

Talk about paying for higher education

You and your teen or young adult will conduct research to learn about scholarships, grants, loans, and work-study options.

Key money concepts

- Financial aid, which comes from federal and non-federal sources and may include grants, scholarships, work-study, and loans, can help pay for college or other post-secondary programs.
- This activity can help you and your teen or young adult plan for their life after high school by looking at trusted sources of information about possible ways to pay for post-secondary education.

Setup

- Set aside 30-45 minutes for this activity.
- Print the “Talk about paying for higher education” worksheet or prepare to complete it on a computer, tablet, or another electronic device. Make sure you can access the Internet.

Directions

1. You and your child will explore a government website to learn more about financial aid options that could help them pay for their education after they graduate from high school.
 - It may be helpful to know that the federal government isn't the only source of financial aid. There are also non-federal sources of financial aid like scholarships.



Things to talk about

Before starting the activity

- Tell your child it's important to think about their goals for life after high school and ways higher education could help them reach their goals.
- Ask your teen or young adult what questions or concerns they have about continuing their education after high school.

After completing the activity

Some questions for you and your child are:

- “What are you most excited about?”
- “What are you most worried about?”
- “Which of the financial aid options seem best to you?”
- “What else do you need to understand the options?”
- “What else can we do now to help you continue your education after high school?”

2. Consider reviewing key vocabulary from our glossary:

- **Federal student loans:** These loans are funded by the federal government and have terms and conditions that are set by law. Federal loans also include benefits that private student loans don't usually offer. These benefits could include lower interest rates, repayment plans based on income, and possible loan forgiveness for people who choose to work for a certain amount of time in government or for certain not-for-profit organizations or teach in a low-income school.
- **Federal Work-Study:** A program that provides part-time jobs to help you earn money to pay for college expenses.
- **Financial aid:** Money given in the form of grants, work-study, loans, and scholarships to help to pay for post-secondary tuition and fees, as well as related expenses such as room and board, books, supplies, and transportation.
- **Grant:** A type of financial aid that does not have to be repaid, unless, for example, you withdraw from school and you need to pay back some of the grant money; often need-based.
- **Private student loans:** These loans are from private organizations, such as banks and credit unions, which set their own terms and conditions. Private loans are generally more expensive than federal loans.
- **Scholarships:** Money that students receive based on academic achievements or other requirements to help pay education expenses. Scholarships generally don't have to be repaid.

Learn more about building your child's money skills

This activity helps develop your child's planning and self-control skills. To build these skills, they should practice things like planning ahead, remembering information, and solving problems. It also helps develop your child's money knowledge and choices. To build these skills, they should learn facts about saving and spending money and use what they've learned to make the best money choices for them.
Learn more about building your child's money skills.

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Instructions

- 1 Visit a government website (<https://studentaid.ed.gov/sa/types>) to learn about types of financial aid.
- 2 Click on each of the links to learn more about the financial aid options. It's helpful to understand that there are differences between federal and nonfederal financial aid.
- 3 Be sure to explore all types of financial aid, including grants, loans, scholarships, and work-study.
- 4 Complete the table below and discuss each financial aid option.

Grants

Description	
Examples	
Am I eligible for this option?	
How do I apply for this option?	
Will I need to pay this back?	

Loans

Description	
Examples	
Am I eligible for this option?	
How do I apply for this option?	
Will I need to pay this back?	



Consumer Financial
Protection Bureau

Learn more at consumerfinance.gov/MoneyAsYouGrow

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Work-study

Description	
Examples	
Am I eligible for this option?	
How do I apply for this option?	
Will I need to pay this back?	

Scholarships

Description	
Examples	
Am I eligible for this option?	
How do I apply for this option?	
Will I need to pay this back?	

Other financial aid options

The federal government is only one source of financial aid. On <https://studentaid.ed.gov/sa/types>, you'll find three other sources of financial aid: state governments, the college or career school you apply to, and nonprofit and private organizations. You can also use <https://studentaid.gov/aid-estimator/> to estimate the federal student aid you may be eligible to receive.