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How to Pay for an Executive M.B.A. Program

By ALINA DIZIK

These days, companies only fully sponsor about one-third of students attending executive M.B.A. programs. That means the majority are left paying all or most of the bill -- including tuition that can reach well over \$100,000 and travel expenses.

While many students take out loans to cover the costs, paying for an executive-level business degree doesn't have to always mean shouldering the entire burden. You can find ways to leverage your company resources and plan ahead to handle the expense, says Mark Kantrowitz, publisher of FinAid.org. Above all, he says, prospective students should learn about different options and "take advantage of everything they have available." Here are a few ways to pay for an executive M.B.A.



Getty Images

Consider federal loans

Many executives assume that they won't be eligible for federal loans. But Mr. Kantrowitz says that most domestic executive M.B.A.s can qualify for an unsubsidized Stafford loan and the Grad PLUS loan, which is designed for graduate students and can cover the full cost of tuition. Getting one of these loans follows a process similar to applying for college: Start by filling out the Free Application for Federal Student Aid. The bi-weekly E.M.B.A. class format meet requirements for the loans, as do the modular class session—held every few months—at some schools, he explains. If you need loans to pay for the degree, start with

the government as private loans often have less favorable terms, says Mr. Kantrowitz. There's one caveat: private loans are the only option for international students who are not eligible for federal aid.

Tap your company's reimbursement

According to a Hewitt Associates survey of 1,287 employers, about 88% of companies offer some kind of tuition reimbursement. Typically, companies offer up to \$5,250 of annual tuition assistance and reimbursement programs are usually available to employees at all levels, says Carol Sladek, global lead of work life consulting practice at Hewitt. That amount won't pay for the entire degree, but will help alleviate some of the burden. But before heading to the HR department, Ms. Sladek recommends asking colleagues about any programs they've heard or taken advantage of. "Most people should go to their manager first, no matter what the (written) reimbursement program is," says Ms. Sladek.

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Build a case for sponsorship

In a shaky economy, convincing your company to entirely pay for tuition—or even provide a significant partial reimbursement of 50% to 75%—involves developing a fool-proof strategy. To finance her University of Pennsylvania Wharton School E.M.B.A.—which cost \$142,440—Kristin Burke, a sales executive at international asset management firm Harding Loevner, says she presented a proposal to her boss. It was "a mini career plan" that

talked about the skills she would acquire by attending the program. Since Ms. Burke's 50-person company didn't

sponsor typically executives she found it tough to take the first step. "You have to make the case that the skills (you learn) are going to be applicable and that you have a commitment to the firm," says Ms. Burke, whose company agreed to foot the bill. It's critical to convey to the company that you're planning to stick with the firm once you graduate.

Delay your payments

Since many companies provide tuition assistance only after an employee has demonstrated proof of successful course completion, some schools offer a deferred payment plan. You'll promise to pay, but not have to pony up the funds until after you've been reimbursed by your company. For example, executive M.B.A. students at Emory University sign a promissory note and pay a \$40 non-refundable processing fee every semester to defer payment, which expires two months after graduation, says program director Joan Coonrod. You can also sign up for these programs if there's a delay in your company's sponsored payments or if you're waiting for approval on a private loan.

Seek out scholarships

While just a few schools offer scholarships for executive programs, there are some exceptions, especially if you work for a nonprofit organization or are interested in studying abroad. At the University of Maryland's Robert H. Smith School of Business, scholarships are available for government employees, nonprofit professionals and entrepreneurs, for example. Also look for essay contests and one-off scholarship awards. That tactic paid off for Malcolm Finn, a senior manager at Deloitte & Touche LLP based in London, who entered an essay competition. He won and received a full scholarship for the modular executive M.B.A. program at Cass Business School in London. In exchange for five hours of work per week, the school also offers 15 partial scholarships aimed specifically at executives. There is also a number of E.M.B.A. program scholarships aimed specifically at women. You can log onto Fastweb.com to find information about an array of private scholarships.

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