HOW INDIANS ARE FUNDING THEIR MBA ABROAD.
There are several options available for funding your MBA from abroad. The availability of Sponsorship, Scholarship, University Loans, Education Loans etc. debunk the myth that only the rich can study abroad.
Depending upon the College & Program, the price of your education can exceed $50,000 USD. Despite the opportunities offered by MBA from good B-Schools, there is this very important cost factor which needs to be considered.

Researching all of this is a tedious task indeed. This guide helps you skip the research process- so read on...
There are 4 Key Funding Options:

- Scholarship
- Assistantship
- Loans
- Internship
Types of Scholarship

- Tuition Waiver
- Diversity Scholarship
- Need based Scholarship
TUITION WAIVER

This mainly includes waiver of college tuition fees.

This is also the most common/popular type of scholarship.

Total waiver on tuition fee varies, and could range from 50% to as high as 100%.
DIVERSITY SCHOLARSHIP

As the name suggests, this type of scholarship is offered to students with a "diverse" profile.

Examples include Carnegie Mellon University which offers Diversity scholarship to women.

Similarly, students from non-profit sector is another example of a diverse background

This type of scholarship is not all that common
NEED-BASED SCHOLARSHIP

ISB is an example of a B-School offering need based scholarship.

Students have to submit their financial documents like ITR returns, income proof etc.

Is totally need based, hence GMAT score does not makes any difference.

Only considered after a student has taken admission.
Availability

Need based scholarships are not offered for Masters program. (For example- MS in finance)

For masters program, only Tuition waiver or diversity scholarship is granted.
Winning the Scholarship

For Tuition waiver and diversity scholarships:

- Make sure your Essays are high quality and very focused
- Couple it with a high GMAT Score to boost your chances
- Diversity like Unique upbringing, diverse work experience etc. also helps

In other words, top 10-15% of students who qualify for admissions have an edge when it comes to winning a scholarship.
Winning the Scholarship

For need-based scholarships, colleges have different criteria. For example, ISB requires that your annual income be less than 10,000,00 INR.

This cut-off keeps changing and varies from college to college. So keep an eye out on this year's criteria.
Winning the Scholarship
Some universities have a reputation of granting more scholarships than others. Prominent ones include:

UCLA

BOSTON UNIVERSITY

PURDUE UNIVERSITY

Rotman
School of Management

R·I·T

Few universities do not grant Tuition Fee waiver at all, especially to international students. Examples include:

UNIVERSITY OF MICHIGAN
ASSISTANTSHIP
ASSISTANTSHIP

This is a type of paying back the university in exchange of the scholarship.

Some amount of hours per day has to be dedicated for such activities.

Assistantship are offered only at the time of admissions.
Assistantship

Preference is given to students with either strong academic record, or experience in related field. (For example, you have prior work experience in teaching or research work).

It is also possible to receive either a RA or TA based on good performance in the 1st semester, if you do not receive it at the time of admission.
TYPES OF ASSISTANTSHIP

TA (Teaching assistantship)
Under this, students are required to help a faculty in their teaching assignment.

RA (Research Assistantship)
Under this, a faculty chooses you to aid him/her in doing research work.
ASSISTANTSHIP

TA or RA does not require any separate application to be submitted.

It is totally up to the faculty and is mainly based on your profile like relevant work experience etc. Hence, most students end-up receiving assistantship based on their 1st semester performance.

TA/RA is enough to cover your cost of living but not your tuition fee.
SCHOLARSHIP vs ASSISTANTSHIP

Both are types of financial grants offered by the universities.

Scholarship does not require students to do anything in return, whereas assistantship requires paying back the university in some form.

It is also possible to get a combination of both scholarship & assistantship.
UNIVERSITY LOANS

Most top universities offers Loan facilities to students. This is preferred, less complicated process of availing funds, and economically more viable (lower rate of interest).

University Loans are of two types:

- Without Co-Signor
- With Co-Signor
UNIVERSITY LOANS - without co-signor

Available only for MBA programs, and not for other masters programs like MS in finance etc.
This covers the entire cost (Tuition + Cost of living)

Examples
include Wharton, Cornell, Columbia, Duke, Harvard, Wharton, MIT.

This program is very open to international students, but only in the top B-Schools in the US.
Indian examples include ISB.

Rate of interest in India is about 10-11%, while in US it's about 7%
UNIVERSITY LOANS—with co-signor

- Only applicable to US colleges

- If you know someone holding a US Green card or is a US Citizen, then they may sign-up as your co-signor.

- Doesn't have to be a blood-relative. Any willing US citizen is allowed.

- All top 50 US B-Schools have this option. Rate of interest is about 7%
The concept of universities giving loans is more widely accepted in US only.

European colleges (Insead, Oxford etc.) have discontinued this practice, hence it's mainly a US concept these days.
Education LOANS from Indian banks

- Requires collateral

- High rate of interest as compared to University loans.

- Complicated process as compared to University loans.

- Collateral varies from 100% to 200%. For example, to avail 4 lac loan, student would have to show a property worth 4 lac or in some cases upto 8 lac.

- CAP on loan is about 25 lac with most banks.

- Specialized, study abroad lenders like Credila & Avanse do offer loans upto 45 lac.
Education Loans from US Banks

Requires collateral

Lower rate of interest (Almost 50% less than Indian banks). Can be availed through intermediaries.

Educational foundations like Paras Foundation based in Mumbia is a good example. It acts as an intermediary to get the approval from US bank, while charging a small fee for the same.

Avoid agents, and focus only on reputed educational foundations like Paras.

Lots of students also apply for education loans from a US bank in their 2nd semester. This improves approval chances.
PRIVATE SCHOLARSHIP

Few private scholarships are also available. Notable ones include TATA scholarship & Dhirubhai Ambani scholarship for Stanford.

Their deadlines are separate from university application deadlines. So make sure you contact them to confirm the same.

Students applying to UK colleges may find information about various private scholarship programs from the website of British Council (britishcouncil.org)
MBA FROM SINGAPORE

For some universities in Singapore, scholarship is offered by Singapore airlines as well as the Singapore government.

The only condition being that post-graduation, the student must live & work in Singapore for at least 3 years.
INTERNSHIP

Programs like 1 Yr/2Yr Executive MBA from Colleges like HEC Paris have paid internship.

Internships are paid, allowing most students to pay tuition for their last semester using their income earned from Internship from previous semester.
SPONSORSHIP

Employer funding/sponsoring the higher education of the student/employee.

Executive MBA (1 Yr Programs) Students are mostly sponsored.

Sponsored Candidates are also more likely to get admissions, as the College don't have to worry about Job placements etc.
TO RECAP:

1. **SCHOLARSHIP**
   - Focus on Tuition waiver.
   - Diversity scholarship is rare, while Need-based is subjective.

2. **ASSISTANTSHIP**
   - Make sure you work on your profile to increase chances of TA or RA.

3. **LOANS**
   - University Loans without co-signor is the best option.

4. **INTERNSHIP**
   - Internships are paid, while employer sponsorship improves admission chances.
THANK YOU!

Contact us today for a free counseling session on MBA Abroad & GMAT Exams.

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