

What is *Financial Aid*?

Financial Aid refers to a wide variety of programs that help students and families pay for college or graduate school. More than 15 million students are enrolled in postsecondary study in the United States; over half of these students receive some form of financial aid.

It is important to help your child understand all financial aid options available during the college decision-making process. In addition to college application deadlines, individual colleges and Federal/State programs have application deadlines for financial assistance that must be met in order to be considered for all available financial aid.

Financial Aid is available in four forms:

- ✓ Grants
- ✓ Scholarships
- ✓ Loans
- ✓ Work-study

Three major sources provide the bulk of financial aid:

- ✓ Federal Government
- ✓ State Governments
- ✓ Colleges and Universities

Private sources of aid are also available from companies, community groups, non-governmental organizations, schools, banks, and other lending institutions.

Student aid is based on either financial need or merit-based need. Most student aid is awarded to students based on their families' financial need.



Merit-based aid is awarded to students who meet requirements not related to financial need - such as academic excellence in high school or displaying artistic or athletic talent.



**Financial Aid can be the KEY to open
the door to a good education!
PLANNING Paves the WAY!**

For more information:

Rhode Island Higher Education Assistance Authority
www.riheaa.org

Rhode Island RED: Research & Economic Database
www.dlt.ri.gov/rired

Rhode Island Board of Governors for Higher Education
www.ribghe.org

Rhode Island Student Loan Authority
www.collegeplanningcenter.org

Rhode Island Scholarships
www.rischolarships.com

New England Board of Higher Education
www.nebhe.org

FinAid - www.finaid.org

Free Scholarship and Grant Resources include
College is Possible - www.collegeispossible.org
College Board's Pay for College -
www.collegeboard.com/pay
FastAid - www.fastaid.com
FastWeb - www.fastweb.com
Peterson's Financial Aid -
www.petersons.com/finaid

This brochure was originally prepared by
America's Career Resource Network (ACRN)
www.acrnetwork.org



Rhode Island Department of
Labor and Training

DLT is an equal opportunity employer/program, auxiliary aids & services are
available on request to individuals with disabilities. 4/07 MDF

How can you help your child afford
the expense of higher education?

Financial Aid Resources for Post-High School Education



How parents can help their child locate
financial aid for education, training and
college after high school

Rhode Island Department of Labor and Training
Labor Market Information Unit
1511 Pontiac Avenue
Cranston, RI 02920
(401) 462-8740 phone | (401) 462-8766 fax
(401) 462-8006 tdd
www.dlt.ri.gov/lmi

How can I help my child determine how to finance post-high school education?

Sit down and talk with your child about options available. First, be informed yourself. Know how much you will be able to put toward his or her education, then:

- ✓ Discuss all the financial aid opportunities and resources available.
- ✓ Meet with your child's guidance counselor to get more information about the latest merit-based and private scholarships, as well as grants.
- ✓ Check with the schools and colleges that your child is applying to for info about financial assistance they offer, and get the required applications and forms that your child must turn in to be considered for financial aid.
- ✓ Contact Rhode Island's Higher Education Office. www.ribghe.org
- ✓ Go to the reference section of the library to find more information about financial assistance for higher education.

After researching, help your child make a list of all the financial aid resources that he or she would like to apply for. The list should also include:



- ✓ Your Family's Contribution
- ✓ Federal & State Loans
- ✓ Federal & State Grants and Scholarships

What Federal and State Financial Aid Programs are Available to my Child?

There are many paths your child can take to get financial aid assistance for education and training after high school, depending on his or her career goals. Here are some examples:

GRANTS

Grants do not have to be repaid; Examples include:

Pell Grants - Provide funds to low-income undergraduates.

Supplemental Educational Opportunity Grants (SEOG) - Provide grants to low-income students and help to supplement the aid they receive from Pell Grants and other sources.

RI State Grant Program - Provides state grants to financially needy RI residents to help pay for college costs. www.riheaa.org

LOANS

Loans financed by the Federal Government are guaranteed and designed to give your child flexible repayment options. Examples include:

Federal Family Education Loan (FEEL) - Makes loans available to students through about 7,100 participating private lenders.

William D. Ford Student Loan - Uses federal treasury funds to provide loan capital directly to schools which then disburse the funds to students.

Perkins Loan - Provides low interest loans to undergraduate and graduate/professional students who demonstrate financial need.

Work-Study provides part-time jobs to undergraduates and graduate/professional students, either on or off their college campus. Options for work-study can be found on federal and college financial aid applications and web sites.



Scholarships are similar to grants; they do not have to be repaid. They are usually awarded on achievements such as academic excellence or special talents, financial need is sometimes a large part of the award decision-making process. Organizations, foundations, businesses and other groups offer scholarships to students based on different factors. Help your child investigate the possibilities by talking to the guidance counselor or by visiting the library.

TRIO programs provide services to low-income students, including assistance in choosing a school; tutoring; personal and financial counseling; career counseling and workplace visits.

www.ed.gov/about/offices/list/ope/trio/index.html

Hope Scholarship Tax Credit allows students or their parents to claim up to \$1,500 for each student for out-of-pocket tuition and fees. The credit is available for each of the first two years of classes toward a degree or certificate from a college or vocational school.

Lifetime Learning Tax Credit allows college students or their families to claim up to 20% of qualified out-of-pocket expenses associated with earning a degree per year.

Coverdell Education Savings Account is a savings account to finance the education expenses of a child or beneficiary. Contributions are limited and are not tax deductible, but funds grow tax free until withdrawn to pay college tuition.

www.529savingsinfo.com

College Based Financial Aid is another option. Contact the financial aid office at the college/university that your child wishes to attend for more information.