



Hedge Funds in Your 401(k): Do They Fit?



How Much Diversification Is Too Much?



The Payoffs of Investing Locally



How to Win the College Scholarship Game

WEEKEND INVESTOR

How to Win the College Scholarship Game

Tuition and Fees Are Rising, But So Is Merit-Based Aid. Strategies for Getting the Largest Possible Award

Email Print 0 Comments

By ANNAMARIA ANDRIOTIS

Aug. 15, 2014 2:23 p.m. ET



Vanderbilt University junior Rachel King, 20, received a scholarship that covers her tuition costs for four years. Kristina Krug for The Wall Street Journal

With tuition and fees at a four-year private college or university averaging \$30,094 a year, many students need help making ends meet. The good news is that scholarship money being handed out by corporations, foundations and other private-sector benefactors is on the rise.

That means families have new places to turn for assistance, even if they don't qualify based on financial need. It also puts a growing premium on preparing early and researching the options for merit-based aid, which can be awarded on the basis of academic achievement, community service or special skills.

Undergraduates received \$21.8 billion in merit aid for the 2011-12 academic year, the most recent term for which figures are available from the U.S. Department of Education, which releases figures every four years. That was up 64% from 2007-08, according to an analysis of the federal data by Edvisors.com, a financial-aid information website. Experts say the trend is continuing.

By contrast, tuition and fees rose 19% on average at private colleges and universities and 34% for in-state students at four-year public colleges over the same period, according to the College Board. In-state tuition averages \$8,893 a year at four-year public schools.

The biggest source of merit aid remains colleges and universities, which have increased their grants as competition for top applicants and athletes intensifies.

More

A good agent knows every chapter by heart.

Good to know:

LEARN MORE >

BERKSHIRE HATHAWAY HomeServices

Popular Now

What's This?

ARTICLES

1 Missouri Shooting Case Roiled by Allegations



2 SeaWorld Revamps Killer Whale Habitats



3



Need-Based Aid: Improve the Odds

But outside organizations have ramped up merit aid faster, awarding \$6.2 billion in such scholarship assistance in 2011-12, up 130% from four years prior, according to Edvisors.com. (That total doesn't include money provided by employers to workers and their children, which hasn't risen as sharply and can be based to some degree on financial need.)

"Private scholarship aid is going up, and it highlights the importance of the private sector in filling gaps that have been created in the overall college-financing universe," says Max Espinoza, a senior vice president at Scholarship America, a Minneapolis-based nonprofit that helps corporations, foundations and other groups manage scholarship programs.

[Aid based on financial need also is increasing](#), and that is the type of aid that many elite schools in the Ivy League and elsewhere focus on. But it represents a smaller portion of the assistance that colleges and universities provide than in prior decades.

Here is what you need to know about qualifying for merit aid from colleges and universities and private-sector organizations—and how to figure out where the odds of success are greatest and the potential payouts are highest:

Study Hard

In most cases, students don't need to actively seek merit scholarships from colleges and universities, which tend to determine who will get help when reviewing applications and transcripts. The best way to qualify is typically to excel at schoolwork, sports or community service.

Finding and winning outside scholarships, though, generally requires some legwork. High-school students and parents should ask school guidance counselors about scholarships they might qualify for. A number of free websites allow students to search based on factors such as their location, grades, majors or skills, including [Edvisors.com](#); [Bigfuture.CollegeBoard.org](#), run by the College Board; [ScholarshipAmerica.org/dfs.php](#), the website of Dollars for Scholars, a network organized by Scholarship America; and the U.S. Department of Labor's [CareerOneStop.com](#).

Many foundations tied to large companies give out scholarships based on merit. Each year, the Coca-Cola Scholars Foundation gives 150 high-school seniors \$20,000 scholarships. To qualify for consideration, students must have a grade-point average of at least 3.0, a history of community service and a record of participating in extracurricular activities.

Students shouldn't wait until senior year to prepare. Many scholarship providers look for skills or interests developed over a number of years. In addition, students often can apply as sophomores or juniors.

Hiring a scholarship consultant isn't typically necessary, because information is readily available online or from employers, local nonprofit groups and religious organizations, experts say.

Not all scholarships are structured the same way. Many providers give recipients funds each year, while others only offer scholarships for one year to each student. In many cases, students also must maintain good grades or keep performing community service or risk having their grants eliminated.

The stakes are high. Qualifying for a scholarship can mean graduating with less debt—and in some cases, no debt at all for many students. It also can significantly shrink the financial burden on parents.

"I felt it was my responsibility to do something to cover as much as I possibly could," says Mishika Narula, who is 18 years old and received a \$10,000 scholarship for her freshman year at Santa Clara University in California from insurance giant AXA based on her work on behalf of people with special needs in and around her hometown, Highland Park, Ill.

"The opportunity was out there," she says.

Play the Odds**Robin Williams and the Bike Bandit****4 Ukraine Says Russian Armored Vehicles Destroyed****5 Opinion: Noonan: The 2016 Battle Heats Up Already**

VIDEO

1 Harvard Unleashes Swarm of Robots**2 Ebola Virus: Outbreak 'Vastly Underestimated'****3 Is Sapphire the Answer to the Scratched iPhone?****4 Calm Returns to Ferguson****5 Ferguson Police Name Officer Involved in Shooting, and More**

Families often have the best shot at getting merit aid from an organization with which they already have a relationship.

The pool of applicants in such programs is often limited, which increases the odds of getting scholarship money. The amounts typically aren't huge but can help cover a portion of tuition or other costs, such as books and transportation. And combining a number of small scholarships can add up.

Parents should contact their employer's human-resources department or benefits manager to find out whether the firm offers scholarships and how to apply.

Employers gave \$5.4 billion to employees and their children in 2011-12, based on the Edvisors.com analysis, up 26% from four years prior. Recipients on average received \$4,190, up 61%. The programs often are administered by outside firms, with employers having no say in who wins.

Supermarket-chain [Kroger](#) (KR -0.75%) gives \$1,000 to roughly 360 children of employees for higher education. Employees must have worked for the company for at least two years. [General Electric](#) (GE -0.93%) offers children of employees and retirees \$3,500 for the first year of college. Recipients are chosen based on class ranking, grade point average and test scores as well as extracurricular activities and community service.

Families should also ask groups or associations they belong to if they offer aid. For example, many state and local units of the National Parent Teacher Association, an Alexandria, Va.-based group, offer small sums to students who attend schools with PTAs.

California's PTA scholarship program gives \$750 a year to high-school seniors who are members of its association and have a history of volunteering. New York's PTA offers \$3,000 to students in good academic standing who plan to become teachers and attend one of the schools in the State University of New York system.

Aim High

Several national programs offer large scholarships that qualified applicants have a decent chance of winning. Competition often is stiff, but the payoff can make it worth the effort.

The National Merit Scholarship Corp., a nonprofit based in Evanston, Ill., offers \$500 to \$10,000 a year in renewable grants and \$2,500 to \$5,500 in onetime payments to roughly 9,000 students each year.

The program identifies eligible students based on their scores on the PSAT exam, which high-school students typically take during junior year. Students must then apply, with grants awarded based on criteria that include grades, extracurricular activities, recommendation letters and scores on the SAT exam, a subsequent test.

[Intel's](#) (INTC +0.68%) Science Talent Search awards 40 students \$7,500 to \$100,000 based on research projects, interviews with judges, academic transcripts and recommendations.

Some national scholarships focus only on achievements outside the classroom. The scholarship Ms. Narula won, for example, is given by AXA to one student in each state, as well as the District of Columbia and Puerto Rico, who demonstrates a history of exceptional community service. Ten students receive one-time grants of \$25,000, and the others receive \$10,000. AXA also offers scholarships of about \$2,500 to roughly 375 students in the U.S. markets where it has branches.

Many colleges and universities, including Duke University, the University of Michigan and Vanderbilt University, also offer big-ticket merit-based scholarships, though the size of the awards, the criteria for giving them and the odds of getting them vary. Students should ask schools they are considering what scholarships they offer and how many students get the aid.

If families receive an offer of merit-based aid, they can ask their first-choice school to top an offer from another school, though there is no guarantee the request will be granted, says Justin Draeger, president of the National Association of Student Financial Aid Administrators, a Washington-based trade group that represents college

financial-aid officers. Also ask if specific departments offer additional aid to students who major in their subject.

Rachel King, 20, a junior at Vanderbilt in Nashville, Tenn., received a scholarship from the school based on her record of community service, which has paid for her tuition. The scholarship also provides \$5,000 to pursue community-service projects during summer break for each of three summers.

Ms. King, who grew up in Cincinnati, says she heard about the scholarship when she approached a Vanderbilt representative who visited her high school. When she toured the campus, she asked the dean of admissions for more information.

"It was the golden ticket for us. My parents made it very clear to me that Vanderbilt isn't a school we could afford and I had to take the initiative to make this work," she says. Without the scholarship, she says, "I wouldn't have been able to attend, or I would have graduated with enormous debt."

Find a Niche

Dozens of other scholarship programs are geared toward students with a specific talent. Most don't review students' grades, focusing instead on specific skills or knowledge. Many grants are doled out to students still years away from attending college.

Students who are in 10th to 12th grade, or 15 to 18 years old, with talents in a range of arts, including dance, music, film and theater, can apply to the National YoungArts Foundation for onetime grants ranging from \$1,000 to \$10,000.

The foundation, a Miami-based nonprofit, says it receives 11,500 applications—typically in video format—and gives awards to about 700 students each year.

Connor Yockus, 18, received \$3,500 in awards from YoungArts programs that will help pay for his coming freshman year at Columbia University. Mr. Yockus, of Coral Springs, Fla., says he also received a \$10,000 scholarship from a foundation that specializes in dance and a \$1,000 scholarship from [Burger King](#) (BKW +0.72%) that was based largely on his academic performance and extracurricular activities. The free aid lowered his family's out-of-pocket costs for this year to around \$40,000 from about \$62,000.

"A little bit here and there helps," he says.

[Google](#) (GOOGL -0.16%) runs an annual science fair where students who are 13 to 18 submit projects in a range of categories. One winner from each age group receives \$25,000, in addition to other prizes, and there is also a \$50,000 grand prize.

Avid readers and writers also can use their skills to win monetary awards. The National Endowment for the Arts and the Poetry Foundation, a Chicago-based literary organization that publishes Poetry magazine, run an annual poetry competition that awards \$1,000 to \$20,000 to high-school students.

Families can find other niche scholarships online. On [Fastweb.com](#), students can set up a profile and find scholarship programs that might be a good fit for their skills and interests.

Show Some Need

A growing number of scholarships are being given to students who can demonstrate both personal skills or achievements and some degree of financial need, says Mr. Espinoza of Scholarship America.

In many cases, families can qualify for such scholarships even if they would be considered too well-off to receive need-based aid from schools or governments.

Families should keep in mind that such programs can require extra preparation, as they often need to submit financial documentation in addition to information about a student's academic record or extracurricular activities.

The Gates Millennium Scholars Program, which is funded by a grant from the Bill & Melinda Gates Foundation, provides about \$12,200 a year on average to 1,000

minority students based largely on academic records and community service as well as financial need. Students need to apply directly to the program.

[PepsiCo](#) (PEP +0.07%) [Chevron](#) (CVX +0.17%) and [Wal-Mart Stores](#) (WMT -0.66%) are among the large companies that offer scholarships to employees' children.

How financial need is determined varies. Chevron, for example, says it doesn't limit scholarships to families that earn less than a certain amount and one factor it takes into account is how many children a family has in college at one time.

Write to AnnaMaria Andriotis at AnnaMaria.Andriotis@wsj.com

[Email](#) [Print](#) [0 Comments](#) [Order Reprints](#)

WSJ In-Depth



Hit Movies Fuel Big Wins for Hedge Funds



Low-Salt Diets May Pose Health Risks



The Internet Is Outgrowing Its Gear



The Humble Potato Falls From Grace



Can 'Warcraft' Skills Help Land a Job?



Tech's Fiercest Rivalry: Uber vs. Lyft

SPONSORED RESULTS

- [Best Stocks To Buy](#)
- [Dividend Stocks To Buy](#)
- [Best Investments For 2014](#)
- [Top Income Funds](#)
- [Top Stocks To Buy Now](#)
- [Top Stocks To Invest](#)
- [2014 Luxury Cars](#)
- [High Yield Bond Funds](#)
- [2014 Luxury Sedans](#)
- [Top 5 Stocks To Buy](#)



[Back to Top](#)

Customer Service
[Customer Center](#)

Policy
[Privacy Policy](#)

Ads
[Advertise](#)

Tools & Features
[Apps](#)

More
[Reprints](#)

[New! Live Help](#)

[Contact Us](#)

[WSJ Weekend](#)

[Contact Directory](#)

[Corrections](#)

[Cookie Policy](#)

[Data Policy](#)

[Copyright Policy](#)

[Subscriber Agreement
& Terms of Use](#)

[Your Ad Choices](#)

[Place a Classified Ad](#)

[Sell Your Home](#)

[Sell Your Business](#)

[Commercial Real Estate Ads](#)

[Recruitment & Career Ads](#)

[Franchising](#)

[Advertise Locally](#)

[Emails & Alerts](#)

[Graphics & Photos](#)

[Columns](#)

[Topics](#)

[Guides](#)

[Portfolio](#)

[Old Portfolio](#)

[Content Partnerships](#)

[Conferences](#)

[SafeHouse](#)

[Mobile Site](#)

[Price & Volume](#)

[Keyword & Symbol](#)

[News Archive](#)

[Jobs at WSJ](#)

Copyright ©2014 Dow Jones & Company, Inc. All Rights Reserved.