

## Types of Financial Aid

### Welcome to “College Prep News” – helpful tips from EducationQuest Foundation on how to plan -- and pay for college.

Hi! This is Delmer from EducationQuest. With today’s economic conditions, you may be more concerned than ever about how to pay for college. I’ll try to ease your concerns by explaining the types of financial aid that are available.

There are four types of financial aid: scholarships, grants, work-study and student loans. Most students use some form of financial aid to help pay for tuition, books and room and board.

Here’s a quick run-down of each type of financial aid – and then I’ll explain how to apply.

**Scholarships** are a great way to help pay for college because it’s money you don’t have to pay back! They are awarded by private donors and colleges – and are based on criteria such as academics, community involvement, fine arts, and athletics. That’s why it’s important to do well in high school and to get involved in school and community activities. Some scholarships are based on financial need, which means they go to students who qualify because of their family’s financial situation.

**Grants** are another form of financial aid you don’t have to pay back. They are based on financial need and include the Federal Pell Grant -- state grants -- and grants that come from the college.

**Work-study** involves getting a job through the college – typically on campus. You get paid as you would in a normal job but your earnings are a form of financial aid. Work-study is for students who qualify based on financial need.

That brings us to federal **student loans** – a type of financial aid you *do* have to repay - but not until after you graduate from college. Most students take out loans to help pay for college, but that’s not a bad thing *if you only borrow what you need*. Loans are also available for parents to help pay for their student’s college expenses.

So...now that you know the *types* of financial aid, you’re probably wondering how to get some of this money to help pay for college.

When you are a senior in high school – and each year that you’re in college - you will complete the FAFSA – or Free Application for Federal Student Aid. On this form, you will include income and asset information for you and your parents. The results of the FAFSA will show how much the federal government expects your family to be able to pay toward one year of your college education. Your FAFSA results are sent to the colleges you list on the form, and the colleges use that information to award financial aid. The types and amounts of aid you receive are based on your financial situation.

Scholarships can be a part of the financial aid award package you receive from the college, but there are hundreds you can apply for through other sources. For Nebraska-based scholarships, check out *ScholarshipQuest* at [EducationQuest.org](http://EducationQuest.org).

Listen to our FAFSA podcasts to learn more about the financial aid process – and listen to our scholarship podcast for tips on how to earn free money for college.

**That concludes this segment of *College Prep News*. Thanks for listening!**

**For free help with college planning, visit [EducationQuest.org](http://EducationQuest.org) for information and resources - and to find the EducationQuest location nearest you.**

**EducationQuest Foundation is a nonprofit organization with a mission to improve access to higher education in Nebraska.**