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MICHIGAN STUDENT FINANCIAL AID

OFFICE SALARY AND STAFFING PATTERNS

By Lee Peterson, John Tatum and Marvin Winegar

The student financial aid field has expanded tremendously in recent years. New programs have developed. Millions of additional dollars have been poured into this area from a variety of governmental levels and private concerns in an effort to help fulfill the nation's commitment to equality of access and choice in postsecondary education. Thousands of new applicants have been added in the process. Current data in the State of Michigan alone indicates that there presently are some 100,000 students applying for roughly \$160 million each year at Michigan colleges and universities¹.

The administration and coordination of these programs is a tremendous responsibility which lies squarely upon the shoulders of the financial aid staff on each individual campus. There are related agencies and groups which administer certain specific programs. Yet it is the campus aid office that must not only equitably distribute the funds at its own disposal (roughly 3/4 of the total figure cited in Michigan), but also coordinate the packaging of most of the remainder, so that individual students receive a reasonable overall aid package.

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¹ Interim data from Michigan House Resolution 11 Survey Data on Student Aid Resources. Note: these figures are doubtlessly conservative as they include no reference to the financial aid resource picture at the some 300 vocational schools licensed to operate within the State.

The Problem

Much is asked of the financial aid profession, but little data is available as to the extent to which institutional salaries, staffing patterns and supportive services reflect the growing responsibilities involved. In fact, the primary national survey available in this area would seem to indicate that, at least in terms of salary, the financial aid profession does not rank particularly high in the monetary remuneration scheme of the academic marketplace. This 1973-74 national survey of 975 schools (public and private two and four-year colleges and universities) noted that mean salaries reported for the Director of Student Financial Aid ranked next to last in comparison to the wages then being paid to 46 selected professional administrative positions in higher education². This study included some traditionally high paying positions, such as College Presidents and Medical School Deans, which could be expected to command more than campus Financial Aid Directors. Yet it also found that such individuals as the Registrar, Admissions Director, Student Union Director and Information Office Director earned more on the average, in 1973-74, than did the Director of Student Financial Aid. Only the Bookstore Manager reported a lower mean salary than did the Financial Aid Director.

This national survey has recently been conducted again for 1975-76 and the results show little shift in the relative stature of the salary figures reported for the campus Student Financial Aid Director. The median salary figure indicated for 1975-76 was \$15,547, which reportedly represented an increase of 17.3% over 1973-74 (\$13,254). This increase was somewhat greater than the overall 12.9% increase reported for all administrative positions considered during this period. However, the consumer price index rose 20.1% between December, 1973, and December, 1975. Also, the average Student Financial Aid Director figure reported for 1975-76 was still lower than most of the other 52 administrative categories sampled. Only the Student Housing Directors and Bookstore Managers reported lower average yearly income³.

While national salary data such as this is undoubtedly depressing to a growing profession which has seen its responsibilities expanding so rapidly in recent years, it does not indicate the related issue of office staffing patterns and supportive services. Both adequate salaries and sufficient support personnel are necessary prerequisites for the successful administration of today's intricate student aid program matrix.

There currently exist no guidelines at the state or regional levels against which individual aid administrators can evaluate their office's salary structure and staff and support capabilities. With this concern in mind, the Michigan Student Financial Aid Association (MSFAA) recently charged its Research Committee with the development of current data on the Michigan campus financial aid salary and staffing situation. This article represents a summary of the

² "Administrative Compensation Survey", *College and University Personnel Association Research Report*, Washington, D. C., March, 1974. *Chronicle of Higher Education* also summarized this information on June 24, 1974, p. 24.

³ *Chronicle of Higher Education*, February 17, 1976, p. 4.

statewide study which followed. It is hoped that the results identified here can serve as a foundation for further research on this important topic, and that it can become a catalyst for the efforts needed to develop a usable "yardstick" against which individual aid administrators can measure the adequacy of their campus operations.

The Study

The actual survey instrument was mailed to each college and university in Michigan and to a select sample of vocational schools licensed to operate within the state. An anonymous return was requested to help protect the confidential information involved.

RESPONSE RATE

Table I summarizes the responses received to this survey:

Table I — Overall Michigan Financial Aid Office
Salary/Staffing Survey Response

| School Type | Total Schools | Total Responses | Response Rate |
|---|------------------|--------------------|------------------|
| Public 2-Year Community Colleges | 29 | 18 | 62% |
| Public 4-Year Schools | 15 | 10 | 67% |
| *Private 2-Year and 4-Year Colleges and Universities | 43 | 26 | 60% |
| Vocational Schools (select sample) | 23 | 6 | 26% |

*Note — 8 private colleges were deleted from the survey due to their specialized sectarian or professional nature.

Due to the limited response, vocational school data was not analyzed. It was felt that the overall 62% response rate for the various types of degree-granting colleges and universities was sufficient to provide data representative of the overall Michigan collegiate financial aid scene.

SALARY INFORMATION

Table II summarizes the salary information reported by type of institution.

This information tends to indicate that Directors of Student Financial Aid in Michigan may be slightly better paid than the national figures reported earlier in conjunction with biennial College and University Personnel Association survey. It would not appear that this difference would be statistically significant, however, especially when it is noted that the Michigan data represents an arithmetic average, whereas the national data is median in nature.

The Michigan data shows a substantial fluctuation in average salary rates between types of educational institutions. This distinction is particularly pronounced in the private colleges and universities. Directors of Financial Aid at private schools in 1974-75, for example, reported a mean salary figure that was only 68% of that found at comparable posts in 2-year public community colleges and 65% of that reported by those in comparable positions at 4-year public schools. This difference decreased only slightly for 1975-76.

Effective administration of student financial aid programs depends not only upon the adequacy of the profession's salary schedule but also upon the staffing structure and work load involved. The next selection of this report summarizes various indicators of staff strength and work load which were identified by the survey.

STAFFING PATTERNS AND RESPONSIBILITIES

Table III summarizes the staff and administrative budgets reported by Michigan colleges and universities for 1974-75 and relates staff size to overall enrollment:

Table II — 1974-75 and 1975-76 Michigan Financial Aid Office Salary Information

| SCHOOL TYPE | LEVEL | | | | Clerical-Secretary* % | | | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------|----------|----------|----|----------|----------|----|---------|---------|----|
| | Director % | Associate Director % | Assistant Director % | Counselor % | | | | | | | | | | | |
| Pub. 2-yr. Comm. Coll. + Average | 1974-75 1975-76 Incr. | 1974-75 1975-76 Incr. | 1974-75 1975-76 Incr. | 1974-75 1975-76 Incr. | 1974-75 1975-76 Incr. | | | | | | | | | | |
| | \$17,641 | \$18,608 | 5% | | \$7,181 | \$7,536 | 5% | | | | | | | | |
| + Range | 12,000 | 13,200 | | | 4,600 | 6,000 | | | | | | | | | |
| Pub. 4-yr. Schools + Average | \$18,418 | \$19,956 | 8% | \$18,110 | \$19,400 | 7% | \$13,991 | \$14,838 | 6% | \$11,796 | \$12,780 | 8% | \$8,583 | \$7,063 | 7% |
| + Range | 13,000 | 14,300 | | 16,920 | 18,000 | | 12,300 | 13,000 | | 10,082 | 12,000 | | 6,050 | 6,500 | |
| Pri. 2-yr. & 4-yr. coll. & univ. + Average | \$12,025 | \$13,481 | 12% | | | | | | | | | | \$5,870 | \$6,030 | 3% |
| + Range | 4,752 | 4,752 | | | | | | | | | | | 4,160 | 4,160 | |
| Average | \$15,330 | \$16,618 | 8% | | | | | | | | | | \$6,489 | \$6,848 | 6% |

Insufficient Personnel Reported to Permit Calculation

Insufficient Personnel Reported to Permit Calculation

Same as Public 4-year Data Above

*Other Clerical positions varied too greatly to permit categorical tabulation

Table III — 1974-75 Michigan Financial Aid Office Staffing and Administrative Budget Information

| SCHOOL TYPE | Average Staff Size | | | | Student Headcount | | | | Financial Aid Office Administrative Budgets | | | | | | |
|---|--------------------|----------|-------|------|-------------------|------------|------------------------------------|----------|---|----------|-----------|-------------------------|-----------|----------|-----------|
| | Profes-sional | Clerical | Total | | Per FTE Staff * | Enrollment | Student Enrollment Per FTE Staff * | FTE PROF | FTE CLER | FTE HDCT | FTE TOTAL | Administrative SALARIES | OTHER | TOTAL | |
| Public 2-year Community Colleges | 1.6 | 2.1 | 2.5 | 4.2 | 4.1 | 6.3 | 4,038 | 3,148 | 1,678 | 1,900 | 1,274 | 705 | \$ 48,796 | \$ 8,972 | \$ 57,768 |
| Public 4-year Schools | 5.3 | 5.9 | 11.1 | 18.6 | 16.4 | 24.5 | 2,760 | 1,135 | 798 | 2,290 | 969 | 672 | \$161,977 | \$20,406 | \$182,383 |
| Private 2-year & 4-year College & Univ. | 1.1 | 1.3 | 1.6 | 2.2 | 2.7 | 3.5 | 1,195 | 1,069 | 517 | 981 | 883 | 420 | \$ 22,479 | \$ 7,855 | \$30,334 |

*Enrollment figures include all reported undergraduate and graduate students

These figures indicate that private college financial aid offices have by far the smallest professional and clerical staff. When personnel are compared with enrollments, it can be noted that public 2-year community colleges have by far the largest number of overall head count enrollees for each full-time equated financial aid office staff member. As might be expected, differences between public 2-year and 4-year schools, in terms of students per financial aid office staff member, diminish when full-time equated enrollments are considered. In both cases, however, private schools show the lowest student to financial aid staff member ratio.

Interpretation

Interpretation of this data is very difficult, because there are no empirically tested guidelines as to what level of campus financial aid office staffing is "adequate" for "effective" program administration. The College Board has recently stated in this regard that:

"Staffing the financial aid office is necessarily related to the size and scope of the responsibilities of the office. These will vary considerably from one institution to another — because of the variety of tasks and responsibilities of the financial aid office, it is difficult to state precisely the number of professional and clerical staff needed to operate the office most effectively."⁴

Since staffing adequacy most directly relates to the subject of actual aid applicants, not overall enrollments, this question will be dealt with further in conjunction with Table IV which deals specifically with various measures of office work load.

Beyond staffing level alone, availability of other supportive services, data processing in particular, also impacts upon overall office capabilities. Survey results reported later on this topic tend to indicate that most Michigan campuses have little computer assistance at the present time. Decentralization of certain functions (check writing, disbursement, loan collections, etc.) may also mean a great difference in work load between staffs of equal size and similar composition. General office responsibilities are reviewed as well later in this survey.

Before proceeding, however, it should be noted that Table III also provides summary information regarding the 1974-75 administrative budgets available at campus financial aid offices. If gross administrative cost figures are compared with the overall gross office aid dollar flow (average reported next in Table IV), it can be noted that reported administrative expenses overall total only some 3% of the total funds administered. This percentage ranges from roughly 5.2% for public 2-year community colleges to about 2.7% for private 2-year and 4-year colleges and universities and 2.5% for public 4-year schools. These administrative cost percentages closely approximate the operational expense percentages found in the comprehensive statewide House Resolution 11 study cited earlier (see footnote Number 1).

⁴ *Perspectives on Financial Aid*, College Entrance Examination Board, New York, 1975, p. 23.

Evaluating office expense percentages is extremely difficult, however, as many administrative considerations are decidedly "front loaded" and the financial aids office often has rather "long term" administrative involvement with its loan resources, etc. However, it should be pointed out that the administrative overhead percentages indicated do compare favorably with the operational costs found in conjunction with many other commercial and governmental operations.

Another measure of work load can be obtained by reviewing the aid applicant population found at Michigan schools. Table IV summarizes this information.

This data shows that the public 4-year Michigan schools report a substantially larger applicant "case load" than do the public 2-year schools and private colleges and universities.

Several College Entrance Examination Board publications have suggested the following minimum levels of staffing for institutions with various numbers of aid applicants:

Under 500 applicants: a full-time director, one full-time secretary or administrative assistant and two half-time student assistants or equivalent.

Between 500 and 1,000 applicants: a full-time director, one full-time administrative assistant, two full-time clerical workers and four half-time student assistants or equivalent.

Between 1,000 and 2,000 applicants: a full-time director, one assistant director, two secretaries and six half-time student assistants or equivalent.

Between 2,000 and 4,000 applicants: a full-time director, two full-time assistant directors, one full-time administrative assistant, three full-time secretaries, three full-time clerical workers and eight half-time student assistants or equivalent.

Over 4,000 applicants: a full-time director, three full-time assistant directors, one full-time administrative assistant, five full-time secretaries, four full-time clerical workers and eight half-time student assistants or equivalent."⁵

Converting these suggested staffing levels into a format roughly equivalent to that found in Table IV, we find the following range of applicants per suggested full-time equated financial aid office staff member:

| Number of Applicants | Number of FTE Staff Members Suggested | Range of Applicants per FTE Staff Member |
|----------------------|---------------------------------------|--|
| 0- 500 | 3 | 0-167 |
| 500-1,000 | 6 | 83-167 |
| 1,000-2,000 | 7 | 143-286 |
| 2,000-4,000 | 14 | 143-286 |
| 4,000- | 18 | 222- |

⁵ *Ibid.* (These figures may now be somewhat conservative since they were first published in 1973 in another College Board publication entitled, *A Design for a Model College Financial Aid Office*. This document preceded implementation of the massive Federal Basic Educational Opportunity Grant Program which has added substantially to campus financial aid office responsibilities. The forthcoming State-level Direct Loan Program will impose still further responsibilities on Michigan financial aid office administrators.)

Table IV — Michigan School Financial Aid Office Applicant Work Load

| SCHOOL TYPE | Number of Applications Processed (Duplicated) | | | | Number of Student Aid Packages Developed (Unduplicated) | | | | Number of Aid Package Revisions Made | | Total Student Aid Dollars Handled | |
|---|---|----------------------|---------|----------------------|---|----------------------|---------|----------------------|--------------------------------------|----------------|-----------------------------------|----------------------|
| | Average | Number per FTE Staff | Average | Number per FTE Staff | Average | Number per FTE Staff | Over- | Number per FTE Staff | Average | Amount Overall | Profes- | Amount per FTE Staff |
| | Overall | Profes- | Overall | Profes- | Overall | Profes- | Overall | Profes- | Overall | Profes- | Overall | Total |
| Public 2-year Community Colleges | 1,321 | 801 | 319 | 856 | 531 | 210 | 272 | 165 | 66 | \$ 894,353 | \$ 38,220 | \$ 14,488 |
| Public 4-year Schools | 11,165 | 2,030 | 717 | 4,377 | 821 | 267 | 3,090 | 579 | 189 | \$6,500,979 | \$1,218,934 | \$396,670 |
| Private 2-year & 4-year Colleges and Universities | 1,398 | 1,377 | 495 | 495 | 492 | 182 | 167 | 160 | 63 | \$ 879,329 | \$ 883,345 | \$330,858 |

While what is meant by the term "applicant" is not precisely defined, a comparison of these suggested ratios with Table IV shows that the suggested figures are substantially lower than the number of (duplicated) applications being reviewed by reporting Michigan campuses, but quite comparable to the average number of aid packages (unduplicated) reportedly being processed by various types of Michigan schools.

The language which defined the recommended staffing levels as noted in the College Board publications cited, indicated as follows that it was time to move from an enrollment to an applicant formula base for such projections:

"Most early staffing formulas were based on the number of students enrolled at the institution. Subsequently, formulas were developed on the basis of the number of financial aid recipients. It now appears that a more appropriate basis is the number of students who apply for financial assistance. It requires at least as much staff time (if not more) to process an application that must be denied, communicate that decision to the applicant, and assist in the identification of alternative sources of financing for him as it does to process an application that is ultimately approved."⁶

The key word in the preceding quote is "an". This 1973 statement seems to be based on the assumption that most applicants file only one application. However, a variety of "applications" may now need to be processed for each aid applicant as a result of recent developments. These developments include Basic Grants, increasing school involvement with Guaranteed Loans and, in Michigan, the Direct State Loan Program which essentially makes school financial aid personnel into "branch managers". Perhaps the time has come to measure the staff needs by application rather than by individual applicant.

The Michigan survey also shows that Michigan financial aid offices depend heavily upon College Work-Study (CWS) student employees. Roughly 90% of the public 2-year and 4-year schools that responded to the survey indicated utilization of CWS students. The CWS students at these schools represented roughly 60% of all clerical employees. Only 44% of the private colleges and universities that responded utilize CWS employees in their financial aid office. However, private schools that did utilize CWS students reported that these students represent over 70% of the clerical staffing available.

In reviewing the programmatic responsibilities identified by survey respondents, a wide range of institutional differences were noted. However, the vast majority of respondents indicated that their school's financial aid office had (1) administrative responsibilities for the traditional "college-based" Federal student aid programs and other "need-based" campus student aid funds and (2) monitoring responsibility for other state-level and outside agency funds. Most on-campus "need-based" employment is evidently channeled through the school's financial aids office. There is less consistency reported in this regard for need-based off-campus employment funds, "non-need based" funds in

⁶ Van Dusen and O'Hearne, *A Design for a Model Financial Aid Office*, College Entrance Examination Board, New York, 1973, p. 35.

general and athletic awards. Roughly 60% of all responding schools indicated that the campus financial aids office administered a program of short-term institutional loans. Collection efforts for all types of loans, at roughly 90% of all reporting schools, are housed within the business office.

As indicated earlier, data processing capabilities also influence office operations and staffing needs. According to survey results, however, only some 10 to 20% of the respondents had (as of 1974-75) any "substantial" data processing capabilities with regard to application processing, packaging, award notification, adjustment or reporting. Public 4-year schools appear to be in the forefront of such machine involvement.

As the *Perspectives on Financial Aid* publication of the College Board indicates:

"In recent years there has been a significant growth in student aid activity — in the kinds of student aid available, in the requirements for the various funds, and in the number of information-gathering forms students must file. As a result, the responsibilities and the work load of the aid office have increased significantly so that it is wise to use computer assistance as much as possible."⁷

With the growing work load brought about by Basic Grants, etc., it would appear that there will need to be a more concerted effort on the part of the financial aid community to obtain improved data processing support if students are to be effectively served.

Financial aid office operations are also affected by the extent to which the director's time is committed to other institutional activities. Survey results indicated in this regard that roughly 70% of the financial aid directors at public 2-year community colleges and private 2-year and 4-year schools reported having administrative responsibilities outside of financial aid. This outside commitment represented on the average roughly 40% of the director's time at these schools. Admissions, orientation, placement and business office duties appeared to be the primary areas of outside responsibility involved. Public 4-year schools, on the other hand, reported that only 30% of their financial aid directors had outside responsibilities and that where such commitments did exist, only about 10% of the financial aid director's time was involved.

The remainder of the survey dealt with other descriptive factors related to campus financial aid office practices and personnel.

Michigan Financial Aid Office Profile

Looking first at the characteristics of the directors themselves, it was found that roughly 80% overall are white males. This was the case for 67% of the private school directors, 78% of the public 2-year college directors and 98% of the public 4-year school financial aid directors. Directors of financial aid at public 4-year schools average 49 years of age and 10.4 years of experience in the field. Financial aid directors at public 2-year and private schools, on the other hand, average roughly 40 years of age and only 4 to 5 years of experience in the field.

⁷ *Perspectives on Financial Aid*, op. cit., p. 35.

Professional financial aid personnel in all three school categories tend to be operating under full 12-month contracts. Very little union affiliation was reported within professional student financial aid ranks. Only some 20% of the public 2-year and 4-year schools reported that their professional staff members presently function under a union contract. By contrast, some 50% of the public 2-year and 4-year respondents indicated that their clerical staff is presently operating under a union agreement. Very little unionization was found within the financial aids offices of private schools at either the professional or clerical levels.

Provision of faculty rank for the professional financial aid staff was, by no means, found to be a common practice. It was not reported at any 4-year public school. Roughly 12% of the 2-year public and private school respondents, however, indicated that this practice did exist on their campuses.

The administrative reporting structure of the director of financial aids was also investigated in the Michigan survey. This information showed that, overall, roughly 50% of the financial aid directors that responded report to their institution's chief student personnel officer (Dean of Students, or equivalent title). This line of command was reported for 80% of the public 2-year schools, 70% of the public 4-year schools, but only 25% of the private colleges and universities. Eighty percent of the remainder of all respondents report directly to their school president. The rest of the respondents identified a range of immediate superiors, ranging from the Secretary to the Board of Trustees, to the business office or Director of Admissions.

The relatively high number of financial aid directors which report directly to their school president supports the related data which indicates that, on the average, only 1.6 administrative levels separate the Director of Financial Aids and school President. This average of intervening levels ranges from a low of 1.2 for private schools to 1.4 for public 4-year campuses and 1.9 for public 2-year community colleges. It would appear from this structural information that most directors of financial aid at Michigan schools have fairly ready access to their institution's top administrative official.

Finally, the Michigan survey also asked whether a financial aid advisory committee was present on each campus. Roughly 50% of all respondents indicated that such a campus body was currently in operation. The reported constituency of this group, where it did exist, emphasized participation by (1) various student personnel administrators (admissions, student affairs, support service personnel, etc.), (2) faculty and (3) business official representatives. Actual student representation was reported by only about 20% of those indicating the existence of a campus financial aids advisory committee. Similarly, about 20% of those reporting the existence of such a body indicated that the school president or the executive office was represented directly in its membership.

Summary

The results of this Michigan survey show that a wide range of salary, staffing and support conditions exist in various school financial aid offices around the

State. It is hoped that this data will provide a backdrop against which individual campus aid administrators can begin to assess the strength and weaknesses of their respective operations.

Rough averages such as these, however, cannot be considered as absolute categorical measures or guidelines. They represent only the mean categorical circumstances which currently exist. To the extent that all or most present operations are inadequate to demand, their averages will be affected accordingly. Also, better ways must be found to assess and measure the interplay or interaction which takes place between salaries, personnel, responsibilities and supportive services in the financial aid milieu. The National Association of Student Financial Aid Administrators, or its regional organizations, must begin to develop guidelines for individual use in this regard if any consistent set of recommendations is to be made available to aid administrators in the field. Only when such guidelines are fully developed and updated on a regular basis, will the "yardsticks" needed to comprehensively assess office capabilities on individual campuses exist. It is hoped that this study will serve as a catalyst for such action.

Note: Sample copies of the survey form are available from the authors.