



Need-Based Versus Merit-Based Aid

Two students apply for federal student aid—a B or C student and a straight A student.

Who do YOU think will receive a higher award?

- A. The B/ C student
- B. The straight A student
- C. The student who applied first
- D. The better-looking student
- E. Cannot determine from the information given

Are you holding an intense internal debate, vacillating between C and D? Well, you might be surprised to learn that the correct answer is actually E.

Federal student aid is *need-based*. That means it doesn't discriminate by any factor apart from need. Eligibility is based solely on the assets and income of the prospective student and his or her family. Factors such as test scores or athletic ability have no bearing on any aid designated *need-based*.

The other side of the coin is *merit-based aid*. Merit includes a variety of categories: academic, artistic, athletic, and the list goes on. Scholarships are the most common type of merit-based aid (though some do have a need-based component). Assuming need is not a condition, a student with extensive assets and income is just as entitled to a merit-based award as a student with limited assets and income.

For the far majority of students, the chief source of financial aid will be need-based aid. However, it's important to know about the variety of assistance available.

Regardless of your economic situation, apply for federal aid and merit money.