

# How to Fund your Education

In recent years, financial aid for college students has not kept pace with the rising costs of a college education. Your family may need assistance meeting the annual cost of tuition and fees, books and supplies, room and board, and transportation. Be prepared to do a thorough search of all available resources.

**Financial Aid:** The Federal Government assists students to pay for college through the Free Application for Federal Student Aid (FAFSA). Financial aid is intended to make up the difference between what your family can afford to pay and what college costs.

## Four Types of Financial Aid:

**Grants:** Awarded based on need, grants don't have to be re-paid. Grants come from federal and state governments, colleges, and private organizations.

**Scholarships:** Awarded for a variety of reasons, scholarships don't have to be repaid.

**Student Loans:** Student loans are an integral part of financial aid and paying for college. They help you build your credit history. Many have federally subsidized low interest rates and some interest may be tax deductible. With student loans so affordable, they're a great alternative to using up retirement or family emergency funds.

**Work-study:** Work-study provides financial assistance in the form of part-time employment on-campus, or designated off-campus sites.

Over half of the students currently enrolled in college receive some sort of financial aid to help pay college costs. However, only 40% of all financial aid comes from scholarships and grants, while nearly 60% is loans. That is why it is so IMPORTANT to look for information on other non-federal assistance!!

**Other Scholarship Sources:** Scholarships can be found through private foundations, professional associations, civic organizations, religious groups and directly through colleges/universities as well as organizations related to your field of interest, such as the American Bar Association. Check with your employer or your parents' employer or union to see if they award scholarships or have tuition payment plans. Start the process here by checking out the ETS/Project PLUS [Scholarship List](#) and start keeping track of your research using the [Scholarship Info Sheet](#).

*Some helpful tips: search for scholarships based on select criteria such as major/career, gender, race/ethnicity, GPA, economic need, activities, etc. Useful sites: [www.scholarshipexperts.com](http://www.scholarshipexperts.com), [www.fastweb.com](http://www.fastweb.com), [www.fastaid.com](http://www.fastaid.com), [www.scholarships.com](http://www.scholarships.com), [www.getcollegefunds.org](http://www.getcollegefunds.org)*

While every student wants free money in the form of scholarships and grants, not everyone can get enough free money to cover the entire cost of college, hence the need for loans. **Do not be afraid to make an investment in yourself and your future!!**

## **Federal vs. Private Loans:**

- *You don't have to start paying back your federal student loans until you graduate or drop out of school. If you get a private loan, you'll have to start making payments right away.*
- *The interest rate on a federal student loan is almost always lower than that on a private loan—and much lower than that on a credit card!*
- *Students with greater financial need might qualify to have the government pay their interest while they are in school.*
- *You don't need a credit record to get a federal student loan.*
- *You don't need a co-signer to get a federal student loan.*