

5 MBA MONEY MYTHS



Determining how you'll finance an MBA and securing loans can feel like a big task. The good news is there are often more funding options than you may realize! As you consider what's best for you, be sure you don't fall for these five money myths.



MYTH 1

Schools can always find more money for scholarships.

While most MBA programs offer scholarships (or fellowships) for incoming students, it's important to remember that those funds are limited. **The total scholarship pool is set before the application even becomes available, which means you are competing with a large number of applicants for a limited number of funds.** Applying in earlier rounds is always recommended if you're seeking this type of aid.



MYTH 2

My awarded scholarship will cover all expenses.

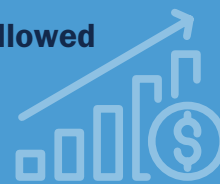
Scholarships help offset some percentage of your program's tuition cost. **However, they do not cover all aspects of the "cost of attendance," which includes tuition, fees, books, and basic living costs.** To make the most of any scholarship support, consider reviewing and adjusting your spending habits before beginning your MBA journey.



MYTH 3

Borrowing the maximum allowed amount of federal student loans is no big deal.

Borrowing student loans can be a fairly simple process. However, it also makes the process of requesting more funding easy, which can be a bit dangerous. **If you initially requested a smaller amount or you add on to the maximum to cover living costs, global courses or other allowable expenses, this increases your total loan debt (with interest).** Depending on the additional amount you request, this could increase your repayment by as little as \$50 per month or as much as \$200 per month. Over the life of repayment, this could mean paying thousands of dollars more.





MYTH 4

There's no need to think about the money until after I'm admitted.

By waiting to tackle the money question until after you're admitted to an MBA program, you are inviting unwanted and unnecessary stress. **If you are thinking about applying to graduate school, then now is the time to think about money. Start saving now, start paying off as much debt as you can, and start researching your funding options.** The more savings and less debt you bring with you to business school, the more you can reduce your student loan debt – ultimately improving your financial future.



MYTH 5

I'm guaranteed to be approved for a loan.

While the Federal Direct Unsubsidized Loan offers guaranteed funding to U.S. citizens and permanent residents who meet basic eligibility requirements, not all loans are guaranteed. Other options include applying for Federal Direct Graduate PLUS Loans or private student loans. Both of these types of loans consider your credit score in determining approval. If you have a good credit history, you will likely be approved for a loan with the same terms and conditions as every other borrower. The better your credit score, the more likely you are to receive better private loan terms and conditions.

