

# FINANCIAL AID: WHAT IS IT AND WHERE DOES IT COME FROM?

## Types of Financial Aid

1. **Need-based** - based on student / family financial circumstances
2. **Merit-based** ó based on a student's talents and performance ó merit scholarships are awarded for academics, athletics, extracurricular involvement, art, theater, music, journalism and more

\*Note: Residency, future job plans, alumni ties and other factors also can be criteria for awarding some need-based and/or merit-based grants and scholarships.

### Sources of Need-Based Financial Aid (Undergraduate Study)

1. **Federal Government**
  - ⇒ Federal Pell Grant
  - ⇒ Federal Supplemental Educational Opportunity Grant (FSEOG)
  - ⇒ TEACH Grant (grant available if you plan to become a teacher)
  - ⇒ Federal Work-Study
  - ⇒ Federal Perkins Loan
  - ⇒ Direct Subsidized Loan
2. **State Government (Indiana)**
  - ⇒ Frank O'Bannon Grant Program
    - Higher Education Award (grant)
    - Freedom of Choice Award (additional grant given to students attending private colleges in Indiana)
  - ⇒ Part-time Grant (grant award for students attending classes part-time)
  - ⇒ EARN Indiana (experiential, paid internships)
3. **Colleges and Universities** ó The availability and amount of need-based grants and scholarships will vary widely among colleges and universities.
4. **Community & Private Sources (Employers, Foundations, Civic Organizations, etc.)** ó Check with local and national scholarship providers for their selection criteria ó many may be awarded based on merit as well as financial need.



### Sources of Merit-Based & Other Financial Aid (Undergraduate Study)

1. **Federal Government**
  - ⇒ Direct PLUS Loan (loan available to credit-worthy parents with undergraduate students, as well as graduate students)\*
  - ⇒ Direct Unsubsidized Loan\*
  - ⇒ Iraq & Afghanistan Service Grant\*
2. **State Government (Indiana)**
  - ⇒ Twenty-First Century Scholarship (grant given to students who meet certain financial guidelines at the time of enrollment in the 7<sup>th</sup> or 8<sup>th</sup> grade year and fulfill program's pledge)
  - ⇒ The Mitch Daniels Early Graduation Scholarship (scholarship for students who graduate from a publicly supported high school at least one year early)\*
  - ⇒ Minority Teacher Scholarship
  - ⇒ Indiana National Guard Supplemental Grant\*
  - ⇒ Child of Veteran and Public Safety Officer Supplemental Grant Program\*
  - ⇒ Other Indiana Scholarships/Grants ó visit [www.in.gov/sfa](http://www.in.gov/sfa)
3. **Colleges and Universities** - The availability and amount of merit-based grants and scholarships will vary widely among colleges and universities; the criteria for merit-based awards also will vary.
4. **Community & Private Sources (Employers, Foundations, Civic Organizations, etc.)** ó Check with local & national scholarship providers for their selection criteria ó some scholarships may be awarded based on need in addition to merit criteria.

\*No merit criteria involved.

### REMEMBER!

1. **Grants & Scholarships** – Money doesn't have to be repaid
2. **Loans** – Money must be repaid (although students usually can defer payment while in school full-time or in a grace period)
3. **Jobs** ó Money must first be earned