

**EPISODE 999**

*“DF: If you are someone that is new to the job market and you’re about to start at a new company, I would definitely ask before I accept the position, ‘What is tuition reimbursement? Like what does your company offer?’ There are some places that actually something great reimbursement.”*

[INTRODUCTION]

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**FT:** A good chunk of you guys do want to go to grad school or have gone to grad school. Maybe you’re a parent with a child who’s on his way, on her way to college or grad school, so dedicating today’s episode to how to afford education affordably, maybe even for free.

Welcome to So Money, everybody. I’m your host, Farnoosh Torabi. I have a special guest today, a listener actually who reached out and suggested that we focus on this topic, and I said, “Absolutely. Let’s do it.”

Daniel Forbes has a PhD in Education Policy, Organization, and Leadership from the University of Illinois at Urbana-Champaign. From that school, she also holds a Master’s in Education Policy Studies. She also has two bachelor’s degrees in English and African-American studies from Penn State. We share an ammeter.

Clearly, she’s passionate about education. She’s even more passionate about helping others get to school affordably within their means, possibly even free. Daniel was able to attend graduate school for free, so she’s going to talk not just from her personal experience but also her research, all the different ways that you can bank on going to college or graduate school for much less than the sticker price.

Here’s Danielle Forbes.

[INTERVIEW]

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**FT:** Danielle Forbes, welcome to So Money.

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**DF:** Thank you for having me, Farnoosh.

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**FT:** I'm a lucky podcast host. Let me tell you, I have the privilege of having some really smart listeners who come to me with ideas. Danielle, that's how you and I connected. You're a listener on the show and you direct messaged me on Instagram with a suggestion, which is so like spot on. I'm really excited to dive into how to go to grad school basically for free. That's definitely something people are going to click on.

I really appreciate, first of all, that you have so much content to share but that you also reached out. I think this is the beginning of a trend here where, as you all know, I try to stay really engaged with listeners, bringing you on the Friday Ask Farnoosh show as a cohost, appreciating your reviews on iTunes, and giving you guys 15-minute money reviews when picking someone at random every week.

But if you have ideas for me and you would like to share the mic and talk about these ideas, whether you've been through debt or you have some really important advice to share because you have the experience, let me know because I do believe that we're all experts. It's just a matter of kind of identifying that expertise and bringing it to life. We have all got money stories, and through that comes expertise.

Anyway, Danielle, again, I really appreciate you. Before I get deep into your amazing tips for us, anyone listening want to go to grad school, yeah, I can't stop listening. This has – You have to stay through the end. This is going to change your life. Tell me a little bit about how you got interested in this topic. I know you personally are a big lover of academia. You have many

degrees. So tell me about your back story and how you got to this point where you became so passionate about helping people with education.

[00:04:02]

**DF:** Okay. Like you, Farnoosh, I'm also a Penn State alum. I was at Penn State. I was interested in applying to graduate school, so I apply for a PhD program. Maybe I should rewind a little bit. I actually did this program called the Summer Research Opportunity Program and the McNair Scholars Program. Basically, the point of those programs is to get undergraduate students to conduct research during the summer and then to apply to PhD programs or graduate level programs, if it's not master's degree.

When I was doing my search and I was looking for programs to attend, I ended up going to the University of Illinois at Urbana-Champaign, because they gave me a fellowship. For those of you who don't know, a fellowship is basically when the school pays your tuition and they also give you a stipend monthly to live off of. I had gotten into NYU in Columbia's master's program. But that year, the programs, they were maybe about 40,000. That was only for one year.

When you think about multiple years, if you are going to do a master's program, that's 40,000 times two, right? So it's about 80,000 for two years. Since I wanted to do an education degree, I didn't feel like the rate on return would actually be worth it to pay for a degree that's 80,000. So I decided to go to Illinois and I also feel like Illinois had a lot to offer. Illinois was where I'm going to get my master's and my PhDs. I actually ended up going there, because they gave me an entire package to fund it.

What many people, I would say, do not know is that PhD programs are actually mostly fully funded if you decide to go full-time. I would tell people that if you get into a PhD program and they don't fully fund you, I wouldn't go, because most of these programs are about 50, 60,000 a year. If you're [inaudible 00:05:39] program and it's five years, that's about, what, 60,000 times five. That's about 300.

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**FT:** But before you get to the PhD, there's the master's, and a lot more people pursue a master's I think than a PhD. Some people intend to go for the PhD. Then the master's kind of burns them out, and that's where a lot of the money does get spent. Before we get into your advice, I'm curious, how would you answer someone's question about, "Is it worth it to get my master's, financially worth it?"

I find myself more often than not telling people not to do it, unless, of course, it's a requirement. Even then, I'm like, "Try to get a scholarship or go somewhere cheap."

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**DF:** I think it's fine if you want to pursue your MBA but I also like there are certain questions you should find out. You should also attend admission seminars. Many schools have open houses, so something I would do is actually attend. If there's an admissions officer there or an advisor, I've actually asked questions like, "What type of jobs do your students receive after they graduate? What type of companies do they work for and what is the amount of scholarships that you guys give? Is it 25%, 50%, 75%, 100%?"

I think those are some great questions to ask, because when you could find out that type of information, you can weight which school you'd like to go to and which school gives you the most money. Even being in the program, I think if your program has like internships if you go full-time, I think that's a great opportunity or a great thing to take advantage of. If you're going part-time, I would definitely ask them, "What type of money do you offer for part-time students and what type do you offer for full-time students," because that can be two different packages.

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**FT:** Now, going back to your personal story, tell us what you're doing now? Are you coaching people specifically on this or this is just a passion?

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**DF:** This is just a passion [inaudible 00:07:27]. I actually have people ask me. I actually had friends, and people just ask me in general like help with like the whole essay process and just applying to graduate school in general like how will they find money to apply. But also, what do they have to put together in order to apply to a graduate? It's not just essays. I tell them, "Hey! You should send an email to me with the department head."

Many people don't know they have something called like a tuition waiver, and a tuition waiver is basically where your tuition is waived like the entire semester. Usually, departments have about two to three in them. But as someone applying, you might not know that and you don't have to get back any service to the university. It's just a tuition waiver and it basically waves your tuition and you just go to class.

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**FT:** Wait a minute. What do you have to show to get that? Do you have to show hardship? Do you have to show anything like that?

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**DF:** No.

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**FT:** No?

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**DF:** No. It's usually you can ask the professor. You can ask the department chair. Usually, the person that's the head of the department can tell you how many tuition waivers they have. I mean, I've also spoken to current graduate students that are in different schools around the country, and some of them told me their departments might have like two to three.

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**FT:** Do they have to give them out like if it's – Is it something where they will award it if nobody has asked for one?

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**DF:** No. Usually, if you ask for it, they might say, “Hey! I have two.” But they might not have made a decision of who they're going to give it to. Usually, in about February, if let's say you apply – Usually, the deadline is by December or February maybe for like a MBA or a master's program. Sometimes, they don't know who they're going to give the money to until maybe about like maybe I would say March or April. They usually tell you if you get a fellowship or assistantship or a partial scholarship. But tuition waivers, those are in packages. Usually, you can just ask people or the department [inaudible 00:09:14] could just decide, “Hey! Let's give this person a tuition waiver.”

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**FT:** So far, what I'm learning from you is fellowship, which is something that you took advantage of. Can you give us a little bit more instruction around that, like where do we find these applications? Do we have to be super smart? A lot of us just already like disqualify ourselves from free money, because we're like, “Oh! I don't get straight As. I don't have anything specifically unique about me. I probably won't get the free money.”

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**DF:** Okay. There's a lot of money out there. I feel like just a lot of people don't apply. Usually, whenever you apply for a program, everyone that applies is always in the pool for any type of scholarship. It's doesn't matter – Usually, 3.0s are good, but let's say you're someone who had just been working maybe the past five years since you left undergrad and then you decide to apply for a master's program. More than likely, everyone is in the pool, so I wouldn't worry necessarily what my GPA was in undergrad. I would think about like, “What am I doing now?”

A lot of you might be doing like outside activities. You're a part of different organizations or maybe you're like volunteering. Those are all great things to add to your admissions, to your package. Some great places I would say to look for some of these scholarships are definitely Fastweb, Scholly. Scholly is an app, and basically you just put in information about yourself, the type of degree program you're looking for. Sometimes, it might ask you certain specifics like have you volunteered to upload a resume.

I also like GoGrad. Surprisingly, Sallie Mae actually has a search engine, and they actually have their own scholarship where I believe they give away about \$20,000. You can apply. I guess a certain amount of people don't get \$20,000 too.

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**FT:** I know a lot of people who have done this for undergrad and who have been successful where they just – You just do a couple of these, and then basically all the applications are very similar in terms of what they're asking you for. You spend time on the first couple. Then after that, it's a lot of copy paste. Everyone should do it.

All right. So fellowships. We have also now covered talking to the school and asking about tuition waivers. I didn't know that. Attending open houses and talking to everybody there, including current grad students about some of the things maybe they had taken advantage of.

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**DF:** What is it like to go to school here? Do you enjoy being here? Have you had any internship? Do you know anyone on that has had any job offers since you've been here or have you have any job offers? If they're like in their second year, about to graduate.

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**FT:** Some people think like when it comes to things like an MBA that if you are going to pay the big bucks, you are better off going to like the top five schools or the top 10 schools that have the best track record as far as placement but also the alumni network, which is often where the pot

of gold really is, because I know so many friends who might've gone to Harvard. It was 20 years later tapping the alumni network, getting people to invest in their startup just because they want to support a fellow Harvard graduate.

My parents always believe that. If you're going to spend the big bucks on school, I mean, to an extent, you don't want to go like half a million in debt. But if you are going to do a lot of money, then make sure that it's got a really strong track record as far as getting you out there immediately earning money and then down the road also making a lot. Do you feel the same way?

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**DF:** I will say this. I can see it from both sides but I also think you have to remember not everyone could go to Harvard, not everyone could go to Yale. I definitely think there's a lot of top programs. I feel like as you go to maybe the top 100, I would even narrow it down to maybe the top 60, but I also like it's also who you know and who you network with.

You can still have someone that has a Harvard degree that might – Let's say they have an MBA and they might work in a top firm or depending if they want to work on Wall Street – Let's use that example. But then let's say someone goes to a school that might be, I don't know, number 60 on the list. But because one of the professors that they had in class, one of their friends might work there, "Hey! I'm looking for this person with this type of skills," that person that goes to the school that's number 60 is at the same place as the person that attended Harvard. So I also think networking is important also.

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**FT:** Yeah. If you're a go-getter, you'll be successful anywhere in life is my thought. Not to go off track a little bit but sometimes I feel like if you're a smart and capable student, you might want to just go to the public school and save money because you're going to be successful no matter what.

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**DF:** I think I definitely agree.

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**FT:** Maybe that's a debate, but this is good. I'm really appreciating this. Going through – You gave me an exhaustive list before we started recording. In terms of tuition reimbursement, this is something that we haven't really talked about. Do you see companies doing this more and more where like – Walk us through this a little bit and paint this picture and what – How does this really work for graduate students?

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**DF:** Let's say you're working in a company. They're maybe a year or two, right? The best thing to do is to actually speak with HR and ask them what type of tuition reimbursement that they're offering. If you are someone that is new to the market and you're about to start at a new company, I would ask before I accept the position, "What is tuition reimbursement? What does your company offer?" There's actually some places that actually offer some great reimbursement. I have AT&T, BP. They actually offer 90% with tuition fees and books. I know Bank of America offers up to about 5,200, but they have to be job-related courses. I know Verizon offers about up to \$8,000 in tuition reimbursement as long it's related to business.

I would say there are some certain speculations that everyone should ask on does it include textbooks and fees. Also, for tuition reimbursement, is your company only offering a certain percentage? Are you only paying for 50% of the tuition, 25%? There's one other thing. When your company says that they're going to reimburse you your tuition, make sure you ask, are they giving you a separate check or are they going to add it to your current pay.

Let's say your tuition for the semester is \$2,000. They might tell you that you have to pay the \$2,000 first and then they will reimburse you the \$2,000 but they might add it in your pay. Technically, you're not making back the \$2,000 because you're getting tax on the \$2,000 that they're adding to your pay. So make sure you ask those type of questions. One of my friends, they had a MBA paid for, but then that was a situation where they had to pay first, and then the

company reimbursed them but they added it in their pay and they ended up being taxed on it. It's very important to understand what type of question reimbursement is being offered.

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**FT:** What is the risk there? I guess the risk is that you end up not wanting to work for the company, and you have to pay it all back right away, right?

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**DF:** Right. But some companies have stipulations. Let's say if they're going to pay for you for two years to go do your MBA, they might tell you that, "You have to give us back two years and you might have to give us back four years." It all depends on what the company's role is. But I know like let's say they might tell you, "Hey! You're going to be laid off. I know you're not responsible for that amount. But if you decide to leave the company, you'll be responsible for the entire amount."

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**FT:** Are universities and colleges recognizing that they need to do something financially attractive to get the best candidates? Because if you are really qualified and you have your pick of the schools, I would expect that like financials would make a difference. With college, I feel like something has to happen. People can't continue to pay at the rate of, what, three times the rate of inflation every year it's going up.

The job market – The salaries have been stagnant, entry-level jobs. Something has to happen. You can't just expect all these prospective students to just figure it out, right, and like you'd be really strategic. Not everybody can do that. Otherwise, the colleges wouldn't make any money. So what do you see as far as some of the maybe changes that graduate programs are making? Maybe they're opening up their coffers a little bit more to get all the talent that they want to stay competitive and things like that.

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**DF:** All of these institutions is definitely a business. I know they make most of their money from their master's programs, because mostly those are the programs that are funded. But I would say that the best thing to do is to compete if you have an offer. Let's say you have two offers. Let's say you have an offer from University of Michigan and then let's say you had another offer from UPenn, right?

Let's say each program is about the same. Let's say they're a MBA program for one year. This is just an example. Let's say it was 40,000 for each program. Let's say that University of Michigan gave you a package of maybe about 30,000, so then you would have 10,000 to pay out-of-pocket. But then UPenn decides, "Oh! We're only going to give you 20,000 and we're only going to give you 20,000, because this is based on prestige, like everyone wants to go to UPenn." I would say go to University of Michigan, because Michigan is giving you the most money state.

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**FT:** I mean, you and I went to Penn State. We know the value of a public school education. Was that – A personal question, when you decided on college, were you always attracted to sort of the state schools? I mean, there are so many benefits I think to going to state schools. Financials is definitely a draw, but how much was that a factor in your personal choices as far as where you went?

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**DF:** I applied to a lot of state schools for undergrad, and it was for that specific reason. I definitely looked at how much money I would have to pay but I also looked at what am I getting out of the program. What am I getting from the program that I decided to do? When I first went to undergrad, I wanted to go to law school. Then when I was at Penn State, I kind of like did these research programs, and that's when I decided I wanted to pursue graduate study.

But I would say if I'm a undergrad, I think it doesn't really matter where you go. But I wouldn't go to the school that's telling me, "Oh! This school is a private school that's 50,000 a year," because the amount of debt that you're going to accumulate in four years is definitely a lot of

money. So I wouldn't do that. But, I mean, like you said, there is nothing wrong with a state education. Just going to Penn State, I got a lot of doors opened for me.

We're part of the whole Big Ten and now in Big 12 because we added records, and I believe University of Nebraska. Because I went to Penn State, I was able to apply to other Big Ten schools at the time, and they would waive your application fee, because you're in the Big Ten like alliance. There is also summer research programs. Is it okay if I talk about this for undergrad students? Let's say you might be interested in the sciences; science, technology, engineering, or math. I just have a few here, like I did the Summer Research Opportunity Program. But also all the Big Ten schools; Michigan, Penn State. They all have something called the Big Academic Alliance, and that's like a summer program for undergraduate students. It's for like sophomores and juniors, as long as you have one semester left in undergrad.

These programs basically pay for you to come to the University for a summer, maybe about six to eight weeks. You work with a professor. It can be in any field. It could be humanities, STEM, business, anything. Basically, they pay you. A lot of them pay between 3,000 maybe \$8,000, and they also give you free housing. It's a great opportunity to figure out what you might want to do with your life, if you're not sure. If you're an undergrad and you're not sure what you want to do after graduate school.

A lot of these programs – Let's say you do another summer program at another school, like if you went to Penn State and then – I did a summer program at the University of Michigan. A lot of these programs will allow you to apply to different graduate programs and waive your application fee. Speaking about business, Columbia, their business school, they actually have a summer research internship program for students where they can actually come for the summer. You can come from any university. UC Berkeley has a program. UC San Francisco, they have a program for undergrads and health sciences.

These are just a few. But if you go online and you Google summer research programs, a lot of programs will show up.

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**FT:** Something my parent – My dad has a PhD, so he knows all about school, right? I mean, a little dated now, but he was all about state school undergrad because he said, “I feel like you, Farnoosh, you’re going to want to continue your education.” I didn’t really have a choice because I’m Iranian. That’s what you do. You keep going to school. I didn’t want to be a doctor or a lawyer, so I was like, “I’ll get my Master’s in Journalism.” They’re like, “Okay.” He was like, “Look. Whatever you want to do after college, assuming it’s going to involve a higher Ed situation, master’s, PhD, don’t waste all your money on undergrad right now, because it won’t matter. Where you get your last degree is what matters most is far as what you want to do next.” That was his philosophy.

By the way, Penn State, all these Big Ten schools have huge research departments.

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**DF:** All these schools bring in money, even my current data work than I’m at – A lot of people that I work with, they’re gone to Columbia. They had gone to all these top schools. So even though I went to University of Illinois, I still ended up at the same place as people that have gone to the top schools. I agree with you. As long as you’re someone who’s really about networking at times with the right people, if you go to a summer program and you work with a professor and they know people, you can end up in these graduate programs.

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**FT:** So much of who you know. Yeah, I remember when I was applying for graduate schools. I applied to three schools; Northwestern, NYU, Columbia. For journalism, you don’t really have a lot of programs to choose from, and I really wanted to stay close to the East Coast, so I didn’t go any further than Chicago. I got into all the programs. NYU actually offered me money, and it was because I had been networking with their department head since the summer before. He was a Penn Stater. Yeah. I mean –

But the bottom line was, it was still going to be more money to go to NYU, even with the scholarship, a little bit of scholarship, because it was a longer program. It was almost a two-year program versus Columbia was 10 months. It was actually – Even though the tuition per year

was higher at Columbia, I was just going there for 10 months or a year or so, not two. As opposed to NYU was – At the end, all said and done, it was going to be a longer investment. Also, I just – It was always my dream to go to Columbia. I wanted to go there for undergrad. I didn't get in. Even if I had, I'm not sure we would've been able to afford it.

It all worked out, but definitely there were a lot of conversations behind the scenes about how to make this really “worth it.” I feel like I was channeling you even before I knew you at that moment. So much information you've shared with us. I hope we're helping change lives here. I think we are.

Quick nosy personal-finance question for you, Danielle, what are you working on personally on your finances this year? What's a big goal for you and how are you getting there you think?

[00:24:27]

**DF:** One of my goals is I would like to buy a house. I'm hoping I can buy a house maybe the end of this year. The way I go about it is I actually just save a certain amount a month. I think one of the best things is always to budget. Budget how much you're going to have for the year or monthly. When I say monthly, budget every month. Know what's going in and know what's coming out of your account and just decide what goal you need to hit for that year.

This year, I want to save for a down payment. Each month, I make sure I allocate a certain amount going from my checking to my savings account every time I get paid to make sure you don't touch that money. That's what I do and that's basically how I'm going to hit one of my money goals this year.

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**FT:** Sounds very straightforward but did you have any emotional issues with it, like did you have to cut back on stuff? Was it a little bit of a hard adjustment at first?

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**DF:** For me, I like to travel. So something I've cut back on, it's probably traveling. I realized if I want to do like a lot of international trips, I would have to cut that time to maybe one or none. This year, I'm not doing any international trips but I went on a few last year. That's one of the things I actually cut but I wouldn't say to drastically take something away. For me, I decided instead of doing international trips this year, I would do like small trips like local and domestic trips like in the United States.

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**FT:** Still doing what you love but local. Danielle Forbes, thank you so much for joining us. This has been a little bit of a different episode where we really dived into a topic that I think is near and dear to many listeners and even parents listening who are helping their kids navigate academia and the cost of school. This has been very valuable, so we thank you and wishing you all the success with your home purchase this year.

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**DF:** Thank you so much, Farnoosh. Thanks for having me on the show. I appreciate it. Have a great day.

[END]