



PAYING FOR COLLEGE

What is Financial Aid?

Who is Eligible?

What is Financial Aid?

NEED BASED AID

Any **federal, state or institutional** monies provided to students to help them pay for college. There are *two* types of financial aid available from these sources:

Gift Aid

- Grants
- Scholarships

Self-Help Aid

- Loans
- Work Study

Grants and scholarships are considered **Gift Aid** because you never have to repay them. **Self-help Aid** includes **loans** which you will eventually have to repay with interest and **money** you will earn by working on campus. Work study is a federal program and is administered by the individual colleges. The jobs available through work study are federally subsidized and campus based---as opposed to working for the local pizza place. Money earned through work study is yours to use to pay for daily expenses.

NO-NEED (MERIT) BASED AID

Otherwise known as scholarships, awards are distributed in recognition of academic performance, college majors, talent (art, athletics, debate, music, theater), ethnicity and religious membership. Merit scholarships are available from colleges, foundations, employers, service organizations and the military.

Who is Eligible?

NEED BASED AID

Need is defined by many factors including your family size, the number of dependents in college, the age of your parents, family income and assets (including your income and assets), plus any special circumstances affecting your family's financial health. When the federal government's processing center receives your financial information, a formula is used to estimate your family's expected family contribution or **EFC**. Your EFC remains *constant* regardless of the cost of the schools you are applying to. However, your NEED will vary depending on the *Cost of Attendance*. For example:

<u>Community College</u>	<u>Public University</u>	<u>Private College</u>
\$10,000 COA	\$15,000 COA	\$25,000 COA
<u>- 5,000</u> EFC	<u>- 5,000</u> EFC	<u>- 5,000</u> EFC
\$5,000 NEED	\$10,000 NEED	\$20,000 NEED

$$\text{Cost of Attendance} - \text{Expected Family Contribution} = \text{Financial Need}$$

NO-NEED (MERIT) BASED AID

Students should explore multiple avenues for "merit aid." Some colleges require separate applications for specific scholarships; others will consider students for all institutional scholarships based on their application. There may be institutional awards that require students to have applied & been accepted by a certain deadline. Private scholarships often have explicit eligibility requirements and lengthy applications. **PLAN AHEAD BY RESEARCHING SCHOLARSHIPS OVER THE SUMMER!!!!**