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# AN EXAMINATION OF THE INDEPENDENT STUDENT, THE DEPENDENT STUDENT AND THE PHILOSOPHY OF STUDENT FINANCIAL AID

*Charles W. Seward, III*

A great deal of discussion, argument, and confusion has revolved around the "independent" or "self-supporting" student, as attempts are made to relate this student to existing philosophies of student financial aid. This paper is intended to present a review of the problem, question the validity of certain assumptions, and propose an option concerning the "independent student."

One philosophical aspect of student financial aid is the premise that the first and primary source of income for paying the cost of higher education is the student and his parents. In order to standardize the rationale, procedure, and methodology of determining what the parents and student should be expected to pay, a financial need analysis system was developed first by the College Scholarship Service and later by The American College Testing Program.



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These two systems, based on national norms and current economic variables, estimate what the family (parents and student) is able to pay for the cost of higher education. The dependent student determination is based upon income and asset information provided by the parents and the student.

### *DEFINING THE STUDENT'S DEPENDENCY STATUS*

At this point, a distinction must be made as to the student's status both in a general sense and in a specific sense.

In a general sense, a dependent student is defined as dependent upon his parents for support, maintenance, discretionary and educational expenses. Such a student is generally listed as a tax exemption by the parents for federal income tax purposes and resides with the parents. Therefore, based upon an established premise of student financial aid philosophy, if such a student decides to attend college he is considered a dependent child of the parents, and the student and the parents are the first source considered in analyzing the financial ability to meet the costs of college enrollment.

It has been assumed that a student not dependent upon his parents financially for his support is an independent student. Therefore, whatever financial aid the independent student receives is based upon his or her individual income and asset situation and not upon the financial condition of the parents. In conjunction with this interpretation there is another basic assumption. This assumption is that the independent student is eligible to benefit from both federal and state programs if there is a defined need and the maximum income eligibility limits are met. There have been, as a result, many problems in establishing criteria which distinguish the dependent student from the independent student.

It can be argued that the two assumptions mentioned above are not valid. It could be acknowledged that the student described in the preceding paragraph is an independent individual in several areas (i.e. regarding taxation and regarding maintenance expenses), but does not have to be accepted under the proposition that because an individual has moved out from under the supportive wings of the parents, such an individual is solely responsible for his or her higher education expenses.

The basic assumption which states that the student and his parents are the primary source for paying the cost of higher education does not necessarily exclude the independent student. The only legitimate exception under this assumption exists when there are no living parents or the child is a ward of the state or county.

Before financial aid in its present form came on the scene in 1958 with the National Defense Student Loan Program and in the 1960s with the Work-Study Program and the Educational Opportunity Grants Program, an individual who wanted to go to college looked first to his or her own resources and to his parents' resources. This was the case regardless of the individual's "dependent" or "independent" status. What the philosophy of student financial aid as developed at that time set forth was the proposition that the family financial situation should be the basis for determining ability to meet the costs of college enrollment. If the student's and his parents' calculated

combined contribution did not meet the charges of higher education, a financial aid package would be put together by the financial aid officer at the college using federal, state, and institutional aid programs to make up the difference between expense and available income.

### *FINANCIAL AID PURPOSE AND THE INDEPENDENT STUDENT*

At this point, the purpose of financial aid programs as enacted by the U. S. Congress and by state legislatures needs to be examined. The major purpose in enacting these programs was quite clearly stated. Much research has shown that access to higher education was highly correlated with family income. The higher one's family income, the more accessible was higher education to the children of the family. The vicious cycle of poverty, inadequate education, and lack of jobs has locked out the children of impoverished families in terms of access to higher education. Since higher education has become the means by which economic and social mobility can be most readily achieved, the lack of access to higher education simply intensified the viciousness of the poverty cycle.

The major purpose, therefore, of the federal and state programs was and still is to eliminate the economic barriers to higher education for the children from low income and impoverished families. The Student Guaranteed Loan Program and to some extent the National Defense Student Loan Program go somewhat beyond this stated purpose, but the intent is still to assist those students from financially needy families. Nowhere in this stated purpose can it be established that these programs were intended to assist students who became impoverished because they separated themselves from their parents.

### *PROBLEMS GENERATED BY THE INDEPENDENT STUDENT DEFINITION*

It seems as though the financial aid community has stumbled along blindly and allowed this new concept, that of the independent student, to create itself.

Student financial aid officers gave this new concept validity by attempting to define it. This is especially an unfortunate situation in light of the fact that the funding of the various student aid programs has never been adequate to meet the financial needs of many of the very needy students the programs are actually intended to serve. To spread the allocated funds even thinner by distributing them to additional persons, who qualify on the basis of being "independent", is folly.

In reality, the independent student who applies for student financial assistance is not an independent person. Instead of looking to his or her family for such support as the family can provide, the independent student is asking society to assume the burden of his or her higher education support. The independent student usually seeks more extensive aid than any other student upon the grounds that he or she lacks any assets or other financial base upon which to rely in meeting the costs of college enrollment.

Consideration must also be given to the moral and ethical aspects of this situation. When establishing an artifact such as the independent student, criteria, rules, and regulations must be established, all of which lead to possible and probable acts of circumvention. If a parent ascertains that he can save himself \$4,000 to \$10,000 in the educational expenses of his son or daughter, or both, by dropping them as tax exemptions and economically disowning them, in the light of today's economic and social pressures, it would seem to be the practicable, realistic and economically sound thing to do. Morally and ethically, of course, there is no justification for such action. Thus, the state and federal government set the stage for further moral degeneracy in family relationships.

Regardless of the reasons a student may have for asserting financial independence — philosophical, circumventive, incompatibility — for student financial aid programs to accept this student as a valid entity for financial aid purposes is to abrogate the purposes and goals of student financial assistance. To ignore the parents in the determination of a student's eligibility and financial need is to dismiss the premise and authority that created and sustains most financial aid programs.

As stated earlier, financial aid is intended to respond to the family economic barrier that has traditionally stood between a student and his access to higher education. It is not intended to respond to family social and psychological problems or situations. Whether or not a family is able to pay a substantial amount or a minimal amount toward the cost of higher education, such financial conditions must be taken into consideration when determining the financial need of a student. Those decisions made by the student and his parents because of sociological and psychological reasons do not separate them in terms of who pays the college bill.

If a student, by some arbitrary definition, separates himself from the family and such family is a low-income family and really unable to contribute to the student's educational expenses, and such student is accepted as an independent student, we have denied ourselves access to knowing the family's true economic situation.

Applying the independent student definition to the lower-middle income, middle income and upper income families, a student from these families could, for whatever reasons, establish his independence and qualify for financial assistance. Because we ignore the financial situation of the parents of such a student, we then overlook the possibility that the parents could pay all or a substantial part of the student's educational expenses. When we do this, we have distorted, misused and abused the financial aid programs and the philosophical basis of the existence and function of such programs.

### CONCLUSION

Finally, it is impossible to assert the equity of student financial aid programs from an administrative, procedural or functional standpoint as long as the independent student is accepted as a valid concept. How equitable have we been to the family that willingly assumed its full responsibility in providing

its expected contribution to the cost of education for their child regardless of whatever philosophical or compatibility problems that exist between student and parent? How equitable have we been to the family that is fully aware of its ability to circumvent the rules and escape paying their part of the cost of education for their child, but who are responsible and honest parents and do pay what is defined as their contribution to such costs?

The option is clear. The concept of the independent student may be accepted, but if it is, let's first properly categorize such students as *socially dependent* students. They will be dependent upon the state, the federal government, and the institution. There must be a corresponding willingness to foot the bill with adequate funding if this option is chosen. The other choice is to accept the proposal advanced in this paper. That is, the independent student is not a valid concept in determining who shall be the primary source for paying the cost of higher education. Only when the student is an orphan or ward of the state or county shall the resources of the student (and spouse, if married) be the sole determinant of financial aid eligibility.

If the federal and state governments are to adhere to the basic fundamental premises and philosophy that brought about the enactment of student financial aid programs, and if these two governmental bodies intend to administer such programs in an equitable manner and utilize the appropriated funds, which are never adequate, to the maximum potential in achieving prescribed goals, then equity, validity, reliability, and consistent standardization of administration must be a part and function of reality and not conjecture, indecision, political insecurity and theory.