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FINANCIAL ASSISTANCE AS A SIGNIFICANT FACTOR IN THE EDUCATIONAL  
SURVIVAL OF SELECTED BLACK STUDENTS  
AT MICHIGAN STATE UNIVERSITY

By

Morris Kinsey

A THESIS

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Michigan State University  
in partial fulfillment of the requirements  
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College of Education

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## ABSTRACT

# FINANCIAL ASSISTANCE AS A SIGNIFICANT FACTOR IN THE EDUCATIONAL SURVIVAL OF SELECTED BLACK STUDENTS AT MICHIGAN STATE UNIVERSITY

By

Morris Kinsey

### Purpose of the Study

The purpose of this study was to investigate the new administrative problems created for institutions of higher education by the need to provide a program of financial assistance to black college students with socio-economic disadvantages, and to provide:

1. A descriptive report of the impact of financial aid upon the academic and social survival of a selected group of black students at Michigan State University.

2. A descriptive summary report of opinions currently held by decision makers--state legislators, college administrators and financial aid counselors--of financial assistance for the educationally and economically disadvantaged black students;

3. A comprehensive description of the types of financial aid available at Michigan State University and, more importantly, the attitudes of the University's decision makers towards the amount and distribution of financial aid funds to disadvantaged students.

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4. A descriptive report of opinions currently held by black developmental students and their perception and attitudes toward the financial aid program at Michigan State University.

There have been few studies investigating the needs of financial aid recipients from their point of view. Many words have been written about the financial-aid needs of black students from educationally and economically disadvantaged backgrounds not taking into account the student's documented viewpoint. This study provides that student-oriented documentation.

#### Procedure

The population chosen for the study was a randomly-selected group of black students enrolled in the developmental program during the spring term 1972 at Michigan State University.

Only Freshmen and sophomores were selected for this study and all 259 Developmental Program students in these two classes were questioned.

There was a total of 96 freshmen, 39 male and 57 female; a total of 162 sophomores, 65 male and 97 female. It was felt that these two classes would be the best population to sample, so no table of random numbers was utilized.

Two different types of questionnaire were developed, one for black Developmental Program students and another for Michigan State University Administrators, legislators, and state and national officials of the United States Office of Health, Education and Welfare. The student questionnaire consisted of twenty-three questions and eighty-one variables pertinent to financial assistance to minority students. The variables were divided into categories which reflect the student view

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of the financial-aid package and program. The questionnaire administered to the other group was designed to solicit responses to how institutions of higher learning should be funded or how other guidelines should be developed to determine ways in which to aid disadvantaged students. A copy of the questionnaire can be found in Appendix A.

A survey was conducted of the 259 Developmental Program students. Each student was contacted, given a questionnaire and allowed two weeks to complete it. The students conducting the survey contacted each student who had been given a questionnaire to insure that each questionnaire was completed in entirety. The questionnaires were then returned to the researcher for final examination.

The student responses were coded onto data-processing cards and analyzed. The Computer Institute for Social Science Research (CISSR) Act Program was used to summarize the data into contingency tables with accompanying percentage breakdowns. The Michigan State University Computer Laboratory facilities and the Control Data Corporation's 3600 Computer were used to analyze the data.

### Major Findings and Conclusions of the Study

1. Disadvantaged black students receiving financial aid feel financial aid is most essential in their educational survival. They rank academic problems, such as understanding course material, and social problems related to adjusting to dormitory living as their most serious problems. This perception is contrary to the assumption made in most previously conducted studies which indicated that money, or the lack of it, was a major problem for such students.

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2. Loans are the least desired type of financial assistance provided to black educationally and economically disadvantaged students, but more than half of the Developmental Program students have loans as a vital part of their financial aid package. In fact, more than half of such students utilize more than one loan program. The students give a high priority to the need to abolish all loans to low-income students. Almost 100 percent of the students agreed that there was a need for more grants and fewer loans.

3. Although the vast majority of the surveyed students consider financial aid from Michigan State University to be the major source of support for their education, almost all of them list parents, relatives and personal savings as significant sources of their educational funds.

4. Since financial problems are minimized for the surveyed students, they are better able to concentrate on their academic and personal problems.

5. Despite all of the financial aid received, most surveyed students find it necessary to work at least part of the year. Those students who work during the academic year find that their jobs do not interfere significantly with their academic performance and progress.

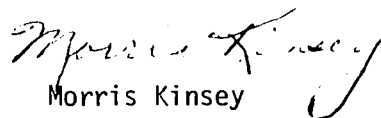


## DEDICATION

The writer wishes to dedicate a copy of his dissertation to his dear parents, Mr. and Mrs. Jesse Kinsey of Lisbon, Louisiana.

Because you offered much love and affection and stood by me during my trials and tribulations and gave me all you had to offer. I am simply saying to you that you have helped me to become whatever I am to be. I owe you my respect, devotion and love and will do everything in my power to prove my worthiness of being a part of you.

Sincerely,

  
Morris Kinsey

## ACKNOWLEDGEMENTS

The writer wishes to express his sincere appreciation to Dr. Van C. Johnson, Chairman of his Guidance Committee, who provided constant encouragement and much inspiration. Dr. Johnson was more than just the Chairman of the writer's committee. He also proved to be a warm and personal friend and was personally responsible for persuading the writer to pursue and complete the doctoral program.

To my Cognate Chairman, Brother Dr. Thomas Gunnings, who did a magnificent job in advising and directing the cognitive area of psychology. His influence was most important in assuring the cooperation of the Developmental Program students and in aiding the writer in securing the necessary data provided in this study, and for a job well done.

Grateful acknowledgement is also due to Dr. Larry Lezotte, Dr. Dale Alam and Dr. Ernest Melby who rendered valuable advice and gave much of their time. Special appreciation is due Dr. Lezotte, who worked very closely with the writer and was most instrumental in the development of the design for this study. He was always available when called upon, day or night or weekends, to offer support and technical assistance. Thank you, Dr. Lezotte.

Much credit goes to Hugh "Duffy" Daugherty, Head Football Coach at Michigan State University, a dear and personal friend who quite often gave encouragement, reinforcement and other assistance during the critical stages in which the writer was pursuing his educational career.

Last, but not least, the writer wishes to personally thank Dr. Henry Dykema and his entire staff for their genuine support in providing data and technical advice throughout this study. Dr. Dykema has played an instrumental part in advising and encouraging the writer to continue and his real concern have been invaluable in the researcher's attainment of the doctoral degree.

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## CHAPTER I

### THE PROBLEM OF FINANCIAL ASSISTANCE TO BLACK STUDENTS AT MSU

Financial-aid programs for black college student of socio-economic disadvantage continuously present new administrative problems for institutions of higher education. The resulting patchwork accommodations of specific needs will continue until public administration, education, legislators and financial counselors cooperate to develop a cogently responsive system of individual funding. Basic to such an effort is the need for its personnel to inform themselves of the realities and views of selected black students.

This thesis will present selected students' opinions as well as current administrative and legislative opinions of financial aids, and propose new administrative policy. The study will also attempt to explore the ramifications of financial aids on the educational survival and adjustment of a group of selected black students at Michigan State University.

Since the passage of the Higher Education Act of 1965, there has been a movement in higher education to provide educational opportunities for students from the low-income, minority segments of the population.

"The Higher Education Act of 1965 provided for Economic Opportunity Grants to needy students--the first general program of federal scholarships to undergraduates. The Economic Opportunities Act, the Civil



Rights Act, and the Guaranteed Student Loan Program have moved to lower the financial barriers which had kept many needy young people out of college."<sup>1</sup>

This movement for equal access to higher education was given impetus by the assassination of the Rev. Dr. Martin Luther King, Jr., in April of 1968. In the days following the assassination of the Rev. Dr. Martin Luther King, Jr., many colleges and universities took steps toward improving higher education's treatment of the Negro. . . . 'Discrimination in favor of black Americans,' was the phrase used by James M. Hester, President of New York University, in applauding action taken by his faculty senate to meet the demands of Negro students.<sup>2</sup>

As colleges and universities make an active effort to recruit more black students, a need arises for re-evaluation of the existing financial supportive services available to these students. What effect does financial assistance have on the academic performance of the black students with economic and educational disadvantages? Is the financial assistance sufficient to enable them to compete and survive in the academic community? What are the attitudes of black students with

---

<sup>1</sup>Ronald A. Wolk, Alternative Methods of Federal Funding for Higher Education (Berkley, California: Carnegie Commission on the Future of Higher Education, 1968), p. 3. This study emphasized the fact that it was only in the 1960's that the federal government provided financial aids for college students. Previously, the federal government only awarded funds to institutions which could achieve some goal deemed important by Congress or federal agencies.

<sup>2</sup>The Chronicle of Higher Education, April 22, 1968, p. 1.

socio-economic disadvantages toward degree-completion and further study? Are their goals thwarted by the amount and type of financial aid they are currently receiving? Do personal financial responsibilities at home create significant obstacles to pursuit of college training?

### Purpose

The primary goals of this thesis are:

1. A descriptive report of the impact of financial aid on the academic and social adjustment of a selected group of black students at Michigan State University.
2. A descriptive summary of opinions currently held by relevant decision-makers--state legislators, college administrators and financial aid counselors--concerning financial assistance for the educationally and economically disadvantaged black students.
3. A brief description of the types of financial aid available at Michigan State University, and more importantly, the attitudes of the University's administrators of amount and distribution of financial aid funds.
4. A descriptive report of opinions currently held by black developmental students and their perception and attitudes toward the financial aid program at Michigan State University.

### Need for the Study

Financial aid has implications for many publics: taxpayers, legislators, government officials, university administrators, and student recipients. This thesis will focus on the effect of financial

aid on the disadvantaged student's ability to perform and complete his higher education. Written opinions of source, amount, and type of financial aid for students, particularly economically and educationally disadvantaged students, are numerous; many of these opinions will be explored in this study. Also available are federal-government studies which clinically chart various characteristics of students involved in federally-funded programs.

However, research is very scanty into the needs of the financial-aid recipients from their own point of view. It is hoped that this thesis will bridge the gap between premise and actuality, by recording documented responses from the students, responses whose analysis may inspire more effectual appropriation and distribution of financial aid.

Commenting on the funding of disadvantaged college students, Joseph Froomkin, assistant commissioner for program planning and evaluation in the U.S. Office of Education, said:

In order to get through college today, money is practically as important as brains. If you take the money factor out of the college attendance equation, you practically double the (student's) chances of college completion.<sup>3</sup>

Actual financial need of the black student devolves from the particular socio-economic problems of the family background. The black family's deprivations resulting from racial discrimination are factors for consideration in the assessment of the black student's financial need.

That discrimination and segregation have taken a serious toll of the American Negro is a long and unpleasant history, but that Americans can right the wrong with the abundant know-how and resources is a fact that can no longer be hidden.

---

<sup>3</sup>The Chronicle of Higher Education, November 8, 1967, p. 4.

How can this be done? The major needs of the Negro are employment and educational opportunities.<sup>4</sup>

A financial aid program cognizant of the special needs of black students may be one of the most important steps toward equal educational opportunity. In the words of one educator: "Universities have a responsibility to provide financial aid (and) to help the faculty and students become sensitive enough to cope with an assertive black population . . ."<sup>5</sup>

One way this sensitivity may be achieved is by presentation of the black student's view of the administration of financial aids. Hopefully, this study will lead to new administrative understanding of the relationship between the academic performance of the black student and his actual financial need.

#### Significance of this Study

This study should be of strategic significance to state legislators and federal officials because they are the major decision-makers to recommend or negate bills for college financial-aid programs. It will also provide university administrators and financial-aid counselors with new guidelines for the problems and needs of disadvantaged black students' they are the daily decision makers in the distribution of funds within the program stipulations. This study will also be

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<sup>4</sup>\_\_\_\_\_. The Detroit Low-Income Negro Family (Detroit, Mich.: Detroit Urban League, 1966), p. 11.

<sup>5</sup>Jean Powell, "Higher Education for the Black Student," The Journal of College Student Personnel, XI (January, 1970), 10.

particularly useful to the federal officials in the Department of Health, Education and Welfare.

### Design and Methodology

The study will be a descriptive analysis of how the existing financial-aids program at Michigan State University is administered and it is perceived by its black recipients in the Developmental Program.

The Michigan State University program was chosen for this descriptive study for two important reasons. First, Michigan State University has led many northern, predominantly white, state-supported universities in its active recruitment of black students. However, Michigan State's total minority enrollment places the University among the top predominantly white universities in the United States. What effect this predominantly white-student-body atmosphere has on the disadvantaged black student's actual or perceived financial needs will be explored in Chapter II, Part I, The Review of Literature, and described in the Chapter IV, Part II, discussion of the students' responses.

A second reason for selecting Michigan State University for this study, is its recent establishment of a special program, known as the Developmental Program. Instituted to help those students who are often handicapped by social, economic and educational disadvantages, the Program, was begun as the Detroit Project in 1963, to meet the needs of Detroit students.<sup>6</sup>

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<sup>6</sup>The Chronicle of Higher Education, April 22, 1968, p. 1; March 29, 1971, p. 3. In 1968, there were 560 black undergraduates enrolled at Michigan State University as compared to 1,424 in 1971.

The data on administration of the Michigan State University financial-aids program will be accumulated in interviews with key administrators, educators, financial-aids personnel and officials of the Department of Health, Education and Welfare. The following Michigan State University, authorities will be interviewed: Dr. Clifton R. Wharton, Jr., President of Michigan State University; Dr. Ira Polley, Assistant Provost for Admissions and Records; Henry Dykema, Director of Financial Aids; Ronald Roderick, Assistant Director of Financial Aids; Amos Johnson, Financial Aids Director for Development Program; Joann Collins, Assistant Financial Aids; L. Michael Smith, Coordinator, College Work Study Program; Dr. Thomas Gunnings, Associate Director of Counselling, from the U. S. Department of Health, Education and Welfare: Dr. Leonard Spearman, Chief, Division of Special Services for Colleges and Universities; William Shaw, Head Equal Opportunity Grant Program; Divisional Chief, National Defense Loans; College Work Study Program; Richard I. Rose, Division of Student Assistance; Norman B. Brooks, Acting Assistant Chief, Student Assistance; and Mr. Ronald Lee, Former Director Center for Urban Affairs, Michigan State University.

The opinions of selected black students in the Developmental Program will be obtained by questionnaires distributed to approximately 250 students during winter term, 1972. Freshmen and sophomores are the two class levels selected for the Study, these groups representing the largest number of students ever admitted to the University under the Developmental Program. Presently, they are all receiving financial aid. Many new services have been instituted since the inception of the Developmental Program and its present operation. Thus, the study will

offer an up-to-date view of the impact of financial aid on the educational survival of students in the beginning, decisive years of their college career.

#### Definition of Terms

Minority Students - those individuals who possess acceptable academic credentials but who because of prejudice and discrimination on account of their race, have been inadequately represented in institutions of higher education.<sup>7</sup>

Educationally disadvantaged - those individuals who because of economic, cultural or educational background or environment would be unable to realize that potential without special supportive services.<sup>8</sup>

Economically disadvantaged - those individuals who possess acceptable academic credentials but who, because of financial disability are inadequately represented in the institutions of higher learning.<sup>9</sup>

Equal Opportunity Grant Program - a federally supported program to assist students who, due to lack of financial means of their own or their families, would otherwise be unable to attend institutions of higher learning. This program, known informally as E.O.G., was created by Title N, Part A, of the Higher Education Act.

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<sup>7</sup>Commission on Admissions and Student Body Composition, Report of the Commission, The Report to the President (East Lansing, Mich.: Michigan State University Press, 1971), p. 35.

<sup>8</sup>Ibid

<sup>9</sup>Ibid

College Work-Study Program - a federally supported student financial-aid program designed to expand part-time employment opportunities for students who are in need of the earnings to attend college or some other post-secondary training.

National Defense Student Loan - a program in which the Federal Government provides 90% of each loan and the participating colleges and universities the other 10%, to support students who need financial assistance.

Guaranteed Loan Program - an effort to insure that students in college or vocational programs can obtain educational loans from commercial sources such as banks, at low interest rates. Guaranteed loans provide a source of financial aid for students whose colleges do not have adequate loan funds, or students from middle income families who may not qualify for assistance from other sources.



## CHAPTER II

### Part I

#### REVIEW OF VIEWPOINTS ON FINANCIAL AID FOR BLACKS

##### Increase in Black College Enrollment

The middle of the 1960's marked the beginning of a national effort to provide members of the black minority population greater access to American institutions of higher education.<sup>1</sup> Between 1964 and 1968, black college enrollment increased by 85%, bringing the total number of black college students to 434,000.<sup>2</sup>

Michigan State University's record in recruitment and admission of black students reflects the accelerated rate of recruitment to incorporate blacks into the student body. In the fall of 1967, for example, there were approximately 690 black students enrolled at the University; by the fall of 1971, the number was over 2,000.<sup>3</sup>

The simple measure of status and equality of blacks in higher education is enrollment; yet it can be one of the most misleading

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<sup>1</sup>Report on Higher Education, Frank Newman, chairman (Washington, D. C.: Government Printing Office, 1971), p. 44.

<sup>2</sup>Ibid., p. 45.

<sup>3</sup>Commission on Admissions and Student Body Composition, Report of the Commission, The Report to the President (East Lansing, Mich: Michigan State University Press, 1971), p. 36. The source states that data collected for the purpose of preparing the compliance report required by the 1964 Civil Rights Act show that in the fall of 1970 Michigan State University enrolled 1,954 American blacks. The estimated figure for 1971 was therefore over 2,000.

statistics. The present comparison implies substantial progress in equal access to higher education. The Report on Higher Education goes one research step beyond the absolute increase in enrollment of blacks from 1965 to 1969. The report stated that when the growth in black enrollment is compared to growth in total enrollment, the gains are less than substantial. According to the Census Bureau Current Population Survey, the percentage of black enrollment has been rising very gradually, and actually declined from 1964 to 1966. Although blacks have recently shared in the growth of enrollments, they have not gained in proportion to their own population growth.

The significant change in black access to higher education lies in the kind of institutions which black students can now select. Prior to the 1960's, the higher education of blacks was primarily the responsibility of the four-year black colleges. Since 1966 the increase in black enrollment is at predominantly white institutions where it had been minimal. "While the percentage of total enrollment at these 'white' institutions still averages only 3 per cent, it is visible and growing, creating a sense of barriers coming down."<sup>4</sup>

#### Cause of Increased Black Enrollment

The major impetus for this increase in minority enrollment in the sixties was the concurrent trend of federal support of higher education. Social causes made it almost a national goal in itself.

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<sup>4</sup>Op. cit., p. 46.

Ronald A. Wolk noted that changing policy of the Federal Government in his study, Alternative Methods of Federal Aid Funding for Higher Education:

Prior to this decade, federal support to college and universities was almost exclusively on a quid pro quo basis, with government awarding funds to institutions to achieve some goal deemed important by the Congress of the Federal agencies.<sup>5</sup>

With the Federal Government's relatively new supportive involvement, American universities and institutions of higher education are expected to participate in the encouragement of disadvantaged minorities' fuller access to the benefits and responsibilities of society at large. Billingsley declared that the total society must, and has yet to make, a major commitment to the education of black youths in "whatever kinds of institutions these youth seek to be educated."<sup>6</sup> Institutions receiving federal funding are committed to provision of special training designed to help students overcome the socio-economic disadvantages of their birth.<sup>7</sup>

The wider society is involved in the education of disadvantaged blacks to the extent that their tax dollars support the programs established by the Higher Education Act of 1965. This act instituted the Economic Opportunity Grants--the first general program of

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<sup>5</sup>Ronald A. Wolk, Alternative Methods of Federal Funding for Higher Education (Berkley, Calif.: Carnegie Commission on the Future of Higher Education, 1968), p.s.

<sup>6</sup>Andrew Billingsley, Black Families in White America (Englewood Cliffs, N. J.: Prentice-Hall, Inc. 1968), p. 183.

<sup>7</sup>Ibid., p. 65.

federal scholarships specifically designed for financially needy undergraduates.<sup>8</sup>

Each person makes an obligatory commitment to support higher education by the percentage of his tax dollar allotted for this purpose. However, taxpayers may apply pressure on the state representatives to negate bills for increased funding.

The costs of keeping the doors open to state higher education institutions has been accelerating at an average rate of about 15 percent per year.<sup>9</sup> Ironically, this increase comes at a time when public support of general higher education has been ebbing because of societal pressures resulting from such causes as campus discontent, unemployed college students, greater demand on tax revenues, new pressures on family budget, rapidly increasing costs for higher education.<sup>10</sup>

Despite the difficulty of funding, the universities have recognized the need for changing policies related to support of the disadvantaged students. Clifton R. Wharton, Jr., President of Michigan State University commented on these changes in his recent commencement address at Ohio State University:

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<sup>8</sup>The number of federally and state-supported programs is extensive. The major programs will be defined and described in Chap. III.

<sup>9</sup>Ernest Becker, "The Financing of Higher Education: A Review of Historical Trends and Projections of 1975-76" Trends in Post Secondary Education, (Department of Health, Education and Welfare, Washington, D.C.: U. S. Government Printing Office, October 1970), p. 99.

<sup>10</sup>Clifton R. Wharton, Jr., President of Michigan State University "The Dangers of Income Contingency Loans: (Commencement address given at Ohio State University, September 3, 1971), p. 5.

There has been a growing recognition that financial barriers have prevented or inhibited a large number of talented able youth from attending higher education. This awareness has resulted in scholarship and financial aid policies based primarily upon economic need rather than solely upon academic accomplishment. This change in aid policy has significantly expanded the opportunities for economically disadvantaged students to benefit from our colleges and universities, in a fashion unparalleled since the G.I. Bill of World War II. We have witnessed an important shift in national policy reducing the financial barriers to college or university attendance. More and more high school graduates with proven academic potential and the motivation are now able to attend an institution of higher education regardless of their economic status.<sup>11</sup>

President Wharton also commented that it was unfortunate that these efforts to remove financial barriers have coincided with growing financial stresses being experienced by both private and public colleges and universities. "Consequently, these serious financial difficulties are compounding attempts to eliminate financial obstacles faced by needy but worthy students."

The financial aid programs have been instituted, and the policies innovated, but will the funding keep pace with needs of the potential student?

### Needs of Economically and Educationally Disadvantaged Blacks

#### Social Economic Background

What are the socio-economic needs of disadvantaged black students?  
How are these needs related to their admission to, and the financing

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<sup>11</sup> Clifton R. Wharton, Jr., "The Dangers of Income Contingency Loans" (Commencement address at Ohio State University, September 3, 1971), p. 6.

of, their education? A recent report to the State Board of Education in Michigan stated that most formidable barrier to equality of opportunity in higher education was family income.

"Youth from wealthy families have significantly greater chances of attending college than do youth from poorer families."<sup>12</sup> The study reported that the family with an income over \$15,000, and with one or more college age children, is five times as likely to include a full-time college student as a similar family with an income of under \$3,000.<sup>13</sup> Ninety five percent of high-ability youths from high-income homes enter college within five years of high school completion, but only 50% of equally high-ability, but low-income, youth enter college.<sup>14</sup>

Ronald H. Wolk would dispute the latter claim that high ability black students from low-income families are denied equal access, saying these students can "in general" already attend college through a variety of scholarship programs for the talented. It is the educationally disadvantaged students whom Wolk find denied equal access to higher education. For this potential student, financing is only one obstacle: "high admission standards, reluctance to borrow, need of

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<sup>12</sup>Ad hoc Advisory Committee on Equal Access to Higher Education, Report of the Commission to the State Board of Education, Equality of Access to Higher Education in Michigan (Lansing, Michigan: Michigan Dept. of Education 1971,), p. 17.

<sup>13</sup>Roger E. Bolton, "The Economics and Public Financing of Higher Education: An Overview" The Economics and Financing of Higher Education in the United States (Washington D. C.: U. S. Government Printing Office, 1969), pp. 62-63.

<sup>14</sup>Robert H. Berls, "Higher Education Opportunity and Achievements in the United States," The Economics and Financing of Higher Education in the United States (Washington D. C.: U. S. Government Printing Office, 1969), p. 150.

his family for income, and lack of motivation are all elements in his disproportionately low participation in post high school education."<sup>15</sup>

In a recent study, the Detroit Urban League recommended that education serves the needs of this student if the ghetto syndrome is not to be perpetuated. "Education at its best with all kinds of motivational devices must be made available to this group as never before."<sup>16</sup>

### Causes of Economic and Educational Deprivation

#### Family Life

How did it all begin? Why do these blacks encounter almost insurmountable economic and educational handicaps which bar them from a higher education or make educational survival a continual battle once they are admitted? Some studies trace these deprivations to the innate instability of the low-income black family - an instability directly related to continual economic deprivation.

"(Black) family disorganization in the cities has persisted, and, governs the high fertility rates of (black) females in the past twenty years, and poses greater problems. The social and personal disorganization of lower-class (black) communities is viewed correctly as a by-product of years of economic discrimination."<sup>17</sup>

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<sup>15</sup>Ronald H. Wolk, Alternative Methods of Federal Aid Funding for Higher Education. (Berkley, Calif: Carnegie Commission on Higher Education, 1968), p. 122.

<sup>16</sup>The Detroit Low-Income Family, (Detroit Urban League, Detroit, Michigan, 1966), p. 11.

<sup>17</sup>William McCord, et. al., Life Styles in the Black Ghetto (New York, N. Y.: W. W. Morton & Company, Inc., 1969), p. 24.

The Detroit Urban League traced this disorganization and break down of traditional male family responsibility to its origin - slavery.

No other race in history has withstood such inhumanity perpetrated against (black) slaves in an attempt to destroy every fabric of the family life, stripping it of all final value and reducing it to animal stage. . . Every societal thread necessary for strong family relationship was completely broken, dissolved and eradicated. The black male became less than a man. The achievement of the destruction of the family life of Negroes during slavery and its psychological effects have lingered on like a nightmare - haunting succeeding generations.<sup>18</sup>

Joan MacVicar personalized the cycle of futility encountered by the child of the low-income family by telling the story of one fictional child called Stephan. She related the frustrations Stephan experienced during his first day of school. In his pre-school years, no one had the time to develop his verbal responses. His verbal experiences were different from those of his classmates, and he could not understand his teacher, not because he was less intelligent, but because he was less prepared. MacVicar noted that Stephan's father was also a poor student, one who in his adult years could neither maintain his family nor a place for himself in it. It was a cycle that continued from generation to generation. "The black poor--the fatherless society--seem to be unable to learn what (would) help them. Lost opportunities first come at home. Then, when the schools (take)

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<sup>18</sup>The Detroit Low-Income Family (Detroit, Mich: Detroit Urban League, 1966), p.i.



over, a child's readiness for learning (is) often lacking. For a long time schools have not been prepared to make up for what is missed at home".<sup>19</sup>

Such a child of the low-income family may be crippled emotionally early in life by the sense of perpetual failure. This situation must have some effect on his self-image and future-goal orientation. This effect and resulting attitude have been interpreted as the "characteristic" low educational aspirational level of black youth. In his study, Goldstein cited several studies that provided strong evidence suggesting that black students show at least as high educational aspirations as their white peers. He questioned whether the attitude measures were inadequate, or whether aspirations did not have the same consequence for black youth as for white youth.<sup>20</sup>

MacVicar also indicated the deadening effects of continual failure on the disadvantaged person's perceptions of himself, his family and his environment. She stated that there is a point at which failure and fear can make a person incapable of hoping, planning or doing.

For the poor black in the ghetto, that point may be reached early in life because it is so easy for society to say 'No' to him. It is not hard to see that he will take the pain of<sup>21</sup> this back to his family. Such pain may destroy their unity.

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<sup>19</sup> Joan A. MacVicar, The Ghetto Family, ed. by Dr. Alan J. Burns, (Westport, Conn.: Pendulum Press, Inc., 1949), pp. 60-61.

<sup>20</sup> Bernard Goldstein, Low Income Youth in Urban Areas, New York: (Holt, Rinehart and Winston, Inc., 1962), p. 60.

<sup>21</sup> MacVicar, The Ghetto Family, p. 62.

Goldberg perceives the black child or potential student not only as heir to the characteristics of lower-class status, but as a member of a minority group which has historically been considered inferior. The author sees the child as bearing the scar of every kind of discrimination, forced segregation, and limited channels of mobility.

Differences in personality and school achievement due to ethnic group membership over and above those related to class status must therefore be considered.<sup>22</sup>

Goldberg also notes that one of the most pronounced characteristics of lower economic-status black pupils compared with their white peers is their lack of any "future" orientation since their home failed to create expectation of future rewards for present activities.<sup>23</sup>

This lack of "future" orientation again may stem from higher unemployment incurred by black males as breadwinner often incapable of fulfilling this role. The Detroit Urban League found that the unemployment of black males was twice that of white males, affecting more than 25 percent.<sup>24</sup> Thus, the black ghetto family may be distinguished from its predecessor, the foreign immigrant, by its greater vulnerability to disorganization as opposed to the relative social stability of enclaves of foreign immigrants.<sup>24</sup>

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<sup>22</sup>Miriam L. Goldberg, Education in Depressed Areas, ed. by A. Harry Passon (New York: Columbia University Bureau of Publications, 1963), p. 45.

<sup>23</sup>Ibid., p. 49.

<sup>24</sup>The Detroit Low Income Family (Detroit, Mich: Detroit Urban League, 1966), p. ii.

McCord also associates the instability of the black low-income family with the high percentage of homes without male breadwinners. What this has meant concretely is the growth of female-headed households, poor not simply because of discrimination, although that has certainly contributed to the problem, but because there is no male breadwinner and the mothers are too burdened with children to hold jobs.<sup>25</sup>

That discrimination and segregation have taken a serious toll of the American (black) is a long and unpleasant history, but that Americans can right the wrong with abundant know-how and resources is a fact that can no longer be hidden.<sup>26</sup>

This was the viewpoint of the Detroit Urban League in the preface of their study of the Detroit low-income family's "cycle of futility." The League recommended increased employment and its necessary prerequisite--increased educational opportunities.

Education at its best with all kinds of motivational devices must be available to this group as never before. Tremendous efforts must be made to awaken the inner motivations of individuals so affected.<sup>27</sup>

Wolk echoes this same call for action:

To be sure the awesome and insistent problems confronting our nation at home . . . will not be solved by education alone, but our best hopes of coping with these challenges must rest heavily on improved knowledge and greater numbers of well educated men and women.<sup>28</sup>

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<sup>25</sup>McCord, et. al., Life Styles in the Black Ghetto, p. 32.

<sup>26</sup>The Detroit Low-Income Family, p. ii.

<sup>27</sup>Ibid.

<sup>28</sup>Wolk, Methods of Federal Funding, p. 65.

The most important note of confidence in higher education came from lower-class black parents in response to interviewed questions. They told interviewers that "a decent and effective education" was what they wanted most for their children.<sup>29</sup>

Historically, upwardly mobile groups have viewed educational institutions as the principal avenue of social mobility. In a recent government-sponsored study, this generalization was affirmed as characteristic of today's minority students in their attitude toward college access. Today, when college is still considered important for upper mobility, the black families' pressures to succeed may be so intense that they become a crucial factor in minority education.

At the same time, the pressure to succeed in college for many minority students is also a pressure to give up not only community ties but also community dialects, habits and values--at just the time when the ethnic community is determined to emphasize and cultivate these traits as signs of a newfound pride and self-esteem.<sup>30</sup>

For, while these young black are often viewed as extraordinarily "disadvantaged" by society at large, they are viewed as extraordinarily "advantaged" by their own communities. Their success and failures are community successes and failures.<sup>31</sup>

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<sup>29</sup>Billingsley, Black Families in Ghetto America, p. 182.

<sup>30</sup>Report on Higher Education, Frank Newman, Chairman, (Washington, D. C.: Government Printing Office, 1971), p. 49.

<sup>31</sup>Ibid.

The dilemma of being from a low-income black community and attempting to succeed in the white-oriented predominantly middle-class university community has made meeting the financial and related emotional needs of black disadvantaged students increasingly complex.

### Meeting the Needs of the Disadvantaged Black Students

The first step in meeting the needs of this group is a commitment to necessary financial support. According to some university administrators, finance is the most critical problem.

It is particularly acute because in our society the deficiencies in income distribution more heavily affect minorities than whites. The higher level of the financial need among potential Black, Chicano and American Indian students is simply a reflection of the fact that a larger number of their parents fall within lower-income groups.<sup>32</sup>

Alan Pifer, president of the Carnegie Corporation in 1968, contended that universities had failed to meet the financial needs of the economically disadvantaged. He advocated that whatever form the aid would take, it should be 50 per cent of all higher-education budgets by 1975.<sup>33</sup>

The College Entrance Examination Board officers have also directed their concern to extension of financial aid to "students who are not very rich, as well as those who are neither extremely bright

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<sup>32</sup>State News, Feb. 5, 1971, p. 1. This is an excerpt from a speech, "Dollars Limit Minorities" given by Clifton R. Wharton, Jr., president of Michigan State University and reprinted in this publication.

<sup>33</sup>The Chronicle of Higher Education, Jan. 29, 1968, p. 1. Mr. Pifer qualified his projection for financial aid budgeting by saying this would only be possible if the Vietnam war ended by 1970.

nor rich--and who could not make up in dollars what they lacked in high school grades and entrance exam scores."<sup>34</sup>

This viewpoint supported the opinion of Joseph Froomkin, assistant commissioner for program-planning and development in the Office of Education: "In order to get through college, money is practically as important as brains."<sup>35</sup> He also questioned whether financial aid were relevant in its present form and observed that if financial aid were limited to outstanding students, a large number of high-aspiring students from poor high schools would be automatically disqualified.<sup>36</sup> Some educators have related the small number of black students in predominantly white Northern universities directly to the minority students' lack of sufficient funds.<sup>37</sup>

If financing is the prerequisite for meeting such needs, the question becomes: who gets it and how are they selected? To answer this question, one must investigate the administrative priorities that come into play at each institution of higher education after the applicant has met the stipulations of the federal or state government programs involved. The second major problem then becomes equitable distribution of existing financial aid funds.

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<sup>34</sup>Ibid., Nov. 8, 1967, p. 1.

<sup>35</sup>Ibid., p. 4.

<sup>36</sup>Ibid.

<sup>37</sup>Joann Powell, "Higher Education for the Black Student," The Journal of College Student Personnel, XI (Jan., 1970), p. 9.

. . . what criteria of selectivity do we employ in the distribution of available funds among the economically disadvantaged? Do we use the funds first among those who seem to have the potential, but are not normally admissible? Do we follow a first-come-first-serve policy or some arbitrary mix?<sup>38</sup>

In justifying their distribution of financial aid monies, university administrators have tried to communicate to the general public that merely because the demands of minorities (and related, deprived societal segments) have increased, as have their numbers, these individuals really are unqualified for what they are seeking. These administrators have indicated their concern that the public become aware that these students are not demanding special privileges. "This is a serious distortion and grossly inaccurate. True, there are those minority individuals, as there are in any group, who are not normally admissible and yet who have potential for success."<sup>39</sup> This administrator clarified that these students were not the target group for university financial support:

However, these are not the individuals who constitute the greatest demand. Many minority youths suffer from deficient primary and secondary education and thereby can be considered educationally disadvantaged, but there are vast numbers who nevertheless still qualify for normal admissions under all the regular standards.<sup>40</sup>

Public perception of who qualifies has often hinged on public assumption of how much the applicant would receive. The public is

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<sup>38</sup>State News, Feb. 5, 1971, p. 1. President Wharton did not offer solutions to these questions of distribution. However, it is significant that administrators are perplexed by the various possibilities of distribution.

<sup>39</sup>Ibid.

<sup>40</sup>Ibid.

generally unaware that if a disadvantaged student is selected for aid, not all related educational and personal costs sustained during the pursuit of a college degree are not covered by an outright grant. If a student has met qualifications for some form of aid, he then, must grapple with a complex system of financial-aid funding. The majority of higher-education institutions have put together a "package" of assistance hopefully tailored to meet the needs of the individual student. Such a package may encompass work-study aid, outright grants, scholarships, or loans or a combination thereof.

The sources of these programs are primarily federal government and state government. The U.S. Department of Health, Education and Welfare has explained the need for the "financial aid package" as a means of extending available monies to the greatest number of applicants. The department also qualified this statement by suggesting that "if (a student's academic) record is clearly strong, (the student) will have a good chance of qualifying for the financial assistance (he) needs."<sup>41</sup> This statement has restrictive implications. As MacVicar observed, "Society requires a good educational record."<sup>42</sup>

Have financial-aid programs superseded this qualifying statement and provided for the educationally disadvantaged as well as the economically deprived?

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<sup>41</sup>U. S. Department of Health, Education and Welfare, Financial Aid for Higher Education (Washington, D. C.: Government Printing Office, 1968), pp. 5-6.

<sup>42</sup>MacVicar, The Ghetto Family, p. 62.



### Qualifying for Financial Aid

Qualification for financial aid has its own dependant clause-- family income. The amount of financial aid varies inversely with the family income of the applicant. Parents of applicants must complete what is known as the "Parents' Confidential Statement" by December of the year prior to their child's admission date. This form must be submitted to the College Scholarship Service whose primary function is to assess the application and forward its fundings to the college or colleges preferred by the applicant.<sup>43</sup>

The problem inherent in this system is that prospective students are often unformed of the existence of financial aids and are not encouraged to even inquire. A recent state-supported report on equality of access to higher education in Michigan related that "it is widely known that masses of Black youngsters in the Detroit and areas are not encouraged even to think about preparing themselves for college . . . and yet this fact, by no means new, has not been allowed to dent the present system."<sup>44</sup>

The Parents' Confidential Statement is complicated in format, and it may not be clearly understood by parents of the prospective

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<sup>43</sup>The fee for this service is \$3.00 for the first college listed by the applicant on the Parents' Confidential Statement and \$2.00 for each additional college or agency requested. This fee system may limit the prospective student's selection of colleges.

<sup>44</sup>Ad hoc Advisory Committee on Equality of Access to Higher Education, Report of the Commission to the State Board of Education, Equality of Access to Higher Education (Lansing, Michigan: Michigan Department of Education, 1971), p. 4.

students. Parents have also been known to overestimate their ability to pay their child's college expenses with the hope this might help him gain admission to the university of his choice.<sup>45</sup>

The complicated forms for college admission and financial aid have been criticized by high school counselors. The counselors have also denounced as unrealistic for economically deprived youths the application fees required by institutions. They have noted that some inner-city students couldn't even afford the application fee of \$10.00, especially if they wanted to apply to several colleges.<sup>46</sup>

Some universities have changed their methods of recruitment to reach disadvantaged blacks with potential. When Stanford University re-evaluated its recruitment program in the late '60's, the administrators followed student recommendations to enlist black college students to help recruit minority students from the high schools. This proposal was incorporated into a pilot program for reaching the educationally disadvantaged, a response to charges by black Stanford students that the university had perpetrated a recruitment system that did not allow for equal access by minority students.<sup>47</sup>

This method of recruitment of blacks by blacks has been given a vote of confidence by other college-admissions counselors. It has

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<sup>45</sup>Amos Johnson, private interview held at Michigan State University, July 14, 1971.

<sup>46</sup>The Chronicle of Higher Education, Oct. 30, 1969, p. 6.

<sup>47</sup>Ibid., April 22, 1968, p. 1.

also helped bridge the gap between the high school counselor's report of who was qualified and who was really qualified, state researchers reporting that often high school counselors recommend and promote students only on the basis of good behavior.

The determination of class rank by secondary school personnel is usually a subjective process whose results need to be seriously questioned. And pervading everything is an immensely strong filter of social values, disseminated from all institutions, assuring the student that pleasing the teacher, getting good marks, and being lovable are all part of a package marked "most likely to Succeed," while having problems, being bored, and being unable to imagine yourself good at anything that is socially acceptable means you'll never make the Senior Yearbook.

Present programs try to combine rewards for conventional success with a little charity for a little misfortune. But there is never real largesse to compensate for real misfortune, and to link good grades with good behavior reveals a stimulus/response behavior pattern exhibited by teachers as well as students.<sup>48</sup>

Black admissions counselors from universities have stated that they too have encountered this pattern of rewarding good behavior with good grades and recommendations. Many high school counselors would tell them "You're welcome to come, but we don't have many black students who are academically qualified."<sup>49</sup> These same recruitment people have then gone to black community leaders and found qualified students.<sup>50</sup>

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<sup>48</sup>Ad hoc Advisory Committee, Equal Access to Higher Education,

<sup>49</sup>The Chronicle of Higher Education, Oct. 30, 1969, p. 6.

<sup>50</sup>Ibid.

Representatives of the current government administration have refuted this new method of recruitment as a distortion of academic standards. Vice President Spiro T. Agnew recently reported:

By some strange madness, we find the thought seriously entertained among men in responsible positions in the academy itself that the exigencies are such that the untrained should help those to be trained, and that membership, whether as students or teachers, in institutions of higher learning should be determined fundamentally by considering other aspects rather than aptitude either for teaching or learning.<sup>51</sup>

Mr. Agnew's remarks were reminiscent of a speech by President Nixon in which the President advised colleges to resist "Pressure to collapse their educational standards in the misguided belief that this would promote 'opportunity'".<sup>52</sup>

According to a recent report by the Michigan Committee on Equal Access for Minorities, it was found that the educational standards were inequitable and in need of revision. The report attacked the adequacy of current standardized tests for ability and scholarship grants. The Committee stated that disadvantaged students were filtered through a screening process that needed to be critically reviewed and drastically changed.

The machine-scored scholarship tests (were) not merely culturally biased, but intellectually abominable; they (demanded) rapid-fire-quiz-program answers, not thought . . . present programs (have supported) the values of an educational system remarkably successful in maintaining, indeed widening, the gap between white and non-white people. . . they (programs) are

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<sup>51</sup>Ibid., Feb. 24, 1970, p. 6.

<sup>52</sup>Ibid.

notably undemocratic, taking from all to dispense to a peculiarly selected few. Worst of all, perhaps, they (have done) this in the name of educational opportunity!<sup>53</sup>

Some admissions officers have shared this opinion that current standards for judging student potential are unrealistic, considering the student's socio-economic background. One administrator stated:

We in admissions find that an individual's socio-economic background and, in this society, his race, are significant variables which require us to exercise even greater care and sometimes more flexibility as we try to judge potential among young people who have quite different opportunities made available to them by accident of birth.<sup>54</sup>

The question then becomes whether the systems of admission and the granting of financial aids either emphasize institutional standards or respond to student needs and expectations.

#### How Does the Financial Aid Package Meet Needs

##### Economic Opportunity Grants

The Economic Opportunity Grants program, a federally funded grant-program created in 1965, has increasingly placed its emphasis on targeting funds to students of exceptional financial need. Recent government directives to financial-aid officers have stressed the importance of concentrating EOG awards in the category of students from families with an income "under \$6,000".<sup>55</sup>

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<sup>53</sup>Ad hoc Advisory Committee, Equal Access to Higher Education, pp. 3-4.

<sup>54</sup>The Chronicle of Higher Education, March 23, 1970, p. 3.

<sup>55</sup>Ibid., March 16, 1970, p. 7.

In 1972, the federal government required participating universities to document the extent to which their EOG funds were allocated within specific income categories. This system was probably made to check the universities' system of priorities in terms of financial-aid distribution. An increase in the number of grants to students from low-income families has been made by decreasing the number of grants to students from higher-income families. In the school year 1967-68, students from families whose income was \$9,000 or over, received 21 per cent of the grants in aid, compared with 5 per cent of this same group in 1970-71 school year.<sup>56</sup> It is evident that there has been progress in directing EOG funds to the economically disadvantaged.

EOG grants are to be made strictly on the basis of the student's family income. The Parents' Confidential Statement is the basis for determining the family income and the student's financial need. A recent report on the EOG program stated that students from families earning less than \$6,000 per year have received a considerably greater share (69 per cent) of the federal government's educational opportunity grants in the 1972 school year, than in 1967-68.<sup>57</sup>

Some administrators think that the College Scholarship Service has done a good job of analyzing the financial need of a low-income student down "to the zero income".<sup>58</sup> However, the system has been considered inadequate for students who stay out of college because

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<sup>56</sup>Ibid., Jan. 12, 1970, p. 7.

<sup>57</sup>Ibid.

<sup>58</sup>Ibid., Nov. 8, 1967, p. 4.

they are depended upon at home to produce all or a share of the family's income.<sup>59</sup>

The fact that more black families than white are traditionally in the lower-income strata of society is verified by the fact that in the 1970 EOG program, black students had received 25 per cent of the available grants, whereas they constituted only 6 per cent of the whole freshman-college membership. The high proportion of black student recipients in the EOG program may indicate that these students represent both exceptional financial need, and all of the inherent problems of a low-income family origin.<sup>60</sup>

There is also a strong inverse relationship between family income and the size of the EOG award. The average EOG award for students in the highest income bracket is \$106.00 less than the lowest-income group student's.<sup>61</sup> This is not a great differential considering the substantial difference in monies available to these two contrasting groups of students.<sup>61</sup>

In the 1970 EOG report, the socio-economic differences between white and black students were found to be quite distinct even holding the family income constant.

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<sup>59</sup>Ibid.

<sup>60</sup>Ibid

<sup>61</sup>Nathalie Friedman, The Educational Opportunity Grant Program: A Status Report, Fiscal Year 1970, Report to the U. S. Department of Health, Education and Welfare, (New York: Bureau of Applied Science, Columbia University, May, 1971), p. 54.

Within every income category, blacks continued to have handicaps; compared to whites from similar income backgrounds, blacks were still more likely to have parents with fewer years of schooling, to be the first among the oldest children in the family to attend college, to have not been enrolled in college preparatory curriculum in high school, to have graduated in the lower half of his high school class and to have chosen college for financial rather than academic reasons.<sup>62</sup>

The report also stated that the double handicaps of the minority students "especially black students, (were) compensated for, to some extent, however, for at every income level, the black student (had) received a higher EOG and a larger financial aid package. Similarly, he was) more likely than his white counterpart at the same income level to be provided with supportive services for overcoming his economic handicaps."<sup>63</sup>

The report summarized that presently the low-income minority students have been given academic and financial supports in proportion to the degree of their academic and financial need.<sup>64</sup> The report cautioned those universities directing their recruitment efforts and financial-aid resources to this group to be aware of "the unique socio-economic and academic backgrounds of this group . . . and to the kinds of values and expectations they will hold."<sup>65</sup> Universities were advised to view the disadvantaged student's socio-economic background as a significant success-variable, and to make recommendations for his academic program with this in mind.

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<sup>62</sup>Ibid., p. 74.

<sup>63</sup>Ibid., p. 76.

<sup>64</sup>Ibid., pp. 76-77.

<sup>65</sup>Ibid.



We suggest that these values and expectations (those related to the students' background) be made explicit so that experienced guidance personnel can help (these) students to make realistic educational and occupational choices and, thus, prevent the collapse of aspirations which acceptance to college may have raised to unreachable heights.<sup>66</sup>

This recommendation seems to imply that these students had been handicapped to the extent that some programs, and subsequent careers, were closed to them.

#### College Work/Study Program

The College Work/Study Program, according to its original conception, was designed to help students earn money to defray the cost of educational expense and at the same time to help them gain skills in their area of academic concentration.

The question has been raised as to whether the economically and educationally disadvantaged black students are further handicapped by being forced to work when they need their time for studying. Some administrators have pondered this problem:

How do we cope with the paradoxical situation where the greatest work strain often is placed on the very student whose educational background requires of him the greatest study time?<sup>67</sup>

This situation was not verified by a recent assessment of the College Work-Study Program directed by Warren T. Troutman, Chief,

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<sup>66</sup> Ibid.

<sup>67</sup> State News, Feb. 5, 1971, p. 1.

Work-Study Branch of the Office of Education. Mr. Troutman clarified, in his introduction to this report, that it was based on scholarly research rather than opinion. Documented evidence supported the study's findings that there is evidence that students who have part-time jobs in college as well as poor high school preparation, operate about as successfully, as far as grades in college are concerned, as the poorly prepared who have no college jobs.<sup>68</sup>

The study found that cutting or alleviating employment for working students did not necessarily raise their grades. Disadvantaged students with jobs in some instances actually fared better academically than those without jobs. The survey concluded that whether or not the work-study job was related to the student's academic objective, part-time employment had no differential effect on his grades.<sup>69</sup>

The College Work-Study Program has provided a means whereby public and private non-profit public-interest agencies can employ qualified students and receive reimbursement for a percentage of the students' wages.<sup>70</sup> This program is usually incorporated as a part of the student's financial-aid package, but due to its wide distribution it does not offer substantial financial aid. The current method of

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<sup>68</sup>Letter, Warren T. Troutman to Director of Student Financial Aid, Dec. 21, 1970, Michigan State University, p. 1.

<sup>69</sup>Ibid., p. 2.

<sup>70</sup>Letter, Coordinator College Work-Study Program to Public and Private Non-Profit Agencies, undated, Michigan State University, p. 1.

distributing the College Work-Study monies has, in some cases, proved frustrating to both the student and employer. If a student is allotted \$600 Work-Study per year, has a job earning \$3.00 per hour, and works 15 hours per week, his dollars are exhausted after 14 weeks. The employer has the problem of training the new employee, and the student has an incomplete work experience.<sup>71</sup>

The program has also been criticized for failing to fulfill its second objective of providing jobs related to the student's academic and career interests.<sup>72</sup> When it does fulfill this second objective, it provides opportunity to the disadvantaged student. The student may then have the opportunity to observe working situations and career--opportunities that he would otherwise have neither knowledge of nor access to because of his socio-economic background. Financial aid officers have observed that the College Work-Study Program can be a vital experience for the disadvantaged student if it is properly coordinated with the student's interests and/or course of study.<sup>73</sup>

#### Loan Programs

In their present distribution, the EOG grants, the College Work-Study Program, scholarships and the many loan program are all component

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<sup>71</sup>Letter, Ron Watts to Financial Aids Counselors, May 22, 1970, Michigan State University, Office of Financial Aids, p. 1.

<sup>72</sup>Ibid.

<sup>73</sup>Joann Collins, private interview held at Michigan State University, July 14, 1971.

parts of the financial aid package. Independently, these programs cannot support the average student with financial need, let alone the low-income minority student. As the costs of higher-education institutions and government-grant programs have been accelerating, some political leaders and administrators have recommended more frequent use of loans as a means of financial aid. This system would transfer more financial aid responsibility to the individual student.

Stephen J. Tonsor, associate professor at the University of Michigan, and a man whose views President Richard Nixon has applauded in the past, recently urged that money in the form of guaranteed loans be available to every qualified student seeking post-secondary education, and that every student be charged full-cost tuition.

Why not permit the individual to measure himself against entrance requirements, performance standards and real costs, and judge whether or not he has the qualities necessary and is willing to pay the necessary costs in terms of a long-term loan.<sup>74</sup>

Administrators of financial aid programs would not agree with Mr. Tonsor's proposals. It would add another burden to the disadvantaged student, not open new opportunities.

The argument that the privilege of borrowing large sums of money with deferred repayment will somehow increase educational opportunity for the economically and educationally disadvantaged will not bear analysis for several reasons; rather, it would, under the name of equality of opportunity, enable a low-income student to start life with a heavy added Federal claim on his income, while freeing the more affluent from any responsibility.<sup>75</sup>

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<sup>74</sup>The Chronicle of Higher Education, March 9, 1970, p. 3.

<sup>75</sup>Wolk, Alternative Methods of Federal Funding, p. 122.

Perhaps Mr. Tonsor's proposals were based on inaccurate information of the Guaranteed Loan Program. A recent survey found that there was a widespread misunderstanding among university leaders and bank lenders concerning the purpose of the Guaranteed Loan Program. The report stated that the program was originally created to aid middle-income students. Many lending institutions think it was created to help the needy.

Other sociologists would ask the wider society to guarantee financial aid for every black student as an atonement for racial discrimination.

In addition, the time has come for the wider society to guarantee to every (Black) who completes high school, the financial and legal support for him to pursue advanced training and education to the limit of his capacity. This should be one of the most important actual and symbolic acts the society can perform to indemnify the (Black) people for centuries of exploitation, neglect, and tokenism.<sup>77</sup>

Another viewpoint is that higher-education institutions should take the responsibility "to provide financial aid, and to help the faculty and other students become sensitive enough to cope with an assertive black population."<sup>78</sup>

A more radical concept in financial aid involves the temporary support of the low-income black families with children enrolled in college programs. One administrator explained the need for such a policy in certain circumstances:

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<sup>77</sup>Billingsley, Black Families in White America, p.183.

<sup>78</sup>Powell, "Higher Education for the Black Student", p. 10.

Low income families have no assets. Black low-income students don't even have, generally speaking, middle class relatives from which they can borrow. Hence, emergency situations in the family have direct impact on the son or daughter in college . . . In even more extreme cases, the student might even have to be supported by the school to the extent that he can contribute money to the family's maintenance.<sup>79</sup>

### Summary

The viewpoints on financial aid for disadvantaged blacks, or any special group, have illustrated the divergence of opinion that exists concerning what the needs are, and how to meet them. In Chapter III, the viewpoints of administrators and black students involved in the Departmental Program, a special program innovated for educationally and economically disadvantaged students at Michigan State University, will be explored. A comparative analysis of the idealistic theories and the actual situation should provide useful information concerning the importance of financial assistance as a significant factor in educational survival.

Information on the participation of blacks will contribute to the understanding of all minority education "because black students have been the pathbreakers, and how the experiment in minority education is judged will largely be a question of how well black students do, how they are all seen, and how they see themselves."<sup>80</sup>

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<sup>79</sup>Letter, Richard B. Allen to Marshall Jackson, June 23, 1970, University of Kansas, p. 1.

<sup>80</sup>Newmah, Report on Higher Education, p. 44.

## PART II

The History of Michigan State's Financial Aid Program<sup>81</sup>

The evolving divergence of opinions concerning the financial needs of college students is reflected in the manner in which the Michigan State University program has grown and developed throughout the years. It began as a haphazard program of short-term loans to temporarily needy students, assistance in obtaining part-time employment, and Trustee Scholarships covering fees but available only to students with above-average grades. There was no basic assumption that financial assistance of a significant full time nature should be provided to students who were performing at an average level or below. Today, the MSU financial-aids program is a multi-million dollar system financing the education of as many students as possible, their only requisite being demonstrable financial need.

Prior to July 1, 1959, not even employment opportunities were abundant, and available jobs offered little meaningful work experience related to students' careers. The employment options at the time ranged from dish-bussing in resident dining halls to janitorial jobs with the university custodial department. On rare occasions there were a few clerical positions available to students with clerical experience. However, with the scarcity of financial assistance at that time,

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<sup>81</sup>Data in this section collected from a private interview with Mr. Henry Dykema, Financial Aids, Michigan State University, May, 1972.

jobs were the main thrust in assisting students in the financing of their education.

Short-term loans then as now were not available to students who did not meet the academic criteria, or could not cope with the "shortness" of the loans. When a short-term loan is made to students, there must be a co-signer. In most cases the parent would be the most logical person. In most cases parents are reluctant to co-sign, mainly because they must be totally responsible for repayment on the deadline date determined by the Financial Aids office. This was a very awesome position for single or married students to face without employment. Even with employment at a minimum wage rate, a student in many instances had other financial obligations to meet. When a student is unable to repay the loan by the deadline date, he is more than likely faced with a "hold" card at the Registration Office. This of course means that he is ineligible to register according to the University's regulations until his obligation is met.

Scholarships were offered only to scholarly students who maintained a grade point average of 3.0 or above, they did not assist students whose grade points did not meet the academic standards set by the university. To put it in a mild perspective, scholarships at that time were quite rare and in many instances quite difficult to maintain. Michigan State Trustees received their scholarship grants from private donors, business, industries and corporations who set criteria for student recipients. Michigan State, being the receiver of several scholarships and grants, developed a special office to administer and solicit funds for this purpose only. On the other hand, any employment



which became available for students was simply listed in the Placement Office on a "first-come, first-served" basis. Loans, on the other hand, were handled exclusively by both men's and women's divisions of the Dean of Students Office. The male students were interviewed and granted loans by the men of the Dean of Students Office, the female students by women of the Dean of Students Office.

On July 1, 1959, the traditional system ended and history neared reality when Henry Dykema was employed by the Division of Student Affairs Office. His primary job was to administer loans to the male students. Prior to that date, each counselor in the division granted loans to students; no one person was responsible for the distribution of loans. A similar situation existed in the women's division. The loans were primarily of the short-term variety. Only one loan was of the long-term status. A small grant of \$25,000 was granted by the Henry Strong Foundation of Chicago, Illinois, and was available to junior and seniors only. In 1958, the Congress passed the National Defense Education Act. The passage of this act was inspired by the launching of Sputnik I by Russia. When this event took place, a great cry went up that Russia was out-stripping the United States in the space exploration race and in science in general. The United States Congress reacted by passing the National Defense Education Act. By the terms of this act, the larger universities and colleges were granted up to \$250,000 in federal funds to be dispensed to needy students. Under this act, priority was given to students who planned to become teachers, majors

in math or science were given second priority, while third went to foreign language majors. The purpose for setting such priorities was to selectively recruit and train potential educators, scientists, mathematicians, and foreign diplomats for defensive purposes. At that time it was felt that those were the areas in which a critical shortage existed. The National Defense Education Act loans were administered by the Men's Division of the Student Affairs Office to both men and women on a simultaneous basis. In fact, it was the passage of this act in 1958 that prompted the addition of a staff member in the Men's Division to administer the National Defense Education Act loans. In addition to administering the loans, this administrator was assigned other responsibilities to keep him occupied. One of his responsibilities was to act as the liaison between the Office of the Dean of Students and all religious advisors on campus. In addition, he assisted the staff in working with the student judiciary, served as the advisor to Freshman-Sophomore council, and was a member of the All-University Traffic Committee. He was also designated to interview all male students who were voluntarily withdrawing from the University. Mr. Dykema was given a part-time receptionist to assist him in the assignments made by the Vice-President of Student Affairs.

In the early 1960's a full-time secretary was awarded to the Assistant Director for Loans. His responsibilities as the one and only official loan officer for both male and female students were clearly defined. In the academic year of 1962-63, 4,175 loans were granted, totalling the sum of \$1,266,096.00. There was a slight increase in 1963-1964 to 4,677 loans amounting to \$1,755,092.71. By this time the National Defense Education Act has been amended to allow large universities and colleges to receive up to \$500,000 per year in federal grants.

In 1964 the position of Director of Financial Aids was established and a second person was added to the professional staff. In addition, another clerical position was established. Since that time, the financial aids staff has grown to include twelve professional staff members, thirteen clerical and technical staff members, and fourteen part-time students. The volume of business has increased to the extent that in 1970-71 fiscal year 12,856 loans were granted, amounting to \$6,962,801, and the total activity, including all programs administered by the Office of Financial Aids at Michigan State University, was in the amount of \$14.9 million.

During the intervening years between 1959 and the 1970's, several financial aid programs have come about:

1. 1962--the Michigan Higher Education Assistance Authority
2. 1962--The United Student Aide Fund
3. 1962--The United State Loan Program for Cuban Refugees
4. 1965--Nursing Education Loan Program
5. 1965--The federal College Work-Study Program
6. 1965--All scholarships for returning student were transferred from the Office of Admissions and Scholarships to the Office of Financial Aids.
7. 1968--Law Enforcement Education Program
8. 1967-68--Educational Opportunity Grant Program
9. 1969--Health Profession Scholarship and Loans
10. 1969--Student Aid Grants

In addition, in 1968-69 a new position was created in the Office of Financial Aids to work specifically with students who were classified as educationally, socially and economically disadvantaged. By their time the College Work-Study program had developed to the point where an additional staff members was employed to coordinate it.

By 1970, the Work-Study Program had been expanded from the on-campus employment concept to a state and nation-wide Work-Study Program providing employment for students attending Michigan State in their hometowns during the summer months. The administrator's responsibility was to develop employment on a local, regional, state and national basis for students during the summer months. A student's employment was to coincide with his curriculum and also provide meaningful work experience as it related to the classroom theory. It was also to provide a wider exposure which was vastly needed and which, in most instances, was not provided at the university.

Currently, the Office of Financial Aids is working very closely with the Data Processing Office to computerize the administering of all Financial Aid Programs. This is imperative because of the continuing increase in volume of applications. The computer will also maintain a greater control of all the various accounts. The Office of Financial Aids, as of July 1, 1970, no longer reports to the Dean of Students. As of that date, the Director of Financial Aids, Henry Dykema, reports directly to the Vice-President of Student Affairs. During the winter quarter of 1972, President Clifton R. Wharton, Jr. appointed a Financial Aid Administrative Group to specifically supervise and

coordinate all offices within the university involved in the dispensing of financial aids to students. The members of this group are:

The Vice-President of Student Affairs (Chairman)

The Vice-President of Finance

The Vice-President for Graduate Programs

Assistant Provost for Developmental Programs

Assistant Provost for Administration, Records, and Scholarships

Director of Educational Opportunity Programs

Director of Financial Aids

Director of Placement

In addition, the Assistant Comptroller, the Assistant Director of Admissions and Scholarships and the Associate Director of Financial Aids also attend meetings as non-voting members. The Financial Aids Administrative Group is charged with making policies for all offices which dispense financial aids to students, including the Student Employment Office.

#### Growth of Michigan State Financial Aids Program

From July 1, 1959, through June 30, 1971, the Michigan State University Financial Aids Program has grown from a small grant of \$25,000 to \$14.9 million. The growth of this program reflects the increase in enrollment as well as the financial resources made available to the University to serve the social, educational and economic needs of students. During the fiscal year 1970-1971, a total of 31,750 students received financial assistance from the several financial aid programs administered by the Financial Aids Office.

A classic example is illustrated in Table 1 which indicates the increase of loan funds made available, and the gigantic increase in loans awarded from the early 1960's through the early 1970's. It not only reflects the continuous growth in enrollment of new students, but also points out that approximately fifty per cent of the financial aids budget is made up of loan monies.

TABLE 1  
STUDENT LOANS

Year	Number of Loans	Amount
1962-63	4,175	\$1,266,096.00
1963-64	4,677	1,755,092.71
1964-65	5,864	2,423,993.74
1965-66	6,532	3,093,547.89
1966-67	7,808	4,124,934.00
1967-68	9,989	4,906,289.67
1968-69	10,201	5,301,852.00
1969-70	10,971	5,428,281.00
1970-71	12,856	6,962,801.00
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\*In addition there has been a tremendous upswing in the number of guaranteed education loans such as United Student Aid Fund and Michigan Higher Education. The latter program now exceeds \$2,200,000 a year.

From the early part of 1965, when the College Work-Study Program was established by Congress, to fiscal year 1970-71, Michigan State's Work-Study Program has grown to become a major factor in the packaging of student aid. It has also helped to change the old Protestant-Ethic

concept under which it was originally founded to an educationally-related concept. Michigan State's Work-Study Program is presently one of the largest of its kind in the nation. Table No. 2 shows the tremendous growth and development of the Work-Study Program over the years in both number of students and increase in funds.

TABLE 2

## WORK-STUDY PROGRAMS

Year	Number of Students	Amount
1965-66	235	\$ 92,249.83
1966-67	602	203,113.00
1967-68	1,250	448,609.00
1968-69	2,247	988,201.00
1969-70	2,319	1,064,201.00
1970-71	2,263	1,516,471.00

While the Equal Opportunity Grant Program is fairly new compared to other existing federally funded programs, it is considered one of the most popular programs of financial aids. Its history goes back to fiscal year 1967-1968 and it is holding at about its original status in both grant and funding levels. Its content and growth is illustrated in Table 3.

TABLE 3

## EQUAL OPPORTUNITY GRANTS

Year	Grants	Amount
1967-68	2,304	\$ 997,658
1968-69	2,300	1,058,606
1969-70	2,401	1,044,955

The Student Aid Grant Program has been in existence only since 1969, which is relatively recent compared with other programs. However, it, along with other gift aids programs, such as Scholarships and Equal Opportunity Grants, is crucial as it relates to the economically disadvantaged student-aid package. Since the birth of this program, its funding level is almost the same as fiscal year 1970-1971. There has been a decrease in the number of grants awarded; however, there is a considerable increase in student awards--up to \$7.50 per credit hour for in-state students. Table 4 reveals all data regarding the historical background of the Equal Opportunity Grant Program.

TABLE 4

## STUDENT AID GRANTS

Year	Grants	Amount
1969-70	10,942	\$2,112,000
1970-71	7,374	2,186,858



Michigan State has several varieties of scholarship funding sources and each dictates separate guidelines. On the other hand, Michigan State offers its own scholarships--also with stipulated guidelines. There has been a considerable increase in both grants and funding levels since this program originated. In most instances, applicants receive awards on a competitive basis either scholastically or by demonstrating need on a social-economic basis. See Table 5 for a breakdown of funding levels and grants awarded.

TABLE 5

## SCHOLARSHIPS

Year	Number	Amount
1967-68	2,000	600,000
1968-69	2,427	685,047
1969-70	2,741	863,000
1970-71	2,895	1,054,656

The State of Michigan Scholarship Program (in addition to the above) now amounts to about \$2,000,000 a year. The Donor Scholarship Program now exceeds \$600,000 a year for over 950 students. This is in addition to the M.S.U. program.

The Law Enforcement Education Program has increased from a little over \$25,000, funded in 1968, to a quarter of a million dollars. The funding level has been increased to its present level to aid students

majoring in criminal justice and to enable the self-improvement of police officers and to improve the quality of law enforcement. See Table 6 for funding breakdown.

TABLE 6  
LAW ENFORCEMENT EDUCATION PROGRAM

Year	Amount
1968	\$ 27,400.00
1972	250,000.00

Students in various Health Profession Programs will vastly benefit from this program, especially medical students who will be practicing in areas where a shortage of doctors entitles them to the waiver of their loan. Since the beginning of this program, its funding level has increased considerably and will constantly grow as needs dictate.

TABLE 7  
HEALTH PROFESSIONS PROGRAM

Year	Amount
1967-68	\$111,975.00
1970-71	179,540.00
1971-72	200,000.00

The Ways Colleges and Universities Determine Student's  
Financial Aids Packages<sup>82</sup>

The beginning of a child's college career is a time of pride and happiness for parents; however, it is also a time when parents must examine ways they can balance the expenses against possible sources of income. The number of students going on to college (for compelling personal and national reasons) having almost tripled in the past decade, it still continues to rise. A great number of these young men and women need financial aid to continue their education.

The College Scholarship Service is designed to help both colleges and families determine a student's need for assistance. It is almost like forming a coalition between students, parents, and colleges to determine ways of assisting students who need aid to get through college.

The first point that parents must understand is that the way colleges award financial aid to students is presently undergoing significant changes. One of the primary reasons is that educational expenses have risen and more students from moderate income families have sought higher education, so that colleges have been forced to develop a more systematic and exact way of determining which students

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<sup>82</sup>Report from the Mid-West Association of the National Caucus of Minority Financial Aid Administrators, Feb., 1972; and a private interview with Richard S. Allen, Coordinator of Financial Aid, Governor State University, Park Forest, South Illinois, Feb., 1972.

need help and how much. Scholarships and other types of aid awarded by colleges still represent a recognition of scholastic ability and promise, but today a different consideration enters the awarding of financial aids to needy students.

Financial aid from non-college sources such as government and private organizations is based increasingly on need. In fact, this trend has been given additional impetus by the recently enacted Federal Educational Opportunity and Work-Study Grants for socially and economically disadvantaged students and others who can provide only small sums toward college expenses.

Colleges and universities are required to base these new federal awards entirely on family income and needs of students. These programs are especially designed to provide quality educational opportunity for limited-income families. Many other organizations that give scholarships may require evidence of superior achievement (not just "good academic standing" as for the federal grants) and also take need into account in determining the amounts of awards. Two students with the same standing on tests and other measures of ability may be awarded entirely different sums. One with relatively minimum financial need may be offered a small scholarship in recognition of scholastic achievement (or even no monetary award at all), while the other may be offered a substantial amount because he cannot otherwise attend college.

Too, the kind of aid-awards has undergone a change at many of the institutions, basically because of the Affirmative Action Plan which many institutions have undertaken. In addition to the need to help more students, and because of the requirements of federal programs, an increasing number of colleges and universities now "package" aid--offering a combination of scholarships, gift-aids, campus work-study jobs and loans.

How much of the "package" is a gift depends upon guidelines set up by each institution, the availability of funds, the number of students it is trying to help, and is predicated primarily on its own financial aid policies. Some institutions make Work-Study the initial part of their aid program unless there is a specific reason why a student cannot work. Other institutions stress loans more, others with more funds--and often higher charges--make scholarships and other gift-aids the largest part. Still others may offer a combination of loans and work-study and other aid packages. Some colleges try to reserve more of their scholarship dollars for freshmen than for upper-classmen. The rationale for this is that the freshmen need the time for study that would otherwise be spent in part-time work, and upper-classmen have more knowledge of how to study and often a higher earning capacity. A number of college and university financial-aid authorities feel, however, that it is alright for a student to take on modest employment, probably no more than fifteen hours per week during the first year of college study, and the limit permitted under the Federal College Work-Study program is fifteen hours of part-time work per week.

More than likely a family would prefer aid in the form of a full scholarship rather than a combination of gift, loan, and work-study. But the package method does mean that more students can be helped, and therefore a student's chances of receiving aid are increased.

By using such methods many colleges today are able to help as many as twenty to forty percent of their students; some help more than one half. Publicly supported colleges, which usually charge less, usually award less aid, an average of about \$400 per aided student compared to about \$700 per student for private colleges and universities, and to a smaller percentage of students.

Not all colleges package aid, but the more expensive ones especially tend to. They find this necessary to help more students and each of them to a greater extent. A survey sponsored by the College Scholarship Service and the United States Office of Education, and conducted by Educational Testing Service, showed that the more aid that is needed the more likely it is that the award will be a combination. For example, almost two-thirds of the men's awards of \$1800 and over were a combination of the various forms of aid, while only five percent of those under \$400 were combination awards.

#### The Method of Giving Financial Aids

Over the past fourteen years, the College Scholarship Service (C.S.S.) has developed a uniform method of determining whether a student needs assistance, and if so, how much. The C.S.S., which is a non-profit program of the College Entrance Examination Board, does not itself give financial aid, not decide a student's award. This is done individually by each of the colleges and universities connected

with the C.S.S. Because student fees, academic requirements, and financial aid resources vary from one college to another, the amount of aid offered to a student will vary by institution.

But what the C.S.S. does do is provide a uniform method of analyzing a student's financial need so that college aid resources can be allocated fairly. While sometimes an applicant may not receive aid, or as much aid as his parents feel is necessary, he can be certain that his basic needs will be evaluated objectively.

The C.S.S. Needs Analysis method is based on a number of cost-of-living studies by government and other agencies. In the Needs Analysis, the C.S.S. uses the financial information supplied by the student's parents on the Parent's Confidential Statement and others need complete modification.

Much of the information asked in the P.C.S. and other forms is simply difficult to understand, not only for the student or parents who do not in most cases understand the language, but often for financial-aid offices as well. Not only should these various forms be modified so that parents may understand and do a better job filling them out, but also new guidelines are in fact needed to better aid socially and economically disadvantaged students. Students falling into poverty categories and students from moderate and upper-income brackets have different needs; therefore, either the guidelines should be completely changed to meet these needs, or special guidelines should be specifically set up by various institutions to better financial aid to the poor.

How a Student's Need is Determined

It often takes three partners to put a student through college-- the student, his parents and the college. First the college works out a budget that includes not only tuition and room and board, but an allowance for books, clothing, recreation, transportation and incidentals. Then the amount that the student and parents reasonably can be expected to provide is estimated by the Financial Aids Office.

The student is expected to use one fifth of his pre-college savings during each of the four academic years, up to certain limits that depend on each college and university's own policies. At most colleges he is expected to help further himself through part-time employment. The amount he (or she) is expected to earn in some cases is modest enough so that the part-time job will not interfere with studies. This is not true in all cases, for many counselors do not take into consideration the student's academic background or his social and economic aspects before making a work-assignment. Not taking all things into consideration before making the work-study award can cause severe damage to a student who needs all of his time for study. On the other hand, studies have proven that many students utilize the time much more wisely when working from a set schedule, which in many cases includes work as a part of the schedule.

A counselor must be extremely careful to determine which student needs his time to study and which student who happens to be from a low-income background might be better off working. For example, a



typical campus job might involve ten to fifteen hours of work per week, and yield \$400 to \$1000 per year. Freshman hours and earnings may be less at some institutions. Part of the student's package is predicated upon his earning the number of dollars awarded through work-study. If a student is awarded \$1000 or more dollars for example, and is working at the rate of fifteen hours per week for three terms, earning in the neighborhood of \$1.60 per hour, this type of award proves to be unrealistic to the student. Not only will he not earn the full award allocated, but by being unable to earn more than the \$1.60 per hour, he will cut his package far shorter than what the package indicates he (or she) would receive.

Parents usually are expected to provide the bulk of the support from current income. They will be expected to provide additional funds from savings and other assets if the assets are above a certain income level. Table 8 set up by C.S.S. indicates income levels and parents' expected contributions. The C.S.S. formula for determining how much parents may be able to provide from current income seems to be realistic in some instances, and totally unrealistic in others.

The Parent's Confidential Statement forms provide a permanent space for parents to explain any unusual circumstances or hardships not revealed by the ordinary arithmetic of income expenses. This is where parents so often either misinterpret or simply do not understand certain aspects of forms used in applying for aid for their sons and daughters.

TABLE 8  
COLLEGE SCHOLARSHIP SERVICE DISTRIBUTION CHART

Income*	NUMBER OF DEPENDENT CHILDREN				
	1	2	3	4	5
\$ 4,000	\$ 220	\$	\$	\$	\$
5,000	450	220			
6,000	680	430	240	120	
7,000	910	640	420	290	210
8,000	1,140	840	600	450	360
9,000	1,360	1,030	770	610	510
10,000	1,590	1,210	940	760	660
11,000	1,810	1,400	1,090	900	800
12,000	2,020	1,580	1,250	1,040	930
13,000	2,240	1,740	1,400	1,180	1,060
14,000	2,470	1,930	1,550	1,320	1,180
15,000	2,790	2,110	1,700	1,450	1,310
16,000	3,100	2,280	1,850	1,580	1,430
17,000	3,400	2,470	1,990	1,720	1,560
18,000	3,710	2,730	2,140	1,850	1,680
19,000	4,010	2,980	2,280	1,970	1,800
20,000	4,310	3,230	2,440	2,100	1,920

Source: College Scholarship Services Manual, Evanston, Illinois and  
Federal Program Manual, Washington, D. C.

\*Annual income before federal income tax.

For example, the colleges and universities should take into account that a spell of unemployment may have cut into the family resources, the family home may have needed expensive repairs, or the breadwinner may have unusually heavy expenses connected with his job, or may have heavy debts. Many times hospitalization and other special problems are not taken into consideration, either because the Parents' Confidential Statements are not properly filled out, or on the other hand because many financial aid offices do not inquire deeply enough to determine the best way of helping students. Good financial-aid officers will seek whatever additional information pertains to a student's financial background in assessing his needs.

Among other special problems colleges and universities should take into consideration are a student's obligation to support elderly relatives, the cost of maintaining his siblings in other college or private schools, and unusual medical and dental expenses. In addition, while the income of working mothers is taken into account in the statement of parents' ability to pay, many times such income does not actually increase the family's ability to a student. Is the mother's income to pay off additional expenses or to help the family meet the cost of living?

Colleges themselves are aware of differences in family attitudes toward paying for education. Studies have found that some parents are more willing to provide for children's education than others with the same income. Significantly these studies also find that families that try to provide funds for education themselves, have children who

make more of an effort to pay for their own education as shown by willingness to work during the school year and to seek the more remunerative summer jobs. Colleges have found that along with this willingness to work such students are more industrious and disciplined in attitudes toward study.

The C.S.S. should also take steps to protect parents from having to use up retirement savings for educational needs. A working formula should provide a larger deduction from net worth for the retirements of older parents. Special consideration should also be given to families in which the mother is the sole support, and for breadwinners whose retirement resources consist almost entirely of their own savings. Under the C.S.S. system, family assets under \$7,000 to \$8,000 usually are not touched regardless of the father's age, and when the male bread-winner is over 55 assets under \$10,000 are disregarded. Again, in estimating how much a family can afford from income, the C.S.S. Needs Analysis method provides a basic yardstick. The colleges and universities are the final judge in determining how much a student is to receive and the amount a family is to provide from its assets and income.

Despite all of the available aid and special opportunity programs offered black students, a recent survey published by the Educational Testing Service of Princeton, New Jersey indicates that black students tend to pay more for their college educations than whites. Based upon a survey of 2,400 sophomores taken after the 1969-70 academic year, the ETS Report showed that while only 36% of the white students had parents with incomes of less than \$10,000, 83%

of the black students fell into that category. Since the primary factor in determining financial aid is parental support, the latter face a severe disadvantage. The low income of parents makes it possible for more black students to get federal assistance, and they sometimes receive more grants and awards than whites. Despite this, however, blacks tend to have about \$500 less per year than whites because the whites more than make up the difference in governmental assistance with more generous parental contributions. White parents contributed nearly \$700 more than black parents contributed, or 44% of the aid to 21%. Blacks are more dependent upon loans than whites. Although the average debt of white students was slightly more than that whites (\$1,446 to \$1,342) blacks were shown to be twice as likely to be in debt. Two thirds of the black students surveyed indicated that they were in debt.

## PART III

DESCRIPTION OF FINANCIAL AIDS PROGRAMS ADMINISTERED BY THE  
FINANCIAL AIDS OFFICE OF MICHIGAN STATE UNIVERSITY<sup>83</sup>

The MSU Financial Aids Program has grown not only in terms of absolute dollars expended, but in terms of its diversity. Today a variety of loans is available to students, many of them at low interest and with an obligation for repayment which starts after the student completes his education and is employed. The following is a description of the various types of financial assistance now available to MSU's economically disadvantaged students.

Henry Strong Foundation Loans

A grant was given to Michigan State University by the Henry Strong Foundation between twenty-five and thirty years ago. The present level of funding amounts to \$36,138.51. These loans are available to juniors and seniors under twenty-five years of age. A student must repay his loan within four years of graduation. A 3% interest rate begins upon graduation.

Michigan State University Loans

The student must be able to demonstrate his ability to repay the loan by the due date. He must be in good standing with the University. The student must be enrolled full-time. A student who is enrolled

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<sup>82</sup>Data collected from a private interview with Henry Dykema, Financial Aids, M.S.U. and M.S.U. Financial Aids Annual Report, 1971-72.

for at least six credits may be considered if funds are not severely limited. The student must have repayed or renewed all previous loans on or before the due-date. Generally at the beginning of a term a student may borrow the amount that he needs to register. At other times loan amounts are usually limited to no more than \$250. This does not apply to foreign students. The interest rate is placed at six percent. Generally all short-term loans will not be renewed and a co-signer is necessary.

#### Updegraff Loans

The Updegraff Loans were first acquired between five and six years ago. It is funded at \$95,908.41. There is no interest rate. This loan is to be payed back after graduation.

#### United States Loans for Cuban Refugees

This loan is made available for Cuban Refugees only. Any student qualifying may borrow up to \$5,000 as an undergraduate student and up to \$10,000 as a graduate student. Students must repay this loan after graduation. The interest rate begins immediately after graduation at three percent. Students are allowed up to ten years to repay.

#### National Defense Loan

Students may borrow up to \$5,000 as undergraduates and up to \$10,000 total including undergraduate and graduate years. Repayment begins nine months after graduation. Students are allowed up to ten years to repay the entire loan. Partial forgiveness of this loan is

possible at ten percent per year for five years if the student teaches. If the student teaches in a school system where there is a large percent of low-income students, the loan is cancelled at a rate of fifteen percent per year.

#### Law Enforcement Education Program

This loan is open to students majoring in Criminal Justice and to police officers pursuing college courses to improve themselves. These loans may be awarded up to \$1800 per year for full time students pursuing a degree. Students must prove need through a regular Needs Analysis. In-Service law-enforcement personnel are eligible for up to \$600 per academic year as a grant. This is an incentive for those persons improving themselves and the quality of law enforcement. Upon graduation they must return to their respective agencies for at least two years after receiving the grant or they will be required to repay the grant at seven percent interest.

#### Health Profession Loans

These loans are available only to persons enrolled in professional programs. Students may borrow up to \$2500 per academic year or the amount of the student's financial need, whichever is the lesser. Repayment is expected after graduation, with an interest rate of three percent starting at graduation. The maximum of ten years is allowed for repayment with the first payment expected one year after graduation. If the borrower practices in an area in which there is a shortage of doctors as determined by the proper agency within each state, the



loan can be cancelled in its entirety at the rate of fifteen percent per year.

#### Nursing Student Loans

These loans are open to those nursing students who prove need. Any student qualifying may borrow up to but not more than \$1500 per academic year. The borrowed total may not exceed \$6000. Repayment begins one year after graduation with interest at three percent.

#### Equal Opportunity Grants

This is a federal program designed for students coming from families of less than \$9000 annual income who cannot contribute \$625 per year in the support of the student. Any student qualifying may be awarded no less than \$200 per year nor more than \$1400 per year. Supplementary Equal Opportunity Grants are available to full-time and at least one-half time students with exceptional need. Need is defined as actual cost minus expected family contribution. Two types of students would benefit: (a) students who received the basic E.O.G. but required additional financial assistance to meet college costs, (b) Students who are ineligible for basic grants but still need assistance to meet costs. A student may receive up to \$1500 per year.

#### Student Aid Grants

This is a Michigan State University program designed to assist any student who shows need and who resides in the State of Michigan. Any student who demonstrates need can receive a Student Aid Grant of up to one-half of his need or one-half of his total fees, whichever is the lesser amount.

### Work-Study

This is a federal program for recipients demonstrating great financial needs rather than low-income categories. The number of hours which a student may work will be determined by the Financial Aids Officer and the Student; however, during the holiday periods and academic breaks, the student may work forty hours per week. The Federal Government pays eighty percent of whatever the student earns. The average student will earn approximately \$600 during an academic year from September to June.

### Michigan State Scholarships

These scholarships are granted to students who have at least a 3.0 grade point average in high school and who demonstrate some financial needs. These students must maintain a 2.6 average at the end of their freshman year, 2.8 average at the end of the sophomore year, and 3.0 grade point average at the end of the junior year. They must also continue to show need in order to retain the scholarship. The maximum amount that a student might receive is equivalent to his fees.

The following tables demonstrate Michigan State University's financial patterns for In-State Students, Out-of-State Students, and single independent students. Each clearly illustrates the differentiation of costs in higher education. Even with a careful interview and use of the Needs Analysis procedures, a student from a socially or economically disadvantaged background in most cases will find those budgets meeting his basic financial needs; however, these budgets

meet the very minimum requirements and do not take into consideration financial responsibilities beyond those assessed by Need Analysis.

The following tables indicate the high cost in the financing of higher Education today. They also point out the significance of the financial aids program in the aiding of economically and socially disadvantaged students.

TABLE 9  
ESTIMATE OF COSTS, 1972-1973  
(In-State Students)\*

	One term	10 Months (rounded figures)	12 Months
Single Students	\$ 830	\$2,500	\$3,000
Married Students - Couple	1,630	4,900	5,880
One child	1,830	5,500	6,600
Two children	2,030	6,100	7,320
(Each additional child add \$200 per term)			

\*To these totals, additional allowance will be given for tuition and books for a spouse also attending school.

TABLE 10  
ESTIMATE OF COSTS, 1972-1973  
(Out-of-State Students)\*

	One Term	10 Months (rounded figures)	12 Months
Single Students	\$1,165	\$3,500	\$4,200
Married Students -Couple	1,965	5,900	7,080
One child	2,165	6,500	7,800
Two children	2,365	7,100	8,520
Three children	2,565	7,700	9,240
(Each additional child add \$200 per term)			

\*To these totals, additional allowance will be given for tuition and books for a spouse also attending school.

TABLE 11  
ESTIMATE OF COSTS, 1972-1973  
(Single Independent Students)

	One Term	10 Months
Tuition	\$210	\$630
Books	40	120
Room	230	690
Board	245	735
Personal	125	375
Clothing	50	150
Health	50	150
Buffer (to cover possible tuition, room and board increase)	30	100

Single independent, Out-of-State: Add \$285 per term. Total budget for 1 term, \$1,265; 3 terms, \$3,700. M.S.U. will require a work expectancy of \$1,000 above the cost of the student's transportation.

TABLE 12  
FINANCIAL AIDS, FEES  
(In-State)

Undergraduate	\$15.00 per credit hour
Graduate	\$16.00 per credit hour

TABLE 13  
FINANCIAL AIDS, FEES  
(Out-of-State)

Undergraduate	\$33.00 per credit hour
Graduate	\$35.00 per credit hour

The following data provide a comprehensive breakdown of the different funding categories administered by the Michigan State University Financial Aids Program. Also indicated is the number of students receiving financial assistance from various categories.

In addition to administering financial aid to students, the Financial Aids Office was responsible for the Students' Withdrawal Report. Both reports are made up of data collected for fiscal year 1970-71.

TABLE 14

## SCHOLARSHIPS AND GRANTS, 1970-71

Type of Aid	Number of Grants	Amount
MSU Tuition Scholarship	1403	\$ 394,646.50
MSU Tuition Grants	714	212,849.45
MSU other Scholarships	532	159,308.75
Student Aid Grants	7374	2,186,858.65
Michigan Higher Ed. Asst.	3239	1,651,635.63
Law Enforcement Ed.	100	34,352.00
Law Enforcement Internships	10	4,000.00
Wisc. Tuition Reimb.	6	1,700.00
Educational Opportunity Grants	1988	996,794.00
Donor Scholarships	960	603,236.00
Health Professions Schol.		
Veterinary Medicine	64	56,147.00
Human Medicine	26	17,080.00
Osteopathic Medicine	16	8,055.00
Nursing	17	7,600.00
Pennsylvania Higher Ed.	77	57,698.00
Veterans Trust Fund	113	70,734.00
TOTAL	16,639	\$6,462,694.98

The following data in Table 15 provides a breakdown of the number of dollars received from various program by the 259 black students enrolled in the Developmental Program at Michigan State University in 1971-72. A census report taken during Fall Term, 1970, indicated that there were some 1954 black students enrolled at Michigan State University, of which 1601 were undergraduates and 353 graduate students. Black students represent less than five percent of the total student body enrolled at Michigan State University.

Black student representing the sample population used for this study received a total \$336,732.00 through the Financial Aids office; this does not include short term loans, bank loans and private funds or contributions.

TABLE 15

## DEVELOPMENTAL PROJECT PACKAGING TOTALS FOR 1971-72

Summer Savings Projected	\$ 95,300.00
Actual Summer Savings	54,800.00
Total EOG	78,450.00
Total NDSL	89,120.00
Total WS	61,140.00
Total-Scholarships	51,960.00
Total SAG	56,062.00
Total Aid	\$336,732.00

TABLE 16  
DISTRIBUTION OF 1970-71 FUNDS BY SOURCE

	Number of Recipients	FEDERAL % Amount	MSU % Amount	DONOR % Amount	TOTAL
GRANTS					
Ed. Opportunity Grants	1988	100	996,794.00	100	996,794.
LEEP	100	100	34,352.00	100	34,352.
LEEP Internships	10	100	4,000		4,000
Tuition Grants	714		212,849.45		212,849.45
Student Aid Grants	7374		2,186,858.65		2,186,858.65
Sub-Total	10,186		2,399,708.10		3,434,854.10
LOANS					
Cuban Refugee	14	100	18,586.		18,586
DeWaters Trust Fund	6			100	2,400
Guaranteed Loans	2,965			100	2,804,598
Health Professions					
Human	27	90	19,327.50	10	2,147.50
Osteopathic	16	90	11,079.00	10	1,231.00
Nursing	18	90	8,158.50	10	906.50
Vet. Medicine	105	90	52,029.00	10	5,781.00
Henry Strong	18			100	8,500
LEEP	261	100	196,232.		196,232
MSU Short-term Loan	4,319			100	1,006,203
MSU Special	2		100		933
National Defense Student	5,069	90	2,528,815.50	10	280,979.50
Updegraff	36			100	14,894
Sub-Total	12,856		2,834,227.50		291,978.50
					3,836,595
					6,962,801



TABLE 16 (CONTINUED)

	Number of Recipients	FEDERAL % Amount	STATE % Amount	MSU % Amount	DONOR % Amount	TOTAL
SCHOLARSHIPS						
Donor	960				100	603,236
Health Professions						
Human	26	100				17,080
Nursing	17	100				7,600
Osteopathic	16	100				8,055
Vet Med.	64	100				56,147
MHEAA	3,239		100			1,651,635.63
MSU other	432			100		159,308.75
MSU Tuition	1,403			100		394,646.50
PHEAA	77				100	57,698.
Vet. Trust Fund	113		100			70,734
Wisc. Tuition Reimb.	6				100	1,700
Sub-Total	6,453					3,027,840.88
WORK-STUDY	2,263	80		14.5		1,516,471.95
TOTALS	31,750					14,941,967.93

WITHDRAWAL REPORT FISCAL YEAR 1970-1971

REASON	FRESHMEN		SOPHOMORE		JUNIOR		SENIOR		GRADUATE		SPECIAL		TOTALS		ALL
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Academic Problems	11	2	7	4	5	5	7	2	0	4	1	2	31	19	50
Administrative Decision	4	0	9	2	5	1	3	1	1	0	1	0	23	4	27
Administrative Error	-	-	-	-	1	1	4	1	5	1	0	1	10	3	13
Armed Services	8	1	6	0	15	1	19	0	11	0	2	0	61	2	63
Change of Plans	10	14	5	0	5	7	4	3	6	4	0	1	30	29	59
Changing Major	1	0	1	2	5	7	2	3	2	3	0	0	11	15	26
Couldn't get course(s)	0	0	3	1	2	8	1	2	7	15	1	3	14	29	43
Course(s) not needed	1	0	1	0	0	0	1	3	9	2	1	2	13	7	20
Courses not wanted	1	1	1	0	2	1	6	4	9	12	3	4	22	22	44
Couldn't break housing	2	3	0	0	0	1	0	0	0	0	0	0	2	4	6
Dissatisfied with school	7	17	13	2	11	8	7	3	4	1	0	0	42	31	73
Death	0	1	0	3	2	1	1	0	1	0	0	0	4	5	9
Dropped only course	10	12	14	20	34	35	58	24	106	77	25	22	245	190	435
Employment	11	13	23	14	58	18	48	11	54	25	13	11	207	92	299
Family Death	1	6	4	2	3	4	1	0	1	0	0	0	10	12	22
Family illness	8	5	3	5	6	7	1	4	7	4	1	1	26	26	52
Family problem	2	2	4	8	7	8	2	5	2	4	3	1	20	28	48
Financial	26	15	29	27	52	32	52	18	35	10	3	3	197	105	302
Health	23	33	29	40	51	36	28	17	14	15	1	3	146	144	290
Hospitalization	1	0	2	1	3	0	0	0	0	0	0	0	6	1	7
Injury from accident	2	1	1	5	1	1	3	1	0	0	0	0	7	8	15
Job conflict	1	0	2	3	13	3	7	5	13	4	5	2	41	17	58
Lack of motivation	5	3	8	5	14	4	7	0	4	2	0	0	38	14	52
Leaving the area	2	5	5	7	5	8	7	1	2	7	1	2	22	30	52
Marriage	2	11	1	5	0	9	1	6	0	2	0	0	4	33	37
Misadvised	0	0	0	0	0	0	0	1	1	1	1	0	2	2	4
Non-payment of fees	1	0	4	0	0	1	1	2	3	0	2	0	11	3	14
Not sure of plans(goals)	4	1	8	3	5	2	2	2	1	0	0	0	20	8	28
Overload of work(pressure)	4	2	1	1	1	4	1	3	3	3	0	0	10	13	23
Personal	21	20	23	17	34	23	38	10	16	7	6	3	138	80	218
Take a break	3	7	8	6	21	12	9	7	4	6	0	0	45	38	83
Transferring	7	18	6	9	5	5	5	3	8	1	1	3	32	39	71
Transportation	0	6	0	1	1	0	0	0	1	2	0	0	2	9	11
Undecided about college	0	4	0	3	0	3	1	1	0	0	0	0	1	11	12
Unknown reason	5	5	3	3	2	6	0	0	5	2	1	0	16	16	32
TOTAL	184	208	224	199	369	262	327	143	335	214	72	64	1508	1078	2586
Dorm housing	83	124	62	64	53	50	23	14	31	9	7	5	259	266	525
Off Campus	81	55	157	133	303	204	295	115	281	195	59	57	1176	759	1935
Married housing	6	3	9	6	13	14	9	13	28	13	6	4	73	53	126
TOTAL	172	182	228	203	369	268	327	142	340	217	72	66	1508	1078	2586

## PART IV

## NEW APPROPRIATIONS FOR HIGHER EDUCATION

The need for the passage of new legislation and the modification of existing guidelines governing the utilization of federal financial assistance to college students has been clearly demonstrated in the previous section. The Nixon Administration has responded with a recently passed Higher Education Act which will increase spending in many areas and make some of the existing programs more flexible.

President Nixon signed the largest education bill in the history of the United States on June 23, 1972.<sup>83</sup> The bill called for 21.3 billion dollars to supplement existing federal programs and new programs, providing a tremendous increase in federal aid to both small colleges and major universities. Undoubtedly, institutions of higher education, with this additional funding, should be able to more than adequately package financial aid for needy students without many of the problems faced heretofore.

The new higher education bill reflects on many existing federal programs: community services and continuing education programs; college library assistance and library training and research; strengthening developing institutions (with increased authorization but no substantial change); cooperative education programs; talent search;

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<sup>83</sup> Senate and House Committee Bill on Higher Education, Washington, D.C., College Entrance Examination Board, Washington, D.C., October 18, 1971.

Upward Bound; and special services for the disadvantaged (no substantial change); open ended authorizations begun in the fiscal year 1972; educational professions development program; National Defense Act; valedictorian fellowships; certain changes proposed by Representative Quire designed to make the program more responsible to current needs and conditions in graduate education. National Defense Education Act language is amended to authorize support for undergraduate as well as graduate programs.

#### Higher Education Facilities Act

(A new program provided in the Higher Education Bill) - Upon approval by President Nixon, this bill gave birth to new programs, such as: National Institute of Education, Post-Secondary Occupation Education; and education which authorizes 850 million dollars in federal grants to the states. Included in the new program was 50 million dollars over a period of two years to be distributed among institutions to develop ethnic heritage studies. A federal loan system was set up specifically to encourage institutions of higher education to develop educational television stations which promote institutional programs to be broadcast by technological means beyond the campus. Grants will be provided for political internships to encourage political involvement of students with elected officials at all levels of the government.

Another significant part of the bill provides for the implementation of mineral-conservation education. The House of Representatives Bill No. 7248 also provides land grant college status to the

College of the Virgin Islands and the University of Guam. This same bill bars discrimination because of sex in any federally supported educational activity. This ban would apply to undergraduate colleges excepting institutions where substantially 90 percent or more students were of one sex, or where the ban would be inconsistent with religious tenets of the institution.

The new bill signed into act by President Nixon will also extend present student aid programs--Educational Opportunity Grants, College Work-Study Program, National Defense Education Act loans, and guaranteed loans--for five years, through the fiscal year 1976, with additional and certain changes made to enhance the student's opportunity to receive more financial assistance; it will also not only provide financial assistance to disadvantaged students, but will provide institutions with the power to restructure their guidelines to provide financial assistance to non-disadvantaged students as well.

The following programs were extended, and received considerable boosts to their budgets:

Education Opportunity Grant - The Education Opportunity Grant ceiling is raised to \$1,500 or half the amount of financial aid from other sources, whichever is less, per student in any one academic year. However, a limit of \$4,000 is placed on the total grant aid a student may receive during his years of undergraduate study. In the case of a five-year undergraduate program, a student may receive up to \$5,000 and language is deleted which insures the student that he will continue to receive grant aid during each year of study if

he remains in need. The new bill states that no grant of less than \$200 should be made. Eligibility for participation in the Education Opportunity Grant program is extended to provide the institution such eligibility as exists under the work-study National Defense Student Loan and Insured Loan Program. For 1972 the authorization for both initial and renewal awards was 295 million dollars and subsequently such sums as may be necessary.

Work-Study - The language of this bill is authored to change the focus from students from low income families to students with great financial need. The maximum fifteen hours of work per week is eliminated. The financial aid officer and the students will determine the number of hours appropriate for each case. Authorizations are increased by steps, reaching 450 million dollars in the fiscal year 1976. A special authorization of 50 million dollars was added for a new program designed to provide work-study opportunities for Vietnam veterans, combining community service jobs and college study.

National Defense Student Loan - The annual loan limits of \$2,500 for graduate or professional students and \$1,000 for other students are eliminated. Aggregate limits of \$10,000 for graduate and professional students and \$5,000 for undergraduate students are retained. To help expand the loan reserve fund, the minimum monthly payment is increased from \$15 to \$30. The commissioner shall provide full reimbursement to institutions for loan forgiveness. The provisions regarding forgiveness are changed, limiting cancellation of loans to full-time teachers and schools with more than 40 per cent children from low income families or schools for the handicapped. The authorization level is

increased from the present 300 million dollars to 425 million dollars in fiscal year 1972 and by steps to 675 million dollars in fiscal year 1976.

Guaranteed Loan - The amount a student may borrow in an academic year was raised from \$1,500 to \$2,500 and the aggregate limitations were raised from \$7,500 to \$10,000. Eligibility for an interest-free subsidy under the program was changed, removing the \$1,500 adjusted family income level as a requirement and substituting a provision that the student has need in the amount of the subsidized loan. To defray the expense of determining eligibility of students to participate in the program, the commissioner will reimburse each student at the rate of one per cent of the amount of the insured loans made to students at the institution. The ceiling on the total principle amount of new insured loans is increased by steps from the present 1.4 billion dollars to 2.4 billion dollars in fiscal year 1976.

Secondary Market - The new bill established a government-sponsored private corporation which will be financed by private capital and which will serve as a secondary market and warehousing facility for insured student loans and provide liquidity for student loans investment.

State Allotments - Education Opportunity Grants, Work-Study, and National Defense Loans are placed on the same format. Ninety percent of the funds will be allotted according to the present work-study formula (1)  $\frac{1}{3}$  based on full time enrollments in institutions of higher education in the state; (2)  $\frac{1}{3}$  based on the number of high

school graduates in the state; (3) 1/3 based on the number of children in the state from families of less than \$3,000 annual income. However, it is provided that all allotments from the three programs for any state shall not be less than it received in school year 1972. The commissioners would continue as presently to distribute the remaining ten percent of the funds according to the criteria established.

Eligibility of Less than Full Time Students - The bill established eligibility for assistance under Equal Opportunity Grants and Work-Study for students who attend an institution on a half-time basis. National Defense Act and federally insured loans are presently available to half-time students. An amendment was set aside in the Committee which would have opened the program to any student enrolled on a part-time basis, thus including students in attendance less than half-time. The Committee, however, did pass such an amendment restricted to the insured loan program only.

Transfer of Funds Between Programs - The present law allows transfer of up to 25 percent from Equal Opportunity Grants to National Defense Student Loan capital funds. The bill permits an institution to transfer ten percent of its allotted Equal Opportunity Grants and Work-Study funds either way between programs in order to meet the needs of individual students. The original version of the House of Representatives bill provided 100 percent transferability between Equal Opportunity Grants and Work-Study.

Institutional Aid - The Committee adopted a comprehensive formula for distribution of federal aid to institutions: 2/3 of the appropriation of such aid to be provided on the basis of enrollment;



\$100 for each lower division student, \$150 for each upper division student, and \$200 for each graduate student as a supplement to help small colleges. In particular, an institution would receive an additional \$300 for each of its first 200 students and \$200 for the next 100 students. The other 1/3 of the appropriated funds would be distributed according to a percentage of federal student aid, Equal Opportunity Grants, Work-Study, and National Defense Student Loan funds received by students attending each institution. The percentage would vary according to the size of the institution--50 percent for institutions with an enrollment of less than 1,000, 46 percent for institutions with an enrollment between 1,000 and 3,000, 42 percent for institutions with an enrollment between 3,000 and 10,000, and 38 percent for institutions with an enrollment over 10,000. A critical provision of the formula grant portion of the bill is the requirement for maintaining some effort by each institution as a condition of receiving emergency assistance. Over and above the formula-based aid, the bill authorized, in an amendment by Representative Steiger, 150 million dollars annually for fiscal year 1972 and 1973 to be distributed by the Secretary of Health, Education and Welfare on an emergency basis to colleges in serious financial difficulty. No guidelines for determination of institutional needs are provided in this bill.

Emergency Assistance - The Commission of Higher Education retains authority, under the bill, to issue schedules and criteria regarding administration of the student aid programs. However, a provision is added requiring that all rules, regulations, guidelines, instruction and application forms, published or promulgated pursuant

to this title shall be provided to the Committee on Labor and Public Welfare and the Committee on Education and Labor, with specific reference to the Equal Opportunity Grant bill. The bill contained certain guidelines and provisions regarding the role of the institutional aid office and the commissioner's guidelines and the determination of needs. In the new bill signed by President Nixon, certain provisions stipulate that the Commissioner shall prescribe basic criteria for the determination of the amount of grants, taking into account the objective of limiting grant aid to students of exceptional financial need who but for such aid would be unable to obtain the benefits of higher education. The bill also contains the following language: "In determining financial needs, the family's expected contribution should be considered and specific circumstances of its application shall be determined by the student financial aid office." There is no mention of criteria or schedules prescribed by the Commissioner related to this section of the Higher Education Bill of the emergency assistance over and above the formula-based aid. The bill authorizes 150 million dollars annually for fiscal year 1972-1973 to be distributed by the Secretary of Health, Education and Welfare on an emergency basis to colleges in serious financial difficulty. No schedules for determination of institutional need were provided in the bill for the disbursement of funds.

In addition to the basic Equal Opportunity Grants, the new bill passed by President Nixon provides a supplemental Equal Opportunity Grant made available to full-time and at least half-time students with exceptional need. In this case, need is defined as actual cost

requirements except for family contributions. Two types of students would benefit: (1) students who receive the basic Equal Opportunity Grant but require additional financial assistance to meet college costs, and (2) students who are ineligible for basic grants but still need assistance to meet costs. Funds for initial and renewal awards will be distributed to states on the three-part formula based on full-time enrollments in institutions of higher education in each state. A student qualifying for a supplemental Equal Opportunity Grant could receive up to \$1,500 per year. Each state allocation will be based on full-time enrollment in institutions of higher education in that state--1/3 based on the number of high school graduates in the state, 1/3 based on the number of students in the state from families with less than \$3,000 annual income, and 1/3 based on full time enrollment in institutions of higher education in the state.

### CHAPTER III

#### DESIGN OF THE STUDY

This chapter is composed of six main segments which deal with: (1) The Population and Sample, (2) The Instrumentation, (3) The Research Questions, (4) The Methodology Utilized in the Collection of the Data, (5) Format Designed for the Statistical Techniques, and finally, a Summary of the chapter.

##### Population and Sample

The population chosen for this study is a selected group of black students defined as Developmental Students attending Michigan State University Spring Term, 1972. This group of students represents a large percentage of the total black population of 1,954 reported by officials of the Registrar's Office Fall Term, 1970. An official report from the President's Office in the Fall Term, 1970, indicated some 40,000 students were enrolled at M.S.U. Out of these, 2,869 were from minority ethnic backgrounds. This group represented both undergrads and graduate students, full and part-time students. Of the 2,869 minorities students, 1,954 were black (1,601 undergraduates and 353 graduate students). This number does not include foreign students. Less than five percent were Black. Minority students represent 7.1 percent of the total student body.

Six hundred forty black students are enrolled in the Developmental Program. Most are the recipients of some type of financial assistance through Michigan State University. An official Black Student Roster prepared by the Office of Supportive Service was used in determining the population and sample of what students would be selected for this study. Only Freshmen and Sophomores from the Developmental Program were used in this study, see Table 18.

TABLE 18

## SEX AND CLASS STANDING OF DEVELOPMENTAL STUDENTS

Sex	Freshmen	Sophomore	Total
Female	57	97	154
Male	39	65	105
Total	96	162	259

TABLE 19

GEOGRAPHICAL AREAS OF HIGH SCHOOLS  
OF DEVELOPMENTAL STUDENTS

Sex	Detroit	Grand Rapids	Flint	Lansing	Total
Female	129	8	5	12	154
Male	82	5	8	10	105
Total	211	13	13	22	259

Since 259 freshmen and sophomores of the Developmental Program would offer the best population to sample from, no table of random numbers was used to randomly sample the total population. Table 18 does indicate a breakdown according to sex and class. Table 19 offers a breakdown of sex class geographical location in which students reside including their respective high schools.

#### Instrumentation

The sample population was chosen from the 31,750 students receiving financial assistance at predominantly white Michigan State University. A sample of 259 black students enrolled in the Developmental Program at Michigan State was selected.

Two different types of questionnaires were developed by the researcher, one for black Developmental Students, another for M.S.U. Administrators, Legislators, State and National officials of the U.S. Office of Health, Education and Welfare, Washington, D.C. The students' questionnaire consisted of twenty-three questions and eighty-one variables pertinent to financial assistance to minority students. The variables pertinent to financial assistance to minority students. The variables were divided into categories which reflect the student's views of their financial-aid package and program at Michigan State University. The questionnaire administered to Michigan State University Administrators, State of Michigan Legislators, and Officials of the U.S. Department of Health, Education and Welfare, Washington, D.C., was designed to solicit their responses to how institutions of higher education should be funded to develop new guidelines or alter existing

ones to better determine ways in which to aid disadvantaged students in higher education today. Copies of questionnaires can be found in Appendixes A and B.

### Collection of Data

Developmental Students were proportionately random-sampled by class and sex during the Spring Term of 1972. Their names, addresses, telephone numbers and classes were checked with the M.S.U. Housing Office, the Registrar's Office, the Office of Supportive Services and the Withdrawal Office of Financial Aids to see if any students had moved off campus, to other dorms, transferred to other institutions, or dropped out of college. Over ninety percent of the list was offered by the Office of Supportive Services. Correction was made after conferring with various University officials who were instrumental in obtaining key information. Permission was granted by University officials to conduct a survey to evaluate the M.S.U. Financial Aids program as it related to underprivileged students. A break-down list of students by names, addresses, student numbers, telephone numbers, was given to students conducting the survey. These questionnaires were pre-coded to maintain anonymity of students taking part in the survey. After a period of two weeks, the students conducting the survey contacted each Developmental Student on the list to cover each question to see that each of the questions was answered. The questionnaire was returned to the researcher for final examination.

### Data Analysis Procedures

The student responses to the questionnaire were coded onto data processing cards. The data was then analyzed using the Michigan State University Computer Laboratory facilities and the Control Data Corporation 3600 Computer.

The specific analysis procedure used was the Computer Institute for Social Science Research (CISSR) Act Program. This program is designed to summarize the data into contingency tables with accompanying percentage breakdowns. All the data reported in this study are presented in the form judged to be most effective in speaking of each of the research questions concerned.

The following financial aid questionnaire was administered to 259 Black students enrolled in the Developmental Program at Michigan State University. The purpose of disseminating the questionnaire was to allow students to make a thorough assessment of their financial-aid package and their perception of new guidelines or alternatives for existing ones.

1. Please indicate your sex status: Male or Female
2. Please indicate your present class standing at Michigan State University, Freshman or Sophomore.
3. In what city did you graduate from high school?
4. Have you chosen a major for your degree? If so, what?
5. Which of the following people were most influential in your decision to enroll at Michigan State University?
6. So far what has been your overall experience at Michigan State University?



7. Please rank the most serious problems in sequential order.
8. Have you received any financial assistance from the following categories while attending Michigan State University?
9. Please check the three most important sources from which you receive money for your college expenses.
10. Please rank your opinions of Michigan State University Financial Aids Counselors.
11. In order for the Financial Aids office to become relevant and sensitive in assisting student with the financing of their education, what would you suggest it do first?
12. When promised financial aid at M.S.U., does it always "come through"?
13. Please rank in order the things you like most about the financial aids program at M.S.U.
14. Please indicate things you like least about the financial aids program in ranking order.
15. Could you get enough money to continue your education if you received no financial assistance from M.S.U.?
16. Which of the following alternatives would you say is the best way to help a student finance his education?
17. What is the biggest disadvantage of using loans to help finance your education?
18. What is the biggest disadvantage of using Work-Study to help finance your education?
19. Please rank the Work-Study jobs you have had in sequential order.
20. Based on your experience how would you assess Work-Study jobs?
21. Has it ever been necessary for you to use your money to aid the

21. Has it ever been necessary for you to use your money to aid the family back home?
22. If given a Work-Study grant large enough to cover most of your educational expenses, related to your college major and paying well enough, would you prefer Work-Study rather than a loan?

### Summary

The population of the study consisted of two hundred fifty-nine Black students of the Development Program. This sample population represents only freshmen and sophomores. The questionnaires were distributed to both groups by the researcher; data collection and follow-up work was done by students of Michigan State University. The specific analysis procedure used was the Computer Institute for Social Science Research (CISSR) Act Program.

## CHAPTER IV

### ANALYSIS OF DATA

#### PART I

Just as a review of the literature related to this topic has uncovered a divergence of opinion concerning definition of the needs for financial aid to disadvantaged blacks, or any other special group, interviews with financial-aid administrators, legislators and educational policymakers revealed a remarkably similar situation. The persons interviewed represent a broad mixture of administrators involved in some way with the Developmental Program at Michigan State University. The Developmental Program is designed to help educationally and economically disadvantaged students obtain a college education at Michigan State University. Most of the disagreement centers around the amount and type of financial support which must be provided black students if they are to complete their college education. The major questions of disagreement are:

1. Are there differences in the financial needs of black students and white students which go beyond the traditional differences of adjusted family income, and should those differences be taken into account when determining the type and amount of financial assistance to be awarded a student?
2. Who should bear the primary responsibility for financing higher education for students?

3. What kinds of expenses must be met by financial-aid packages if black students from economically disadvantaged backgrounds are to be afforded equal and adequate access to higher education?

#### Differences in Needs

Some administrators who determine the financial needs of students indicate that the current system of assessing a family's ability to pay the cost of a student's education does not work as well for black students as it does for other groups. In an interview conducted for this study, Amos Johnson, Assistant Director of Financial Aids and Coordinator of the Developmental Program, had this to say:

The family background of the black student and the special problems of the family are often not projected by a statement of family income. . . . A black family may make \$10,000 annual income, but this figure does not take into account past debts. The PCS (Parent's Confidential Statement) doesn't take into account that this may be the highest income the family has ever made. . . . Often the family has to pay higher rates for home loans and insurance policies. These factors make it difficult for the family to contribute as much to their child's college education as other families of similar income.

Other administrators, however, feel that providing monies for personal needs may be going beyond the accepted realm of financial-aid responsibility. They indicate that, as presently structured, the financial aids program cannot provide funds to meet the personal needs of students. One such administrator is Ronald Roderick, Assistant Director of Financial Aids at Michigan State University.

It may be true that black families have special financial problems. However, financial aid programs are not the panacea for all of the ills society has wrought on the blacks. . . . To consider paying for a student's personal needs involves the question of actually financing the student's family. This would involve instituting another federal program to take care of these needs. A study could be done to assess the special needs of black students. If black students are found to have special needs, then there need to be special programs to handle those needs rather than feeding those needs under the haze of existing programs.

According to Henry Dykema, Director of Financial Aid at Michigan State University, the financial aids counselors must follow the priorities and requirements of the particular program. Sometimes these priorities and requirements do not take into consideration various differences, such as the geographic distinctions (cost of living, etc.); and distinctions related to size of family. This is true for the Equal Opportunity Grant program. The only guidelines for this program are the family income level.

It is through programs such as EOG, which set forth family income as the primary or sole criteria for selection, that the federal government has expressed its hope that universities will be able to target their assistance funds at persons who need financial assistance the most. Such programs represent an attempt on the part of the federal government to insure that all students who gain from post-secondary education have the opportunity of access to such education and necessary financial assistance.

Responding to the question "Do you feel the Federal guidelines are geared to assist the low income student and enable him to remain in college?" Richard J. Rose of the Division of Student Assistance, Department of Health, Education and Welfare, Washington, D.C. wrote:

"Yes. The Department of HEW and the Office of Education have stressed the objective of targeting student assistance funds first to the neediest student. The record indicated that the post-secondary institutions that participate in these programs support this objective."

Norman Brooks, Acting Assistant Chief, Program Development Branch, Division of Student Assistance, HEW, wrote: "All available statistics indicate that approximately three-quarters of the students employed under the College Work-Study Program come from families with gross annual incomes of \$7,500 or less. This would indicate that, by and large, employment under the program is going to those who need it and, therefore, is used in the best interest of students."<sup>1</sup>

The failure of financial aid programs to take into consideration the types of special family financial problems which cannot be assessed by a look at family income or the financial obligations which are recorded on the PCS, works a special hardship upon black students who are both economically and educationally disadvantaged. Often these students receive a financial aid package predicated upon family supplement when, in fact, no such family contributions exist. Such students must somehow make up the difference between what they are getting from the university and what they are not getting from home or go without. All too often the black student in the Development Program must simply go without.

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<sup>1</sup>The College Work-Study Program is currently under review by HEW's Office of Program Planning and Evaluation. A report which should be useful in evaluating the effectiveness of the program should be issued some time this year.

Personal Needs Big Item

Typically, those things which black students go without fall into a class called "personal needs." Such things as clothes, food, recreation, transportation, laundry and extra-curricular activities are limited by the student's inability to generate sufficient financial support. There are administrators who express the belief that this inability to meet personal needs has an adverse affect upon the academic performance of students enrolled in the Developmental Program.

As observed by Joanne Collins, Associate Director, Financial Aids, Michigan State University: "The need for these items (food, clothes, housing and other personal needs) can affect a student's performance in college. A student must be internally and externally secure to be successful."

Dr. Thomas Gunnings of the Michigan State University Counseling Center explained further that "when students aren't given adequate financial aid it increases their frustration and impedes their academic, physiological and psychological adjustment to college. Looking at the social aspects of lack of funds, it might bring on a high crime rate and also increase the incidence of drug usage as a means of releasing tensions. It also brings about racial and human chaos within the culture and increases racism."

Responding to the question of studies and other means of determining whether or not black students, have unique financial problems which can be met by an adequate financial aids system, Amos Johnson said,

"The report from the National Caucus for Black Financial Aid Counselors makes this point: The family background problems of black people are recorded in studies, but those persons in authority (decision-makers in the financial-aids programs) need to read and accept the results of these studies. If you give special supportive services in the academic areas to developmental program students, how can their financial needs not be given special consideration."

#### The Financial Aid Package

Another area where there is widespread disagreement is in the area of the various types of assistance offered to students as a part of their financial aids package. Some persons advocate the packaging of low-income black students with all so-called free money. By free, they mean money coming in the form of grants or scholarships rather than loans which have to be repaid or jobs which require away from classroom and studies. The financial strain connected with repaying loans is obvious. Jobs, they say, detract from a student's study time and students in the developmental program are all too often so far behind academically that attempting to work could cause them to fail.

Most of the persons involved in financial aids agree that the best solution to student money problems is the utilization of scholarships and grants which do not obligate either the student's study time or his post-graduation pay. But the limited amount of such free money available to colleges and universities makes such a solution unrealistic. Universities must utilize loans and jobs to help students pay the cost of their education.



"The amount and type of aid the student receives is mainly dependent upon the income of his family," said Johnson. "A complete package of financial aid would include funds from (1) scholarships, (2) student aid grants, (3) Equal Opportunity Grants, (4) National Defense loans, and (5) work-study."

The Michigan State financial aids program has grown in recent years. This growth has been primarily due to increases in federal and state aid programs aimed at insuring that low income persons have an opportunity for higher education.

I came to MSU as the director of the Financial Aids Office July 1, 1959. Up to this date, there had been no Financial Aids Office, said Dykema. There was a scholarship office and a Men's and Women's Office that administered short-term loans. The inauguration of the Financial Aids Office at MSU was due to the National Defense Act of 1958. Due to this act, MSU was given \$250,000 to aid students in financial need by participating in the National Defense Program. In 1959, the Financial Aids Office consisted of myself and one secretary whose services I shared with another office . . . Ron Roderick was appointed Assistant Director in 1963, and since then the personnel of the office has expanded to include eleven (11) financial aid assistants, thirteen (13) secretaries and fifteen (15) part-time clerical assistants. The expenditures for financial aids have increased to more than seven million dollars in federal funds as of 1970-71.

Perhaps the program through which the largest number of jobs for students is obtained is the College Work-Study Program. According to the annual report issued by the Michigan State University Financial

Aids Office, 2,263 students were under the Work-Study Program during the 1970-71 school year.<sup>2</sup> Many of those students were involved in the developmental program.

### Work-Study

"I would rather have students be involved in any alternative program rather than take out loans," said L. Michael Smith, Coordinator of the College Work-Study Program at Michigan State University. "I would be for increased student involvement in the work-study program if there were a way to measure whether students would be academically harmed by working a work-study job," he said.

There are those, however, who contend that "meaningful" work-study job experiences enhance, rather than detract, from a student's ability to perform in the classroom. They point out that when a student's work-study assignment corresponds with his academic interests, he gets an exposure to the world of work which often produces a greater understanding of his studies. According to Dr. Gunnings, the work-study program offers a positive opportunity to provide academic as well as financial assistance.

"Work-Study should entail the assigning of students to do the kind of work that will bridge the gap between theory and practice," Gunnings said. "Study should become work and work, study. Students should not, however, be forced to work if they perceive it as detrimental to their studies."

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<sup>2</sup>Annual Report of Financial Aids Office, Michigan State University, 1970-71.

Mrs. Collins is somewhat cautious about the utilization of work-study as a means of financial assistance for students with academic problems. While she is supportive of the work-study concept, she indicates that working can often be detrimental:

"We often do not recommend that freshmen in the Developmental Program become involved in work-study jobs their first term, due to the adjustment problems they face. If these students have low grades, we sometimes decide that they would be a poor choice for work-study. However, a student can withdraw from a work-study job at any time."

Mrs. Collins also pointed out, however, that when a student has work-study as a part of his financial aid package and he either fails to find a job or for some reason withdraws from a job without using his full allocation of funds, he doesn't receive work-study money.

"A student may be assigned to a work-study job, but if he doesn't come to apply for work he will not receive the money allocated for this purpose. In other words, students do not receive money until they earn it. Some students wait until winter term of their freshman year to apply.

Rowe of HEW points out the difficult nature of such a question and stresses that the development of solid counseling programs and close contact with students is an important part of the solution. Responding to a questionnaire, he wrote:

It is difficult to provide an answer that would be appropriate for all cases. Generally, a principle of packaging might suggest a continuation of loan, work and grant. Each case needs to be reviewed. The resources available and the degree of need that students bear must be considered. There will be instances where loans exclusively are most appropriate or other circumstances that indicate that work is best. Perhaps placing a number of properly funded resources

in institutions for use in an atmosphere that encourages a proper student-counselor relationship is the ideal. The difficulty in providing a firm answer to this question underscores the importance of student assistance counseling.

It appears, however, that the federal government is opposed to the providing of total "free money" financial aid packages for economically disadvantaged students. Brooks of HEW wrote:

Congress included a matching requirement in EOG legislation to encourage the combination of work and/or loan with grant aid. The composition of the individual packages was left to the aids officer's discretion, however, on the theory that he could best determine which particular aid package was best for a students. As yet, we know of no evidence which would suggest that the inclusion of the matching requirement was not in the best interest of all concerned.

While there appears to be general agreement that work-study should not be forced upon students when such work will be detrimental to their academic performance, the question of the value of "meaningful" or "creative" work-study jobs is one which evokes a great deal of emotion and controversy. There are those who contend that only those jobs which offer a "meaningful and creative" work experience which has the potential of enhancing the classroom performance of students should be funded. Others note that work-study is a financial aid, not an academic, enrichment program.

"Categorically, all work-study jobs on file at Michigan State University are creative because a student can learn as much as he wants in his work experience," said Smith of Work-Study. "No job is not meaningful. By law, the main objective or priority of work-study jobs is to give students more funds for their education. The definition of meaningful is individual. Some persons would consider meaningful to mean enhancing them financially, while others would consider meaningful to mean an educational experience."

"Most jobs should be geared to what the student wants to do in his life work," said Dr. Gunnings. "Black students should not be programmed into maintenance jobs. Black people have had their share of these types of jobs."

Noting, however, that work-study is a financial aid tool, Gunnings indicated that: "If a maintenance job is the last alternative, we (meaning black students) will do it. When creative, career-oriented jobs are available, they should go to minorities first."

The number of jobs provided by the Work-Study Program has been reduced in recent years. According to the Annual Report issued by the Michigan State University Financial Aids Office in 1970-71, 2,263 students were employed under the Work-Study Program. That represented a loss of 56 students from the previous year.

"I attribute this loss of jobs to the lack of a full-time summer program of work-study jobs being available to students," said Smith. "The reduced summer program this year, as compared to the summer of 1970, was due to lack of federal funds. The lower reimbursement (In the fall of 1971, Michigan State University went to a 50-50 percent reimbursement rate for employers who took part in the work-study program, eliminating its 80-20 percent reimbursement program,) gives the university more money to utilize. Ultimately, it is hoped that this policy will procure more jobs for students. A low percentage of firms and government offices cancelled their contracts with us, but we expect that they will eventually renew them. In the 1970 summer work-study program there were about 1,200 students working full-time and 400 part-time workers. In the 1971 summer program, there were about 450 students working part-time only."

The 1970 Summer Work-Study Program went about one-third of a million dollars in the red. The Department of Health, Education and Welfare would have had to supply \$600,000 in order to continue the summer program at the 1970-71 levels, and this was not done.

A program which is almost never utilized by black students and one which is used almost totally by whites is the Guaranteed Loan Program.

The Guaranteed Loan Program involves lending institutions other than Michigan State University funds. Applicants for a loan must meet requirements of these institutions, which are usually banks," Dykema said. . . . Since banks prefer people with good credit ratings, a minority family might be refused because the family has a poor credit ratings."

#### Who Benefits? Who Should Pay?

The question of who should bear the major burden of financing the higher education of educationally and economically disadvantaged students is a central one. The present financial assistance system assumes that the governments--state, federal and local--the students, and his family should share the burden. It is for this reason that the Parent's Confidential Statement has in many instances been made the sole determining factor in eligibility. This approach assumes that the more money a family earns, the more it will be able to contribute to the financing of a student's education. The primary reasoning behind this sharing appears to be the feeling that the students and his family are the ones who reap the benefits from higher education and therefore should pay as much of the cost as they can reasonably afford. Government's role is considered to be one of supplementing the family only when necessary to insure an opportunity for all citizens who can

benefit from higher education to obtain one, regardless of the financial resources available to the family.

Dr. Clifton Wharton, President of Michigan State University, holds a different view. Dr. Wharton notes that, while individual and their families reap substantial benefits from obtaining higher education, society as a whole also obtains substantial benefits from a student's higher education investment. In fact, he indicates that it might be argued that society as a whole benefits more than the individual and his family.

The social benefits of education can roughly be divided into two classes: (1) Those which enhance the individual's capacities to contribute to the community as a citizen, and (2) Those which contribute to increased productivity of the economy.

It is manifestly clear that a highly advanced industrial society with a democratic form of government requires a high level of social and technical understanding among its citizens if they are to successfully cope with crucial public issues. . . . The significance of education in general economic growth is without question. Less understood, perhaps, is the role of our institutions of higher learning in the production and distribution of knowledge which contributes generally to the level of productivity of the economy and thus results in higher incomes of workers--unskilled, skilled, managerial and professional. That workers in general benefit from our accumulated knowledge, rather than simply those who have acquired a higher education, is indicated by the high incomes of unskilled workers in American industry as contrasted with workers of equal capacity in the less developed areas of the world.<sup>3</sup>

Wharton indicates that, while there have been developed no satisfactory means of measuring accurately the contribution of higher

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<sup>3</sup>"Higher Education: Who Benefits? Who Pays?" A speech by Dr. Clifton Wharton, President, Michigan State University, Delivered at the Oakland University, Rochester, Michigan, Commencement, June 5, 1971.

education to the increased productivity of the U.S. economy, higher education has made a major contribution to so-called "advances in knowledge" and those advances accounted for an estimated 20 percent of the growth in national product for the period from 1929 to 1957 and an estimated 34 percent of the growth in income per capita from 1950 to 1962.<sup>7</sup>

"Consequently," Wharton said in that speech, "the assumption that the student is the sole beneficiary from an education is patently false and the justification which underlies the current trends of shifting from public to private support for higher education is equally misguided."

Another aspect of the financial aids problem is the question of student management of funds provided. When youthful students are provided with loans or work-study aid, they are expected to budget those funds in a manner which will enable them to meet their basic tuition, room, board and classroom needs. Sometimes this doesn't happen and students find themselves short financially even when the financial assistance they have received was generally adequate for the meeting of those needs.

"I have recommended that students receiving financial aid take a Consumer Education course to learn how to effectively budget their earnings and loans. As of the fall of 1971, a student must immediately apply all of his loan money to tuition, board and room expenses. In effect, the university is helping the student to budget his money. Whether the university should more actively supervise the student's budgeting of his money is a debatable question," said Dykema.



"We think the tightening of the short-term loan policy, coupled with having the students pay all of their fees at once, will help these students budget their money," said Ron Roderick. The short-term loan is for emergency need. It is not to be given if a student mismanages his money for room and board.

"A short-term loan was issued to cover a payment on a long-term loan. This kind of loan is being discouraged," Dykema noted.

Dr. Gunnings would impose even more stringent controls to insure that financial aid provided is spent for the purposes for which it is awarded. "I think a better solution would be to give the students money in the form of credit card vouchers. This way there is no way that the money can be spent for other reasons," he said. "If all incoming freshmen were required to take a course in money management or consumer education, regardless of whether or not they are on financial aid, it might help. But just to make the recipients of financial aid take the course would be asking that another control be imposed upon them."

## PART II

In an attempt to ascertain information about the Developmental Program's black students' attitudes towards the financial aids program at MSU, a sampling of 258 DP (Developmental Program) students were sent questionnaires. These questionnaires were also designed to provide demographic information about the students, where they came from, their sex, whether or not they have declared majors and who was most influential in their decision to attend MSU. It was determined that the ratio of female to males among the group was about the same, 59% to 41%, as it was among the general MSU student population, and that like the MSU population as a whole, most DP students have not declared a major (See Table 22). Of the Developmental Students who declared majors, there were some twenty-four (24) different majors declared by the two hundred fifty-eight (258) students. Twenty-five of the students selected Sociology as a major, fifteen choose Social Science, fifteen Psychology, twenty-five Education, and the remaining a variety of categories.

Unlike the general MSU population, however, almost half of the DP sampling indicated that in their decision to come to MSU was the result of some contact with persons from the MSU Admissions Office, and all of sampling were from urban areas. The Admissions Office (48%), and parents (33%) were primarily their sources of influence. (Table 23).

The vast majority of the students, 70%, found their experience at MSU to be what they expected or better than they expected, which indicates that the information they received about the university prior

to enrolling was relatively complete and accurate. Of the students who found their experience either disappointing or less than they had expected, females were four times as likely to have negative feelings than males. (See Table 24). The biggest problems, according to the students, were understanding the course work, the problems related to dormitory living and roommates, and finding things to do with their spare time. Surprisingly, getting enough money ranked low among the problems students faced. Also ranked low among the problems were girlfriends/boyfriend problems, getting used to being away from home, and finding enough time to study. (See Table 25).

Developmental Program students are receiving every type of financial aid available. Almost all DP students are receiving Student Aid Grants and Academic scholarships of various types, (See Table 26), but despite this, more than half must also receive National Defense Act Loans (161), private bank loans (176), and short-term loans (185) to cover their educational needs during the year. In addition, all of the students surveyed worked at least part of the year in order to pay for their education. Most DP students, (148), held College Work-Study Program jobs, while 120 held non-federally assisted jobs. These numbers indicate that some students worked both Work-Study financed and non-work-study jobs. In addition, parents and relatives provided assistance in 142 cases.

It is evident that the vast majority of the DP students depend upon the MSU financial aids program as the primary source of money for their education. (See Table 27). But despite the fact that 200 of the students sampled indicated that the financial aids program was

their primary source of assistance, parents and relatives and personal savings rank high as funding sources, and private loans represent a significant source of assistance. The survey shows that students are either getting a lot of aid from parents or none at all. There appears to be no middle ground. Students seem to consider such contributions as either a major source of educational finance or an insignificant source. Clubs, churches, and other private organizations also provide an important source of income for students on the Developmental Program.

The counseling program came in for some significant criticism. Although the majority of students indicated that they feel that counselors do their best to help students all or most of the time, a large number, 104, indicated that they felt counselors did their best only sometimes or seldom. The number of negative responses is significant enough to warrant a serious evaluation of the current counseling program. Again, females were four times as likely to respond negatively than males. (See Table 28).

Students appear to be extremely concerned about the need to develop new guidelines for the financial-aid program and to increase student-aid grants. Both issues received high priority ratings (see Table 29). The students also gave a high priority rating to the need to abolish all loans to low-income students. When asked for suggestions regarding improving the financial-aid program, almost 100% of the students agreed that there was a need for more grants, fewer loans, and work-study related to their curriculum and providing a rate of pay which would enable them to earn their total allotment. (See Table 30).

There appears to be no serious credibility gap with regard to the delivery of services. Most of the students (171) indicated that when they were promised financial aid they received it. Scholarships and Gift Aid were the most popular forms of assistance while Work-Study appeared to be viewed with positive feelings. Loans and the performance of counselors rank high on the list of items students like least about the program (See Table 32). Short term loans with 233 students indicating opposition, led the list of items liked least, and loans in general ranked high on the student's hate list. Without question, students preferred work-study to loans as a means of financial aid. Their biggest opposition to loans was the need to pay interest and the lack of jobs enabling them to repay loans.

While there appears to be widespread opposition among students to the use of work-study as a major part of the financial aid package, they did indicate that lack of adequate transportation to reach off-campus jobs and low pay were the biggest drawbacks to the work-study program. Most students on work-study felt that their work was relevant to their studies, and the vast majority felt that the program either made no significant difference in their grades or actually helped them to improve their grades (See Table 39).

Practically all of the students surveyed indicated that they were not certain that they would be able to continue their education if they were not receiving financial aid. Only 10 students felt that they would definitely be able to make it, while 129 indicated that there was no way they could continue without assistance. The remainder said that perhaps they could continue but they were not sure. A significant

number, 73, indicated that it sometimes or regularly became necessary for them to make contributions to their families financially, and 97 indicated that they had had to make such contributions once or twice while they were in school.

1. Please indicate your sex status: Male or Female
2. Please indicate your present class standing at Michigan State University: Freshman or Sophomore.

TABLE 20

## SEX AND CLASS STANDING OF DEVELOPMENTAL STUDENTS

	Freshman	Sophomores	Total
Female	57	97	154
Male	39	65	104
TOTAL	96	162	258

3. In what city did you graduate from High School?

TABLE 21

## GEOGRAPHICAL AREAS OF HIGH SCHOOLS OF DEVELOPMENTAL STUDENTS

	Detroit	Grand Rapids	Flint	Lansing	Total
Female	129	8	5	12	154
Male	82	5	8	10	105
TOTAL	211	13	13	22	259

4. Have you chosen a major for your degree? If so, what?

TABLE 22  
DECISION ON MAJOR FIELD

Male		Female		Total	
Yes	No	Yes	No	Yes	No
30	72	42	112	72	184

5. Which of the following people was most influential in your decision to enroll at Michigan State University?

TABLE 23  
INFLUENTIAL PEOPLE IN DECISION TO ENROLL AT MSU

	Male	Female	Total
A. Mother or Father	17	70	87
B. School teacher or counselor	7	5	12
C. Friend or relative connected with M.S.U.	1	4	5
D. Friend or relative not connected with M.S.U.	3	1	4
E. Principal or other community workers	5	28	33
F. Someone from M.S.U. Admissions Office	74	49	123
G. Other (Please specify)	1	0	1

6. So far, what has been your overall experience at Michigan State University?

TABLE 24

## APPRAISAL OF MSU EXPERIENCE

	Really out- standing	Somewhat Better Than Expected	About as Expected	Somewhat Less Than Expected	Very Disa- ppointing	TOTAL
Male	9	48	37	10	1	105
Female	11	26	72	45	0	154
TOTAL	20	74	109	55	1	259



7. Please rank the most serious problems in sequential order.

TABLE 25

SEQUENTIAL RANKING OF STUDENT PROBLEMS

	MALE									FEMALE									TOTAL								
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Making Friends/Finding Dates	3	31	12	15	6	11	6	8	7	7	9	40	7	8	57	1	11	9	4	10	40	52	22	14	68	7	19
Bad Study Habits	7	6	27	4	6	14	11	9	9	15	10	4	4	8	28	22	44	12	22	16	31	8	14	42	33	53	21
Finding Things to do with Spare Time	24	17	8	10	29	7	3	1	0	22	51	11	42	4	7	2	6	6	44	68	19	59	33	14	5	7	6
Getting Enough Money	3	7	7	29	6	6	7	14	6	7	6	3	8	4	8	53	10	21	10	13	10	37	10	14	60	24	27
Getting Used to Being Away From Home	7	7	4	5	17	7	12	6	31	4	6	17	5	68	13	15	8	6	11	13	21	10	85	20	27	14	37
Finding Enough Time to Study	1	3	11	16	10	35	12	2	8	0	6	11	26	7	8	17	24	46	1	9	22	42	17	43	29	26	54
Girlfriend/Boyfriend Problems	0	0	2	5	6	8	10	36	15	2	1	5	22	8	12	28	7	13	2	1	7	26	14	20	38	43	28
Understanding the Material in Courses	20	16	8	3	7	4	28	7	8	67	10	10	10	29	3	5	7	4	87	26	18	13	36	7	33	14	12
Dorm Living/Roommate Problems	35	13	15	8	4	5	5	4	8	29	52	6	14	10	8	3	5	21	64	65	21	22	14	13	8	8	29

8. Have you received any financial assistance from the following categories while attending Michigan State University?

TABLE 26  
SOURCES OF FINANCIAL AID WHILE ATTENDING M.S.U.

	MALE		FEMALE		Total	
	No	Yes	No	Yes	No	Yes
National Defense Act Loan	43	62	53	99	96	161
Work-Study Program	29	76	82	72	111	148
Equal Opportunity Program Grant	29	76	86	68	115	144
Athletic Scholarship	104	0	154	0	258	0
Student Aid Grant	9	96	7	147	16	243
Academic Scholarship	9	12	12	142	21	238
Short-Term Loans	41	63	32	122	73	185
Loans From Private Banks	25	77	54	99	79	176
Parents or Relatives	32	72	84	70	116	142
Part or Full-Time Jobs not through Work-Study	48	56	90	64	138	120

9. Please check the three most important sources from which you receive money for your college expenses.

TABLE 27  
FINANCIAL SOURCES OF STUDENT AID

	MALE						FEMALE						TOTAL					
	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6
Private Contribution	1	18	13	36	24	10	1	49	11	25	46	20	2	67	24	61	70	30
Through M.S.U. Financial Aids Office	87	5	3	1	2	7	105	4	40	0	1	4	191	9	43	1	3	11
Parental Contribution	9	32	4	7	16	37	44	11	5	8	19	66	53	43	9	15	35	103
Private Loans	2	12	47	18	20	5	5	36	15	31	62	4	7	48	62	49	82	9
Personal Savings	4	30	14	22	36	8	0	42	36	57	9	8	4	72	50	79	35	16
Other	2	8	24	19	14	35	0	11	44	31	15	51	2	19	68	50	29	86

10. Please rank your opinions of Michigan State University Financial Aids Counselors.

- A. Always do their best to help
- B. Usually do their best to help
- C. Sometimes do their best to help
- D. Seldom do their best to help

TABLE 28

## OPINIONS OF FINANCIAL AID COUNSELORS

	Always	Usually	Sometimes	Seldom	TOTAL
Male	38	37	20	10	105
Female	22	57	32	42	154
TOTAL	60	94	52	52	259

11. In order for the Financial Aids Office to become relevant and sensitive in assisting students with the financing of their education, what would you suggest it do first?

- A. Provide Scholarships
- B. Develop new guidelines
- C. Increase EOG grants
- D. Encourage counselors to become more sensitive to student needs
- E. Increase student aid grants
- F. Abolish all loans to low income students

TABLE 29

SUGGESTIONS FOR IMPROVED FINANCIAL AID

	MALE						FEMALE						TOTAL					
	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6
Provide Scholarships	20	20	33	17	8	6	35	16	35	14	49	6	54	36	68	31	57	12
Develop New Guidelines	28	39	18	9	7	3	57	25	41	21	3	6	85	64	59	30	10	9
Increase EOG Grants	27	9	14	20	25	9	10	27	10	54	49	4	37	36	24	74	74	13
More Sensitive Counselors	10	14	19	16	18	28	23	55	16	24	31	4	33	69	35	40	49	32
Increase Student Aid Grants	2	5	7	13	35	42	1	0	8	4	26	6	109	13	11	39	41	151
Abolish all Loans to Low-Income Students	18	18	13	29	11	16	30	24	48	14	15	23	48	42	61	43	26	39

11. (b) Have you any special suggestions to the Financial Aids Office for improving its assistance to minority and disadvantaged students?

- A. More Grants
- B. More Scholarships
- C. Fewer Loans
- D. More Work-Study
- E. Less Work-Study

TABLE 30

## SUGGESTIONS FOR IMPROVED MINORITY GROUP FINANCIAL AID

	Male	Female
More Grants	105	152
More Scholarships	105	153
Fewer Loans	104	153
More Work-Study	100	146
Less Work-Study	93	132

12. When promised financial aid at M.S.U., does it always "come through"?

TABLE 31

## DEPENDABILITY OF MSU AID COMMITMENTS

	Yes	No	Total
Male	84	19	105
Female	87	65	154
TOTAL	171	84	259

13. Please rank in order the things you like most about the financial aids program at M.S.U.

TABLE 32

MOST SATISFACTORY ASPECTS OF MSU FINANCIAL AID PROGRAM

	MALE						FEMALE						TOTAL					
	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6
Counselors	2	0	7	4	24	68	3	2	4	3	70	71	5	2	11	7	94	139
Gift Aids	41	19	41	3	1		85	32	27	10	0		126	51	68	13	1	
Loans	1	2	1	20	42	27	0	0	1	11	65	77	1	2	2	41	107	104
Work-Study Program	11	16	14	33	28	3	9	6	15	112	10	2	20	22	29	145	38	5
Scholarship Program	51	24	25	5	0		55	80	15	3	1		106	104	40	8	1	
Other	3	43	17	30	10	2	2	35	92	16	8	1	6	66	109	46	18	3

14. Please indicate things you like least about the financial aids program in ranking order.

- A. Short-term loans
- B. EOG Grants
- C. National Defense Loans
- D. Work-Study
- E. Other

TABLE 33

MOST LEAST SATISFACTORY ASPECTS OF MSU FINANCIAL AID PROGRAM

	MALE					FEMALE					TOTAL				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Short-Term Loans	89	10	2	2	2	144	5	3	1	1	233	15	5	3	3
EOG Grants	1	1	30	21	52	0	38	7	23	86	1	39	37	44	138
National Defense Loans	7	47	23	5	23	3	37	73	39	2	10	84	96	44	25
Work-Study	6	30	21	32	16	6	37	50	44	17	12	67	71	76	33
Other	4	16	28	45	12	1	36	21	47	48	5	52	49	92	60



15. Could you get enough money to continue your education if you received no financial assistance from M.S.U.?

TABLE 34

## POSSIBILITIES OF CONTINUING EDUCATION WITHOUT MSU AID

	Yes	Maybe	No	TOTAL
Male	7	37	60	105
Female	3	82	69	154
TOTAL	10	119	129	259

16. Which of the following alternatives would you say is the best way to help a student finance his education?

- A. All loans and No work-study
- B. Mostly loans and some work-study
- C. About half loans and half work-study
- D. Some loans and mostly work-study
- E. No loans and all work-study

TABLE 35

ALTERNATIVES FOR FINANCIAL EDUCATION

	All Loans No Work-Study	Mostly Loans Some Work-Study	Half Loans Half Work-Study	Some Loans Mostly Work-Study	No Loans All Work-Study	TOTAL
MALE	11	25	10	26	33	105
FEMALE	8	3	5	74	64	154
TOTAL	19	28	15	100	97	259

17. What is the biggest disadvantage of using loans to help finance your education?

TABLE 36

## DISADVANTAGES OF USING EDUCATIONAL LOANS

	Male	Female	TOTAL
Repayment of Loans	79	94	173
Interest on Loans	82	64	146
Having Hold Cards at Registration	61	75	136
Not Having a Job to Repay Loans	65	94	159

18. What is the biggest disadvantage of using Work-Study to finance your education?

- A. Transportation off campus
- B. Lack of Good jobs available
- C. Jobs do not relate to curriculum
- D. Takes away time needed for study
- E. Jobs do not pay enough
- F. Cannot earn the maximum of award

TABLE 37

FINANCIAL DISADVANTAGES OF USING WORK-STUDY

	MALE						FEMALE						TOTAL					
	1	2	3	4	5	6	1	2	3	4	5	6	1	2	3	4	5	6
Transportation	41	11	11	8	10	22	35	30	9	10	11	58	76	41	20	18	21	80
Lack of Jobs Available	26	40	17	9	7	5	29	25	57	8	9	25	55	65	74	17	16	30
Jobs do not Relate to Curriculum	2	2	25	25	23	27	1	2	31	68	19	32	3	4	56	93	42	59
Takes away Time Needed for Study	5	4	15	17	28	35	40	4	21	42	32	14	45	8	36	59	60	49
Jobs do not Pay Enough	9	27	23	32	11	2	11	28	23	10	77	4	20	55	46	42	88	6
Cannot Earn Maximum	21	19	15	12	24	13	37	64	12	15	5	20	58	83	27	27	29	33

19. Please rank the Work-Study jobs you have had in sequential order.

- A. Were almost always a relevant educational experience
- B. Were usually a relevant educational experience
- C. Were sometimes a relevant educational experience
- D. Were seldom a relevant educational experience
- F. Were almost never a relevant educational experience

TABLE 38

## RELEVANCE OF WORK-STUDY EXPERIENCE TO SPECIFIC EDUCATION

	Always	Usually	Sometimes	Seldom	Never	TOTAL
Male	10	34	25	9	26	105
Female	16	59	52	25	1	154
TOTAL	26	93	77	34	27	259

20. Based on your experience how would you assess Work-Study jobs?

- A. Often account for poor grades
- B. Usually don't make any difference in grades
- C. Often account for better grades

TABLE 39

## PERSONAL ASSESSMENT OF WORK-STUDY JOB

	A. Often Poor	B. No Difference	C. Often Better	TOTAL
Male	46	32	26	105
Female	29	65	59	154
TOTAL	75	97	85	259

21. Has it ever been necessary for you to use your money to aid the family back home?

- A. Yes, Often
- B. Yes, Sometimes
- C. Yes, Just once or Twice
- D. No, Never

TABLE 40  
PERSONAL CONTRIBUTION TO FAMILY FINANCES

	Often	Sometimes	Once or Twice	Never	TOTAL
Male	14	16	20	54	105
Female	25	18	77	33	154
TOTAL	39	34	97	87	259

22. If given a Work-Study grant large enough to cover most of your educational expenses, related to your college major and paying well enough, would you prefer Work-Study rather than a loan?

- A. All Work-Study
- B. Loan
- C. Both

TABLE 41  
IS ADEQUATE WORK-STUDY INCOME PREFERRABLE TO LOANS

	All Work-Study	Loan	Both	TOTAL
Male	50	33	20	105
Female	71	7	74	154
Both	121	40	94	259

## CHAPTER V

### SUMMARY, FINDINGS AND CONCLUSIONS, RECOMMENDATIONS AND EPILOGUE

#### Summary of the Problem and Methods of Investigation

The purpose of this study was to investigate the new administrative problems created for institutions of higher education which provide a program of financial assistance to black college students with socio-economic disadvantages, and to include:

(1) a descriptive report of the impact of financial aid upon the academic and social survival of a selected group of black students at Michigan State University;

(2) a descriptive summary report of opinions currently held by decision-makers--state legislators, college administrators and financial aid counselors--of financial assistance for the educationally and economically disadvantaged black student;

(3) a comprehensive description of the types of financial aid available at Michigan State University and, more importantly, the attitudes of the University's decision makers towards the amount and distribution of financial aid funds to disadvantaged students.

(4) a descriptive report of opinions currently held by black developmental students and their perception and attitudes toward the financial aid program at Michigan State University.

There have been few studies investigating the needs of financial aid recipients from their point of view. Many words undocumented by

students have been written about the financial-aid needs of black students of educationally and economically disadvantaged backgrounds. This study provides that student-oriented documentation.

The population chosen for this study was a randomly-selected group of black students enrolled in the Developmental Program during spring term 1972 at Michigan State University. Six hundred and forty of the 1,954 black students enrolled at Michigan State University are enrolled in the Developmental Program. Most are the recipients of some form of financial aid through the University. Only freshmen and sophomores were selected for this study and all 259 Developmental Program students in those two classes were questioned. It was felt that these two classes would make the best population to sample, so no table of random numbers was utilized.

Two different types of questionnaire were developed, one for black Developmental Program students and another for Michigan State University administrators, legislators, and state and national Officials of the United States Office of Health, Education and Welfare. The student questionnaire consisted of twenty-three questions and eighty-one variables pertinent to financial assistance to minority students. The variables were divided into categories reflecting the student view of the financial-aid package and program. The questionnaire administered to the other group was designed to solicit responses on how institutions of higher learning should be funded, or how other guidelines should be developed for determining ways in which to aid disadvantaged students. A copy of the questionnaire can be found in Appendix A.



A survey of the 259 Developmental Program students was conducted. Each student was contacted, given a questionnaire, and allowed two weeks to complete it. The students conducting the survey contacted each student who had been given a questionnaire to insure that each questionnaire was completed in entirety. The questionnaires were then returned to the researcher for final examination.

The student responses were coded onto data processing cards and analyzed. The Computer Institute for Social Science Research (CISSR) Act Program was used to summarize the data into contingency tables with accompanying percentage breakdowns. The Michigan State University computer laboratory facilities and the Control Data Corporation's 3600 Computer were used to analyze the data.

### Findings and Conclusions

The findings of this study justified the following conclusions:

1. Disadvantaged black students receiving financial aid feel that they are receiving enough money to make it through school. They rank academic problems, such as understanding course material, and social problems related to adjusting to dormitory living as their most serious problems. This perception is contrary to the assumptions made in most previously conducted studies which indicated that money, or the lack of it, was major problem for such students.

2. Loans are the least desired types of financial assistance provided to black educationally and economically disadvantaged students, but more than half of the Developmental Program students have loans as a vital part of their financial aid package. In fact, more than half

such students utilize more than one loan program. The students give a high priority to the need to abolish all loans to low income students. Almost 100 per cent of the students agreed that there was a need for more grants and fewer loans (See Table 30).

3. Although the vast majority of the surveyed students consider financial aid from Michigan State University to be the major source of support for their education, almost all of them list parents, relatives and personal savings as significant sources of their educational funds.

4. Since financial problems are minimized for the surveyed students, they are better able to concentrate on their academic and personal problems.

5. Despite all of the financial aid received, most surveyed students find it necessary to work at least part of the year. Those students who work during the academic year find that their jobs do not interfere significantly with their academic performance and progress.

#### Recommendations

1. Before any financial aids official is employed he or she should be thoroughly screened by a special screening committee to determine whether or not he is suited for the position.

2. The university should make it mandatory for all financial aids officers to undergo a rigid on going training and sensitivity sessions program, enabling them to become more sensitive to students and their needs.

3. A task force should be immediately formed to study the financial aids program and its problems to alter guidelines and establish new ones to better serve the needs of students.

4. The task force should consist of sensitive faculty members or administrators and at least one third student body who are recipients of financial aids.

5. Any financial aids official who is found to be insensitive and a stone racist should be removed entirely from his position as a counselor.

6. Social economic disadvantaged students should never be awarded short term loans or any type of loan unless it becomes an extreme emergency in which it should never be.

7. All social and economic disadvantaged students financial aids funds should be set aside before one penny is awarded to middle class students.

8. The parents confidential statement should not be used as the only criteria in awarding financial aids to low income students it is totally unrealistic for determining needs for poor students.

9. If the Parent's confidential statements are continued to be the guideline in determining needs, a person to person interview must be held with both student and parent by the financial aids official to gain a more thorough insite on pertinent information which is not normally revealed in the P.C.S.

10. The work study program should become a significant part of the educational process used by the university to:

- A. Making a student job an intergent part of his curriculum.
  - B. Place students on jobs which will offer meaningful and valuable experience which he cannot learn in theory or the classroom.
  - C. The university must become much more sensitive and committed toward an affirmative action plan in opening its door in employing more minority in all departments to make students educational process become a reality.
11. Each financial aids counselor should be evaluated at the end of each term by the students and task force to determine how students perceive him and to be held accountable for greater output.
  12. Financial aids officials should always make themselves not be allowed to set his office hours to suit his needs rather than the students needs.
  13. Actively recruit and educate more minority students in the fields of medicine, law, science, mathematics, business administrations, marketing, advertising and accounting.
  14. Develop a new admissions and recruiting system to involve more community minority leaders in the selection processes of the socially, educationally and economically disadvantaged student.
  15. Prior to the recruitment of socially, economically, and educationally disadvantaged students, the University must be completely

knowledgeable and fully committed to the educational and social changes which must take place in order for a recruitment program to be fully implemented.

16. For more positive results to be achieved, the academic faculty must commit itself to the total responsibility of tutoring students with academic deficiencies, rather than referring students to a psychological counselor when the problem of the student does not warrant psychological help.

17. A thorough investigation of the social atmosphere and problems confronting disadvantaged students should be immediately reviewed and dealt with.

18. The University should investigate ways of disposing of or reducing the number of short-term loans made to economically disadvantaged students. More gift aid and scholarships should be provided for the socially, economically and educationally disadvantaged student.

19. New and better-paying jobs for students receiving work-study awards should be developed in order for the student to receive the maximum amount awarded. The Financial Aid office should develop jobs to match the major selected by the student in order to provide work experience that will better prepare him for the employment market.

20. Financial Aid Officers should become more sensitive and considerate of the needs of disadvantaged students. Also, the needs-analysis processes for disadvantaged students should be handled entirely differently from the processes for a student coming from a middle-class background.

21. Guidelines which stipulate that the socially and economically disadvantaged student should save a large portion of his summer earnings should be modified to better assist students who are forced to make a contribution to the support of their families.

#### Further Recommendations

1. All present guidelines set by University policy should be reviewed for modification and, when necessary, methods should be implemented to better assist minority students. Modifications should be made in the College Scholarship Services and American College Testing Program as they relate to the Parents' Confidential Statement. These are presently designed to meet the needs of students from middle-class backgrounds rather than students from low-income backgrounds.

2. The current needs-analysis system as applied to minority students is totally unrealistic and, therefore, should be completely revised to meet their needs. Both federal and state legislators, in making appropriations and funding to assist college students, should develop new legislation which will have a greater impact on the financing of the education of the socially, educationally and economically disadvantaged student.

#### Epilogue

The researcher wishes to make the following comments regarding this study. The major impetus for the increase in minority enrollment has been the increasing amount of federal support of higher education during the 1960's and early 1970's. Due to crises and social causes, higher education for minorities has become almost a national goal in

itself. Prior to this time, federal support to colleges and universities was almost exclusively on a quid pro quo basis with government awarding funds to institutions to achieve some goal deemed important by the Congress or federal agencies. With the relatively new supportive involvement by the federal government, colleges and universities of higher education are expected to assist disadvantaged minorities to participate more fully in the benefits and responsibilities of society at large.

Institutions receiving federal funding should be committed to providing special services and training to help students overcome the socio-economic disadvantages incurred at birth due to the social conditions and injustices existing in our society. Society as a whole has yet to make a major commitment to the education of blacks and other minorities in whatever educational institution they seek to be educated. Despite the difficulty of funding, colleges and universities must recognize the need for changing policies related to the support of disadvantaged students. There has been a growing recognition that financial barriers have prevented or inhibited a large number of talented and able minority youth from attaining higher education. This awareness could have resulted in scholarships and financial-aid policy changes based primarily upon economic need rather than solely upon academic accomplishment. A change in financial-aid policies would significantly expand the opportunities for economically disadvantaged students to benefit from colleges and universities throughout America.

More and more we should recognize high school graduates with proven academic potential, talent and motivation who are capable of attending an institution of higher education, regardless of their economic status. College students from affluent backgrounds have a significantly greater likelihood of attending college than those who are poor. Students from affluent families with an income of over \$15,000 are five times more likely to attend college than students from a family with an annual income of under \$3,000. This all comes about because black students and other socially disadvantaged groups from low-income families are denied equal access to education. Society has made it possible for students from affluent families to attend colleges and universities throughout this country on a variety of scholarship programs designed specifically to bar disadvantaged students. Educationally disadvantaged students not only do not have equal access to higher education but also find higher admission standards, lack of finances, and inability to qualify for loans and other necessary funds as major stumbling blocks. This is responsible for the disproportionately low participation in post high-school education by disadvantaged students. Educational institutions must serve the needs of these students. Educational institutions must serve the needs of these students. Educational institutions must serve the needs of these students if the ghetto curtain is not to be perpetuated.

All kinds of motivational devices must be made available to the disadvantaged student, now as never before, if he is to harbor any hope. A tremendous effort on the part of the total society must be made to awaken the inner motivation of individuals so affected. To be sure,



the awesome and insistent problems confronting this nation at home will not be solved by education alone, but our best hope of coping with these challenges must rest heavily on heightened awareness of the social consciences of a greater number of well-educated men and women. While young blacks and other minorities are often viewed as extradiotionally advantaged by their own communities and peers, their success and failure are their communities' success and failure.

The dilemma of being from a low-income, black community and attempting to succeed in the white-oriented, predominately middle-class community has made meeting the financial and related emotional needs of black disadvantaged students increasingly complex. The first step in meeting the needs of a disadvantaged group is a commitment for the necessary social and financial support. The writer finds finances to be the most critical problem facing disadvantaged students. This is particularly accurate because, in our society, the deficiencies in income-distribution more heavily affect minorities than whites. The higher level of financial needs among blacks, chicanos, American Indians and poor whites is simply a reflection of the fact that a larger number of their parents fall within the low-income groups. Colleges and universities have failed to meet the financial needs of the economically disadvantaged student. Regardless of which form financial aid takes, it should be 50 per cent of all higher education budgets by 1980. The College Entrance Examination Board, the American College Testing Service and College Scholarship Services should immediately more to alter their existing guidelines and to establish new ones where needed to meet the needs of students from disadvantaged backgrounds.

Money is as vital to securing a college education as intelligence. If financial continues to be unlimited to middle-class outstanding students, a large number of aspiring students from poor families will automatically be disqualified. Some educators relate the small number of black students in predominately large white universities, such as Michigan State University, directly to lack of sufficient funds to aid these students.

The problem of providing a college education for disadvantaged blacks and other minority students is a serious one. If it was possible for man to land on the moon, in spite of the tremendous cost, it is certainly possible to find the funds to aid minorities who are presently exempted from colleges and universities. Since the federal government awards billions of dollars to higher education, it seems to be the trend of predominately white institutions to enroll a few low-income minority students solely to fulfill the technical requirements of the federal government. Although discrimination and segregation have taken a serious toll of the american blacks and are a long and unpleasant history, that americans can right the wrong with their abundant know-how and resources is a fact that can no longer be hidden.

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APPENDIX A

MICHIGAN STATE UNIVERSITY  
OFFICE OF SUPPORTATIVE SERVICES

Dear Student:

Re: FINANCIAL AIDS QUESTIONNAIRE

The Office of Supportative Services is conducting a questionnaire survey to evaluate the financial aids program as it relates to black students. You are asked to participate in the evaluation of the program by filling out the attached multiple choice questionnaire. This should take not more than fifteen to twenty minutes of your time.

It is very important that black students have an opportunity to express how they feel about their financial aid progrma at Michigan State University and to offer suggestions as to what can be done to strengthen the program so that black students can better complete their educational programs. This questionnaire will help us understand your concerns and provide us with the necessary data to revise, if necessary, the financial aids program. It will also provide pertinent information to the administration, to the legislators, to the Financial Aids Director and counselors, and the Department of Health, Education and Welfare. This study will make available recommendations which could insure the continued enrollment of low income students.

I am asking your support and cooperation in filling out this questionnaire to evaluate the program. Be sure to answer all questions. After you have completed the questionnaire, please seal it in the envelope and return it to the black aide in your dormitory. Your answers will be held in strict confidence. We must evaluate the program this term in order to have time to adequately plan for a better financial aids program next fall.

Thank you for your cooperation and support.

Sincerely,

Morris Kinsey  
Graduate Student

## FINANCIAL AIDS QUESTIONNAIRE

The Financial Aids Program at Michigan State University assists many low income and minority students in the financing of their education. Your cooperation in filling out this questionnaire entirely will support the continuing effort of administration, Financial Aids officers, state legislators and the Office of Health, Education and Welfare in better determining ways for improving the financing of the education of minority students.

1. Please check: \_\_\_\_\_ Male \_\_\_\_\_ Female
2. Please indicate your present class standing at Michigan State University; (check one)
 

_____ Freshman	_____ Junior
_____ Sophomore	_____ Senior
3. In what city did you graduate from high school:
 

_____	Detroit
_____	Grand Rapids
_____	Flint
_____	Lansing
_____	Other (Please specify) _____.
4. Have you selected the "Major" area of your degree?
 

_____	No
_____	Yes, it is _____.
5. Which of the following people were most influential in helping you decide to come to Michigan State University (Check one)?
 

_____	Mother or Father
_____	School teacher or counselor
_____	Friend or relative connected with MSU
_____	Friend or relative not connected with MSU
_____	Someone from MSU Admissions Office
_____	Principal or other community worker
_____	Other (please specify) _____.
6. What has been your overall experience so far at MSU (check one)?
 

_____	Really outstanding
_____	Somewhat better than expected
_____	About as expected
_____	Somewhat less than expected
_____	Very disappointing



7. Below is a list of several of the problems which students frequently have while attending the university. Please indicate which problem bothers you most by putting a "1" on the appropriate line; indicate the next most bothersome problem by using a "2".

_____	Making friends/finding dates
_____	Bad study habits
_____	Finding things to do with spare time
_____	Getting enough money
_____	Getting used to being away from home
_____	Finding enough time to study
_____	Girlfriend/boyfriend problems
_____	Frequent illness
_____	Understanding the material in my courses
_____	Dorm living/roommate problems

How are you financing your education and what is your opinion of the financial aid programs at Michigan State University.

8. Have you received any finances while attending MSU from:

National Defense Act Loan	No	Yes
Work-Study Program	No	Yes
Equal Opportunity Program Grant	No	Yes
Athletic Scholarship	No	Yes
Student Aid Grant	No	Yes
Academic Scholarship	No	Yes
Short-term loans	No	Yes
Loans from private banks	No	Yes
Parents or relatives	No	Yes
Part or full-time jobs not through work-study	No	Yes

9. Please check the three most important sources from which you obtain money for your college expenses. (Please number in order of importance.)

_____	Private contribution
_____	Through MSU Financial Aids Office
_____	Parent contribution
_____	Private loans
_____	Personal savings
_____	Others

10. Do you think the financial aid officers at MSU . . . (check one)

_____	Always do their best to help
_____	Usually do their best to help
_____	Sometimes do their best to help
_____	Seldom do their best to help

11. (a) In order for the Financial Aids Office to be more helpful and effective in assisting students with financing their education, what would you suggest it do first?

☐ Provide scholarships  
☐ Develop new guidelines  
☐ Increase EOG grants  
☐ Encourage counselors to become more sensitive to student needs  
☐ Increase student aid grants  
☐ Abolish all loans to low income students

- (b) Have you any special suggestions to the Financial Aids Office for improving its assistance to minority and disadvantaged students?

☐ More grants  
☐ More scholarships  
☐ Fewer loans  
☐ More work-study  
☐ Less work-study

12. When you are promised financial aid at MSU, does it always "come through"?

☐ Yes  
☐ No

13. In general, what would you say you like most about the financial aids program at MSU? (List preference by numbering 1, 2, etc.)

☐ Counselors  
☐ Gift Aids  
☐ Loans  
☐ Work-Study Program  
☐ Scholarship Program  
☐ Other

14. What do you like least about the financial aids program? (List preference by numbering 1, 2, etc.)

☐ Short-term loans  
☐ EOG Grants  
☐ National Defense Loans  
☐ Work-Study  
☐ Other

15. Could you get enough money to continue college if you received no financial assistance from MSU?

☐ Yes, I think so.  
☐ Maybe some assistance, but not sufficient.  
☐ No, I could not.

16. Which of the following alternatives would you say is the best way to help a student finance his education (check one)?

☐ All loans and no work-study  
☒ Mostly loans and some work-study  
☐ About half loans and half work-study.  
☐ Some loans and mostly work-study.  
☐ No loans and all work-study.

17. What is the biggest disadvantage of using loans to help finance your education?

☐ Repayment of loans  
☐ Interest on loans  
☐ Having Hold Cards at registration  
☐ Not having a job to repay loans

18. What is the biggest disadvantage of using work-study to help finance your education? (List by number in order of importance).

☐ Transportation off-campus  
☐ Lack of good jobs available  
☐ Jobs do not relate to curriculum  
☐ Takes away time needed for study  
☐ Jobs do not pay enough  
☐ Cannot earn the maximum of award

19. Considering the work-study jobs which you have had, would you say that they: (check one):

☐ Were almost always a relevant educational experience  
☐ Were usually a relevant educational experience  
☐ Were sometimes a relevant educational experience  
☐ Were seldom a relevant educational experience  
☐ Were almost never a relevant educational experience

20. Based on your experience, would you say that work-study jobs: (check one)

☐ Often account for poor grades  
☐ Usually don't make any difference in grades  
☐ Often account for better grades

21. Has it ever been necessary for you to use some of your money to "help out" financially the folks back home?

☐ Yes, often.  
☐ Yes, sometimes.  
☐ Yes, just once or twice.  
☐ No, never.

22. If given a work-study grant large enough to cover most of your educational expenses--a job which related to your college major and which pays well--would you prefer work-study rather than a loan (check one)?

☐ All work-study  
☐ Loan  
☐ Both

23. In your opinion, what are the two or three major problems which you as a student face while attending MSU?

(1) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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(2) \_\_\_\_\_

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(3) \_\_\_\_\_

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