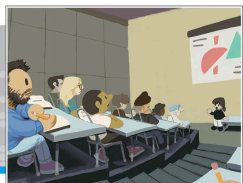


Chapter 12 Financial Aid and Funding Options



Mary Shier

Student Success
An Invaluable Resource for
College and University Students



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BCcampus OpenEd

This resource is a chapter from the book, *Student Success: An Invaluable Resource for College and University Students* by Mary Shier, published by BCcampus Open Education, illustrated by Gordon Shier.

Note that page numbers reflect the page numbers in the full textbook.

The full text can be found at **opentextbc.ca/studentsuccess**, where it can be read online, downloaded, printed, or ordered.

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Introduction

Managing money is a necessary life skill, and one of the hardest because it is a constant issue that never stops. Living life requires money coming and going on a regular basis. Learning the skills to being a good money manager will reduce a lot of stress in your life, and will enable you to plan and save for the future. It will help you to make wise decisions rather than impulse decisions when it comes to spending your money. Having a good handle on what you can afford will help you to take control of your finances and prevent you from getting into unmanageable debt.

Learning Objectives

In this chapter on “Financial Aid and Funding Options,” students will:

- Develop a personal budget for the duration of the school program.
- Identify available funding supports.
- Evaluate personal accomplishments to determine funding eligibility.
- Apply for suitable funding.

12.1 Funding Options

Planning for post-secondary education can seem daunting and may feel out of reach. It can feel like you cannot afford it. However, without post-secondary education, many people will never be able to afford many of the things they desire. There is a direct correlation between the number of years of education people have and the amount of money they make. The data is very clear. The higher your education, the more money you will likely earn. Therefore saying you can't afford to go to school is more likely to keep you in the situation of not being able to afford the things you want from life.

StatsCan did a study called “Does education pay? A comparison of earnings by level of education in Canada and its provinces and territories (<https://www12.statcan.gc.ca/census-recensement/2016/as-sa/98-200-x/2016024/98-200-x2016024-eng.cfm>).” It is clear that the higher the level of education, the higher the average pay.

If you want to enrich your education and skills, you should look into different avenues of funding. There are often several sources of income that can help you get through school.

Sources of Funding

Student Loans

Student loans are designed to help eligible students who otherwise may not be able to afford to access post-secondary education. If you decide to borrow money to go to college or university, government student loans are a good way to do it. Note that government student loans are different than student lines of credit from your bank. Student lines of credit usually end up costing you more because they charge interest from the day you take the money. This results in four years of interest payment for a typical university degree! There are several advantages to government student loans.

- **Interest.** You are not charged any interest while you are still going to school. Interest does not start until you complete your program (or quit or fail out). You have access to the funding throughout your schooling, but no interest is charged until you are finished going to school.
- **Interest rates.** The interest rates on student loans are usually much lower than typical lending rates. They are substantially lower than credit card rates and usually lower than lines of credit.
- **Payments.** You do not need to make any payments while you are in school. In fact, you do not need to start making payments until six months after your program ends. This gives graduates time to get a job after they graduate and get back on their feet financially before having to start making payments on the loan.
- **Credit rating.** You do not have to have built up a good credit rating to get the loan. In fact, unless you have been in default on a previous student loan, you are likely to receive a loan if you meet the other qualifying criteria.

- **Awards.** Applying for student loans can make you eligible for student grants (free money that you do not have to pay back!) Even if you do not qualify for student loans, the fact that you applied can help you qualify for other sources of income. For example, some post secondary institutions will not consider you for student awards if you have not applied for a student loan. They assume you do not need the money very badly if you did not even bother to apply for loans. Also, if you apply for student loans, the website automatically checks to see if you are eligible for other student awards (free money) through the student loans program. Often students are pleasantly surprised by additional funds after applying for student loans.
- **Deferring Payments.** Student loans have deferred payments available for people who go back to further their education again while still paying off student loans from their first credential. Students go back into an interest-free state while they attend school for their second credential. They will also defer payments if you qualify for low-income status. Sometimes it takes a little while before graduates are making enough money to start contributing full payments on their debts. There are many options to keep things reasonable when dealing with student loans.

If you would like to apply for a student loan, speak to the Financial Assistance and Awards Advisor at your college or university. They can assist you with the process. For BC student loans, see www.studentaidbc.ca. If you do not meet the Student Aid BC residency requirement guidelines, apply for other provincial loan programs from the province where you last resided for twelve consecutive months.

Bank Loans and Lines of Credit

Government student loans are better for students than bank loans and lines of credit for all the reasons listed above.

Other Sketchy Loans

Beware of loans that seem too good to be true. They usually are! Several loan suppliers purposely target those with bad credit and lure them into borrowing money. They tempt people with offers, saying they get the money easily and instantly. The problem is that usually the interest rates are very high (to cover their risk) and the consumer ends up paying far more in the end by the time they have paid back all the principal and interest. Storefront money lenders (e.g. MoneyMart and CashMoney) and more recently (and alarmingly) online money lenders (e.g. iCash) provide instant money for those who may spontaneously choose to spend money they don't have. If someone has bad credit and doesn't qualify for a bank loan, it is usually a good indicator that they shouldn't be borrowing more money! Spend within your means and you will be a lot more financially healthy.

Loans from Family or Friends

If you have family or friends who have offered to loan you the money, this is often a great opportunity to pay for school. Often loans from family and friends come with special perks.

- **Interest-free.** They may be offered on an interest-free basis. This is a generous offer as you will not accumulate additional debt through accruing interest. If they are going to charge you interest, make sure to compare the rate to the student loan rate to see which is cheaper.
- **Payment flexibility.** Friends and family are often flexible about when you pay your loan back. They often have more sympathy about late payments due to being jobless, dealing with an illness, or just going through a difficult time.
- **A word of caution.** Families often have special dynamics that can make arrangements like loans very tricky. It is not worth sacrificing family relations in order to save a little bit of interest. Consider whether your relationship with the person extending the loan is stable enough to withstand the arrangement.

Gifts

Sometimes family or friends offer contributing to your education through a financial gift rather than a loan. This is a unique opportunity that is all too often turned down.

Author's Story

As an education advisor, I have often heard students tell me that someone has offered to pay for their education. People often turn down the offer for many reasons:

- They feel it is too great a gift and they are uncomfortable with receiving it.
- Their pride stands in the way and they feel should be able to pay for it themselves.
- They feel unworthy of the gift.

As an education advisor, I have also had many parents, friends, and employers tell me they want to help fund someone's education. They offer for many reasons:

- They believe in the person.
- They care about the person.
- They want to help the person succeed and want to invest in their future.
- They feel good about putting their money towards something that will make a tangible difference.

There are several reasons to accept or deny the gift. Consider them carefully. I hate to see students deny gifts hastily. Accepting a gift of education may end up being a win-win and something that brings great joy to them both.

If you have someone who has offered you funding to help pay for school and is offering it as a gift, consider yourself very fortunate; this is truly a special gift. Consider that denying the gift could be an insult to them. They may interpret that you don't want them to be part of your life's journey to future success. Keep in mind that someone likely invested in their future and they may want to pay it forward. At any rate, they have thought it through and decided that you are someone they want to help and invest

in. Consider yourself special and worthy of their trust in you. The only thing you owe them is to use their money wisely. Work hard in school. Achieve the goals you set out for yourself. This will be your thanks to them.

Another word of caution. There are some exceptions. In rare circumstances you should not accept a gift for schooling. In some dysfunctional relationships, there may be strings attached to the gift that you are unwilling to abide by. If the giver of the gift has unreasonable expectations attached to the gift (particularly if the expectations involve something that makes you uncomfortable, is unsafe, or you are unwilling to do) then it makes sense to deny the gift.

Awards

Student financial awards are monies granted to students for varying reasons. Some are entrance awards intended for students entering post-secondary for the first time. Other awards are for students who are currently enrolled in a full-time program. Awards include two main types of grants: scholarships and bursaries.

- **Scholarships.** Scholarships are awards of merit to help finance further education. Merit is based on several factors. Some scholarships are for academic merit (high grades). Others are for community service merit or athletic merit. Scholarships are for excellence in the area to which the award pertains.
- **Bursaries.** Bursaries are awards based on financial need. They are intended to help those from low-income families or adults with low income. When applying for bursaries, applicants are usually asked to fill out a budget form to show their finances. The awards committee will then choose recipients who have financial need, but also those who have a financial plan that is doable.
- **Grants.** Grants can have very specific goals. Some community organizations, churches, or businesses provide grants for their members or employees or their members' or employers' children or extended families. Often students can meet the eligibility for a scholarship based on the activities of their families. You can be eligible for grant money just because your grandfather was part of the Legion, or because one of your parents worked for CP Rail, or because you work for McDonald's on weekends, or you are part of a club. There are hundreds of eligibility criteria and there are websites that sort through your eligibility. Many grants have money building up year after year because people don't apply. It is always worthwhile to apply for grant money. You may be the first eligible person to apply for a specific grant in years. Other ways to be eligible can include being part of a special target group, such as grants for single moms, for people who have been raised in foster homes, for women going into trades, or people going into specific needed careers such as nursing. There are numerous criteria. Apply! You won't get the free money if you don't apply!

Aboriginal Funding

There are numerous student awards to improve Aboriginal access and achievement and to support getting post-secondary education and reduce financial barriers. Funding can come in the way of internal

school awards or from supportive native bands. There are Aboriginal Coordinators in most colleges and universities that can assist students and potential students in accessing funding and supports.

Registered Education Savings Plans (RESPs)

The Canadian government has an initiative that incentivizes parents to invest and save for their children's future post-secondary education. Parents open an RESP for their children, preferably when they are young so they can save for more years. They contribute money into the account on a yearly basis. The government matches twenty percent of the contributions up to \$500 per year. That means that over eighteen years of savings each of a parent's children can get up to \$9 000 in free government grants in addition to the money that was contributed. Additionally, the government can contribute more for lower-income families. As well, all the money deposited is tax-free and can be invested to earn interest and dividends. These savings can add up and provide a nice nest egg for post-secondary education. Check with your parents to see if they contributed to an RESP for you. If they did, you may have access to more money than you thought.

A Good Old-Fashioned Job

It is great if you can access free funds and low-interest loans. But that still may not be enough to pay for your education. Most students need to work hard during their summers to save up for the next year of school. Some students can fit in a part-time job during the school year to help with the finances. Even a short shift a week can help with providing some spending money throughout the school term.

Exercise: Identifying Sources of Funding

Consider the sources of funding listed above. Make a list of the sources of funding that may be applicable for you. Research the ones that you don't know about. This may involve having some candid conversations with family members about potential sources of funding. For example, you can't write down RESP on the list if your parents didn't contribute to one. Once you have your list, you will want to use it in the next section as you prepare a budget for going to school.

12.2 Personal Budget

There are many different ways of paying for educational expenses. When creating your own financial plan for school, you may wish to consider:

- Working to save for tuition and expenses before attending.
- Working during summer months to pay for your school semester.
- Working part-time and attending school part-time.
- Cutting down on living expenses by living with family or in student housing.
- Applying for grants, bursaries, or scholarships.
- Requesting support from family.
- Applying for student loans.

Exercise: Financial Aid

Talk to someone from the financial aid office at your school of choice. The people in this office may suggest other options for funding that you are not aware of.

Jot down some notes after talking with the financial aid people. You may need these notes for your Budget assignment (coming soon!).

Making a Budget

A budget is a document that tracks the money you have *coming in* including sources of income, and the money you have *going out* to pay for your expenses. For students, a budget helps them plan for future school expenses, keeping in mind all sources of income, including student loans, grants and earnings from part-time work or full-time summer jobs.

When returning to school, most people have to really think about their needs versus their wants:

Needs vs. Wants

Needs	Wants
<ul style="list-style-type: none">• Food• A place to live• Personal care items• Books for school	<ul style="list-style-type: none">• Going out for lunch• Manicure• Tickets for a concert or hockey game

You may have to let go of some wants when you return to school. Can you think of some wants you could eliminate from your budget while you are a student? How about making coffee instead of buying coffee? Buying less clothing? Going out to movies less often and staying home to watch one instead? You may find it is easier to eliminate some expenses that are wants rather than needs.

Exercise: Saving Money

List as many ways as you can that you can cut back on expenses in your own personal life. Make sure they are practical and doable. For example, it may not be practical to save money on a bus pass if the alternative is walking to school one and a half hours each way. This will help your fitness level but may seriously cut into your study time, so it is likely not worth the savings. Likely you will think of many practical areas you *can* save money though.

Also remember that budgets get adjusted regularly, so you'll have to review your budget often. Add income that may come in, such as bursaries or income tax returns, to keep your budget accurate.

Exercise: Prepare a Simple Budget

Using your word processor program, prepare a simple budget showing how you would pay for 1 year of your program at a post-secondary institution. The easiest way to start is to break down your monthly expenses and add the costs associated with school. You will have to estimate expenses for many items (e.g. food, hydro)

Be sure to include your costs for:

- Accommodation – rent, mortgage, or student residence (example: \$800 per month times 12 months)
- Hydro (example: \$85 per month times 12 months)
- Food
- Personal care items
- Childcare (if necessary)
- Transportation (remember: your fees at many post-secondary institutions in BC include a bus pass)
- Books
- Tuition and student fees
- Phone and internet services
- Any other special expenses you can think of

Also include a detailed list of where your funding might come from. Be sure to include:

- Money you have saved
- Education savings plans (e.g. RESP's)
- Income from a part-time job
- Tax returns and credits
- Gifts/loans from family and friends
- Student loans (use the information you gathered from talking with financial aid offices at your institution)
- Scholarships, bursaries, etc. (use the information you gathered from talking with financial aid offices at your institution)

Personal Budgeting



(<https://pixabay.com/photos/calculator-budget-math-pen-913162/>)

Making a budget.

Personal budgeting sounds like a boring and constricting thing to do. In reality, it is enlightening and empowering. The truth is that most people don't know where their money goes every month. They seem surprised when it runs out. But it should never be a surprise. The amount of money coming in needs to be greater than the amount of money going out. Otherwise, you'll end up running out, or going into debt. It's particularly frustrating when you can't afford to do something which was really important to you, because you inadvertently spent money on something that really wasn't that important to you.

Creating a personal budget means being intentional and proactive about where you spend your money. Budgeting is creating a plan to make sure it goes where you want it to go – no surprises. Tracking your spending will help you be aware of the realities of what you spend your money on. This is particularly important for a couple. Money is the biggest thing that causes

conflict in a marital relationship. Often couples tend to think it's the other person who is out of control on their spending. It can be eye-opening to track spending and see where you yourself are spending more than you thought. A personal budget is a finance plan which allocates future income towards expenses, savings and debt repayment. Personal budgeting requires both *creating* a doable plan and *following* it.

Different Ways to Budget

There are several ways to create a personal budget, and you need to choose a way that works for you. Some divide up their cash into marked envelopes designated for different categories (rent, food, cell phone, car, entertainment, etc.) and some track it digitally using a spreadsheet. What most people find is that if they do it for a good length of time (such as a year), they change their spending habits enough that they don't have to track so carefully anymore.

Of course, as income changes, habits change, and money issues creep in again. It's a funny thing. You'd think that when you start making more money, it would be much easier to balance your budget every month, but in reality, as wages increase so do expectations and expenses. It's a good idea to redo your personal budget as required.

Once you get started with a personal budget, first building it, and then sticking to it, you will realize it's easier than you think.

Exercise: Compare Budget Templates

Explore a couple of different ways to create a budget. Here are some examples:

- TD Excel Worksheet: Personal Budget Spreadsheet – TD Canada Trust [Excel] (http://www.tdcanadatrust.com/document/XLS/RMI_personal_budget_worksheet_v05.xls)
- Spreadsheet123 Online Personal Budget (<https://www.spreadsheet123.com/ExcelTemplates/personal-budget-spreadsheet.html>). You will want to ignore the ads (don't click on them) and you can ignore the survey it asks you to do (click on "skip survey").

For both of these examples: Make sure to click on *enable editing* once you have downloaded the file. Then you will be able to insert your own figures into the chart. The nice thing about these online tools is that they do all the math for you.

You may explore a different budget template that you are familiar with or that someone recommended to you. Some people prefer to use good ol' pencil and paper and make their own charts. Think about which templates or models will work well for you. You will use one in the assignment below.

Once you work out your budget, you will be able to see how much *discretionary* money (the money left over after all the necessary payments come out) you should have at the end of the month. Then you can decide how much of it will be for savings, for charity, for a special purchase, or for a special holiday.

However you decide to do it, your budget should reflect your spending. Notice that most pre-made charts have a place for *other*. It's important to identify the other items that are unique to you. Think of your habits (good and bad). If you buy a case of beer every week, or a pack of cigarettes every day, or go skiing every Saturday, make sure you put these in your budget as well. You may need to adjust the amount once you evaluate whether or not you can afford these.

Assignment: Develop a Detailed Monthly Budget

Use the simple budget you developed above. You should be able to use the information you gathered there to complete this more detailed budget exercise. For this exercise:

- Reflecting on the "To do" activity above, think about the different ways to keep track of a budget.
- Choose **one** of the above methods or find one that you like better. Alternatively, you can create your own budget sheet.
- Make a personal monthly budget. Fill it in and take inventory: calculate how much you spend and how much you make. Record any debts, and any savings plans. If you are in debt, include debt repayment in your budget with a timeline when your debt will be paid off. If you have any special things you are saving for, identify these along with the cost, the monthly savings, and when you will be able to afford to purchase the item or when your savings goal will be met for items such as

attending post-secondary.

- Now make a personal plan identifying strategies you will use to be able to stick to your budget. Choose ones that you think will work for you. What changes will you make in your spending practices?

Your assignment will consist of the monthly budget sheet along with a short paragraph discussing changes required. If you are using an online tool to create your budget sheet, print it to have a hard copy and save it on your own computer. If you are using pen and paper, make copies of your budget to use as working copies each month.

Financial Planning

Making a budget and following it is the first step. Budgeting will help you get control of your spending and be more aware of where your money is going. As well as using a budget to manage your current finances and short-term goals, it is important to plan for future needs.

For example: do you plan to have a family and purchase a home? Do you plan to attend post-secondary full time? Do you want to save for your children's post-secondary education? Will you need a new car in a few years, or have to do a major renovation to your home? If you don't plan ahead, these things likely won't happen. Financial planning for the future often just involves identifying those things that are important to you, and then building it into the plan. Putting a little bit every month into a savings plan can add up quickly, and it will be there for the things that matter to you. Once you determine a reasonable amount to set aside each month, it's good to make sure it's done automatically. You can set up your finances so that payments automatically go into:

- Savings accounts at your bank.
- Investments such as GICs, mutual funds, stocks and bonds.
- Education savings such as RESPs.
- Retirement savings such as RRSPs.

Depending on your circumstances, this may seem impossible. Sometimes there just isn't enough at the end of the month to have anything extra. After analyzing your income and expenses, it may cause you to realize more changes need to be made. Do you need to get a different job that pays more? Do you need to get an additional part-time job to supplement your income? Can you find ways to do things more inexpensively (spend less, find cost savings, change habits?) Do you need to sell something that is draining your finances? You will need to come up with a plan that will at least allow you to balance your budget each month. Whether your budget is to *prepare* for post-secondary school (save money so that you can go in the future) or to *attend* now (budget so that you can stretch your money throughout the school year), using these principles will help you achieve your goals.

Text Attributions

This chapter is a remix of the following resources:

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12.3 Applying for Student Awards

In Chapter 12.2 Personal Budget you learned about the numerous options for funding your education. In this section you will research some awards and apply for some that you are eligible for.

There are generally three kinds of awards: internal, external, and outgoing awards.

- **Outgoing awards.** If you are currently attending high school, there are likely outgoing awards from your current school. These are scholarships and bursaries awarded by the school you are leaving. These are often given out at the graduation ceremony and are given for a number of things such as academic merit, sports awards, club involvement, leadership awards, and many more. Once you have graduated and are no longer a student there, you are ineligible for these awards.
- **Internal awards.** These are awards that a post-secondary institution gives to its own students. They can be entrance awards for students who have applied to come to the college or university. Generally entrance awards are meant to entice students to come to that school. They are often to attract high-achieving students or high-achieving athletes. Internal awards are also given to current students for a variety of criteria including academic merit, leadership, community involvement, and a variety of other things. Often donors who set up awards in memory of a loved one will set the criteria to reflect something about the one the award is named after. For example, if the person the award is named after had to overcome many challenges in order to graduate from their program, the award criteria may be that the award goes to someone who has courageously overcome many obstacles to be there. As a result there are often numerous ways to be eligible for different awards, because there are so many different awards available. Apply for internal awards. Students are often surprised when they receive them, expecting that some other student was likely a better candidate. You will not get an award if you do not apply! You can usually find internal awards on the specific college or university website in the financial aid and awards section. Check to see when the application deadlines are and apply early.
- **External awards.** External awards are awards that are not issued by specific schools but are available to the broader community. The awards are generally given by organizations, clubs, churches, and businesses. They will have specific criteria for eligibility and recipients will be chosen by awards committees that evaluate who meets the criteria the best. There are incredibly unusual criteria for awards. Even if you aren't a strong student, you will likely be eligible to apply for numerous awards. There are pet-lovers' awards, Instagrammer awards, movie-buff awards, and everything you can imagine. To access these awards go to the websites listed below. You will need to start a profile and give them your email address. You will be asked a number of questions, some ordinary and some very unusual. These are the questions that help determine your eligibility for numerous awards. Once you have completed the questionnaire, the site will send you a list of the awards you are eligible to apply for. You can then go through the list to decide which ones you will actually apply for. You can have the site order them in order of financial awards highest to lowest. Or you can order them by date of the application deadlines so that you always have the ones whose

deadlines are approaching at the top of your list. Some applications require a simple fill in the application form, while others will ask you for short answers about relevant topics, while others will require you to write a short essay. These are great ones to apply for, as they are often the ones that students don't bother applying for, so your chances to receive them are greater. StudentAwards.com (<http://studentawards.com>) and ScholarshipsCanada.com (<http://www.scholarshipscanada.com>) are excellent sites to search for external awards.

- StudentAwards.com (<http://studentawards.com>) and ScholarshipsCanada.com (<http://www.scholarshipscanada.com>) are excellent sites to search for external awards.

Exercise: Identify Personal Accomplishments and Attributes

In preparation for applying for student awards, it is important to identify your personal accomplishments and attributes. Often people forget about the many things they have done, or they underestimate their value. Start by making a list of the following.

1. **Academic achievements.** If you are an excellent student, note your grade point average or your marks from your last year in school. It could also include any specific awards you received. Were there specific subjects you were recognized for at school awards ceremonies? You may have some of these certificates filed away somewhere (or your mother might!) You may have been recognized for a specific project you worked on. Make note of your academic highlights.
2. **Awards.** Think about some of the awards you may have received over the years. These could be awards for athletics, at your job, from your teachers, from your dance class, anything. Maybe you were employee of the month, or maybe you received an award for being the most sportsmanlike on your team, or maybe you received an award for thinking creatively at work. Take the time to think about the things you have been recognized for. These may be important to mention on an award application.
3. **Community service.** Think of ways you have contributed to your community. Have you coached a team? Have you refereed for a tournament? Do you volunteer at your church? Do you volunteer at community events? Sometimes people don't think they do much until they brainstorm and write it all down.
4. **Volunteer work.** This is similar to community service, and you may have already listed this in the last section. But sometimes you volunteer your time for things that aren't part of an organization. Maybe you help the kid next door with his homework, or watch the kids for a single mom while she goes to the gym once a week. Think about the ways you help others and list them.
5. **Affiliations.** List the clubs and organizations you are a part of. Then list the clubs and organizations your parents have been a part of.

6. **Attributes.** Think of some of your attributes – the qualities and characteristics that you have that make you special. This can be hard to identify, but think about it. Are you good at public speaking? Are you a gifted listener who empathizes with people? Often by identifying these traits, it will help you think of ways to answer specific questions on the awards application forms.

Listing these out might feel strange, as though you are bragging. But you will need to brag a bit when you apply for student awards. Remember the people reading these applications don't know you. The only information they will have to help them make their decisions is the information you give them. So the more you can tell them, the better informed they will be in knowing who you are. Don't be afraid to list your accomplishments and attributes.

Exercise: Apply for Funding

Choose one or more of the following options for funding and submit an application.

1. Student loan
2. Internal awards
3. External awards

In this exercise you will apply for at least one thing. If you want to apply for an internal award, you will need to check if award applications at your institution are open at this time. If you apply for an external award, you can apply for one of the many awards open to you. Report back on the award you applied to and the process. How hard or easy was it to apply for the award?

12.4 Chapter Review and Activities

Key Takeaways

- Identifying sources of funding prior to starting a post-secondary education can help students organize their finances.
- Scholarships, bursaries, and grants provide students with free money during their education.
- Scholarships are awards of merit for different ways that students excel.
- Bursaries are funding provided for students based on their financial need.
- Awards can be outgoing, internal, or external awards.
- Other sources of funding include aboriginal funding, registered education savings plans, and student loans.
- Government student loans offer students (even those with little or no credit rating) financing at a reasonable interest rate without having to start repayment until they are finished school.
- Summer jobs and part-time jobs throughout the school semester can be an important source of income for students.
- Identifying yearly and monthly expenses will help in building a personal budget.
- Developing a budget for the school year involves identifying expenses, income, sources of funding, and organizing the information into a monthly budget plan.
- An effective budget not only involves creating a workable plan but it includes *following it!*
- Identifying personal accomplishments and attributes will aid in applying for student awards.

Exercise: Financial Practice

Being savvy with your finances takes practice.

1. Follow the budget you created in Chapter 12.2 Personal Budget for a week and report back.

- Did you have trouble following it?
- Did you overspend in any areas?
- Were there areas in which you could have done things differently?
- What changes will you make for next week?

2. Apply for another award. When you applied for the award in Chapter 12.3 Applying for Student Awards you likely saw numerous other awards you could apply for. Just do it!

Make a schedule for applying for awards. There are awards due throughout the year. If you make time each week to apply for a few awards, you increase your chances of receiving awards by the sheer volume of awards you apply for. If you spent two hours applying for seven awards, and you received one award for \$500, that is the equivalent of making \$250/hour. Not bad for putting together a few applications.

If you still aren't sure if you will go to school, or you still haven't been accepted yet, you can still apply for a student loan. You won't receive any money until you are accepted, registered, and the school has accepted your tuition. By applying early, you will receive a statement telling you how much you are eligible to receive. This is incredibly helpful as you put together your budget. This helps with planning and even decision making.

Keeping your finances in order is one of the most helpful things you can do for yourself as you embark on student life. School comes with enough stress as it is without worrying about your bills at the same time as you are trying to study for a final exam. Make a budget. Stick to your budget. And if things get tight or unexpected expenses arise, apply for more awards, get a student loan, or schedule an appointment with the financial advisor at the school for more ideas.