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Indiana University

### **IU pumping up financial aid**

**Freshmen seeking aid up 12% over last year; IU to spend nearly \$15 million more on undergraduate aid**

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More and more of Indiana University's operating budget has been allocated to cover student financial aid the past few years, spurred by a desire to keep education affordable for students.

The amount of undergraduate financial aid carved from IU's operating budget will rise to about \$55 million this fall, up from \$40.2 million in 2008-09.

IU has been able to do this thanks to its efficiency and frugality, according to Neil Theobald, IU vice president and chief financial officer. "We have tried to be as efficient as possible, and to control our spending."

In 2005, 11 percent of the university's operating budget went to financial aid for both undergrads and graduate students, in-state and out-of-state.

In the 2008-09 fiscal year, that allocation rose to 14 percent.

Nonacademic units have to do the cutting back in this scenario, Theobald said. "Anyone who doesn't do research or teach" has had to cut expenses so funds can be reallocated to academics, he said.

Each year for the past few years, nonacademic units, such as the Physical Plant, for example, have collectively trimmed nearly a million dollars that is then used to cover financial aid awards.

And students need this financial aid money more than ever this fall.

"It was stunning to look at the numbers of students seeking aid" this fall, because the ratio of students seeking aid to those who didn't need it had stayed steady in recent years.

Also on the rise is the number of students who qualify for need-based aid at IU, which uses federal guidelines for financial aid qualification, Theobald said.

Roger Thompson, IU vice provost for enrollment management, said the number of freshman filing the Free Application for Federal Student Aid, or FAFSA, for this school year is up 12 percent. For continuing students, the number of students seeking aid is up 11 percent over last year.

Freshman FAFSA filers rose only 2 or 3 percent the previous fall, Thompson said. Federal qualifying guidelines haven't changed radically in recent years, he said.

What has changed is how important a student's financial situation has become in admissions at some schools, Thompson said. He was dismayed to read the recent New York Times article about Reed College, a small private school in Portland, Ore. Reed, which saw a 23 percent increase in freshman seeking financial aid, dropped 100 "needy students" before sending out their acceptance letters, and instead offered admission to 100 students who could pay their own way.

"That tells you how bad the economy is," Thompson said.

IU admissions officers do not take a student's finances into account when making decisions, he said.

"We're strictly need-blind. We don't take it into consideration," he said. "I can't imagine that state universities would head down that road." But, he added, "Never say never."