Types of Financial Aid

Financial aid is funding to help meet your professional or graduate educational expenses. There are many sources of financial aid for post-baccalaureate education. In addition to you and your family's personal savings and financial resources, funding sources can include the professional or graduate institutions you attend, federal, state and local governments, private and community foundations and agencies, labor unions, religious and fraternal organizations, and corporate sponsors. Financial aid generally is awarded in two forms: gift-aid and self-help aid. **Gift-aid** includes grants, fellowships and scholarships (institutional or external) that do not have to be repaid or earned. **Self-help aid** includes loans that must be repaid, work-study funds that must be earned through work on a campus, off-campus work, and assistantships that pay professional or graduate students for their research or teaching efforts. Educational institutions generally consider many sources of aid during the awarding process. Some aid is based on individual merit (typically academic merit), and some determined by your level of financial need after a careful assessment of projected educational expenses is calculated.

The most common form of **financial aid for academic doctoral study** is a departmental assistantship (teaching or research), in addition to some form of tuition remission or waiver (partial or full) by the institution or department. Most research university doctoral programs attempt to fund students throughout their Ph.D. programs. External fellowships (e.g., NSF Fellowship, Ford Foundation Fellowship) or other competitive awards sometimes augment institutional aid. **Funding for academic master's programs** can vary from none to partial to full funding; however, many master's students must fund all or part of their graduate education.

Financial aid for professional school students including law, business, medicine, other health professions, social work, clinical and counseling psychology, public policy, teaching, architecture and most other professional programs typically is in the form of self-help aid (loans, work-study, assistantships). Gift-aid for professional school students is generally awarded to only the most highly academically qualified.

The largest source of **loans to professional and graduate students** is the federal government. Other sources include the states, banks and other private lenders, and the educational institutions students will be attending. Generally two types of loans are offered, need-based and non-need-based. Need-based loans are typically subsidized by the federal government or other source, which means that students are not responsible to pay interest accrual on these loans until after their education is completed. The most common of these is the Federal Stafford Loan. The federal government also awards unsubsidized, non-need-based loans, but borrowers are responsible for the interest which accrues during the educational program (this interest may be paid during the program, or capitalized as part of the entire repayment amount after the education is completed). There is an annual limit on all Stafford Loans to professional and graduate students, including both subsidized and unsubsidized loans (currently over \$20,000); consult the Federal Student Aid website at <http://federalstudentaid.ed.gov/> for exact amounts.

Applying for Financial Aid

In most cases you do not have to be admitted to a school or program in order to apply for financial aid. The application process is detailed and lengthy, and is best begun early. Contact the financial aid office of the schools to which you are applying to request any information and forms required for application for financial aid, and for advice on when to begin the process. Virtually all professional and graduate schools use the **Free Application for Federal Student Aid (FAFSA)** to determine student eligibility for aid. The FAFSA and information about federal loans can be obtained from most schools, or on the internet at <http://www.ed.gov/finaid.html>. The FAFSA application period is generally January 1 through June 30 of each year. In addition, schools may require the completion of their own financial aid forms, and may also set application deadlines earlier than June 30. Most forms of federal aid are limited to U.S. citizens and permanent residents. International students should seek advice from each professional or graduate school's financial aid office. All students seeking federal aid must not be in default on other student loans. Applicants for private loans must have a satisfactory credit history.

Professional and graduate schools determine, based on information provided on the FAFSA, how much and for which types of aid you are eligible. The school then makes a financial aid offer in an award letter. The offer amount, or award, is based on your projected educational expenses and the available personal and family contribution and resources. Professional and graduate school students are considered "independent" of their parents for the purposes of applying for educational aid, however some schools and programs may consider your parents' income when awarding need-based gift-aid. The school may combine various forms of aid (loans, grants, fellowships, and assistantships, work-study) to make up your total aid package. In addition to federal loans, schools may offer you other loans that the schools administer. You can also seek off-campus employment, private bank loans not connected to the federal loans, and independent fellowship and scholarship awards. The receipt of such aid, however, may effect the total amount of aid a school is willing to award. Contact each school for their policies on such external aid sources. Also, contact school

financial aid offices for information on loan consolidation programs for some professional and graduate disciplines (e.g., MEDLOANS, LAW ACCESS, etc.).

General Advice

Unless you and/or your family can completely fund professional or graduate education, you must generally rely on outside sources of financial assistance. The type of aid you access is an important decision, usually having long-term consequences. For example, loan repayment totals including interest can often equal two or three times the original loan amount. If you must rely on loans for all or most of your educational expenses, consider the following. ***How much to borrow? Is a co-signer required? What is the interest rate, grace period after schooling, repayment period and reputation of the lender? How will my credit history impact the loan approval? How will my undergraduate loan balance impact the amount I can borrow for professional or graduate study? Should I get a subsidized or unsubsidized loan?*** (Subsidized loans are less in the long run, as the government or other source subsidizes the interest on the loan while you are in school.) Some loan programs or lenders may require that you have very little or no credit card debt prior to approving your loan application. Some may allow you to consolidate your undergraduate and graduate loans into the same repayment plan. The average nationwide undergraduate loan debt is currently close to \$20,000. The average academic master's student owes \$26,000 and doctoral students' debt is around \$36,000. Roughly half of Ph.D. students graduate debt free. The average nationwide professional school student debt is between \$50,000 and \$120,000 depending on the program (medical, law, business, etc.).

Consider the following before applying for a professional or graduate school loan:

- Discuss your educational plans with family and solicit their assistance.
- Try to pay off consumer debt (credit cards, car loans, and other term loans) which can inhibit your ability to borrow.
- Order and check your credit report from a credit-reporting agency such as Experian, Equifax or Trans Union for problems or discrepancies.
- Keep accurate records of your finances and tax history; your parents' tax returns may also be required.
- Try to borrow the minimum amount necessary to fund your educational goals. You will be the person responsible for paying back all loans, not your parents, so don't borrow the maximum if you don't have to.
- Explore all sources of gift-aid (scholarships, grants), so that loans can be kept to a minimum.

Tools for Finding Sources of Financial Aid

UCSD Career Services Center's website has financial aid links at <http://career.ucsd.edu/undergraduates/thinking-about-grad-school/financial-aid-and-fellowships.html> and offers a handout, "Graduate Fellowship Opportunities," that advises students on the application essays and statements of purpose required for fellowship applications. UCSD's Geisel Library maintains a website for financial aid at <http://libraries.ucsd.edu/refshelf/refshelf-financial.html>, and a reference section on financial aid, fellowships, scholarships and grants. Upon request, reference librarians will assist students with database searches of financial aid resources. Visit the comprehensive financial aid website <http://www.finaid.org> and learn more about funding sources at <http://www.petersons.com/gradchannel/file.asp?id=1080>. To find funding opportunities for study abroad, see the IIEPassport site at <http://www.studyabroadfunding.org/>.

A list of fellowships is available at <http://www.princeton.edu/pr/pub/pfg/>. For a fellowship database searchable by keyword, go to <http://www.gradschool.cornell.edu/?p=132>. The UCSD Financial Aid Office website located on TritonLink lists some national competitive scholarships and other financial aid information.

In addition to the online resources above and the financial aid officers at your intended graduate or professional school(s), the Career Services Center's Professional and Graduate School library contains various professional and graduate school print directories, which include sections on financial aid for those disciplines (medicine, law, business, other health professions, and others). You may also search binders of financial aid and fellowship information and books on grants and fellowships. One-on-one appointments with advisors are also available to discuss issues regarding your application to graduate or professional school. Call 858.534.4939 or stop by the Career Services Center to review our resources or to set up an advising appointment.