

Financial Aid 101

“Financial aid” is a blanket term used to describe money that can help pay for college. It includes money that comes from the government and other organizations in the form of grants, scholarships, loans, or work-study programs.

\$ Grants do not have to be paid back. This money comes from the state or federal government or the college itself. The amount is usually need-based, meaning it is awarded based on a student’s financial circumstances.

\$ Scholarships are awarded by governments, colleges, or private organizations. Like grants, they do not have to be paid back. They may be given to students who excel in academic or athletics or are part of a particular organization or demographic. Scholarships may be a one-time gift, or ongoing throughout your education.

\$ Loans are borrowed money. When you take out loans, they must eventually be paid back—with interest. (That means you end up paying back more than you borrowed.) Students with financial need may be awarded low-interest loans from the federal government.

\$ Work-study programs are paid part-time jobs (typically on campus) provided to students based on financial need. These funds are usually shared directly with the student as a paycheck.

Regardless of your family’s financial circumstances, you’ll want to start the financial aid process by filling out the Free Application for Federal Student Aid (FAFSA) at www.fafsa.ed.gov. You can submit it starting October 1 of the year before you’ll be attending college. This application covers state and federal grants, work study, and loans. Individual colleges and universities may have their own forms that you’ll need to submit, too.