

# The Basics on Grants and Scholarships

Is some financial aid better than others?

Myra Smith, Executive Director, Financial Aid Services, The College Board

An expert describes the main types of aid and explains that not all aid is equal.

## [Video Transcript](#)

Financial aid is money lent or given to you to help you pay for college. Grants and scholarships are kinds of financial aid that you don't have to pay back. That's why they're called gift aid.

All kinds of students get gift aid. Most grants are awarded based on financial need. But a good portion of gift aid is awarded for academic achievement.

If you're thinking about going to college, you should definitely apply for grants and scholarships. Remember, though, that gift aid rarely covers the entire cost of college. It's just part of the picture — a picture that may include loans, family savings and other sources of money.

Some gift aid is awarded for financial need alone.

## Grants and Scholarships Defined

The terms “scholarship” and “grant” are often used interchangeably, but there are usually differences between these two forms of aid.

Most scholarships are merit based. This means that they are awarded to students with certain qualities, such as proven academic or athletic ability. Many scholarships have rules — maintaining a certain GPA, for example — that you have to follow to continue receiving aid.

Most grants are need based. This means that they are usually awarded based on your or your family's financial situation.

## Sources of Grants and Scholarships

Both grants and scholarships come from the following sources.

### Governments

Federal and state governments are sources of gift aid.

- The federal government is the largest source of need-based gift aid, primarily in the form of the Pell Grant.

- State governments often fund grants and scholarships for residents attending college in their state.

## **Colleges**

Many colleges offer grants and scholarships to their students.

- These may be merit based or need based, or a combination of the two.
- Colleges may have stricter requirements for keeping a scholarship than do other sources of scholarships.

## **Private Organizations**

Many companies, foundations, community organizations and clubs sponsor grants or scholarships. Grants and scholarships from these private organizations are called outside, or private, scholarships.

Here are some examples of possible sources of outside scholarships:

- Your parents' employers or labor unions
- Your family's religious center
- Organizations such as the National Association for the Advancement of Colored People (NAACP), 4-H and the Boy Scouts of America

## **Three Steps to Tap into Grants and Scholarships**

To apply for grants and scholarships, you'll most likely have to fill out financial aid forms such as the [Free Application for Federal Student Aid \(FAFSA\)](#) and the [CSS/Financial Aid PROFILE](#)<sup>®</sup>. Outside scholarships usually have their own application forms and application processes.

### **1. Complete the FAFSA**

You must fill out the FAFSA to qualify for federal aid. Many states and colleges use the FAFSA to award aid as well.

### **2. Find Out What Financial Aid Forms Your College Requires**

Apply for your college's gift aid by filling out the required forms. In many cases, this will be the FAFSA, but some colleges require the PROFILE or their own forms. Contact the college financial aid office to find out. Then submit the required forms on time.

### **3. Research and Apply for Outside Scholarships**

Start by talking with your school counselor about how to find outside scholarships. Read [Where to Find College Scholarships](#) for more tips. And use free online searches, such as the [College](#)

[Board's Scholarship Search](#). To apply for an outside scholarship, you'll probably have to fill out an application form, and you may also have to submit financial aid forms.

### **Financial Aid Glossary: Learn the Lingo**

Financial aid forms contain words we don't use every day. Knowing what the terms are and what they mean will help you fill out your applications.

[Read article](#)

### **How to Spot Scholarship Scams**

Could you be the target of a scholarship scam? Learn what to watch out for as you start your scholarship search so you can protect yourself.

[Start slide show](#)

### **Other Topics in Pay for College**

- [Financial Aid 101](#)
- [College Costs](#)
- [Paying Your Share](#)
- [Financial Aid Awards](#)
- [Loans](#)
- [Tools & Calculators](#)

## **DID YOU KNOW?**

Students received a total of \$112 billion in scholarships and grants in 2011-12. About 44% of this free money comes from the federal government and, to qualify, you need to fill out the FAFSA. Here's a breakdown of where grant money comes from:

- 44% Federal
- 33% College
- 10% Private
- 9% State

Read [The Basics on Grants and Scholarships](#)

**Start a college search: Which location are you interested in?**

### **BOOKS ON PAYING FOR COLLEGE**

Check your library or counselor's office for the *Scholarship Handbook*, *Getting Financial Aid* and other College Board books.

[View college planning books](#)

## **RELATED RESOURCES**

- [Where to Find College Scholarships](#)
- [How to Spot Scholarship Scams](#)
- [How Outside Scholarships Affect Your Financial Aid Package](#)
- [Financial Aid Glossary: Learn the Lingo](#)
- [What Is a Pell Grant?](#)

## **Expert Q&A**

### **What are some typical scholarship requirements?**



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## **RELATED WEBINARS**

- [Completing the FAFSA — What You Need to Know](#)
- [Completing the PROFILE — What You Need to Know](#)
- [Financial Aid — Tips and Info for High School Seniors](#)
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