



If You Are Going To Skydive, You Need a Parachute: Navigating the World of Higher Education as an Adult/Returning Student

Sara Anne Hook and Cori Faklaris

Indiana University School of Informatics and
Computing, IUPUI

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About the Presentation

- This special session at InWIC is designed to offer insights, practical tips and encouragement to anyone who is thinking about – or in the process of – pursuing additional education.
- The co-presenters will offer their personal experiences in navigating the financial, logistical and emotional/psychological issues involved in being an adult/returning student and will provide a number of useful resources and tips for addressing these issues.
- The session will include time for participants to share their own experiences and to form a network for support in the future.

Is Now the Time?

- You have reached that point in your life where a change is needed.
- Perhaps you have been contemplating an upgrade to your skill set, a new degree or certificate, additional credentials or even a completely new career.
- The world of higher education has changed significantly even in the last few years and there are many more options for adult/returning students.
- Hybrid and online degrees and courses offer a particularly flexible alternative for those with jobs and family responsibilities or who are in rural areas not served by large universities.

Is Now the Time?

- Savvy universities now recognize that women students want:
 - a sense of community in their courses
 - informal learning spaces
 - mentoring
 - support services
 - the opportunity to apply their skills and talents towards activities that contribute to the betterment of society as well as to increasing their incomes

Two Different Paths to Higher Education

- Sara Anne Hook not only survived, but thrived, as she earned two advanced degrees and additional credentials while working full-time and facing many personal challenges and resistance from family members.
- Although she was fortunate to be able to pursue her degrees as a part-time student, which mitigated some of the financial risks, she had to learn to juggle the demands of her job and loved ones with classes and homework, meaning that she developed useful time management and study habits that serve her well to this day.

Two Different Paths to Higher Education

- On the other hand, Cori Faklaris “took the plunge” and is seeking her degree as a full-time student, which provides more time for homework and involvement in campus activities, but means that the financial challenges for her are greater.
- This freedom and flexibility has allowed Cori to publish articles and give presentations at prestigious national and international conferences.
- She has already amassed a significant body of work that will serve her well as she transitions to a PhD program and a new career.

I Wanted My M.B.A. So Badly

- For job hunting, I used the public library because there was no Internet then
 - Compared job ads and offers – location, salary, opportunity for raises and advancement, responsibilities, etc.
 - Best M.B.A. programs around the country - using the directory for graduate degrees published at that time
 - Consulted *Places Rated Almanac*
 - Consulted telephone directories
 - What was the best employer where I could get a quality M.B.A. degree and have some assistance with tuition
 - That's how I ended up at Indiana University – so I could get my M.B.A. from Kelley School of Business and enjoy the fee remission
 - But I had to take Calculus four times!

Funny and Not So Funny Stories

- I dare you to apply....
- Paid for both M.B.A. and J.D. by doing freelance projects
- The tote bags
- There's a fire in the library....
- How do I tell my parents that I'm going to law school
- Under-cooked take-out ribs – right before my law review paper was due
- Deleted my law review paper – twice – and that was before the tornado – in November!
- Bar exam review course and studying in the cold
- Taking the bar exam – then finding out that I passed!

Still One of the Best Things I've Ever Done!

- Getting my law degree!
 - No matter how scary it was.
 - No matter how busy I was.
 - No matter how stressed out I was.
 - No matter how hard I had to study.
 - No matter that I raced back and forth between classes and my job – and then home to study.
 - Even though I wondered what I would do with my degree and why it would matter to my future.
 - And even though I got divorced in the middle of it!

Suggestions and Tips for Part-Time Students

- Investigate your degree and career options thoroughly.
- Be sure that the “fit” is there and know what is possible once you have your degree. (J.D. versus actual job opportunities)
- Be ruthlessly well-organized.
- Prioritize.
- Preserve your energy – compartmentalize!
- Plan ahead.
- Give yourself “margin” - as described by Joyce Meyer.
- Look for online and hybrid programs and courses.
- Consider certificates and alternative sources if all that you need is the content, not the credential.

Tried part-time, but decided full-time was best

- I had moved to Indiana to **take advantage of in-state graduate tuition** but put it off during my career advancement.
- I **started classes part-time** toward a Purdue M.S. in computer science. But it was more difficult than I had foreseen.
 - **Hard to transition back** to college world! Age insecurity, attitude differences.
 - **Tough to juggle** adult life with a program geared toward traditional students.
 - **High-stakes work project** on a tight deadline dumped in my lap => an incomplete, then an F in a required class that ended my CS degree path.



Tried part-time, but decided full-time was best

- Co-worker entered the IU School of Informatics and Computing & **gave me confidence for another try** for a M.S.
- Elimination of one position, then high-stress environment of my next, made it easier for me to **decide to go back full-time.**



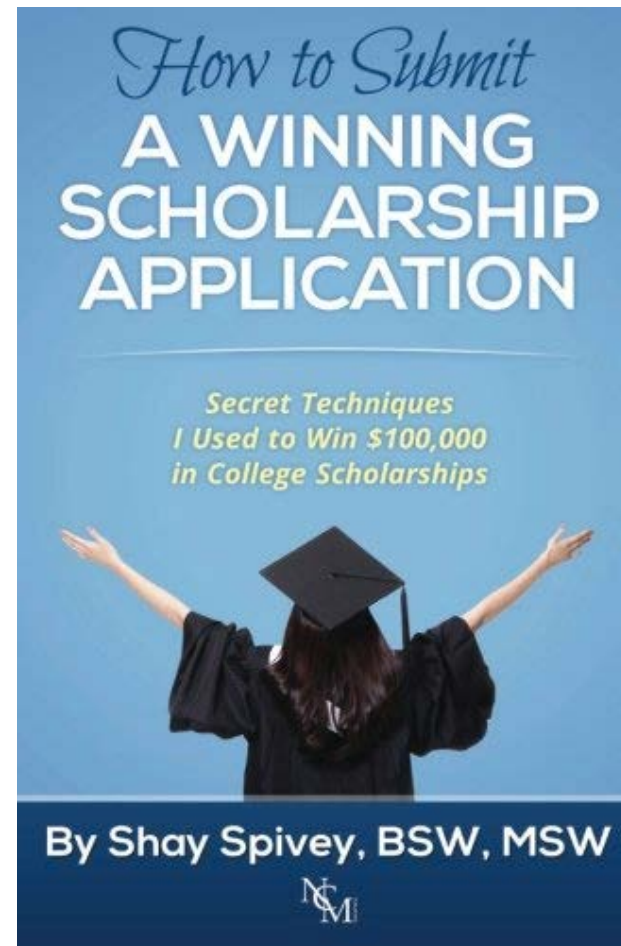
An Adult Student, with Adult Expenses



- My first concern upon acceptance to graduate school was:
How will I pay for it?
- Federal student loans for graduate students can carry **an interest rate as high as 6.31%** --greater than that for many mortgages right now. Private loans can be even more costly.

1. Scholarships, Assistantships, Grants

- Use the Internet to **research scholarships that target adult returning students**, or get the help of a financial aid advisor.
- **Shay Spivey** is an author who offers workshops, YouTube videos.



1. Scholarships, Assistantships, Grants

P.E.O. Projects

- P.E.O. Educational Loan Fund
- P.E.O. International Peace Scholarship
- P.E.O. Program for Continuing Education
 - PCE Eligibility Requirements
 - Meet PCE Recipients
- P.E.O. Scholar Awards
- P.E.O. STAR Scholarship
- Cottey College

PCE Eligibility Requirements

Eligibility

A woman is eligible for recommendation by a local chapter if she:

- is a citizen of the United States or Canada;
- is enrolled in a certification or degree program;
- is living and studying in the United States or Canada for the entire course of study;
- has had at least 24 consecutive months as a non-student sometime in her adult life;
- is within 24 consecutive months of completing her educational program which, at the conclusion of, will lead to employment or job advancement. will complete her program of education within 24 months after the beginning date of the term for which the grant is requested;

P.E.O International offers scholarships (and loans) to women returning to college under its **Program for Continuing Education.**

2. Tap 401(k) and IRA accounts.

- Usually, withdrawals from your **tax-privileged retirement accounts** before 59 1/2 will incur a 10 percent penalty.
- The IRS allows some no-penalty withdrawals to pay “**qualified higher education expenses.**”
- These include tuition, fees, books, transportation, room and board **as estimated in the university’s cost of attendance.**



2. Tap 401(k) and IRA accounts.

- For working students: *Some* 401(k) plans will allow a “**hardship withdrawal**” for reasons that include such IRS-qualified college costs. This money can’t be put back.
- **401(k) loans** may be available at a competitive interest rate. This lets you put money back.
- **But beware:** these loans can strain a student’s cash flow because they aren’t deferred.



2. Tap 401(k) and IRA accounts.



- I rolled over my **401(k)** to a traditional IRA account (contributions are made pre-tax).
- You can make early withdrawals from a traditional IRA that aren't subject to the 10 percent penalty in order to pay the **IRS-qualified higher education expenses**.
- **Roth IRA contributions** (which are post-tax) can always be withdrawn penalty-free.

2. Tap 401(k) and IRA accounts.

- **Caution:** Be wary of depleting your retirement accounts.
- Follow a strategy for an early retiree and **withdraw no more than 4 percent** of the combined balances in any one year.
- Consult **IRS Publication 970**, “Tax Benefits for Education,” for more information on qualified higher education expenses.



3. Use Indiana 529 college savings plan

- You can **set up a 529 plan for yourself** and ask your family to contribute to it.
- Withdrawals to pay for qualified college costs are **free from federal tax**.
- Indiana offers a sweet deal: A **20 percent tax credit** (even better than a deduction) for **contributions of up to \$5,000** made each year to a qualified 529 plan.



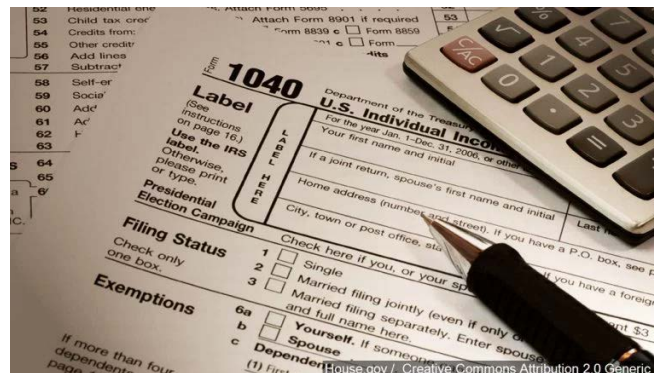
4. Maximizing income-tax advantages



- It was **scary to transition** from a decent income in 2014 to a nearly nonexistent one as a full-time graduate student during the following year.
- But, this also presented some opportunities to **limit my taxes** and **get a refund** to help pay my living expenses in 2015.
- I was guided by **IRS Publication 970**, “Tax Benefits for Education,” in my strategy.

4. Maximizing income-tax advantages

- **To prepare in 2014:** I made sure to **pre-pay my tuition and fees** for Spring 2015. This added to my itemized deductions.
- **I reduced my taxable income** with big contributions to my traditional IRA and 401(k).
- I also **funded my Indiana 529** account (from 3.) by at least \$5,000 in order to capture the maximum \$1,000 state tax credit.



4. Maximizing income-tax advantages

- Result: I received a total income-tax refund of **more than \$3,000** to put toward my living expenses.



4. Maximizing income-tax advantages

- **In 2015 and again for 2016**, I again am taking advantage of the deduction for tuition and fees.
- **Alternate tax deductions:** the American Opportunity Credit, Lifetime Learning Credit. But these aren't aimed at graduate students.
- Scholarships and grants are often **tax-free**.
- **No double tax benefit** is allowed for expenses paid with tax-free dollars.

5. Healthy choices

- The **biggest expense** I have that's not considered a qualified higher education expense is health care.
- Without health care listed in the official cost of attendance, **you can't use IRA or 529 withdrawals** to pay for it.
- **Insurance and care** will cost in the short term, but benefit you long-term. Your health is a financial asset.

- **Sleep, diet, exercise ...
Take care of yourself!**



5. Healthy choices

- I was eligible for **an 18-month continuation** of my job's health insurance under COBRA. This includes vision and dental coverage as well as medical. But without my employer picking up part of the cost, the premiums are high.
- **My university** offers a health-insurance plan for students.
 - It is no cheaper than COBRA.
 - It offers decent, basic medical coverage
 - ... but not vision or dental coverage.



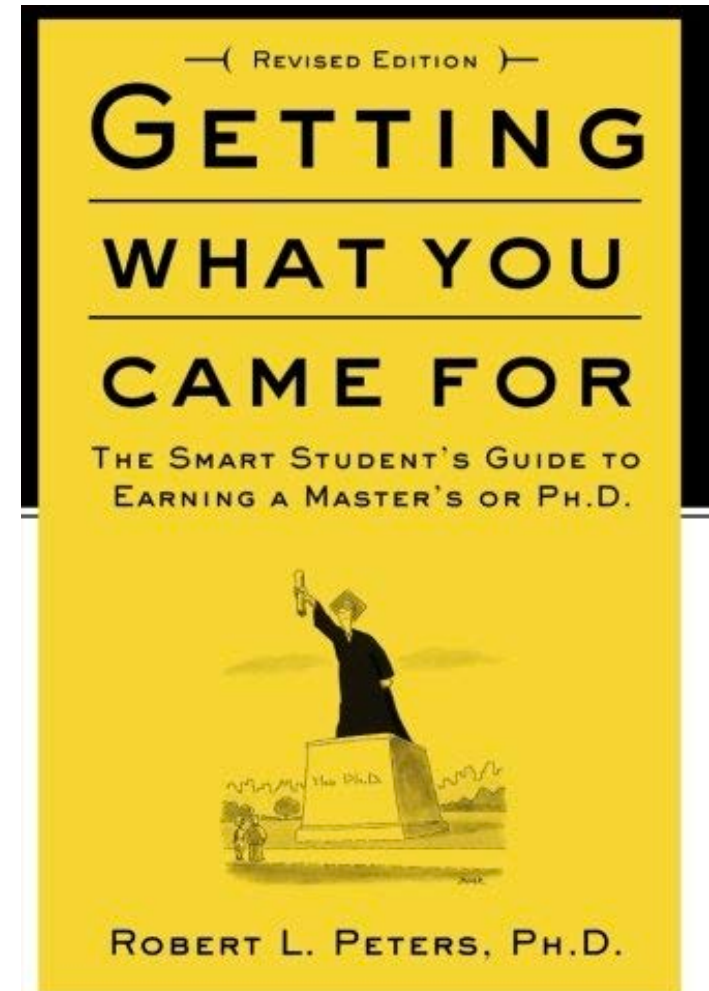
5. Healthy choices

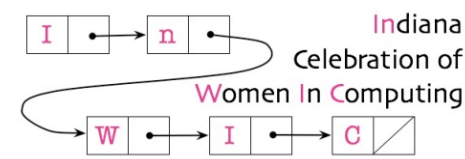
- **Best value currently:** the HealthCare.gov bronze-level medical insurance plans.
- Graduate students likely have incomes below \$29,000 and thus are eligible for the **maximum subsidy for premiums**.
- **Dental insurance** is also available, but plans impose a 60-month delay for full coverage.
- If you pay for uncovered services out of pocket, **keep track** for your year-end taxes.



More advice

- **“Getting What You Came For,”** by Robert L. Peters, has a wealth of first-hand information for graduate students – including advice on financial aid and not going broke.
- **Best member of your graduate team may be a financial planner.** Seek more guidance and ideas for your student balance sheet.





In Conclusion...

- Success is within your grasp, but in order to have smooth sailing, enjoy the view on the way down and not crash to the ground, you need a parachute – a plan for how you will address the risks, meet the challenges and maximize the opportunities and experiences that higher education presents.
- This InWIC session was intended to help you begin to prepare your plan.
- Let's take some time for questions and for participants to share their own experiences and to form a network for support in the future.
- Thank you for attending our session! Sara and Cori