



Financing your Future

Four **Alternative** Ways to Pay for Business School



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Let Nothing Stand in Your Way

The top reservation we hear from prospective students about pursuing a graduate business degree is the high cost of tuition/fees and how to pay for their education.

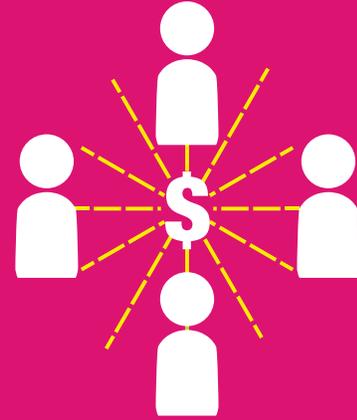
Finance shouldn't be a barrier to pursuing your degree. That's why we created this guide, which explores funding options you may not have considered through your initial research.

For those of you who are considering an MBA or a Master's degree, there are many ways to fund your degree without piling on huge amounts of debt.

A good way to cover the costs of graduate school without breaking the bank is to be creative and to use a combination of several sources of funding.

1. Crowdfunding

An increasingly effective and popular way to fund your degree is through crowdfunding and peer-to-peer lending.



This method of funding essentially involves a large pool of sponsors (the crowd) providing donations or capital to support a venture, campaign or cause, like your postgraduate degree!

There are many forms of crowdfunding, but the main three types are:

- 1. Donation-based crowdfunding**, in which the sponsors donate money to support a cause, a similar set up to websites like [JustGiving](#). Websites such as [Student Funder](#), or [All Tuition](#) allow students to set up profiles and then it is up to you to campaign for donations from friends, family, employers, etc. via social networks.

2. **Reward-based crowdfunding**, in which the sponsor receives a reward with a clear monetary value in exchange for the pledge. The money pledged is similar to paying for a pre-order of a product or service.
3. **Credit-based crowdfunding** or peer-to-peer lending as it is commonly known allows a sponsor to lend money and receive an interest rate in exchange. The money is pledged in the form of a credit loan.

Getting started

There are lots of crowdfunding platforms to choose from, but it's worth starting with websites that have been set up specifically to help prospective business school students, such as [Prodigy Finance](#). Business school alumni provide loans to international students wanting to go to the world's leading business schools.

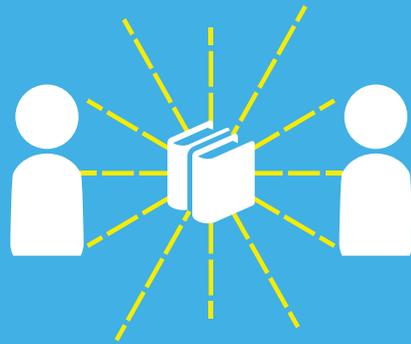
Tap into your own network to see if anyone you know has deeper insight into this form of funding. Maybe a friend-of-a-friend tried something similar and can give you tips on which platforms are trustworthy.

Before you submit your personal information to any website, it's worth a bit of checking first—who are they, what does their privacy statement or policy say, and to whom will they be sharing your information? Ask around for people who have used that service to learn about their experience.

For more information, check out [Identify Theft Resource Center](#) and [ActionFraud](#).

2. Cooperative education and internship programs

Take part in a cooperative education program during your undergraduate course.



Through a co-op programme, students are able to combine classroom learning with workplace training for a short period of time.

Not all universities will offer the opportunity to work while you study, but if they do it's a great way to save for your postgraduate business education, particularly as certain companies will hire university students at a higher-than-usual pay rate to help them their education.

On top of this, you will gain the on-the-job experience that will help you with your business school application.

Getting started

Check with your university to see if they offer a cooperative program or even internship or assistantship opportunities.

Working, if you can manage it, is helpful not only in a monetary aspect, but also in terms of broadening your professional experience, which is a bonus for your application to business school.

3. Scholarships through professional groups

Scholarships may not seem new or novel, but thinking creatively about where to apply for a scholarship can pay off nicely in the long run.



Our 2013 research showed that scholarship awards represented the most common type of tuition assistance that business schools offered to incoming students. Given the range of students who actually received these awards, it appears scholarship programs encompass a highly competitive process.

That's not to say that you shouldn't consider applying for a scholarship offered by a business school. Also look for awards offered by professional groups that operate in the higher education sphere.

The German-based career network, [e-fellows](#), offers scholarships to talented and successful students in Europe, for example. The online scholarship is aimed at undergraduate, postgraduate and PhD students studying law, business/economics, natural sciences, and engineering.

Getting started

Business education publisher and events company QS also offers a range of scholarships worth over US\$1.7 million to attendees of one of their world tours. Check out [Top MBA](#).

Also take a look at UK-based [Sainsbury Management Fellows](#) (SMF). SMF awards £30,000 per successful applicant applying to a full-time MBA programme at selected business schools.

There are also a multitude of scholarships offered to women who are interested in attending business school. Not-for-profit consortium, [The Forté Foundation](#), provides support to women wanting to pursue business education, is a great resource to learn more about financing options for female professionals.

Above are just a handful of schemes offering scholarships by providers that work within the higher and postgraduate industry. Many schools will point you in the right direction, but take the time to research these institutions yourself, the effort you put into this will pay off in the long run.

4. Get a high GMAT® score

Ok, so it might seem cheeky to suggest that a high GMAT score can help fund your studies, but it's true!



There are a range of academic scholarships that are merit-based and offered to students who have outstanding academic or extracurricular achievements, including a high GMAT score.

One example of this is the [BNY Mellon](#) scholarship, which awards £10,000 towards MBA tuition to candidates with a first class degree, GPA of 3.7 and a GMAT score above 700.

There are many scholarships and awards connected to the GMAT. A few examples include:

[Amsterdam Business School](#), which offer a GMAT based scholarship to candidates applying for a Masters in Finance

program. The scholarship awards between €1,000 and €11,000 for scores starting at 640. Also, check out [Beat the GMA](#) social networking site, which offers eight scholarship packages for eight people worth more than US\$16,000. This scholarship doesn't go toward school, but does pay for a GMAT course, admissions consulting package, and for the actual exam.

Why not ask for a GMAT fee waiver? GMAC (that's us by the way) also offers [GMAT waivers](#) to eligible candidates via schools. Check with the school you're applying to and see if they are able to offer a fee waiver to you.

Getting started

Getting a high GMAT score is achievable providing you put in enough time for preparation. And like any goal worth achieving, doing well on the GMAT exam starts with a solid study plan. Develop a plan that works for you, stick to it, and you'll get the score you want.

The first thing we recommend is downloading our [GMATPrep® software](#), which is free to registered users on mba.com, the official website of the GMAT. The software simulates the actual test experience by using retired questions from previous GMAT exams.

Also, take advantage of our [GMAT Prep Timeline](#) to help you plan a course toward your best GMAT.

High ROI

Business school alumni consistently tell us that pursuing a graduate management degree was personally and professionally the right decision for them and totally worth the investment of time and money required to advance their career goals and create new opportunities.

In addition, the recommendations made in this guide, you should also develop a financial plan to reduce debt and set aside savings toward your degree. This can minimize your reliance on loans and give you more flexibility for unbudgeted expenses that may arise during your time at school.

Schools generally are the best source of scholarship and funding information, so the earlier you engage them, the better.

For more information about pursuing a graduate business degree and the ROI of business school, visit mba.com.

Financial Plan Checklist

When planning for business school, tuition fees are just one of the costs you need to budget for. Whatever your circumstances, whether you're planning on relocating to study, giving up work in order to study full-time, or studying part-time, below are the other items you should factor into your financial plan. Costs for each will vary depending on the country you decide to study in.

- Tuition and fees
- Textbooks and supplies
- Living expenses (rent, groceries, utilities, council tax, etc.)
- Local transportation
- Moving expenses (if moving to new town for school)
- Personal expenses (clothing, furniture, etc.)
- Leisure (social activities, cinema, restaurants, bars, etc.)
- Health insurance (medical and dental)
- Child care
- Children's school fees
- Mobile expenses
- Internet
- Student visas
- Technology (laptop, printer, tablet, etc.)
- Professional body membership fee
- Flights and accommodation for international trips



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