# IMPACT OF COLLEGE SAVINGS ON STUDENT FINANCIAL AID



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# Impact of College Savings on Student Financial Aid

**1.**

Save for college in the parent's name, not the student's name. The impact on aid is small if the parent is the account owner.

**2.**

A 529 college savings plan is treated as though it were a parent asset if it is owned by a dependent student or by a dependent student's custodial parent. This has a minimal impact on eligibility for need-based financial aid.

**3.**

A 529 college savings plan that is owned by the student's grandparent, aunt, uncle, non-custodial parent, or any other third party will hurt eligibility for need-based financial aid.

**4.**

Move money in a custodial bank or brokerage accounts, which reduce aid eligibility by 20% of the asset value, into a custodial 529 college savings plan to increase aid eligibility.

**5.**

Spend student assets first, before using the parent's money.