



Organization of American States

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Financing Your US Education *A Comprehensive Approach*

Every year the cost of higher education in the United States escalates. In the 2007-2008 academic year university tuition and fees ranged from \$2,300 to \$23,800 depending on the type of institution and degree. This amount represents the cost of tuition and fees alone; when other expenses, such as housing and transportation are included, the average costs for each student was between \$13,100 and \$35,400¹. These rising costs require international students to utilize a combination of strategies to finance their higher education. These strategies include: using personal savings and cutting expenses, exploring employment possibilities and identifying sources of financial aid, both free aid and loans.

Budgeting

According to the 2007 Open Doors Report from the Institute of International Education, the primary source of funding for international students continues to be personal finances. Since personal finances play such an important role, it is essential that international students develop sound financial habits, such as establishing realistic budgets and reducing personal expenses. When creating their budgets, students need to consider educational costs and living expenses. Living expenses include the cost of housing, transportation, food, clothing, books and other personal items. These expenses can vary greatly in the United States. University financial aid offices and city government, commerce and tourism offices are excellent resources for obtaining information on living expenses. It is important for students to find realistic estimates of living expenses when developing budgets because these costs may be vastly different from similar items in their home country.

Cutting Costs

In addition to creating a realistic budget, students need to find ways of paring their expenses. There are several ways that international students can reduce the costs of their education. One primary way is to choose universities and programs that are more cost effective. Attending a university in less expensive regions in the US is one way to reduce costs. Another alternative is attending a university that offers an accelerated program. Universities offer accelerated programs by allowing transfer credits or advanced standing for studies completed in one's home country, or by allowing students to take courses at community colleges, in the summer, or additional courses during the semester.

Students should also try to find ways to curtail living expenses. Students can reduce housing costs by becoming a resident assistant in a dormitory or living off campus with a relative or friend. Many universities have international or language themed dormitories, which seek to employ international students as residential assistants.

Financial Aid

Due to the high cost of studying in the U.S, many international students will need to find alternatives to relying on personal funds to finance their education. These students need to research what financial aid and employment options are available. Financial aid includes: free aid, typically known as scholarships or fellowships, and educational loans. Free

¹ The College Board, Trends in College Pricing, 2007.

aid is money that students do not need to pay back. This type of aid tends to be highly competitive and requires excellent academic records. Possible resources for free aid include government, corporate, or foundation sources in one's home country, the host university, international foundations, organizations, and the U.S. government. Many governments will provide funding for students, particularly those studying math, sciences or technology. In addition, some employers may be willing to fund their employee's studies. Since students are not required to pay back this money students should apply for as many scholarships and fellowships as they are eligible for.

Part-time Employment

For many international students part-time employment is another option to finance higher education. Under current immigration regulations, after the first year of study, international students may apply to the Bureau of Immigration and Customs Enforcement (ICE) for permission to work off campus for up to 20 hours a week. There is no guarantee, however, that this request will be granted. The university's international student adviser is an excellent resource for information on jobs available to international students and for information on how to apply for permission to work and for the position. In addition, it is important for students to consider how many hours they will be feasibly able to work considering their other academic commitments.

Loans

Loans should be considered a complementary form of financial aid for the purpose of supplementing other forms of financial resources such as scholarships, personal savings, or income from employment. The General Secretariat of the Organization of American States offers both scholarships to students and interest-free student loans to citizens from Latin America and the Caribbean through the Rowe Fund program; which helps finance education, research or training at universities in the United States. The Fund provides funding of up to \$15,000 per individual loan, therefore, in many cases beneficiaries will need to assure additional resources to successfully finance their studies (for more information, visit: www.oas.org/rowe and www.educoas.org).

Students need to determine how much they will need to borrow and how they will repay the loan prior to applying for a loan. A general guideline is to never borrow more than absolutely necessary. Many international student loans require a U.S. citizen to guarantee the loan. In addition, many loans require that the international student already be enrolled in a U.S. university to apply. When developing a repayment plan, students need to consider many factors. Students need to find out what the required monthly repayment will be, when repayment begins and how many payments they will need to make in order to repay the loan. In addition, students should determine how much they will be charged in fees, what interest rates will be charged, and whether there is a loan forbearance period while the student is in school. There are many financial aid websites that provide loan calculator tools to help students in this process. Making informed decisions about educational loans can save students thousands of dollars in the future.

Higher education in the United States is very expensive. However, with planning and smart financial decisions, study in the U.S. does not have to be unattainable for most international students. In the end, students will have to decide whether the many benefits that an international education experience provides are worth the expense.

Editorial provided by Nadine Skinner, Consultant of the General Secretariat of the Organization of American States ("GS/OAS"), in collaboration with Lina Sevillano, GS/OAS staff member. The opinions expressed in this article are in the author's personal capacity and are not to be attributed to the General Secretariat of the Organization of American States, or to the Organization of American States.

Sources: The College Board, *Trends in College Pricing, 2007*, the Institute of International Education, *2007 Open Doors Report*, and the U.S Department of State, *EducationUSA Financial Assistance Guide*.