

How to Qualify for Financial Aid:

Some personal finance techniques for maximizing your eligibility

There are many forms of financial aid. Scholarships may be awarded for academic merit, achievement, leadership, artistic talent, and/or athletic prowess. Grants may be based on financial need or your attractiveness to an admission committee. Loans may be based on family ability to pay or just on enrollment. So how does one maximize the eligibility for financial aid?

Let's assume that you are most interested in “gift” aid – that is, money that does not have to be repaid. Federal gift (and subsidized loan) aid is usually need based. It uses a formula that is quite straightforward and looks at family income and assets, family size, and the number of family members in college to determine eligibility.

There are a few places you can influence your eligibility:

- Assets held in a parents name count much less than assets held in a student's name.
- Home and retirement assets are not counted but other non-retirement assets are included in the formula.
- Multiple siblings attending college at the same time increase your eligibility.
- Are your parents supporting other dependents? Grandparents? Family size is important in determining eligibility.

College gift aid may use completely different criteria than the Feds. Don't be shy in telling all in your application to the admissions committee. They are looking for students who will make a difference while in school, and will make them proud after graduation. This includes the genius, the creative artist, the talented athlete, the community service-oriented leader, the geographically diverse, and the ethnically diverse.

Some things you cannot change, i.e. your ethnicity or your IQ. However, you can show your community spirit through volunteering, working at your local nursing home, feeding the poor on Thanksgiving or starting a tutoring program for young children in need. Do you have artistic or performance talent? Keep a portfolio of your work from high school. It will help others to assess your special ability. Be prepared to audition for some awards.

There is no magic way to qualify – the magic is in learning what is available and applying for whatever you think you may be eligible for. This is hard work – it requires organization, perseverance and following through; however, the returns can be significant.