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# *Who Knows and Who Goes: Student Knowledge of Federal Financial Aid Programs and College Attendance*

by A. Stephen Higgins<sup>1</sup>

As many readers of this journal know, there has been considerable amount of discussion concerning student knowledge of various financial aid programs. During the 1970's a number of federal, state, and independent studies concluded that lack of financial aid information was one of the major barriers to college attendance. For example, the 1975 National Task Force on Student Aid Problems (The Keppel Committee) suggested that student aid programs were characterized by confusion, complexity and uncertainty among institutions, aid administrators, high school counselors, potential students, and their families (National Task Force on Student Aid Problems, 1975). In that same year the Fund for the Improvement of Postsecondary Education (FIPSE) financed a number of studies to examine the quality of information available to prospective students and to seek recommendations for the improvement of the information delivery system. Indeed, one of the final FIPSE reports was titled *Better Information for Student Choice* (El-Khawas, 1980). Another report in the mid-1970's by the College Scholarship Service (CSS) Student Advisory Committee concluded that "students are hampered by confusing and contradictory information," and that "if the committee had to point to any single problem that was encountered more often than all others, the lack of information is clearly that problem (College Scholarship Service Student Advisory Committee, 1976, p. 3)."

Probably the most thorough study on the financial information problem was conducted by the College Scholarship Service of the College Board and published in the late 1970's (College Scholarship Service, 1977). In analyzing questionnaires distributed to prospective postsecondary students in seven representative states, the CSS researchers found ample evidence that high school students were not well informed about educational costs and financial aid resources. The need for more information was especially crucial for students from low and middle-income families and for those from racial and ethnic minorities.

Other research reports completed in several states (College Entrance Examination Board, 1972; New Jersey Commission on Financing Postsecondary Education, 1976; Pennsylvania Higher Education Assistance Agency, 1976) revealed that a large number of eligible aid recipients failed to apply for assistance from state-supported grant programs, and that almost two-thirds of this eligible group indicated that they did not have adequate information about their programs and the application

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process. In other words, lack of information seemed to have a negative impact on access and choice in postsecondary education.

With this widespread concern about student knowledge of financial aid programs (and a desire to protect the student consumer from unscrupulous marketing practices in some postsecondary institutions), Congress included several major provisions on these topics in the Education Amendments of 1976. For example, Section 493 (a) required institutions receiving Title IV administrative allowances to provide students with basic information about financial assistance, student retention and, when available, student completion rates. The amendments also provided for grants to states to help them establish Education Information Centers to supplement the counseling efforts of the high schools and postsecondary institutions; however, the centers were moved administratively from Title IV to Title I in the Department of Education and have not been funded since then. The Education Amendments of 1980 mandated that financial aid information be disseminated to all prospective students. Section 485 outlined the requirements for "Institutional and Financial Assistance Information for Students," and defined a prospective student as "any individual who has contacted an [eligible] institution requesting information concerning admission to that institution." I added the emphasis on "admission" in this quote. It should be noted that the requirement for disseminating information to students under the 1976 Amendments was contingent on the institution's withdrawing funds under the administrative allowance provisions of the Act.

The Department of Education (formerly the U.S. Office of Education) has also produced a number of reports regarding financial aid information and the dissemination process (United States Department of Education, 1980a, 1980b, 1982). As established by other legislative provisions, information on federal aid to students is now coordinated by the Office of Student Assistance in the Department of Education. Previously, the Department had contracted with the Student Financial Assistance Training Program for an on-going comprehensive series of publications and personnel training administered by NASFAA. The training programs were offered to high school personnel and postsecondary aid administrators. Although high school counselors are key figures in the financial aid information system, these programs may have been the only training that they received in the area of financial aid knowledge and counseling; and there is general agreement that they lack the time and background to develop a thorough understanding of financial aid programs.<sup>2</sup> It has been reported that the counselors still are not as effective as other sources of knowledge such as books, pamphlets, other parents, and loan officers (Olson and Others, 1983; National Center for Education Statistics, 1983).

Many state financial aid associations and state commissions on higher education "spread the word" through organized, concerted efforts; and financial aid officers often participate in college night or parent's night programs in the high schools and in orientation workshops on the college campus. The major burden for disseminating financial aid information lies with the financial aid administrators in our postsecondary institutions.

While efforts to provide information to prospective students by the federal government, state agencies, high school counselors, and college financial aid officers have improved in the last few years, recent discussions on this topic suggest that much more needs to be done. A nationwide survey of 1980 high school seniors conducted by the National Center for Education Statistics (NCES) showed a significant

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<sup>2</sup>At one time it was felt that high school counselors were a major factor contributing to the "information gap." See Carlson, M. S. and Others (1976).

lack of knowledge among prospective college students regarding financial aid programs. Even though 73 percent of the 1980 seniors planned to use some form of financial aid for college, 18 percent indicated that they knew *nothing* about the Pell (BEOG) grants, 26 percent did not know about the Guaranteed Student Loan (GSL) program, and 17 percent had no knowledge of the College Work-Study (CWS) program. These percentages on "no knowledge" were usually higher for those from the lower socio-economic groups, and the first report from the NCES on this *High School and Beyond* (HSB) data suggested that financially disadvantaged students might not go to college because of this lack of knowledge about financial aid programs (Peng, 1981).

Two very recent reports continue to examine this information problem and mention the "no knowledge" percentage from the NCES data. A recent paper published by the National Student Aid Coalition in Washington, D. C. states that "higher priority must be given to providing reliable information to students and families, in a time frame that allows for sensible planning. Without the right information at the right time, students cannot realize the full range of opportunities available to them (1983, p. 10). The National Commission on Student Financial Assistance warns that "a major challenge to the financial aid community is providing accessible, accurate, and timely information to an increasing number of participants from a diverse population," and that "given how important student aid is to minority students, information must be available to insure equal educational opportunity (Stelck, 1983, p. 3."

It has also been suggested that more and better information will help to stabilize enrollments at a time when we can expect the number of 18-year olds eligible for college to decrease 15 to 30 percent (depending on the section of the country) (Baldrige, 1982; Breneman, 1983). It is a foregone conclusion that enrollments in higher education will decrease, but is college attendance dependent on knowledge of financial aid programs? A very close examination of the HSB data from the NCES will help to answer this very important question.

#### *Method*

The National Center for Education Statistics has been conducting a multi-million dollar longitudinal study on the high school senior class of 1980. The original 121-item questionnaire in this *High School and Beyond* survey was administered to a national stratified sample of over 28,000 seniors in the Spring of 1980 and, among other things, asked for the specific career aspirations, sex, race, parental education and employment, and socio-economic status of the respondents, as well as their personal attitudes and beliefs, high school type and location, and high school major and grade point average. The first follow-up survey in early 1982 ascertained their actual choices in the 18 months after high school graduation, including if and when they planned to go to college and their reported knowledge of financial aid programs. The first follow-up survey determined whether and when they actually went to college and if they received any financial aid (The data were weighted to represent the total senior class of approximately 3,039,000 students in 21,000 high schools in 1980).

#### *Results*

Question #115 in the original survey asked "Do you plan to go to college at sometime in the future?" The seniors could respond by checking one of the following options.

- Yes, next year [1980-81]
- Yes, after staying out one year
- Yes, after a longer period out of school
- Don't know
- No

A number of questions before and after #115 implicitly defined a college as a two or four-year college or university, and one that is quite different from a vocational, technical, trade, or business school (or an apprenticeship program) where non-degree programs are usually offered. It should also be noted that the listing of possible fields of study in a college was obviously different from the fields of study in non-degree institutions.

The final question (#121) in the original survey asked "Do you plan to use funds from any of the following programs for further study beyond high school?" Six types of loan programs were listed, as were three work programs and 11 scholarship, fellowship and grant programs. The student was instructed to respond to each financial aid program by checking one of the following options.

No, I do not plan to use it

Yes, I plan to use it

I do not know enough about the program to answer the question

Using a simple three-way crosstab of questions #115 and #121 (plan to go to college in 1980-81 and plan to use a financial aid program) and the socio-economic status of the student, Table 1 duplicates the data reported by the NCES for three of the 20 aid programs listed on the questionnaire. These are the percentages that are widely quoted in tandem, but without being cross-analyzed, to show that a knowledge gap still exists. The weighted number of students who did not know about a specific program and the number who responded were generated from the magnetic computer tape and users manual published by the National Center for Education Statistics (Jones and Others, 1983); the percentages are from Peng and Others (1981).

But does this lack of knowledge preclude attendance at a two or four-year college? To answer the question for each of the federal programs listed in Table 1, the first HSB *follow-up* survey data were compared to the *original* survey data. Table 2 shows the number and percentage of students who actually went to college in 1980-81, their prior knowledge of the Basic Educational Opportunity Grant (BEOG)/Pell program, and their socio-economic (SES) status. Knowledge of the program is defined as those respondents who answered either yes or no to question #121 on "planning to use" the BEOG/Pell funds. (Since only those students in the original *and* follow-up surveys are included in this analysis, there is a slight change in the weighted numbers between Appendix Tables 1 and 2.)

For the total group, Table 2 indicates that the students attended college at approximately the same rate regardless of their knowledge of this need-based program. Seventy-three percent of those who did not know about the program and 77 percent who indicated knowledge of the program attended in 1980-81. Similar patterns are shown for the College Work-Study (CWS) and the Guaranteed Student Loan (GSL) programs in Appendix Tables 3 and 4, respectively.

The summary figures in Table 3 for the College Work-Study program show college attendance patterns almost identical to those shown for the BEOG/Pell program, regardless of program knowledge at any SES level.

For the Guaranteed Student Loan program, Table 4 indicates that the "don't know" group attended college at a slightly higher rate than those who knew about GSL's in the senior high school. The figures are also remarkably similar for each SES group. (In 1980-81 any student was eligible to apply for a Guaranteed Student Loan regardless of income.)

#### *Discussion*

In analyzing each of the socio-economic groups in Tables 2 and 3, it is rather ob-

vious that the lower SES students with knowledge of either the BEOG/Pell or College Work-Study programs had higher attendance rates than those with no knowledge of these need-based programs. However, failure to attend may be due less to knowledge of financial programs than to other, more important, factors. One of the strongest predictive variables found in many research studies is family income and/or socio-economic status (Featherman and Hauser, 1978; Thomas, 1979; Jencks, 1979). Indeed, this is the primary reason why there are need-based programs. Other persistent factors account for different rates of college enrollment. Parental encouragement (or pressure) is an obvious one. Motivation, ambition, educational expectations, high school program, sex and race are all part of the picture. Another influence is achievement and aptitude test scores. Although not shown in the tables, an initial examination of the data showed that a greater percentage of the lower SES groups who "don't know" the programs scored in the lowest quartile on the 1980 NCES cognitive test battery.

Regression analysis or log-linear contingency analysis on these factors would help to explain more of the variance related to non-attendance, but that is another topic for another time. Previous studies have also confirmed that the lower the SES the lower the test scores (Doermann, 1978; College Entrance Examination Board, 1982; Educational Testing Service, 1980). It is quite possible that many of the same skills and aptitudes required for academic achievement are also needed to seek information about financial assistance. With more emphasis on standards in this decade, both for high school graduation and college entrance, we may not have to worry about some of the students scoring low on admissions tests (regardless of SES) seeking admission to any institution of higher education.

Although the programs and the forms themselves can sometimes present a formidable barrier to the students and their parents, a lack of knowledge may also reflect a lack of interest in higher education. In other words, the "don't knows" really don't care. In any society there will always be a certain number of terminally apathetic persons who simply don't care to learn about any potential opportunity to change their prospects, circumstances or environment.

Without doubt there were students who truly had no knowledge about the aid programs listed on the questionnaire. In many instances, it may not be a lack of knowledge *per se*, but a lack of knowledge concerning their eligibility. Did they know their parent's income? Were they aware that they could receive aid while attending college part-time? Eighty-nine percent of those with knowledge and 87 percent of those with no knowledge in Table 2 were attending college full-time in 1980-81. However, if they were less than full-time we really do not know if they were at least one-half time and therefore eligible for a BEOG/Pell grant. (Question #33-E in the follow-up survey asked the student if he or she was classified as full-time in 1980-81. The three possible responses were yes, no, or don't know.)

Did they apply for financial aid before the stated deadlines? It is relatively easy to determine which groups of students in Tables 2, 3 and 4 received financial aid from a specific program, but we do not know how many actually applied to a *particular* program. Question #30-C in the follow-up survey simply asked "Did you apply for financial aid at this school [attended in 1980-81]?" If they received funds, they were then to list the approximate amount under three categories: scholarship, loan, or promised job. Many students do not consider a BEOG a scholarship. And suppose they thought that they applied to the federal government for a BEOG instead of "at this school." Parenthetically, one must wonder how those who were planning to go to college *after* 1980-81, or who did not know if they were going to go at all, met selected application deadlines. For these groups (see question #115), those who did not know about the BEOG program, for example, attended in 1980-81 at an 18 percent rate (25,000 out of 142,000) while those with knowledge attended at a 19 percent rate (48,200 out of 259,700).

It is interesting to calculate how the numbers would change in Tables 2 and 3 if those who did not know about the programs attended college at the same rate as those who were knowledgeable. If the 263,800 who did not know about the BEOG/Pell program went to a 77 percent rate instead of the 73 percent rate shown in Table 2, an additional 10,600 more would have attended. For the College Work-Study program (Table 3), 10,400 more would have attended. (Many of the "don't know" responses in both programs came from the same students.) Some find it hard to understand what all the fuss is about when these figures are placed in their proper perspective. Given that college attendance results from the complex interaction of the characteristics and preferences of students and their families, it appears that the vast majority are not penalized because of their ignorance of financial aid programs (note that in Table 1 the lowest SES group had more knowledge of the BEOG/Pell program than did other SES groups).

There is no doubt that financial aid administrators will continue to make extraordinary efforts to spread the word on all programs, and to determine the most equitable financial aid package for their students. There is also no doubt that students and their parents have the responsibility to be more aggressive in their search for financial aid information and in their application to all eligible programs. It's too bad that all, or at least more of them do not know about the programs; but if the student aid community wants everyone to have complete knowledge on every aid program — to be the 'perfect consumer' — it wants something that never was and never will be.

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APPENDIX 1  
APPENDIX TABLE 1

Number and Percentage of 1980 College-Bound High School Seniors Who Reported They Didn't Know About Federal Financial Aid Programs, by Socio-economic Status (SES)

Federal Program	SES			All
	Low	Middle	High	
BEOG/Pell Total Respondents	33,600 (15%)	131,300 (18%)	95,600 (19%)	260,500 (18%)
College Work Study Total Respondents	230,900	727,600	514,800	1,473,300
Guaranteed Student Loan Total Respondents	40,500 (18%)	12,100 (17%)	85,300 (17%)	250,900 (17%)
	227,800	716,500	512,000	1,456,300
	67,600 (29%)	194,500 (27%)	125,200 (24%)	387,300 (26%)
	230,700	720,900	515,300	1,466,900

APPENDIX TABLE 2

Percentage and Number of Students Who Plan to Go and Actually Go to College in 1980-81, by Knowledge of BEOG/Pell Program and Socio-economic Status (SES)

SES	Know BEOG/Pell Program		Percent*
	Plan to Go	Actually Go	
Low	201,000	129,100	64
Middle	604,600	465,800	77
High	424,300	354,700	84
Total	1,229,900	949,600	77
	Don't Know BEOG/Pell Program		
	Plan to Go	Actually Go	Percent*
Low	32,500	18,000	56
Middle	134,200	92,400	69
High	97,100	82,000	84
Total	263,800	192,500	73

\*Column two divided by column one.



APPENDIX TABLE 3

Percentage and Number of Students Who Plan to Go and Actually Go to College in 1980-81, by Knowledge of College Work-Study (WS) Program and Socio-economic Status (SES)

<u>SES</u>	<u>Know CWS Program</u>		
	<u>Plan to Go</u>	<u>Actually Go</u>	<u>Percent*</u>
Low	190,200	120,400	63
Middle	598,600	459,600	77
High	431,100	361,400	84
Total	1,219,900	941,400	77
	<u>Don't Know CWS Program</u>		
	<u>Plan to Go</u>	<u>Actually Go</u>	<u>Percent*</u>
Low	40,400	25,000	62
Middle	128,600	89,000	69
High	87,000	72,700	84
Total	256,000	186,700	73

\*Column Two divided by column one

APPENDIX TABLE 4

Percentage and Number of Students Who Plan to Go and Actually Go to College in 1980-81, by Knowledge of Guaranteed Student Loan (GSL) Program and Socio-economic Status (SES)

<u>SES</u>	<u>Know GSL Program</u>		
	<u>Plan to Go</u>	<u>Actually Go</u>	<u>Percent*</u>
Low	163,900	101,700	62
Middle	532,300	399,300	75
High	394,300	329,100	83
Total	1,909,500	830,100	77
	<u>Don't Know GSL Program</u>		
	<u>Plan to Go</u>	<u>Actually Go</u>	<u>Percent*</u>
Low	68,900	44,600	65
Middle	199,500	150,500	75
High	127,000	107,600	85
Total	395,400	302,700	77

\*Column two divided by column one.