

Top 5 Financial Aid Myths *and* the Real Facts

MYTH #1: *Only students from really low-income families qualify for financial aid.*

FACT: While it is true that most aid is reserved for needy families, there are forms of assistance available to help many families meet their expected contribution, including low-interest loans that are available to parents and students. All families are encouraged to apply for aid, whether they think they qualify or not. Many are surprised to find they are eligible.

MYTH #2: *I shouldn't even consider my first-choice school because it costs too much. Only really rich kids go to elite schools.*

FACT: Wrong. The rule of thumb is, that the higher the total costs, the easier it is to demonstrate eligibility for financial aid. In fact, several national studies show that the family incomes of students in private colleges are, on average, lower than the family incomes of students in large state universities. Remember, the stated costs at a school can be deceiving: aid is often available to offset some of those costs. Students should apply and then evaluate the financial award letter when it arrives.

MYTH #3: *Since we haven't saved anything for college, even if I might want to go to a four-year college or university, community/junior college is the only option.*

FACT: You should go to community/junior college if you feel that is the best choice for you in terms of educational preparation – but not because you think you can't afford to attend a four-year college or university. While it helps to have family savings set aside for college, there are other ways to pay for a college education. Families with lower incomes who have not been able to save will likely find that their expected contribution will be quite modest. And remember, low-interest loans are available to families and to students. Also, most colleges and universities offer tuition-payment plans, as well.

MYTH #4: *Only students with the best grades qualify for financial aid.*

FACT: Not true. Scholarships that are "merit-based" are awarded based on a student's academic performance. However, most financial aid, including grants and loans, is "need-based," or awarded based on a family's ability to pay for college.

MYTH #5: *Millions of scholarship dollars go unclaimed every year – I just need to pay a service to help find them.*

FACT: Don't be fooled! Professional scholarship search services would like students and families to believe this so that they can turn a profit. There are many ways for students and families to do the same research on the Internet or with help from high school counselors and the financial aid officers at colleges and universities.