



## College Preparation Toolkit

# Paying for College: Financial Aid

While going to college is definitely worth the expense and effort, it is costly. Financial aid can help curb and/or defray some of the expenses associated with higher education. The more you know about financial aid, the better suited you will be to make smart decisions about financing a college education.

### What is financial aid?

Financial aid is any source of funds available to students and their families for paying post-secondary education costs. Most financial aid is based on a student's financial need; however, some aid is based solely on special merit. In addition, there are federal and state tax credits available to help offset tuition costs for eligible families.

### Why is there student financial aid?

The intent is to insure that all students have the opportunity to obtain a post-secondary education, even if they can't afford the cost.

### Where does the student financial aid come from?

There are four primary funding sources, these sources are:

- Federal government
- State government
- Institutions (Colleges and Universities)
- Private Sources (associations, foundations, employers, unions, private scholarship funds, etc.)

### Who is eligible for financial aid?

Many people are eligible for assistance. Students who excel in areas such as academics, sports leadership, music, art, and dance may receive an award in recognition of their special merit. ***These types of awards are called merit based.***

Some students will receive awards based on their demonstrated financial need. By filling out a financial aid application, students may be able to demonstrate that they and their family cannot pay for all of the post-secondary education costs on their own. These students may receive an award based on their need for aid. ***These are need-based awards.***

### Why can't everyone get money for educational costs?

The demand for student aid exceeds the supply of dollars available. Therefore, most financial aid programs limit their awards to students who have demonstrated that they need the aid to be able to extend their education beyond high school.