



How to Pay for Coding Bootcamp

The Definitive Guide

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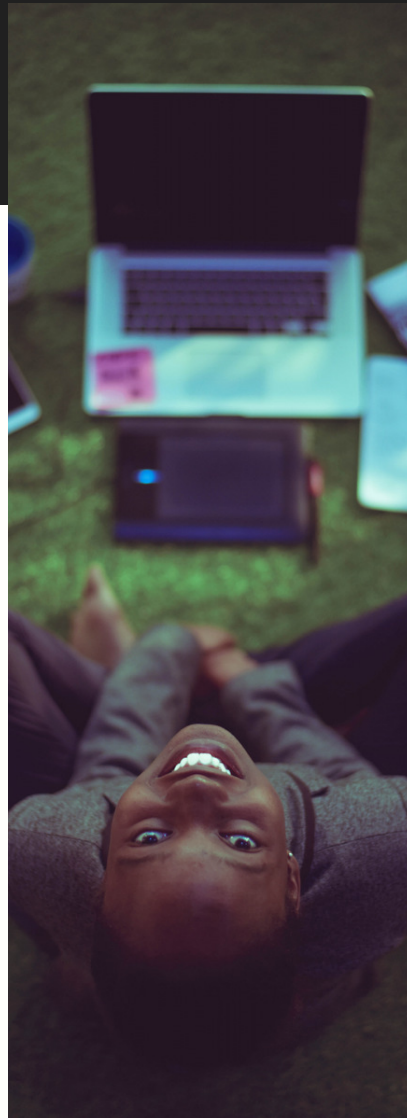


Introduction

How to Pay for Coding Bootcamp

01

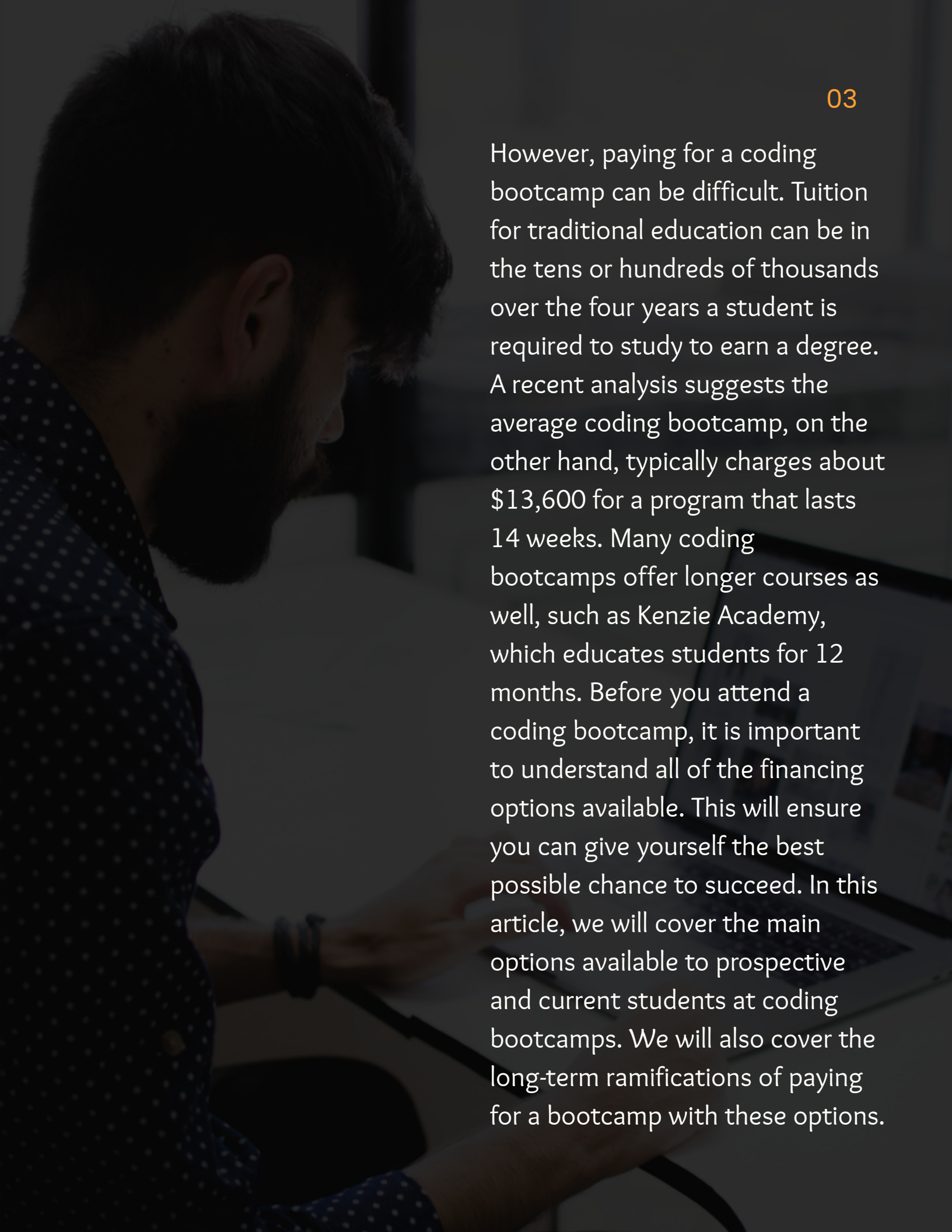
Growth in the technology sector in recent years has led to a spark in demand for workers who have the specialized skills necessary to work with new technologies. This has resulted in student demand for coding courses to reach a point where universities and colleges are struggling to keep up. Thus, a new type of institution has emerged which aims to address this gap in education training: bootcamps. Bootcamps are short-term, immersive training programs that focus on helping people develop the skills they need to succeed in a specific career. Although there are bootcamps for a wide variety of vocations — welding, sales, mechanics, et cetera — these institutions have gathered a lot of traction in the coding space.



Coding bootcamps are particularly popular among those who are looking to break into a new career in technology. Bootcamps are also popular among those who are looking to build new skills to help them unlock better jobs in the evolving workforce. This is in large part because coding bootcamps are also focused on helping their graduates get hired after they graduate — a key benchmark bootcamps use to measure their success. Thus, many bootcamps offer comprehensive career support to their students. Bootcamps also offer interview practice to help candidates prepare for the specific challenges and environments they will face when pursuing a career in technology.

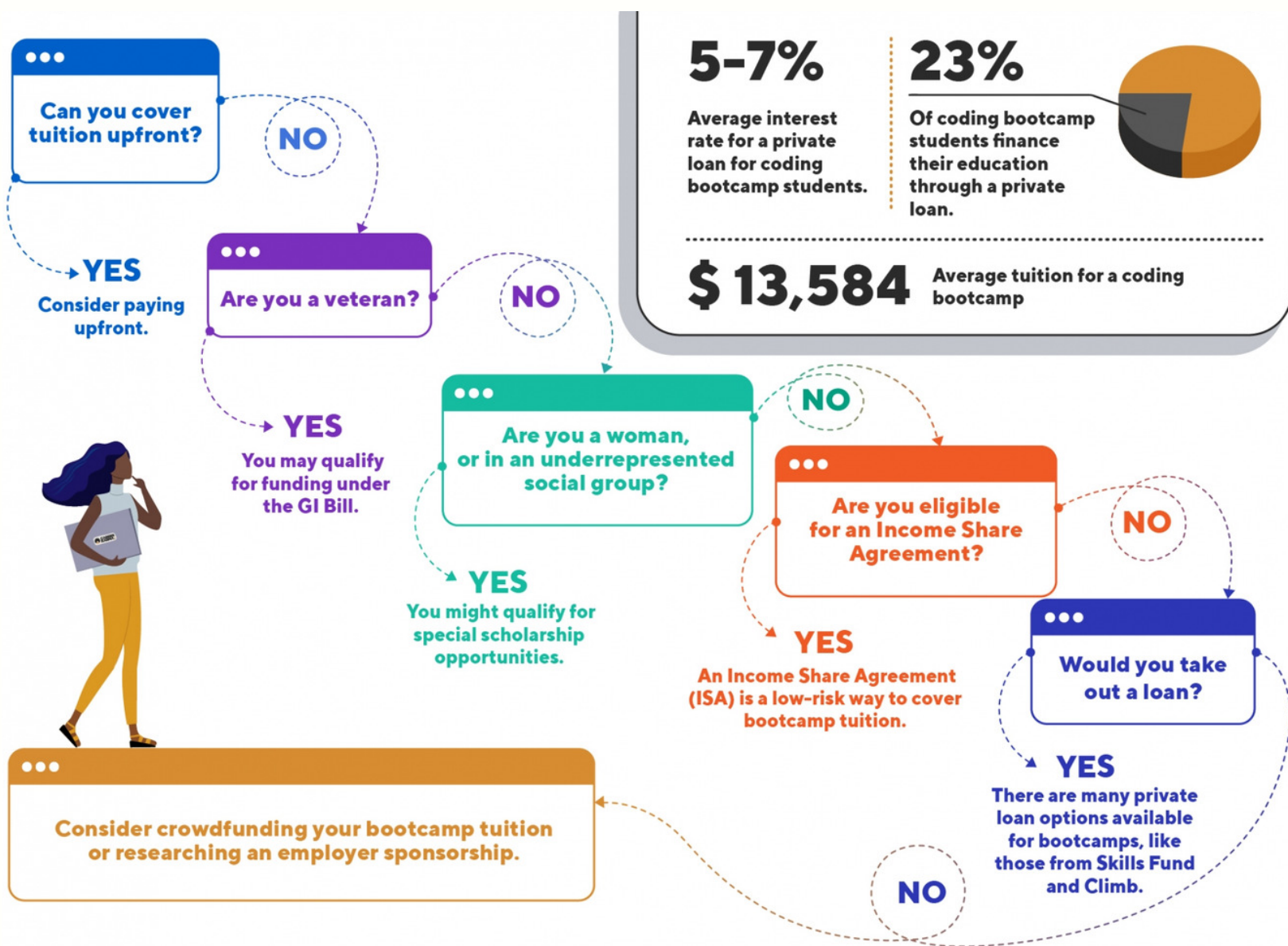


Coding bootcamps have developed a new model of education focused on skills acquisition and employability. Bootcamps have also built a good reputation for investing in student success. This is contrary to colleges and universities, which often invest in non-academic resources such as more administrators and better amenities for students. The expectation for a coding bootcamp is different to that of a university. Students expect to learn a variety of new skills in a short period of time, and be able to find a good job with those skills. Bootcamps are not a replacement for universities for many reasons — namely, these institutions are unaccredited, and so cannot confer degrees. But, they are a good alternative to traditional education for people looking to pursue a career in technology.



However, paying for a coding bootcamp can be difficult. Tuition for traditional education can be in the tens or hundreds of thousands over the four years a student is required to study to earn a degree. A recent analysis suggests the average coding bootcamp, on the other hand, typically charges about \$13,600 for a program that lasts 14 weeks. Many coding bootcamps offer longer courses as well, such as Kenzie Academy, which educates students for 12 months. Before you attend a coding bootcamp, it is important to understand all of the financing options available. This will ensure you can give yourself the best possible chance to succeed. In this article, we will cover the main options available to prospective and current students at coding bootcamps. We will also cover the long-term ramifications of paying for a bootcamp with these options.

A Roadmap to Paying for Coding Bootcamp



Government Programs For Coding Bootcamp Students

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While students may be ineligible for federal financial aid at most bootcamps, there are a few government programs that may help students pay for their coding bootcamp. In 2016, the Office of Educational Technology announced the Educational Quality through Innovative Partnerships program, or EQUIP. This program allows students to apply for federal financial aid — for example Pell Grants and federal loans. This will help students more easily afford non-traditional education, such as an online course or a coding bootcamp. Through the program, a variety of institutions have partnered with a quality assurance entity and a traditional university to help offer financial aid to low-income students who may not otherwise have been able to attend a bootcamp.

The program partnered with eight different institutions when it launched. However, only one program has been approved by the Department of Education. Therefore, most students cannot benefit from the EQUIP program until other programs are approved. There has not been any news recently with regard to whether or not other programs will be approved, and students can still not use the FAFSA to apply for federal aid to attend a bootcamp.



Another government program open to students at coding bootcamps is provisions made under the GI Bill. The GI Bill, passed in 1944 after World War II, was designed to help provide returning veterans with the capital they needed to attend further education, or to buy a home or start a business. Since the GI Bill passed in 1944, there have been significant changes to the legislation. Notably, the money given to veterans for further education is now available to students who enroll in a short-term coding bootcamp.

Prospective and current students who are veterans can access funding under the GI Bill to finance their education. Under the Post-9/11 version of the bill, veterans may be eligible for up to 36 months of college or career training who served on active duty after September 10, 2001. In order to be eligible, veterans must have been discharged honorably, with a disability, or must still be on active duty. In addition, people applying for GI Bill funding must serve or have served at least 36 months on active duty to be eligible for the full suite of benefits, although some of those benefits are offered if you have served for less time.

The GI Bill also gives veterans a monthly housing allowance and yearly book stipend for the period covered under your GI Bill-funded education. A full list of bootcamps eligible for GI Bill funds can be found [here](#).



Scholarships and Grants For Coding Bootcamps

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There are also plenty of [coding bootcamp scholarships](#) available, which are intended to expand access to their offerings. These bootcamp scholarships typically have a specific type of student they aim to fund. For example, some bootcamps offer scholarships to some students after a new course has launched bootcamps offer scholarships for women and underrepresented groups. Other bootcamps have scholarship funds for veterans and military personnel. Flatiron School, for example, has awarded over \$1 million toward women's coding education through their "Women Take Tech" scholarship fund.



**GENERAL
ASSEMBLY**



**FLATIRON
SCHOOL**



**HACK
REACTOR**

Scholarships are a good option for students who are eligible as they do not need to be paid back. This means that students can attend a bootcamp and only be required to pay for the full cost of equipment and resources they may need. Some bootcamp scholarships are partial, which means that they cover a large part of tuition but not the whole cost; others are full bootcamp scholarships, which means they will cover the full amount of tuition for students. Bootcamps such as [General Assembly](#), [Flatiron School](#), and [Hack Reactor](#) offer scholarships to their students.

Deferred Payment Programs For Coding Bootcamps

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Recently, deferred tuition programs have started to gain traction in coding bootcamps. Through these options, students will only pay the tuition cost after graduation — if a student does not graduate, they will pay a lower sum. Deferred tuition, for example, allows students to pay their tuition after graduation, assuming they earn over a certain amount. Flatiron School, for example, partnered with the We Company to start the Access Labs program. This allows students to defer paying tuition until they have found a job earning over \$35,000 per year.

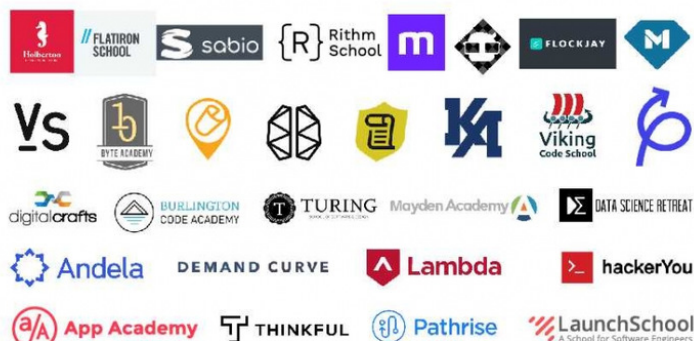
A more common form of deferred tuition is [coding bootcamp Income Share Agreements](#), or ISAs. ISAs allow students to attend a coding bootcamp with no tuition paid upfront, in exchange for a percentage of their future income. Students will only make payments as a percentage of their income once they graduate and if they earn over a certain amount — typically between \$30,000 and \$60,000. This means that if a student becomes unemployed or underemployed, they will not have to make payments toward their education. Further, ISAs also include payment caps which ensure successful students do not pay disproportionately for their cost of education. These caps range from between 1.2 times and 2.5 times the initial amount borrowed in most bootcamps.



ISAs are not a form of loan, but rather an alternative. In a traditional loan, borrowers are expected to make consistent payments on a certain repayment schedule. Whereas in an ISA borrowers will only make payments when they earn over a certain amount. Traditional loans also accrue interest and have a balance, which ISAs do not have — ISA contracts are measured by the number of months a student has to make payments, which will reduce every month in most cases. For example, [Lambda School](#) allows students to attend one of their programs upfront in exchange for 17 percent of a their income for two-years after graduating. Students will only make payments if they are earning upwards of \$50,000 per year. Successful students will not pay back any more than \$30,000 — 1.5 times the cost of tuition at Lambda School. After five years of graduating, a student's ISA will be forgiven, even if they have not made any payments.

Income Share Agreement Market Map 2019

Job Training Programs



Philanthropists and Researchers



Colleges



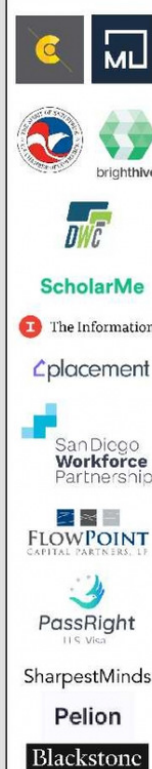
Financial Infrastructure



Investors



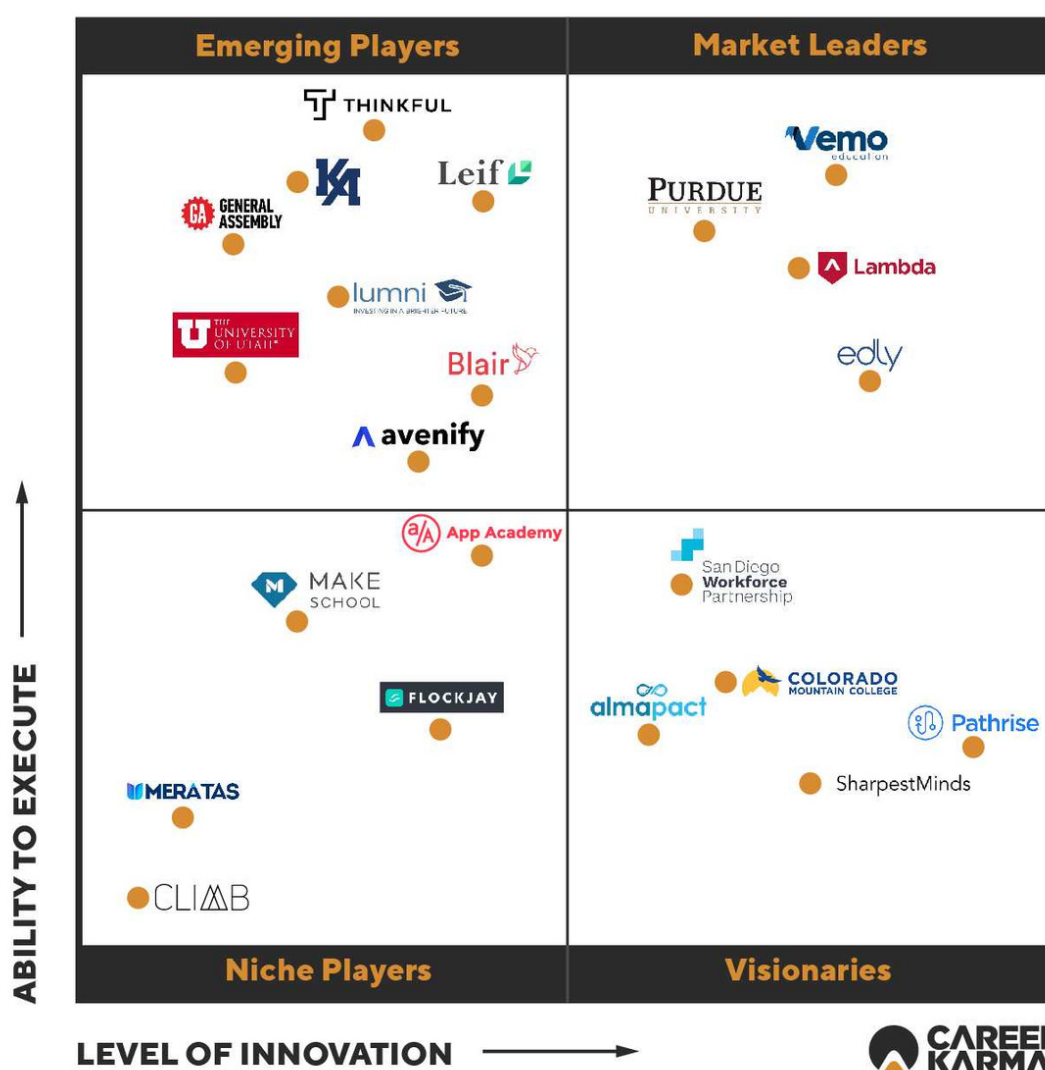
Other



ISAs also expand access to coding bootcamps for those who are unable to access other options. If a student is ineligible for a private loan, or is averse to taking out a loan, they can instead pay for their bootcamp through an ISA, where they will only make payments if they succeed. ISAs also focus on evaluating student potential rather than credit score when considering whether a student should be granted an ISA. This, in turn, opens up access to this financing model to more students.

However, ISAs are not for every student. In an ISA, students may end up paying back more than they initially borrowed. This is because successful students will only stop making payments if their ISA term expires or if the payment cap is reached. This money is used to subsidize the losses from lower-earning students, which ensures that a school can continue to offer their educational services. In addition, ISAs also have varying eligibility requirements, and so some students may not be able to access the financing instrument.

Global ISA Market Players 2019



Private Loans For Coding Bootcamp Students

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Recently, deferred tuition programs have started to gain traction in coding bootcamps. Through these options, students will only pay the tuition cost after graduation — if a student does not graduate, they will pay a lower sum. Deferred tuition, for example, allows students to pay their tuition after graduation, assuming they earn over a certain amount. Most coding bootcamps currently do not qualify for Title IV funding. This means that students cannot apply for federal loans or aid to pay for their coding bootcamp. The Free Application for Federal Student Aid (FAFSA) is the first step in applying for college financing. This document allows eligible students to access the federal financial aid they need to attend an accredited university. After applying for the FAFSA, students will be presented with a list of financing options including grants, loans, and work-study programs for which they are eligible.

At present, coding bootcamp students cannot access federal financial aid to pay for their education. In addition, Sallie Mae, a public company that offers student loans to college students, will not issue student loans to coding bootcamp students.



Most students rely on a private lender in order to pay for their coding bootcamp. Private lenders such as Upstart, Skills Fund, Earnest, Affirm, and Climb Credit, offer loans for a variety of different bootcamps, which makes it easier for students to afford their education. Loans offered by private lenders usually have shorter terms. This is because most bootcamps are shorter than other educational options such as community college or university. Thus, students who take out a [private loan](#) can expect to pay back the money they have borrowed in no more than five years after taking out a loan. Indeed, most lenders expect students to pay back their loan between one and three years after taking out the loan.



Private loans are a good option for coding bootcamp students as they allow you to access all of the capital you need to finance your education. The money you borrow can also be used to cover costs related to bootcamps, such as technology or studying resources. This means students do not need to take out an additional loan. Private loans are a type of loan, however, which means that interest will accrue over time. Private lenders usually charge between five percent and 7.5 percent Annual Percentage Rate (APR) on their loans. This is equal to the interest rate as well as extra fees on a loan for a whole year.

Students who pay for their coding bootcamp education with a private loan will start paying back their loan after they graduate. This means that you cannot make contributions toward your loan until you graduate, after which the payment period will start. In some instances, a lending partner may offer an interest-only loan. This is a special type of loan that allows students to make interest-only payments while in school and for two months after. For example, Skills Fund and Bloc have partnered to allow students to pay interest while attending their bootcamp. This, in turn, makes it easier for students to make payments toward their loan.

But, private loans are not accessible to all students. Private lenders rely on factors such as a borrower's credit score, their savings, and income-to-debt ratio (the amount of debt students have relative to their income) and students with a poor financial history may be denied access to a loan. That being said, most private lenders allow students to have a co-signer on their loan — someone who will pay back the money if the lender defaults — which opens up access to private loans for more students.

Most bootcamps have existing partnerships with lending companies. This makes it easy for attendees of that specific institution to access the capital they need to finance their education. Before you take out a loan to finance your education, you should check if the bootcamp has a partnership with any lenders. If you take out a loan with a bootcamp's partnered lender, you are less likely to experience communication breakdowns. You are also more likely to receive a good experience with the lender.

Here is a breakdown of a few top private lenders and their financing plans:

	Climb Credit	Skills Fund	Upstart
Starting APR	5.0%	7.34%	6.5%
Term	3 years	3 or 5 years	3 years
Partners	Coder Camps, General Assembly, Hack Reactor, others	Fullstack Academy, DigitalCrafts, Coding Dojo, others	Launch Academy, General Assembly, Coding Dojo, others

Employer Sponsorship and Crowdfunding

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Some employers will also sponsor skills development courses for their workers. Through this model, you can ask your employer to pay for a portion of your bootcamp tuition or the full amount. The benefit of this to employers is that bootcamps will help you become a more effective and productive employee, and may also allow you to solve additional problems in the business. Before you pay for a coding bootcamp, ask your employer whether they would be willing to sponsor some or all of your tuition. Companies that offer student-loan repayment benefits may also be willing to help workers pay off their loans who attend a bootcamp and pay for their bootcamp education with a loan.

There is also the option of crowdfunding available to those who are otherwise unable to finance their bootcamp. There are many online crowdfunding platforms such as Indiegogo and GoFundMe which allow people to raise money for causes including education. The benefit of crowdfunding is that it can be easy to raise the money you need as there is a wide audience you can target who may be interested in helping you finance your education. However, crowdfunding does have a few problems. The main one, however, is that you will be competing with other people who are raising money for similar causes. Therefore, you will need to craft a strong profile to maximize your chance of raising the money you need to attend a coding bootcamp.



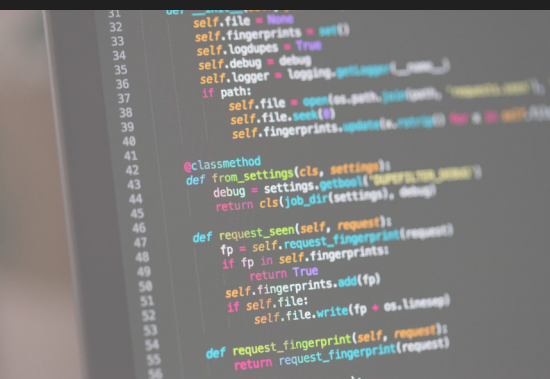
Consider First...

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Is a Coding Bootcamp Worth it for You?

Before enrolling in a bootcamp, you should first evaluate whether or not attending a [coding bootcamp is worth it](#). You should choose a bootcamp which both covers everything you need to know, and also has high student outcomes. If an institution has high student outcomes, attending the bootcamp is less risky because, on average, people will succeed. If an institution has poor outcomes, the money you invest may not help your career prospects. In addition, you should also want to find schools who have independently-verified outcomes data. This means that an external body — such as the Council on Integrity in Results Reporting — has reviewed the outcomes data and verified that it is accurate.

Also, you should also assess the potential job possibilities you could access by attending a bootcamp. Find out about the expected salaries and pay increases people in the career you are interested in pursuing earn. This will allow you to get a better sense of how much you can expect to make after graduation. Such data will allow you to make a more informed decision about the method of financing you use for your education. The Bureau of Labor Statistics Occupational Outlook Handbook, for example, will tell you about median pay and other requirements for well-paying jobs in computer science jobs.



The Value of Coding Bootcamps

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The average tuition for a coding bootcamp is around \$13,000, and around 23 percent of students used a lending partner like Skills Fund or Climb Credit to finance their education in 2017, according to recent reports. In addition, more students are starting to enjoy deferred tuition and Income Share Agreement-based models. There are various different ways you can pay for a bootcamp, but before you make a decision you should ensure you know all of the facts. Choose a method of financing that is both flexible and manageable, and works out based on how much you can expect to earn. Coding bootcamps offer a good way in which people can accelerate their knowledge of various technical concepts, and prepare for the evolving world of work. If you invest some time upfront evaluating your financing options, you are more likely to get the most out of your coding bootcamp education.



TO SUM UP...

How to Pay for Coding Bootcamp



With so many financing options available, you're sure to find a method--or combination of methods--that works for you.

If you want to learn more about coding bootcamps and the financing options available to you, connect with Career Karma on our [free mobile app](#) or get in touch on Twitter [@Career Karma!](#)

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Ways to Pay for Coding Bootcamp: A Review



Government Programs



Scholarships & Grants



Deferred Payment



Private Loans



Employer Sponsorship



Crowdfunding



Career Karma helps people interested in breaking into careers in technology find the best job training for them, starting with coding bootcamps. With the free Career Karma app, you can discover peers, coaches, and mentors to help accelerate your career in technology.

Career Karma also publishes comprehensive insights into how to pick the best coding bootcamp and break into a career in technology.

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