

## HOW TO PAY FOR BUSINESS SCHOOL



Going to business school is a big investment--of your time, your energy, and especially your money. You'll undoubtedly have to depend on a variety of sources to pay for business school--loans, scholarships, work-study, even money from your family (if they're willing). As always, good preparation will ensure that you get the money you need and won't go broke paying it back. Before you sign on the dotted line at any school, be sure you are well-informed about all the costs entailed in attending. When budgeting for business school, you have to take into account not only the tuition charged by the program, but also any fees the school charges, the cost of living in the area where you'll be attending the program, and a vast assortment of extras, including insurance and medical expenses, transportation, and entertainment. Unless money is no object, the total cost of attending should be one of the most important criteria you consider when looking at schools. Some students find that it's worth their while to spend big bucks to attend the most selective programs; others don't. When looking at a program and its costs, calculate how rapidly you'll get a return on your investment.

A good idea is to find out what the starting salary is for students graduating from the program, and then look at all the costs of attending. Is it worth it? Will you recoup the money that you've spent on the program in no time, or will you spend years paying back the loans that you had to incur to get through?

### Where and When to Begin

You should start exploring sources of financial aid as soon as you begin thinking about business school. When gathering information about specific schools, always request information about aid. After you've narrowed down your choices of programs to those to which you'd like to apply, contact their financial aid offices and schedule an appointment to speak with a school aid officer. Investigate each and every source of aid that the school and the program offer; some schools have specific financial assistance schemes that include grants, scholarships, work-study, and loans. Find out about school- and program-specific aid before you begin looking at outside sources. File all applications for aid that the school and program require on time. Many outside resources are available to help you seek out the best sources of aid. *Peterson's Grants for Graduate & Postdoctoral Study* is a listing of more than 1,400 fellowships, grants, and internships that you can search by field of study; the volume also provides advice about how to apply for and win these sought-after awards. Additionally, we encourage you to go to your local bookstore, to your company's human resources office, or to your local library to seek out other books on aid. A vast amount of materials is available to help you.

The Internet is also an excellent source of information about financial aid. Begin with the websites of the schools to which you're applying. From there, you can search for information on private loans, government loans and grants, scholarships, internships, and much more. You can download applications for aid from most private lenders' Web sites or submit requests for aid to them directly on line. A word of caution, though: Beware of any site that asks you to send them a fee to process a request for any type of aid, especially scholarships. Before you send money or give your credit card number to any organization, do a little investigating to find out if the organization is reputable. If you wisely go about your search for financial aid, you shouldn't have to pay money to get money.

### Timing, Deadlines, and Applying for Aid

The first step in the financial aid process is to complete and submit all of the required applications. Procedures vary from school to school, so above all else, make sure that you check with the financial aid office at each program about specific deadlines and guidelines. In all likelihood, you will have to complete the Free Application for Federal Student Aid (FAFSA). This form is required for all students who wish to receive federal and state financial aid; even if you're not applying for federal aid, most programs will have you fill out the form anyway, as it provides them with the information that they'll need to process any aid request. You can pick up a copy of the FAFSA from the program's financial aid office or fill it out on the Department of Education's website at [www.fafsa.ed.gov](http://www.fafsa.ed.gov).

The program may also require you to complete additional school-specific applications to determine whether you're eligible for funds from the institution. Remember, some of the best sources of aid that you may find will be from the schools and programs themselves, so be sure to fill in all the information requested and to submit the forms by the deadlines. When it comes to financial aid, deadlines are crucial; practically every student applies for financial aid, so you don't want to be disqualified because you didn't hand in your forms on time.

Getting aid isn't always quick, and it's certainly not easy. You'll spend a lot of time filling out forms and stressing over deadlines, so the more prepared you are when you begin, the better off you'll be. Determine what is needed for each aid application as soon as you can, and figure out the best way to remind yourself of deadlines. Sometimes, you'll need to show a certain GPA or financial need or will need to submit essays or letters of recommendation. Make several copies of all supporting materials at the beginning of application process and keep them handy.

Once your forms are received and reviewed by the schools' financial aid offices, your eligibility for assistance is determined. You are then sent an award notice informing you of the assistance that you are eligible to receive, both from the government and from the school. Make sure that you respond to the award letter as instructed by the school. If you are instructed or advised to apply for loans, be sure to complete those applications, sign any promissory notes, and return your application to the lender.

### Who Offers Aid?

#### Institutional Resources

Some schools offer institutional loan programs to help you with educational expenses. The financial aid administrator can tell you what you'll need to do to apply for a loan from the school. Your school may also offer a variety of scholarships and grants that could be awarded based on either need or merit. Many graduate students use teaching assistantships to pay for the cost of their education. A typical teaching assistantship requires a commitment of about 20 hours per week. You might also want to check with your school to see if they offer other on-campus employment opportunities that are not based on need or merit. Explore internship opportunities that are available at the school; a paid internship enables you to receive financial support while gaining work experience and, in some cases, academic credit.

#### Federal and State Financial Aid

The U.S. Department of Education provides financial assistance for students who attend eligible institutions. To determine your eligibility for these programs, you must complete the financial aid process established by the schools to which you're applying as well as that of the federal government. Aid programs that are offered by the federal government include Federal Subsidized Stafford Loans, Federal Unsubsidized Stafford Loans, Federal Perkins Loans, Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, and Federal Work-Study Programs. Most state governments also offer grants, loans, and scholarships to their residents. Each state has a different FAFSA submission deadline, so be sure to keep this in mind when you're applying for aid.

#### Private and Alternative Financing

Foundations, corporate sponsors, and individuals offer millions of dollars of aid every year through scholarships, grants, internships, and loans either directly to you or to your school, which then administers the awards. Private sponsors establish their own application procedures and eligibility criteria. You may need to do a little work to uncover all of the private aid that you're eligible to receive and to shop around for the loans that offer the best interest rates and terms of repayment--but the work you put into this process will be well worth the effort.

### **Other Financing Options**

Check with the schools you're interested in to see if they offer payment arrangements to lessen out-of-pocket expenses. At some schools, you can divide tuition and other fees out over the course of a year rather than having to pay everything up front. Several private organizations also offer tuition payment plans. Additionally, Sallie Mae offers College Answer, a free service staffed by financial aid counselors ready to offer advice to students and parents about financing college expenses. Call toll-free at 800-239-4269, or e-mail them at: [college.answer@slma.com](mailto:college.answer@slma.com).

If you have a steady source of income, such an alternative could be a godsend. If you work while attending school, your employer may provide tuition assistance as a benefit to you, so be sure to ask if you qualify for this assistance and what you must do to maintain your eligibility. In most cases, you'll need to pay for your classes up front and then be refunded upon successful completion of your course work ("successful" is usually defined by maintaining a certain grade point average, usually a B average or better). Every company has its own rules, however, so be sure to find out all the details before you apply to receive aid or to enroll in a program. If your company doesn't offer this benefit, you may want to make a persuasive argument to your boss for doing so; with the present boom in the economy, employers are always looking for ways to keep good employees, and tuition reimbursement is a great way to do this. Be sure that you are aware of the tax ramifications of accepting tuition reimbursement from your employer. In some cases, these funds may be taxed as income.

If you are a veteran and have completed at least one year of active service, Veterans Educational Benefits are available for graduate study. The amount of the benefit for which you are available depends on your length of military service, the number of dependents you have, and how many course credits you are carrying. For more information, check with the veterans' affairs offices at the schools to which you're applying or call the Veterans Affairs Department in Washington, D.C.

These creative means of financing your graduate education are just the beginning. If you look hard enough, you'll find vast resources to which you can turn to pay for business school. Before you take out a loan, put in the time to investigate every source of aid for which you may be eligible. Chances are that you will end up borrowing at least some of the money that you'll need to pay for business school, but you want to keep this amount as low as possible.

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