What Is Financial Aid and How Do I Qualify?

January 23, 2025



According to the U.S. Bureau of Labor Statistics, about 26 percent of professionals with a business degree have an advanced degree such as a Master of Business Administration (MBA) or a PhD in Business Administration. A graduate degree in business can help professionals prepare for promotions and higher-level roles but figuring out how to fund one can seem complicated.

By taking advantage of multiple forms of financial aid, future leaders in every sector and at every stage of their careers can make their goals more attainable. But what is financial aid and how do graduate business students qualify?

What Is Financial Aid?

Financial aid is any type of monetary support graduate and undergraduate students receive to pay for their education. It can come from local, state, or federal government agencies, nonprofits, businesses, professional organizations, or the universities themselves. However, there are multiple types of financial aid, and each comes with its own conditions.

Scholarships

Scholarships are financial awards that do not have to be paid back. Scholarships can be provided by any organization, including schools, professional associations, and businesses.

Criteria vary, but scholarships are typically awarded based on academic achievement and professional experience, and can also be need-based. Additionally, some scholarships are available to all of an institution’s graduate students, while others are offered to students in specific programs (business students, law students, etc.).

Employer-Sponsored Financial Aid

Business students who are already employed in their field sometimes receive financial aid from their employers. This can help businesses meet their organizational needs and help students prepare for promotions. To qualify, students typically have to maintain a certain GPA and agree to work for their employer for a certain amount of time.

Some employers pay for students’ full tuition, while others pay a certain percentage. Alternatively, instead of paying for students’ education up front, some companies pay off a portion of their employees’ student loan debt.

Student Loans

One of the most widely used forms of student financial aid is the student loan. These are available through both the federal government and private financial institutions.

Graduate students often take out federal direct unsubsidized loans. Like other types of federal student loans, direct unsubsidized loans offer a fixed interest rate and do not require a credit check. However, interest typically accrues while students are in school, and students can only borrow a limited amount.

The terms of a private student loan are decided by the lending institution. Interest rates, repayment plans, and borrowing limits can vary. This type of financial aid is what students often use to finance their degrees when other types of aid fail to cover the full amount.

How to Qualify for Financial Aid

The process for applying and qualifying for financial aid depends on whether a student is applying for federal, school-based, or outside financial aid. By working closely with their schools' financial aid offices, students can qualify for multiple forms of aid to make their degrees more affordable.

Applying for Federal Student Aid

To qualify and apply for any form of federal aid, students must first fill out the Free Application for Federal Student Aid (FAFSA) available through the U.S. Department of Education's Office of Federal Student Aid. This form asks students about their financial status and may require financial documents such as tax returns.

On the FAFSA, students can indicate which schools they'd like to share their federal aid information with. However, a school typically does not review an applicant's information until they have been formally accepted. Once they are accepted, the school will calculate the student's loan amount based on factors such as cost of attendance and other forms of aid they are expected to receive.

Applying for School-Based Financial Aid

Once a student has been accepted into a graduate program, they can qualify for school-based fellowships, work-study programs, and other forms of aid by filling out documents required by their school's office of financial aid. These documents provide schools with more specific information that may not be available on the FAFSA.

While policies vary between schools, students do not typically have to apply for every individual financial aid opportunity offered by their schools. Instead, once they have submitted all required general financial documents, they will be considered for all opportunities they might qualify for.

Applying for Outside Financial Aid

To qualify for financial aid offered by nonprofits, employers, and other outside organizations, students typically have to meet each organizations' specific standards. This means that unlike federal and school-based opportunities, students have to submit applications for each outside opportunity.

Students must also typically notify their school about any outside aid they receive. This is so schools can calculate aid packages, ensure all aid is dispersed properly, and maintain accurate financial records.

Can I Get Financial Aid at Tulane?

Graduate students often utilize federal direct loans to help finance their education. As a graduate student, you are eligible for two types of federal loans: the Federal Direct Unsubsidized Loan and the Federal Direct Graduate PLUS Loan, which is a credit-based loan.

The Federal Direct Unsubsidized Loan offers a fixed interest rate and does not require a credit check. However, interest will accrue while you are enrolled in school. The lifetime borrowing limit for this loan is $138,500. If you exceed this limit, you will only be eligible for the Federal Direct Graduate PLUS Loan, which is based on your credit.

Private student loans, on the other hand, are offered by lending institutions, and their terms—including interest rates, repayment plans, and borrowing limits—vary by lender. Students often turn to private loans to help cover the remaining cost of their education after other types of financial aid have been exhausted.

Discover Your Path to Business Leadership

Financial aid is what makes a graduate degree in business more accessible to more students. But at Tulane's Freeman School of Business, diverse program options are what make a business degree more valuable.

In the full-time MBA program, students learn the basics of organizational management as well as advanced principles such as business negotiation and financial modeling. Students can tailor their education to their goals by specializing

in up to two areas, including analytics, finance, marketing, strategy and innovation, and energy and sustainability.

With online and part-time MBA options (as well as master's degree programs in accounting, finance, business analytics and AI, and energy management), students everywhere can take advantage of the Freeman School's dynamic curriculum.

For current executives, the Freeman School offers a 17-month Executive MBA program that focuses on data-driven, high-level decision-making. Find out more about these hands-on programs, joint degree options, and the PhD in Business Administration program today.

Sources:

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- Federal Student Aid, Federal Student Loans
- Federal Student Aid, "Financial Aid for Graduate or Professional Students"
- Indeed, "How To Find a Company To Pay for Your MBA (And How It Works)"
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