

## Financial Considerations for a Graduate Education

An advanced degree can bring a high future salary. I also had a friend who once described graduate school as "like college, but without the fun."

One thing did stay the same for her as a grad student, though: the debt.

Undergraduate students finish school owing an average of nearly \$30,000.

According to Kiplinger, those going for a master's can expect to add \$30,000 to that. Of course, taking on that debt makes sense for a lot of students, such as prospective doctors, likely because it's necessary for their careers. However, if you don't have to go to grad school, borrowing more money may be a bad idea. Here are five questions you can answer to help figure out if the extra borrowing makes sense for you.

**1. Are you passionate about your path?** Grad school combines all the projects, studying and tests of college, often without all the parties, downtime and freedom you remember. That's especially true if you plan to balance your degree with a part-time or full-time job. So ask yourself why you want to go to grad school. You don't want to borrow money and drop out a year later after realizing that graduate school is hard. If you take the debt, you want to come out of school with the matching degree. Being sure about your path will help make this happen.

**2. Will you earn more money afterward?** In general, workers with advanced degrees earn more than their counterparts with high school or college educations. Unfortunately, what you actually earn after graduation will depend on your specific situation, such as the school you attend and program you pursue.

*To help figure out how different programs could impact your earnings, check out this site, which details the jobs and salaries of recent graduates from programs you're considering. If their income isn't higher than what you could otherwise earn, borrowing more money may not make sense.*

<https://www.saltmoney.org/content/media/Tool/grad-degree-potential-salary-estimator/ /R-101-12042>

*Tips on pay for graduate school:*

<http://www.usnews.com/education/best-graduate-schools/top-graduate-schools/paying>

**3. When do you expect to break even on your investment?** It's great to say that your future income will be greater after attending graduate school, but that's not the end of the conversation. You have to figure out how long it will take that extra income to cover your grad school expenses. Add up expenses like tuition, fees, textbooks, loans and interest. Don't forget to include the income you'll miss by being in school. Now, subtract any money you expect to get from grants, scholarships, teaching or otherwise.

When you have that number, compare it with your potential income boost. If your schooling costs \$90,000 and results in you earning \$10,000 more per year, it will take nine years before your degree even starts paying off.