

# Scholarship Myths and Scams

Searching for scholarships can be time consuming, but the reward can be great, especially if you gain enough scholarship money to help pay for some or all of your college expenses.

You may have received offers from individuals or companies to find scholarships for you...for a fee, of course. Before you sign on the dotted line, make sure you know what services you are paying for and decide whether you should invest your cash or your time for a scholarship search.

Be aware of these common scholarship myths and scams:

***Myth: Millions of dollars in scholarship money go unclaimed.***

As much as 85 percent of the “unclaimed” money is from employer-paid education benefits that are included in the total. In reality, almost all scholarships are awarded, and those that are not awarded are because of highly restrictive requirements or timing.

***Myth: Only “A” students get scholarships.***

Obviously, students with higher grades can compete for academic scholarships, but many scholarship committees look for more than grades. Some scholarships requirements may include involvement in community or extracurricular activities; others may require a particular skill or talent.

***Myth: You need tons of community service and extracurricular activities to get scholarships.***

Many scholarship winners have distinguished themselves with their dedication to only a few activities and have developed leadership skills within those programs. High quality-involvement with one or two activities trumps low-quality involvement in many. Quantity isn't everything.

***Myth: Only poor students get scholarships.***

While many scholarships are based on financial need or heritage, there are many other scholarships based on factors such as merit, academic interest, by writing an essay or by audition. The key is in finding them: Use scholarship searches found on HESC.org.

***Myth: Scholarships will reduce the amount of financial aid I'll receive.***

You must report all scholarships (and other funds) you will be using for college when applying for financial aid. Receiving one or more scholarships may change the amount of “need” you have according to the federal government. As a result, you may receive less need-based financial aid than if you didn't have any scholarships. At the same time, receiving a scholarship is more likely to reduce your need for loans. In many cases, receiving a scholarship will not affect your total financial aid package.

***Scam: We guarantee to get you scholarship aid – we'll do all the work.***

“If it sounds too good to be true, it probably is.” Keeping this old adage top-of-mind will help you determine whether to use a scholarship-finding service. Most scholarship search services match your profile to lists of available scholarships, probably from many of the same sources you can access for free on the Internet. Be aware that most scholarship sponsors do not charge up-front fees to apply for funding, and no legitimate scholarship sponsor can guarantee you will win an award.

***Scam: We have information you can't get anywhere else.***

There are no secret sources of federal or state student aid. HESC.org offers free scholarship search engines. There is simply no need to spend several hundred dollars for free information you can find yourself.

***Scam: We need your credit card to “hold” your scholarship.***

This is a red flag...do not give your credit card information over the phone or online to anyone without getting information about their service in writing first. You may be setting yourself up for an unauthorized charge or withdrawal, or worse yet, for identity theft.

You can learn more about scholarship myths and scams by visiting the Federal Trade Commission's Scholarship Scams Web site.



[www.hesc.org](http://www.hesc.org)