

Need-Based Aid

Need-based aid may be awarded in several forms: *grants* or *need-based scholarships* (which do not need to be repaid); *work study* (an on-campus job where earnings are applied to cost of attendance); and, *loans* to either the student or the parents, which must be repaid. It is important to understand the many types and terms of loans (see *Loan* section on this website).

Some need-based aid is funded by the federal government (grants), while much is provided by in the form of institutional aid from the university itself. Some colleges guarantee to meet 100% of a student's *Demonstrated Financial Need*, while others offer a limited pool of need-based aid and award it on a first come, first served basis. This makes it very important for students with financial need to apply early for aid.

In order to determine whether you qualify for need-based aid a student/family must file what is called the *Free Application for Federal Student Aid* or [FAFSA](#) . For many highly selective colleges, another form called the CSS Profile [Collegeboard.com](#) is also required in order to be eligible for such aid. [This article](#) describes some ways to optimally position family finances prior to filing the FAFSA.

Although you don't have to be living in poverty to qualify for need-based aid, you must demonstrate need (Demonstrated Financial Need). DFN is the difference between what it costs to attend a particular college (Costs of Attendance) and what you and your family can afford to pay toward those costs (EFC), as determined by the FAFSA.

- Your financial aid eligibility is equal to the amount of your demonstrated need (DFN).
- This eligibility amount is the same regardless of whether costs are high or low. Therefore you will be eligible for different amounts of aid at different colleges.
- A college may not be able or willing to meet full need for every student; it is increasingly common for a student to be admitted to a college but *denied* the full amount of financial aid needed to attend. This practice is called “gapping.”
- Many of the best endowed colleges guarantee to meet 100% of demonstrated need. However, some of these may not consider financial need in making their admission decisions. Institutions who don't consider need employ what is called a “need blind” admission policy. For more information on Need Blind and Need Aware (or Need Sensitive admissions policies please see Lynn O'Shaughnessy's article [Need Blind vs Need Aware](#).

Resources/Links

[USDOE Student Aid](#)