

Going back to school?

3 ways to reduce the cost



If you're considering going back to school, you're likely thinking about how you're going to pay for it. Your total price tag may include not just tuition but also fees, course materials and room and board.



The good news is many people qualify for some kind of financial help. Here are three funding options you may want to look into.

1 Grants and scholarships

Typically grants are awarded based on financial need, whereas many scholarships are merit-based and may require standards, for example maintaining a certain GPA. These are not loans and don't have to be repaid.

Taken together, federal and state governments are the largest providers of grants and scholarships. The most common grant is the federal Pell Grant, which provides need-based assistance to undergraduates and some graduate students. The grant, which has a maximum award of \$5,730 for the 2014-2015 school year, depends on your status as a full-time or part-time student, as well as financial need. Many schools also offer grants and scholarships that may be need-based, merit-based or a combination. Private organizations, like the NAACP and the Boy Scouts of America, also may also offer money to students.

2 Employer-sponsored programs



Your employer may reimburse your tuition, fees, materials or other similar expenses when they're used for career-related courses, since additional education may make you a more valuable employee. Federal tax law allows your employer to reimburse up to \$5,250 of these expenses each year (policies vary by employer), free of federal income tax. However, you generally have to pay tax on amounts above \$5,250.

Many employers require that you stay with the company for a specified period before you qualify for tuition assistance, and they may require that you maintain a certain GPA. Others may have a graduated requirement: For example, if you complete a course with an A grade you earn full reimbursement, while a B receives partial reimbursement.

3 Working while in school

Many adult students work full-time and take one or two classes a semester. If you want to take a larger class load, it may make sense to scale back to part-time work. (Bear in mind, however, that your employer may require that you work a certain number of hours—say, 30 a week—to retain retirement and health benefits.) Also, many government financial aid programs require you to attend school at least half-time. If you drop below, you may lose financial aid or have to begin paying off student loans.



Neither Bank of America nor any of its affiliates provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

Better Money Habits™

Powered by **Bank of America** in partnership with **KHANACADEMY**

For more information, visit
bettermoneyhabits.com