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A STUDY OF NEEDS AND ACTIVITIES OF FINANCIAL AID RECIPIENTS AND NON-RECIPIENTS

Edward Carpenter

The financial aid officer is constantly attempting to match available funds with students of demonstrated financial need. But not enough money is available for everyone: many who apply for aid are rejected. In an era when more students are continuing their college educations and when university costs are constantly rising, it is more necessary than ever before to ascertain the financial need of an institution's students.

Not enough research has been conducted to determine the differences in financial need as well as work habits, use of time, and attitudes between those who receive aid and those who have never applied. In addition, information about students who apply for aid but are rejected needs to be collected. For example, is the financial situation of the rejected student similar to that of the student who never applies? Or is the financial situation of the rejected student marginal, somewhere between affluence and need?



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Answers to such questions were sought in a comprehensive survey of more than 600 University of Texas at Austin students in the winter of 1970-71 by the University of Texas' Student Financial Aids Office. Detailed questionnaires were sent to random samples of three groups of students: those who applied for aid and received aid; those who applied for aid and did not receive aid; and those who had never applied for aid. Some of the results of that study are given in the following sections.

Table 1. SAMPLE AND RESPONSE TOTALS
BY CATEGORY OF STUDENTS*

<i>Category</i>	<i>Sample</i>	<i>Response</i>	<i>Percent Response</i>
Received aid at least once and never rejected	500	316	63.2%
Rejected for aid	500	141	28.2%
Never applied for aid	471	145	30.8%

*Not included in the response figures are 79 students who indicated they both received and were rejected for financial aid at some time. Since the questionnaires were anonymous, there is no way to determine how many of these students were in the "received" sample and how many were in the "rejected" sample.

FINANCIAL NEED DIFFERENCES

Some of the most significant differences between the student groups were revealed in questions which asked about the student's financial situation. Thirty percent of those who never applied for aid indicated that, compared with other students in their class and marital status, their financial situation is "above average." Surprisingly, while the percentages for those selecting this response for the other two groups were much lower, they did not differ significantly from each other: 5% of those receiving aid; 29% of those rejected; and 8% of those who never applied.

An overwhelming percentage — 68% — of those who never applied for aid claimed that their present sources of income for the school year were adequate. This percentage was larger than that of those who received aid (53%) or that of those who were rejected (60%). The high percentage for the never-applied group might be anticipated since those who have sufficient sources of income would be less inclined to apply for aid. The somewhat greater percentage for the recipients than that for the rejected group may be explained as follows: The awarding of financial aid obviously augments the resources of any student requesting aid, whereas a student who applies for aid and does not receive it still has a shortage of available funds for schooling.

Table 2. STUDENT'S EVALUATION OF HIS FINANCIAL SITUATION

<i>Student's Rating</i>	<i>Recipients</i>	<i>Rejected</i>	<i>Nonapplicants</i>
Above Average	5%	11%	24%
Average	53%	60%	68%
Below Average	42%	29%	8%

One of the major factors a financial aid office must consider in awarding loans and scholarships is the applicant's gross annual family income. Thirty-nine percent of the aid recipients estimated their family's income to be less than \$6,000 per year and two-thirds of the recipients came from families whose income is below \$9,000. On the other end of the income continuum are the non-applicants: almost one-half of their families earn more than \$15,000 per year (compared to only 6% for the recipients' families); and only 10% of non-applicant families fall in the under \$6,000 bracket. The rejected applicants are in the middle. One-quarter of the rejected applicants' families gross more than \$15,000, but slightly less than one-third gross less than \$9,000 and more than one-half earn less than \$12,000. (Chart A)

These trends among the three groups' financial needs are more graphically illustrated in the amount of money parents contribute for one year of university education. Two-thirds of the aid recipients expect their parents to contribute less than \$400 and nearly half of all the recipients expect less than \$100 from their parents for the current term (nine months). These figures compare with 39% and 26%, respectively, for the rejected aid applicants, and 21% and 17% for the non-applicants. Only 2% of the recipients and 17% of the rejected applicants receive more than \$1,500 a year from their parents. At the time the survey was made, The University of Texas' Office of Student Financial Aids had determined \$1,900 to be the average budget for a single Texas resident and \$2,200 for a single non-resident. When it is observed that 44% of the non-applicants receive more than \$1,500, it is not difficult to understand why so many in this group of the survey never applied for aid.

Table 3. ANTICIPATED PARENTAL CONTRIBUTION
FOR THE ACADEMIC YEAR

<i>Parental Contribution</i>	<i>Recipients</i>	<i>Rejected</i>	<i>Nonapplicants</i>
\$0 - 99	46%	26%	17%
100 - 199	11%	4%	1%
200 - 399	9%	9%	3%
400 - 599	10%	5%	4%
600 - 799	5%	5%	4%
800 - 999	6%	12%	6%
1,000 - 1,499	5%	18%	16%
1,500 - 1,999	2%	5%	19%
2,000 & over	0%	12%	25%
No response	5%	4%	4%

The survey confirmed the hypothesis that married students with children usually need financial aid and succeed in gaining it. Fifty-three percent of the married students receiving aid have children, while only 19% of the married students rejected for aid have children. Thirty-seven percent of the married students who have never applied have children.

A large number — 27% — of those who receive aid through the financial aid office have also at some time received a scholarship, grant, or loan through *another* University source. Seventeen percent of the rejected and 6% of the non-applicants have received aid through other University offices or departments. Accordingly, it might be said that the greater a student feels his financial need to be, the greater his attempts to procure aid and the easier the effort to prove the usually requisite financial need.

WORK HABIT DIFFERENCES

A student requesting aid is apparently much more likely to work than one who never applies.

Seventy-five percent of those never applying do not work and only 15% work more than fifteen hours a week. This figure is understandable when it is recalled that 60% of the non-applicants can expect more than \$1,000 a year from their parents and that these students may anticipate further reductions in their own out-of-pocket expenditures as a result of their parents' contribution of necessities such as clothing, luxury items and, in some cases, automobile upkeep and insurance.

Students receiving aid tend to work more often and more hours than students in either of the other two groups. One-fourth of the recipients work more than fifteen hours a week; the same number work fifteen hours or less. One-half of the recipients do not work at all. It should be noted that the percentage of recipients working is bolstered by the number of students receiving aid under the College Work-Study Program. It can reasonably be surmised that even more students in the recipient group would be working had they not been receiving any type of financial aid.

Rejected applicants fall between the recipients and the non-applicants in terms of work. Two-thirds of this group do not work at all; 20% work more than fifteen hours a week.

Table 4. HOURS WORKED - ALL STUDENTS

<i>Number of Hours Per Week</i>	<i>Recipients</i>	<i>Rejected</i>	<i>Nonapplicants</i>
0	49%	66%	75%
1-5	2%	1%	2%
6-10	6%	4%	2%
11-15	18%	7%	4%
16-20	12%	9%	6%
21-30	8%	7%	3%
31-40	5%	4%	6%

Married students, with their added responsibilities, work more despite their financial grouping. Consequently, the percentages in this survey for married students who do *not* work in all three groups were lower. Thirty-four percent of the married recipients, 56% of the married rejected, and 58% of the married non-applicants are not employed. The corresponding non-work figures for single students are as follows: recipients, 53%; rejected, 68%; non-applicants, 75%.

Table 5. HOURS WORKED - SINGLE vs. MARRIED STUDENTS

Number of Hours Per Week	Recipients		Rejected		Nonapplicants	
	Sing.	Marr.	Sing.	Marr.	Sing.	Marr.
0	53%	34%	68%	56%	78%	58%
1-5	2%	2%	2%	0%	3%	0%
6-10	7%	2%	0%	31%	4%	0%
11-15	18%	16%	8%	0%	4%	5%
16-20	10%	18%	12%	13%	5%	11%
21-30	7%	11%	6%	0%	3%	5%
31-40	3%	15%	4%	0%	3%	21%

USE OF TIME DIFFERENCES

The respondents were asked to estimate the number of hours per week spent in each of eight activities: fraternity or sorority, other club or organization, church or religious, class, sports, movies and or television, studying, and loafing.

The amount of fraternity participation depends to some degree on the amount of funds available for the high costs encountered in fraternity life. Ninety-two percent of the recipients, the most pressed group for finances, spend *no* time with fraternities; 79% of the rejected and 72% of the non-applicants, by far the most financially secure group, fall into the no-time category.

As far as participation in other clubs or organizations is concerned, there is no significant difference between the three groups. Over one-third of each group spend some time in other organizations, usually between a few minutes and three hours a week. There also appear to be few differences of note regarding time spent in church or religious activities. About 50% of each group spend some time each week in religious-oriented activities, almost always between a few minutes and three hours a week.

There are also few differences in time spent in class. Yet, some significant findings emerge when one looks at the statistics for time spent studying. Seventy percent of the recipients and 69% of the rejected study thirteen or more hours a week. These figures compare with 59% for the non-applicants. The figures for those studying sixteen or more hours a week are: recipients, 56%; rejected, 51%; non-applicants, 42%.

Non-applicants spend more time than either of the other two groups participating in sports and watching movies and television, probably because of the greater amount of funds at their disposal and the comparatively lesser emphasis they place on academics. Twenty-three percent of the non-applicants spend four or more hours a week in athletics, 16% of the recipients, and 11% of the rejected. (The figures for the recipients and rejected spending *no* time in sports are the same: 39%.) Twenty-seven percent of the non-applicants, as compared with 18% of both the recipients and rejected, view television seven or more hours a week.

Table 6 TIME SPENT IN STUDENT ACTIVITIES

<i>Activity</i>	<i>Time (In hours)</i>	<i>Recipients</i>	<i>Rejected</i>	<i>Non-applicants</i>
Fraternity	-0-	92%	79%	72%
Clubs	1-3	66%	66%	66%
Religious	1-3	50%	50%	50%
Sports	4 or more	16%	11%	23%
Movies/TV	7 or more	18%	18%	27%
Studying	13 or more	70%	69%	59%
Loafing	16 or more	40%	39%	49%

Loafing is one activity almost all students appear to indulge in; yet it appears to be most prevalent among the non-applicants, 49% of whom say they loaf sixteen or more hours a week. The corresponding figures for the recipients and rejected are 40% and 39%, respectively.

ATTITUDINAL DIFFERENCES

Those who have been awarded aid by the Financial Aids Office and never rejected were asked in what ways financial aid has affected their college lives. Their responses were, for the most part, enthusiastic. Over four-fifths of the recipients said it had a positive effect. Seventeen percent were neutral or ambivalent in their evaluations, and three percent thought the types and amount of aid received were unfair or had a negative effect on their lives. Many of those who were neutral or ambivalent think that the amount or type of aid awarded them is inadequate. Most frequently mentioned ways in which the awarding of financial aid benefitted the student were: it allowed the student to continue in school; it reduced educational expenses; it lessened mental anxiety; it helped the student improve his grades; and it lifted a weighty financial burden from his parents' shoulders.

A female senior wrote that aid "has decreased the amount of pressure and emotional strain involved in my concerns of my financial situation which greatly affects one's day to day attitude. With less worry I find that my spirits and grades improve. As a result I find school more rewarding and enjoyable." Other benefits of receiving financial aid noted in the responses included the alleviation of the need to work as many hours part-time and the opportunity to participate in the academic, cultural, and social life of a large university rather than the necessity of attending a small college or junior college while living at home.

The learning of responsibility and budget planning as emphasized by financial aid counselors in their dealings with recipients was confirmed in the remarks of one freshman: "Financial aid has allowed me to be responsible for my education and made me more conscious of the value of education and the value of money." Another student commented: "I am working harder and studying more than I ever have. And I am learning and applying much more in a shorter length of time than I ever have."

As noted earlier, those students who applied for financial aid but were rejected generally come from somewhat wealthier families than do those who

receive aid. Yet in many cases they are not receiving what they feel are sufficient funds to provide for their college education. Students who applied for aid and did not receive it were asked three questions especially related to their rejections. First,

Will you be able, from private or other resources, to complete your degree? An overwhelming eighty percent answered "yes," while only 15% said "no." Five percent did not answer. Nevertheless, when the rejected students were asked whether they felt the reasons given for their rejection were adequate, almost twice as many students as not said they did *not* feel the reasons given for rejection to be adequate: 63% said no, while 34% said yes. Some of the particular concerns of the rejected in regard to their alleged need will be noted below.

Finally, the rejected students were asked in what ways the rejection of their financial aid applications affected their college lives. Their replies, not surprisingly, were much more negative and critical than those of the students who were accepted for aid. Thirty-six percent of the rejected felt they had been treated unfairly, and an additional 37% gave other negative evaluations. Only 3% were positive in their reactions, while 22% were neutral. Two percent were ambivalent. When it is realized that almost one-fifth of the rejected students stated that their rejection had little or no effect on their college lives, it may be speculated that many individuals with high grade-point averages but without financial need apply under the illusion that academic merit only will qualify them for a scholarship.

A typical comment by a student rejected for aid was: "My rejection necessitated a part-time job and continued support from parents." Several students mentioned they could afford school only by using their savings, which, in turn, lessened their financial security. Dependent students coming from families which could afford to help pay their children's way through college but wishing to establish their financial independence felt discriminated against. Often, the rejected student feels that the criteria for financial need neglect his and/or his family's particular financial hardships. For example, as one senior girl commented: "The rejection just made things very tight because my sister is in school at a private college and the car that I needed for student teaching costs money. Tensions are high and the family is very strained." Several students also mentioned that they had been forced to take out loans at especially high interest rates.

The students who had never applied for aid were asked why they did not apply. Fifty-three percent said they did not need aid; 12% received the necessary funds from another source; 11% could not estimate their need; 5% felt their grades were not high enough to qualify; and 19% listed other reasons.

SUMMARY

The primary task of the financial aid director is to assure equitable distribution of funds to needy students. Institutional research is needed in order to ascertain whether this objective has been reached. This study is concerned

with analyzing the work habits, attitudes, and time utilization of three groups of students. The three groups of students are differentiated according to whether they are aid recipients, rejected applicants, or non-applicants. It is noted that a 30% greater response was elicited from the recipients; this is attributed to the fact that the recipients received financial aid while the other groups did not receive aid.

In general, the study reveals significant differences in the characteristics of the three groups. Analysis of Table 1 shows that a significantly larger proportion of recipients perceive their financial situation as below average when compared with the other two groups. Presumably, 56% of the recipients rated their situation as average because their need gap had been satisfied by awards. Identifying gross family income is one of the techniques used in conducting need analysis. This procedure is based on the premise that a greater part of educational cost can be borne by higher income families. Chart A compares differences in family income by student categories. As might be expected, over 65% of the recipients come from low income families. This is in keeping with the trend of directing financial aid to target poverty groups. Table 3 provides insight into differences in estimated parental contributions. The fact that 39% of the rejected applicants anticipate less than \$400 parental contribution suggests that middle income families are not necessarily contributing in conjunction with their ability to pay. However, adequate financial support is made available to the non-applicants whose parents in 60% of the cases contribute over \$1,000 to educational costs.

The data generated in Table 4 suggests that an aid recipient has a higher probability of working than the non-applicant. It is apparent that the recipient can bridge the deficit of unmet need by working part time. Further, the distinction in terms of hours worked is explained by the more favorable family circumstances of the non-applicant group. Upon establishing a family unit, the married student shifts the burden of educational costs from his parents to himself. Married students in all categories work more than single students do. Larger costs and added family responsibilities account for the differences between the two groups. Table 5 depicts the aforementioned differences as a confirmation of the above.

The use of time differences, as depicted in Table 6, has received little attention from researchers. There was an unusual congruence in the amount of time expended by the three groups in fraternal, club, and religious activities. In general, the non-applicants, those who do not experience financial constraint, have more time for leisure activities. It can be argued, perhaps less objectively, that non-applicants demonstrate a greater interest in the non-academic benefits of higher education.

The recipients' attitudinal responses clearly document their positive attitude toward financial aid programs. Indeed, the goal of equal educational opportunity is realized when these students are supported in their educational quest. By freeing the low-income students from heavy financial burdens, the

university is encouraging optimum participation in social and cultural activities.

Unfortunately, the rejected applicants manifest negative reactions to the denial of programs. It is quite possible that the rejected students, those who — for the most part — come from middle class families, experience financial pressures and frustrations. In the main, the legislative requirements of most programs preclude allocation of funds to middle income families. In concluding, the traits and characteristics of the recipients and rejected applicants, as revealed in this study, are quite similar. The non-applicant group, in contrast, differ markedly from the other two groups in most criteria.

Appendix A. BIOGRAPHICAL COMPOSITION OF RESPONSE
BY CATEGORY OF STUDENTS

	<i>Recipients</i>	<i>Rejected</i>	<i>Non-Applicants</i>
Ethnic Group			
Anglo	81%	91%	94%
Negro	2%	1%	0%
Mexican-American	10%	3%	2%
Other	6%	4%	3%
Did not indicate	*	1%	1%
Sex			
Male	56%	50%	50%
Female	41%	48%	46%
Did not indicate	3%	2%	4%
Classification			
Undergraduate	82%	88%	88%
Graduate	18%	12%	12%
Marital status			
Single	78%	82%	79%
Married	19%	11%	13%
Divorced/separated/widowed	1%	3%	1%
Did not indicate	2%	4%	7%
Transfer status			
Transfer student	44%	41%	46%
Non-transfer student	56%	59%	54%

*Less than 0.5%

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Chart A.

FAMILY'S TOTAL GROSS INCOME BY FINANCIAL GROUPING

