



# Money Matters: Managing Graduate School Loans and Debt

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# A Special Thanks To...

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# Objectives

- Highlight loan forgiveness program
- Describe an individual's experience with National Institutes of Health (NIH) Loan Repayment Program (LRP)
- Understand other options for managing student debt and loans



# Cost of Education

- Average cost of undergrad:
  - In-state tuition & fees: ~\$14,500/year
  - Out-of-state tuition & fees: ~\$31,500/year
  - Plus room & board
- Average cost of grad school
  - Median cost of a public institution (2008-2009): ~\$9,600/year
  - Median cost of a private institution (2008-2009): ~\$34,000/year
- Median debt for a PhD program: \$75,000
- Median debt for a PsyD program: \$200,000

# College, Grad School, Internship, Fellowship.....

- Worked some hours during college
- Some paid internships during the summer
- Jobs, volunteer experience to get into grad school
- Every little bit, put into a savings account
- Sought out research assistantships
- Helpful but still needed much more to afford the cost.....



# Couldn't find the trees where money grew from.....



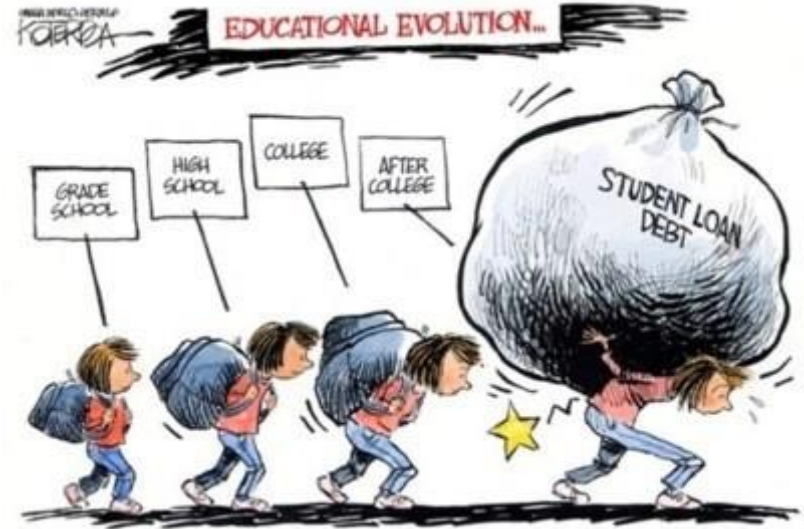
# Also, didn't win the lottery or powerball.....





# So.....had to consider additional ways to pay for higher education.....

- Researched options
- Talked with financial aid counselors
- Talked with recent graduates and others about their experiences
- Sought out research assistantships/fellowships/paid practicums
- Ended up taking out student loans to afford cost





# So....had to take out student loans.....

- Was careful not to live beyond means during education/training
- But also didn't stop living....
- Made a budget
- Deferred loan repayment during fellowships
- Wanted to go into academics and clinical research, learned about options for loan forgiveness specific to those areas



**Good news which was later  
learned.....there were loan forgiveness  
programs to pay back loans....**



- **Lots of options for loan forgiveness programs.....**
- **Need to find the one that might best fit your career goals, loans, time commitment, you are eligible for....**

Organization	Repayment	Commitment	Eligibility	Website
National Health Services Corps	Up to \$170,000	2-5 years	Licensed to practice clinically in state where employer located, must be at approved site.	<a href="http://nhsc.hrsa.gov/loanrepayment">http://nhsc.hrsa.gov/loanrepayment</a>
Faculty Loan Repayment Program	Up to \$40,000	2 years	Teaching in a graduate program in behavioral and mental health.	<a href="http://www.hrsa.gov/loanscholarships/repayment/faculty/">http://www.hrsa.gov/loanscholarships/repayment/faculty/</a>
National Institutes of Health	Up to \$35,000 per year	2 years	Pediatric, health disparity, fertility or clinical research for people from disadvantaged backgrounds.	<a href="http://www.nimhd.nih.gov/our_programs/loanRepayProg.asp">http://www.nimhd.nih.gov/our_programs/loanRepayProg.asp</a>
State Loan Repayment Programs	Varies	Varies	Practice. Eligibility varies by state.	<a href="http://nhsc.hrsa.gov/loanrepayment/stateloanrepaymentprogram/">http://nhsc.hrsa.gov/loanrepayment/stateloanrepaymentprogram/</a>
Public Service Loan Forgiveness Program	Remainder after 120 payments	About 10 years	Only federal direct loans. Payments made under qualifying plan while working in public service / non- profit org. Research, practice, and other.	<a href="http://studentaid.ed.gov/repay-loans/forgiveness-cancellation/charts/public-service">http://studentaid.ed.gov/repay-loans/forgiveness-cancellation/charts/public-service</a>
US Department of Veteran Affairs	Up to \$60,000	3 years	Written determination, generally for practice related positions.	<a href="http://www.nynj.va.gov/docs/slrpsummary.pdf">http://www.nynj.va.gov/docs/slrpsummary.pdf</a>
Indian Health Service	\$40,000 - 60,000	2-3 years	Practice.	<a href="http://www.ihs.gov/loanrepayment/">http://www.ihs.gov/loanrepayment/</a>

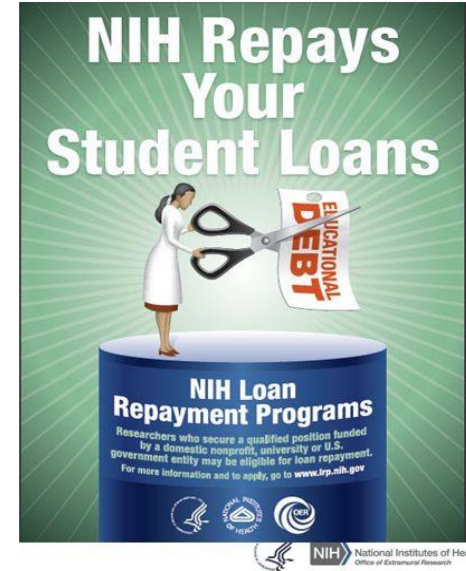
# National Institutes of Health (NIH) Loan Repayment Program (LRP)

Source: <https://www.lrp.nih.gov/index>

## NIH Loan Repayment Programs

### Summary

- Up to \$35,000 per year in educational loan repayment depending on debt level
- Coverage of most Federal taxes resulting from the NIH LRP
- 2 Year initial contracts with 1 or 2 year competitive renewal contracts
- NIH Institutes and Centers fund approximately 1,600 researchers each year
- Applicant success rate is 50 percent



# Purpose of NIH LRPs

- The NIH Loan Repayment Programs (LRPs) are a set of programs established by Congress and designed to recruit and retain highly qualified health professionals into biomedical or biobehavioral research careers.
- The escalating costs of advanced education and training in medicine and clinical specialties are forcing some scientists to abandon their research careers for higher-paying private industry or private practice careers.



# Purpose of NIH LRPs

- The LRPs counteract that financial pressure by repaying up to \$35,000 annually of a researcher's qualified educational debt in return for a commitment to engage in NIH mission-relevant research.
- Since tomorrow's medical breakthroughs will be made by investigators starting in their research careers today, the LRPs represent an important investment by NIH in the future of health discovery and the wellbeing of the Nation.



# Five Extramural LRPs

- Clinical Research
- Clinical Research for Individuals from Disadvantaged Backgrounds
- Pediatric Research
- Health Disparities
- Contraception and Infertility Research





# Determine your eligibility

- Determine if you meet eligibility criteria

Citizenship: U.S. citizen, U.S. national, or permanent resident of the U.S. by the LRP award start date

Qualifying degree: M.D., Ph.D., Psy.D., Pharm.D., etc.

Qualified educational debt: total qualified educational debt equal to or in excess of 20% of your institutional base salary at the time of the award; excludes income you earn outside of your organization

Qualified research: Must agree to conduct only research that is not prohibited by Federal law, regulations, or policies of the U.S. Dept. of Health and Human Services (HHS) or NIH; must also engage in qualified research for an average of at least 20 hours per week during each quarterly service period of your LRP award

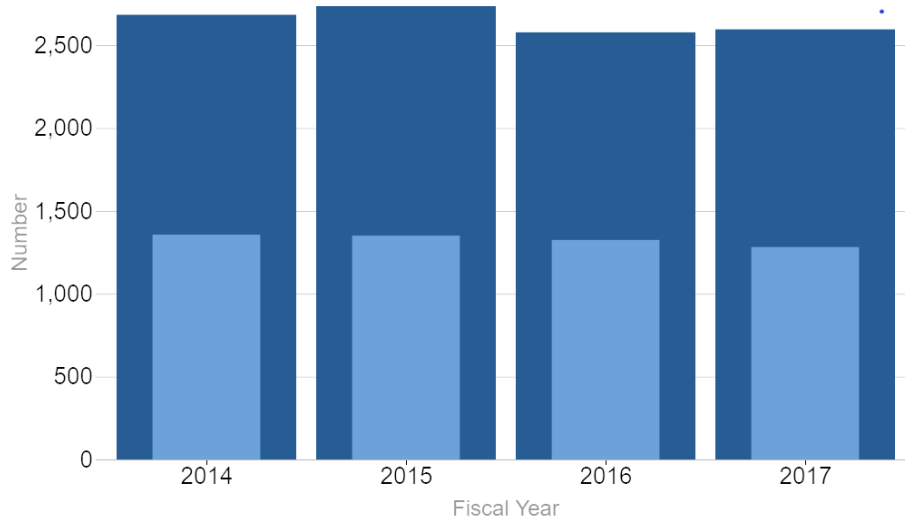


# How to apply for NIH LRP?

- Identify what program might work best for you depending on your interests and area of research
- Talk with LRP IC liaisons about a potential application
- Identify research supervisor & mentor(s); discuss your career plans and how they fit in the organization and their support for you
- Research supervisor will need to certify and submit quarterly verification of your work
- Register and create a login via LRP portal



# Applications & Awards – all LRP's



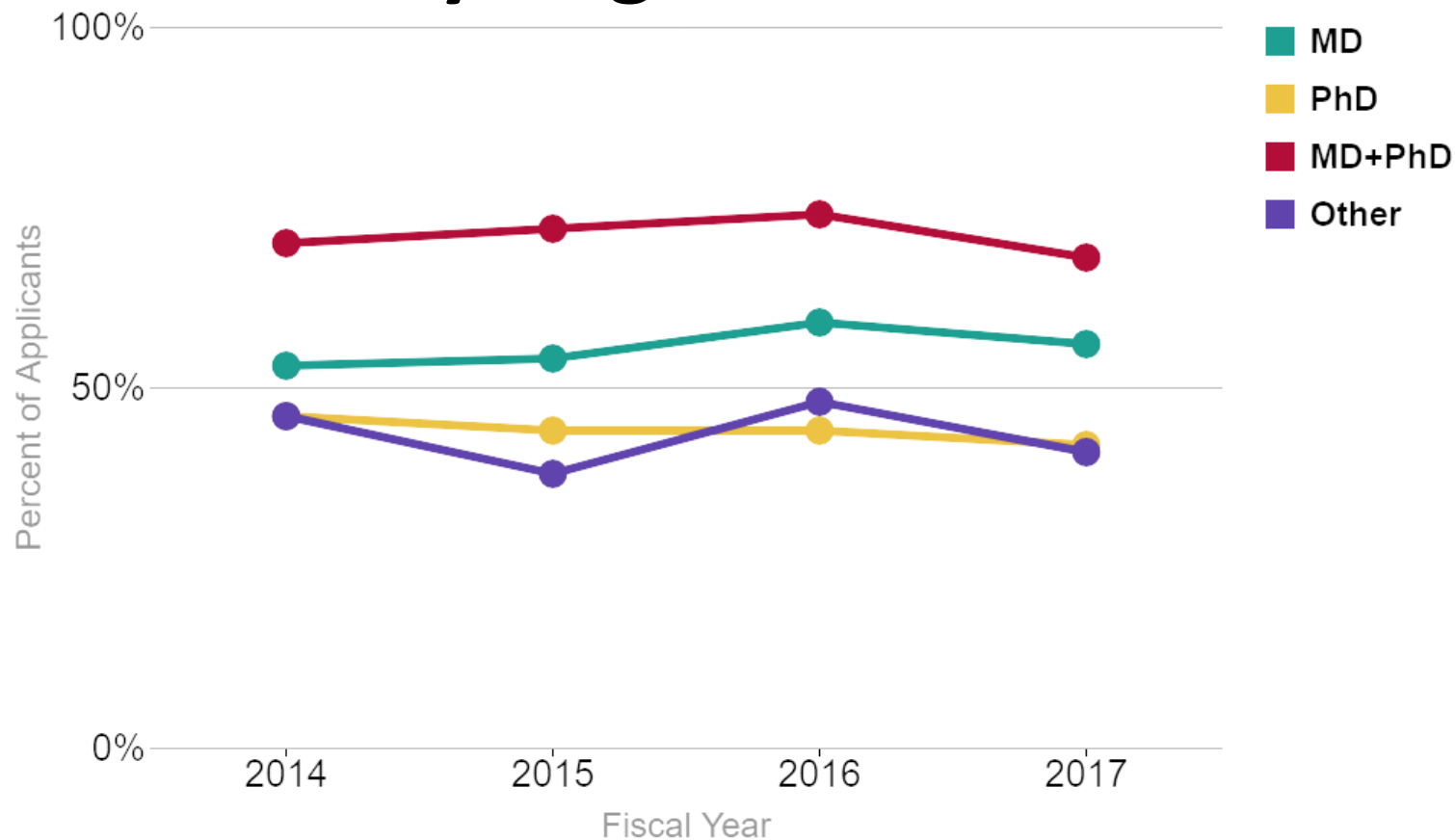
**Mean Age of Awardees**  
37 Years

**Number of Applications**  
2,597

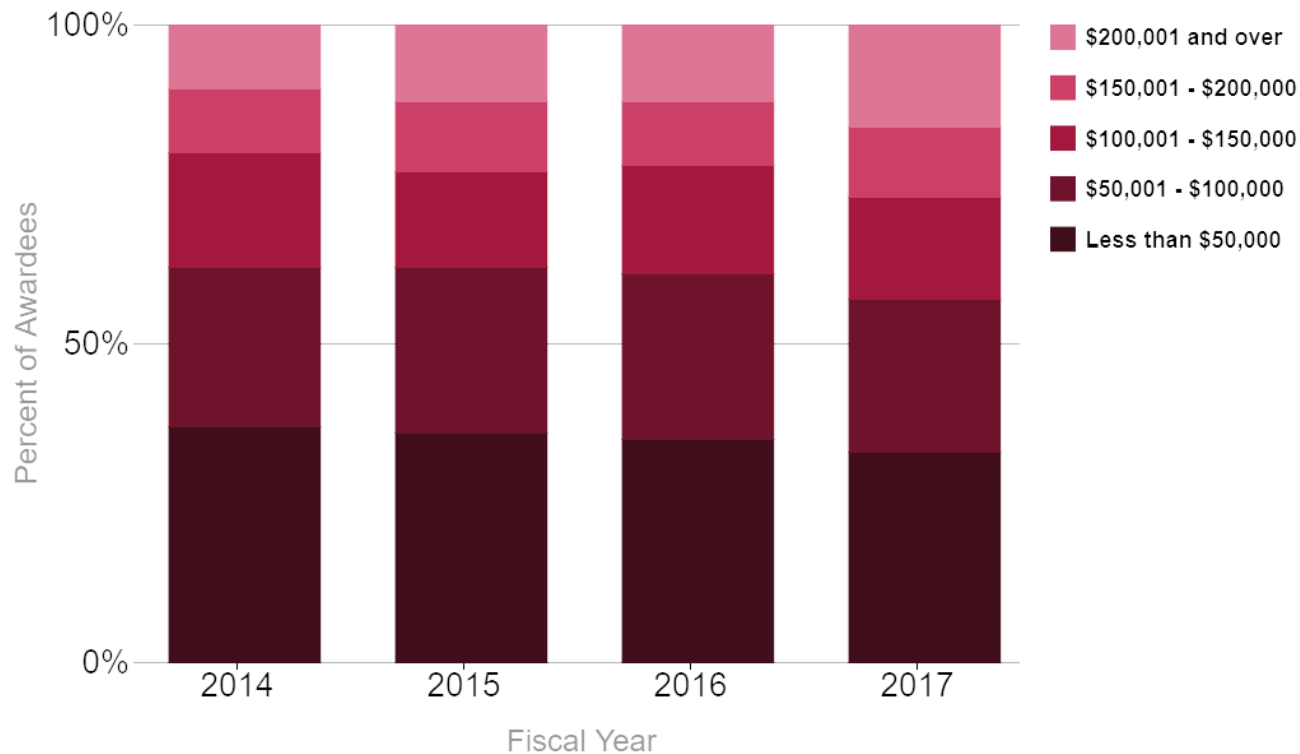
**Mean Award**  
\$53,187

**Total Funding**  
\$68,185,910

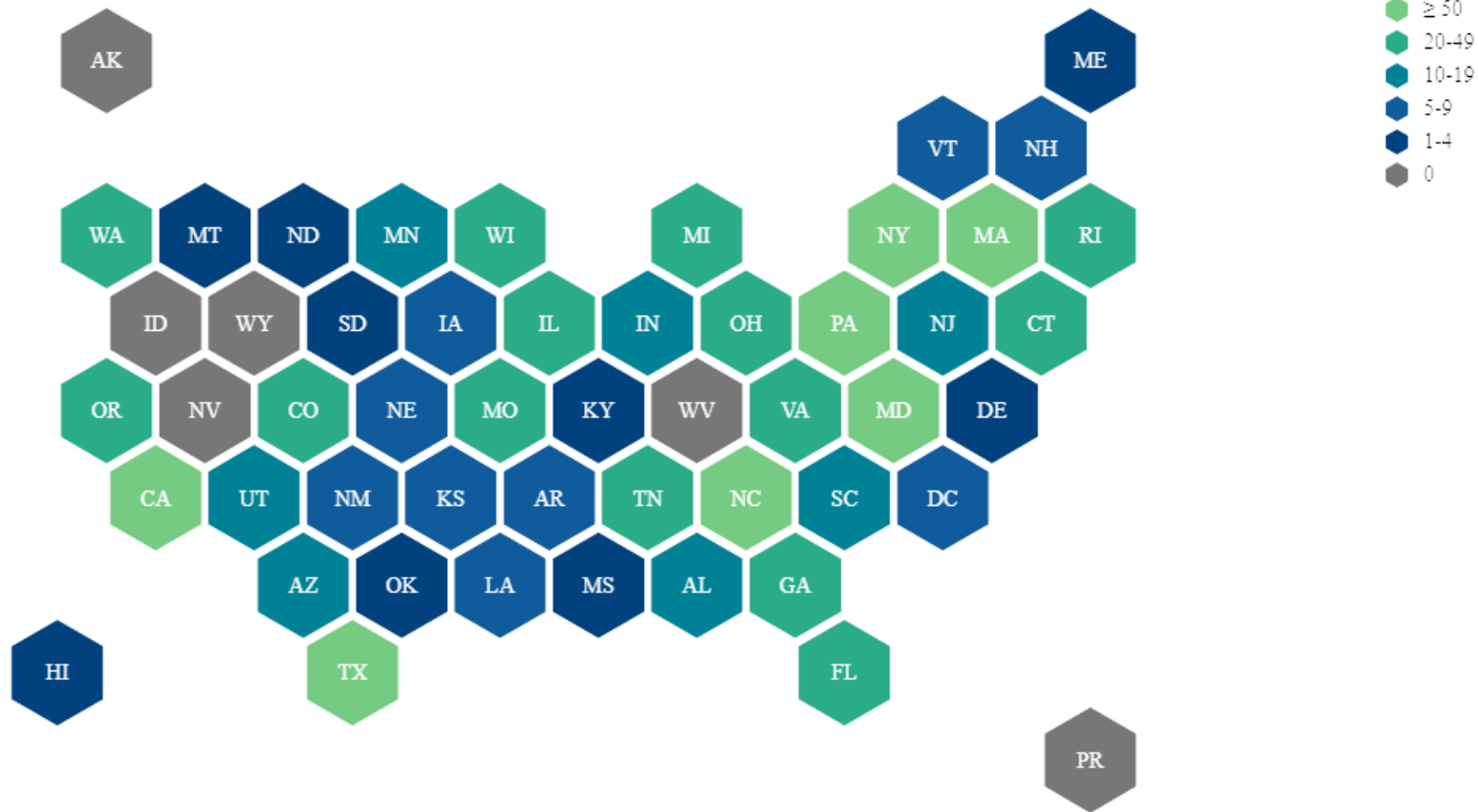
# Success Rates by Degree



# Educational Debt



# Awardee Distribution by State



# Things to consider....

- Deadlines: Application opens **Sept 1, 2017** closes **November 15, 2017**
- Success rate is 40% for new applicants and 70% for renewals
- You can apply multiple times
- Read application materials very carefully!
- Request necessary information and letters in a timely manner---do this first!
- Have others read your materials
- Don't be afraid to apply!!





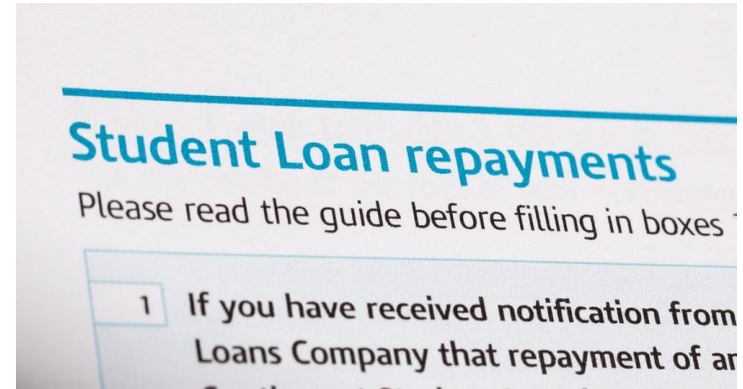
# Things to consider....

- Have an updated NIH Biosketch for filling in education and training components
- Establish timelines for yourself
- **Will need to complete the following:**
  - Research Activities (8-pages)
  - Research Accomplishments, for renewals only (2-pages)
  - Career Development Plan, for independent researchers (2-pages)
  - Training and Mentoring Plan, for mentored researchers only (2- pages)
  - NIH Biosketch (5-page limit)
  - Personal statement (1-page limit)



# Tips consider cont.....

- Ask others who have received LRPs if they are willing to share personal statements as examples
- Attend loan repayment technical assistant conference calls or NIH LRP Information Center  
<https://www.lrp.nih.gov/contact-engage>
- Keep documentation of your loans in order (e.g., current balance, principal, interest; consolidate)
- Employment verification
- Follow instructions! Sounds simple but can weed out applicants (formatting, font, page limits, necessary information, filenames, etc.)



# Tips consider cont.....

- Know your lending institution information (account numbers; types of loans you took out; consolidation dates; interest; balance; original amount borrowed)
- Be polite in requesting information from individuals



# Tips for Writing a Competitive LRP Application

These tips will help you strengthen your application.

1. Know the funding priorities of your NIH Institute or Center.
2. Effectively demonstrate your qualifications and commitment to research.
3. Describe resources and support thoroughly.
4. Write a strong research plan.
5. Provide strong letters of recommendation.

*To download this complete document, visit  
[http://www.lrp.nih.gov/pdf/0310\\_1\\_application\\_tips.pdf](http://www.lrp.nih.gov/pdf/0310_1_application_tips.pdf)*



- Do your research.....prepare, study
- Familiarize yourself with the process

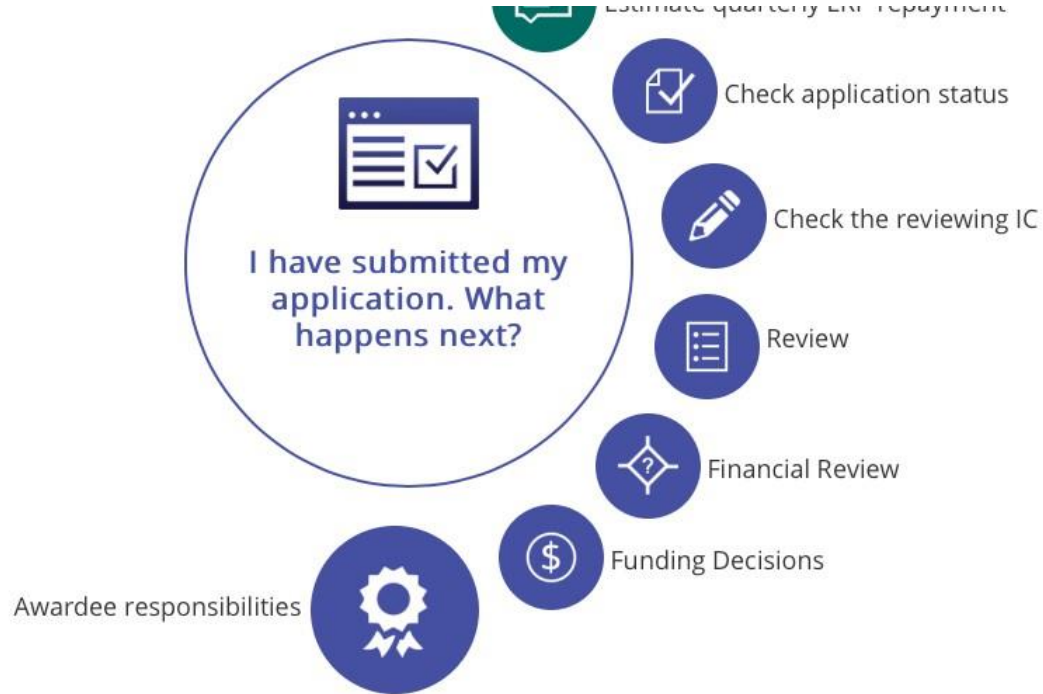
<https://www.lrp.nih.gov/infographics>



<https://www.lrp.nih.gov/infographics>



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# Other strategies for paying off debt.....

- Pay off minimum balances
- Avoid late fees, they add up
- Budget
- Roommates
- Payoff loans or debts with highest interest first
- Ask yourself if what you are thinking of buying is what you need or what you want
- Keep all financial documents in one place
- Consult with financial counselor or one at your institution regarding your situation



# Strategies for getting through the whole financial process....

- Try to take it one day at a time
- Keep your focus on your career and goals
- Apply those cognitive reframing strategies to challenge your thoughts if you feel discouraged or overwhelmed
- Reapply
- Get creative....
- Try not to get caught up in social comparisons with peers or others; everyone's financial situation is different!



# Remember, eventually.....the loans will be paid off one way or another.....



# Thank You! & Questions?

