

# Evaluating Graduate School as an Investment

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# GOAL OF THIS DOCUMENT

- Provide insight into how to determine whether graduate school is worth the cost

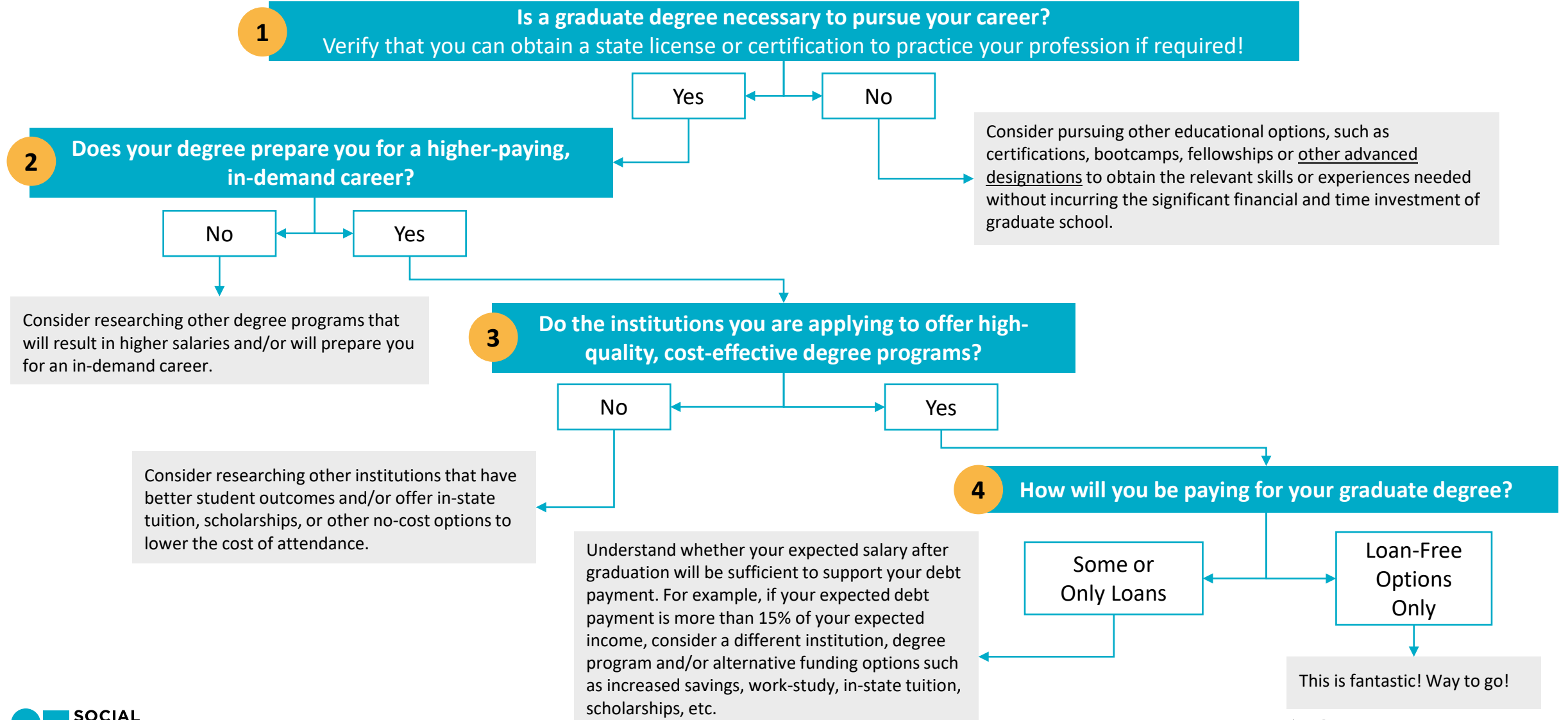
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# Roadmap to Evaluating Graduate School as an Investment of Time & Money

# GRADUATE SCHOOL IS AN INVESTMENT OF TIME & MONEY IN YOUR FUTURE

This decision tree offers a roadmap to evaluate the return on investment of pursuing a graduate degree



# Researching your Career Path

# GRADUATE SCHOOL AND YOUR CAREER PATH

Determine whether graduate school is necessary for your chosen career

## What are the requirements for your career?

Once you've determined the career you'd like to pursue, **research the qualifications needed for someone in that field**. Are there specific skills, experiences, or other qualifications that you will need?

## Is graduate school necessary?

After determining the requirements of your chosen career, ask yourself whether a graduate degree is required or otherwise advantageous. For some careers, you may be able to **pursue other educational options, such as certifications, bootcamps, fellowships or other advanced designations** to obtain the relevant skills or experiences needed without incurring the significant financial and time investment of graduate school.

## Examples of Other Educational Opportunities



# Choosing Your Degree Program and Institution

# SELECTING YOUR DEGREE PROGRAM

A graduate degree is an investment in your future. It is important to make sure it is a worthwhile investment.

## Is there demand for jobs that require your graduate degree in the labor market?

1. If a graduate degree is required for your chosen career, it's important to consider whether and how much job growth there will be for occupations that require your degree. This is a useful proxy for determining **how likely it is that you will be able to find a job in your desired field after graduation** (see links to relevant data sources in footnotes below for your own research).
2. **It's essential to consider how you could pay for your graduate degree.** Graduate education is expensive. There are **very limited** scholarships available. You may be able to secure private loans, but you will need to repay them.
3. Determine how **much debt, if any, you can afford to take on to finance your education relative to your expected future earnings.** This is known as your debt-to-income ratio, which should ideally be less than or equal to 15% for student loans.
4. You will also need to determine whether you will be able to **obtain a license or certification to practice in your field.**

Occupation	Expected Job Growth (2022-2032) <sup>1</sup>	Median Salary (2022) <sup>2</sup>	Most Commonly Held Degree	
Nurse practitioners	45%	\$124,680	Masters	High Growth
Data scientists	35%	\$115,240	Bachelors	
Physician assistants	27%	\$125,270	Masters	
Speech-language pathologists	19%	\$89,460	Masters	
Financial managers	16%	\$166,050	Bachelors	Moderate Growth
Clinical and Counseling Psychologists	11%	\$102,740	Masters	
Optometrists	9%	\$133,100	Doctorate	
Lawyers	8%	\$163,770	Doctorate	
Sociologists	5%	\$101,310	Masters	
Accountants and Auditors	4%	\$86,740	Bachelors	
Education administrators, postsecondary	4%	\$115,180	Masters	
Physicians	3%	\$238,700	Doctorate	Negative Growth
Elementary school teachers	1%	\$68,000	Masters	
Nuclear engineers	1%	\$124,540	Bachelors	
News analysts, reporters, and journalists	-3%	\$86,290	Bachelors	
Computer programmers	-11%	\$102,790	Bachelors	

1. Source: Bureau of Labor Statistics, Employment by Detailed Occupation, <https://www.bls.gov/emp/tables/emp-by-detailed-occupation.htm>  
 2. Source: Bureau of Labor Statistics, Occupational Employment and Wage Statistics, <https://www.bls.gov/oes/tables.htm>



# CHECKLIST FOR CHOOSING YOUR GRADUATE INSTITUTION

Use an outcomes-based approach to research where to attend graduate school

Metric for Evaluation	Why the Metric is Important	Dreamers Graduate Loan Program Eligibility Benchmarks	Where to Find the Information
Cost of Attendance	It's important to understand the <b>overall financial cost of attending a specific institution so that you can ensure you are able to afford to attend</b> . Institutions with similar outcomes may have very different costs of attendance.	<b>Loan amounts are available up to the eligible degree's annual loan cap each year.</b> Loan caps are set to ensure that graduates will not face burdensome debt-to-income ratios. Students should review available loan amounts in the context of cost of attendance and other available funding sources.	Cost of attendance is usually found on your degree program's webpage. For public universities, it is usually under "Cost and Aid" or "Financial Aid" tabs on the institution's homepage.
Degree Program Accreditation	Attending an <b>accredited degree program is often a prerequisite to practice and obtain a license</b> in a particular field after graduation.	<b>Eligible degrees must be accredited</b> at the institution.	Found on the institution's specific webpage for your degree program.
3-year Average Cohort Default Rate	Low cohort default rates (CDRs) indicate that students from that institution have <b>post-graduation incomes that can support the debt they take on to attend</b> .	<b>For institutional eligibility, the average CDRs for the five most recent borrower cohorts must be less than 8%.</b> The eligible scholarship programs' partner institutions with CDRs between 8-12% will be considered on a case-by-case basis.	You can search this <a href="#">database</a> for your institution's recent CDRs.
Graduation Rate	High graduation rates are correlated with institutional quality, indicating that <b>students who start their program are likely to complete it</b> within a specified time period.	<b>While there is no hard cutoff program eligibility, we prefer that graduation rates of at least 80%</b> within 150% of the specified time to complete the degree. For example, if the program is 2 years, then the graduation rate would represent the share of students who completed the degree within 3 years.	Found on the institution's specific webpage for your degree program.  <b>Example:</b> A student pursuing a Master's of Counseling at Arizona State University could navigate to <a href="#">this page</a> and locate the 'Program Outcomes' header at the bottom of the page, where the student could locate <a href="#">annual program reports</a> and key stats on historical program outcomes.
Job Placement Rate	High job placement rates indicate that <b>the labor market values a degree from that institution and that the institution prepares students well</b> for their careers.	<b>While there is no hard cutoff for job placement, we prefer job placement rates of at least 85%</b> (or residency match rate for some medical fields).	Typically found on the institution's specific webpage for your degree program. See example above.
National Exam Pass Rate	High exam pass rates indicate that the institution equips students with the <b>necessary training and signals a higher likelihood of obtaining a job in the student's field</b> , which is often conditioned on passing licensing exams.	<b>While this will vary by profession and there is no hard cutoff, we prefer that exam passage rates are on par with or above the national average pass rates.</b>	Typically found on the institution's specific webpage for your degree program. See example above.

# Recap

# RECAP OF EVALUATING THE ROI OF GRADUATE SCHOOL

## Research your career, degree program, and institution

- What are the requirements for your career? Is graduate school necessary?
- What degree program will set you up for a higher-paying, in-demand job in your field?
- **Which institutions offer the best outcomes for the lowest cost (most value)?**

## Save, save, save!

- **Borrow the least amount possible for graduate school.**
- Savings/income are an effective way to minimize how much you will need to finance and will make graduate school more affordable.
- Leverage financial aid offers from schools you're accepted into to negotiate your scholarship aid package and/or tuition **as soon as you have been accepted and before you make your final decision.**

## Understand your DTI ratio

- DTI is a measure of how much debt you have, including interest, relative to your income.
- Ideally, you will want your debt-to-income ratio to be as low as possible with **15% as the recommended upper bound for your student debt.**

# DISCLOSURE

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