

Your Employee Assistance Program is a support service that can help you take the first step toward change.

What our kids should know before they head off to school: Student loans

Current estimates suggest student loan debt is around $1.2 trillion in the United States. Almost every student that goes to college takes out some student loans, though the amounts can vary widely; it's a reality for most students. Understanding student loans is a necessity in going to college. While many colleges and universities offer entrance financial counseling in the process of obtaining student loans, it's important to think about financing your education before you get there.

The term "student loans" is used very often as if they are all the same thing, except there are many different kinds between federal and private student loans.

While there are many differences between federal and private loans the two biggest differences are that federal loans offer some of the lowest fixed interest rates available as well as flexible income based repayment plans. For a greater listing of the difference between federal and private loans visit.

Even amongst federal loans there are 4 different types of loans, direct subsidized, direct unsubsidized, direct PLUS, and Perkins loans. Each of these loans has specific limits and qualifications on them and some provide better lending terms than others and some (such as PLUS loans) are able to be used on living expenses. With all of these options it's necessary to look into what will be the best option for you and your education goals.

Additionally the private sector has many options from a whole host of lenders who set their own terms and conditions, which vary from lender to lender.

While many use loans to fund their education, it's important to be aware of all of the scholarship opportunities that exist as well. There are hundreds of thousands of scholarship opportunities. There are websites such as FastWeb and The College Board that provide scholarship searches to help find other ways to help fund your education. The time and energy to apply for scholarships may be lengthy and challenging, but the ease of knowing you owe less on your education in the long run is rather satisfying.

Even beyond loans and scholarships every little bit helps, working summer jobs, work-study programs, and other employment opportunities with universities can help alleviate the cost of your education.

While there are so many options they can easily become overwhelming which is why it's necessary to start understanding your options and how you're going to pay for your education early!

© 2026 Morneau Shepell Ltd.