STUDENT
FINANCIAL AID

Manual for Colleges and Universities

by Homer D. Babbidge, Jr.

American College Personnel Association
A Division of
American Personnel and Guidance Association
1605 New Hampshire Avenue, N.W., Washington 9, D. C.
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FOREWORD

THE AMERICAN COLLEGE PERSONNEL ASSOCIATION introduces its new Student Personnel Series with this manual, Student Financial Aid.

A word about the series. The American College Personnel Association has taken responsibility for issuing new brochures on student personnel work in higher education. The brochures will cover all phases of student personnel work. They will be published over the course of a number of years, with one or more volumes appearing each year. Some of them will be produced with the cooperation of other organizations. A counterpart to the series produced by the American Council on Education will be recognized by many readers. Dr. Arthur S. Adams, President of the Council, has written this statement:

"In 1937 the American Council on Education sponsored an exploratory meeting of leaders in collegiate student personnel work. This group formulated guiding principles and observations concerning services to students. Shortly afterwards, the Council established a Committee on Student Personnel Work. Under its auspices there was prepared and published a series of definitive statements concerning each part of a comprehensive program of student personnel work. The first of the twenty publications was published in 1939 and the last in 1958.

"In 1952, in line with the general reorganization of Council functions, the Committee on Student Personnel Work was succeeded by a Commission on Student Personnel more recently named the Commission on the College Student. Its area of concern is considerably broader than that of the previous committee. I am glad that the preparation and publication of volumes relating specifically to professional personnel work in colleges and universities is going forward under the auspices of the American Personnel and Guidance Association."

The American Personnel and Guidance Association assigned to the American College Personnel Association the responsibility for carrying this work through.

A Commission on Publications was appointed, the names of which appear following this foreword. The Commission decided upon the volumes to be produced and designated Student Financial Aid as the first publication.

This manual enters the scene of higher education at a time that finds financial aid one of the most pressing problems facing higher education. Although the problem of student financial aid would be here in any event, nevertheless the advent of the student loan program under the National Defense Education Act thrust many colleges into the loan aspects of financial aid for the first time. This fact accentuated the entire realm of student financial aid. Student Financial Aid provides such help to institutions on loan programs, but it will assist all institutions of higher education in developing and administering programs of financial aid for students.
This manual has been made possible by a grant from the Kiplinger Association, a charitable and educational foundation created by the Kiplinger Washington Editors, Inc., publishers of The Kiplinger Washington Letter and Changing Times. It was this Association which in 1956 financed and conducted a nation-wide survey of student loan programs, which helped focus national attention on this aspect of student financing. Subsequently, Changing Times magazine has continually published information about problems in higher education and financial aid to students. Not only did the Kiplinger Association make possible this manual by providing the grant, but Robert Luce, Assistant to the Publisher of Changing Times, and Sidney Sulkin, Associate Editor, have provided their editorial talents most generously. The opinions expressed in this manual, however, do not necessarily reflect the views of the Kiplinger Association.

Homer D. Babidge, Jr., the author, is a recognized authority on student finances. In fact, he has been involved in student financial aid since he was a freshman in college. He was able, financially, to attend Yale University by virtue of scholarships and part-time work. He was able, also, to complete his Ph.D. degree at Yale University through fellowships and part-time work. This work, while a graduate student, was in the Student Appointment Bureau under the direction of one of the nation’s leading pioneers in student financial aid work, Dr. Albert Beecher Crawford. Dr. Babidge spent a total of 11 years (part-time and full-time) in financial aid work.

In 1955 - 1956, Dr. Babidge was on leave from Yale to serve as Special Assistant to the U. S. Commissioner of Education. In 1957 he returned to Washington as Assistant to the Secretary of the U. S. Department of Health, Education, and Welfare and was involved in the development of proposals leading to the National Defense Education Act of 1958, with its significant features in the area of student financial aid. On September 2, 1958, when this Act became law, Dr. Babidge was appointed to administer those programs of the Act affecting higher education, including the National Defense Student Loan Program. On June 1, 1959, during the course of preparing the manuscript for this volume, he was appointed Assistant U. S. Commissioner for Higher Education. Dr. Babidge was named by the U. S. Junior Chamber of Commerce as one of the Ten Outstanding Young Men of 1959.

Many persons helped in the preparation of this manual. Special thanks are due to those who served as consultants:

Dr. Rodney Harrison, Director of Admissions, Ohio State University
Dr. John U. Monro, Dean of Harvard College, Harvard University
Dr. Rexford G. Moon, Jr., Director of the College Scholarship Service, College Entrance Examination Board
Dr. John F. Morse, Vice President for Student Affairs, Rensselaer Polytechnic Institute.
Mr. Peter P. Muirhead, Acting Director, Financial Aid Branch, Division of Higher Education, Department of Health, Education and Welfare.
Dr. Dennis L. Trueblood, Associate Professor of Guidance, Southern Illinois University.

We wish to express our gratitude to all those not mentioned here who have helped most faithfully in the production of Student Financial Aid.

Robert Callis, President
American College Personnel Association
American College Personnel Association
Commission on College Student Personnel Monographs

Fred C. Proff, Chairman, Associate Professor of Education, University of Illinois

Robert G. Bone, President, Illinois State Normal University

Robert Callis, Director, University Testing and Counseling Services, University of Missouri

Daniel D. Feder, Dean of Students, University of Denver

Harold B. Pepinsky, Director of Research, Counseling and Testing Center, Ohio State University

Edward C. Roeber, Professor of Education, University of Michigan

Margaret Ruth Smith, Analyst, Wayne State University

C. Gilbert Wrenn, Professor of Educational Psychology, University of Minnesota
Some Basic Concepts

It is only since World War II that institutions of higher education have endeavored to work out the logic of financial assistance to students on any extensive scale and to develop administrative policies and procedures that reflect this logic. The pressures that have brought about intensive reexamination and reorganization of financial aid activities underscore the reasons for this publication:

- **Growing size and complexity of colleges.** A few decades ago when colleges were small and funds more modest, systems for granting student aid were casual. Deans, department chairmen, and professors made awards on the basis of subjective evaluation of student candidates; administration was leisurely; and coordination of awards was effected informally. As institutions grew in size and complexity, the informality and intimacy declined.

- **Growing economic pressures.** Rising costs of operation and cost of living have — especially since World War II — forced the cost of attending college dramatically upward. Those who would require financial help under any circumstances now need more of it, while many students who would have been able to meet the modest costs of college in earlier years must now be considered needy. Faced with such pressures, college officials have felt the need to reexamine their financial aid operations in an effort to find a solution to what at times has seemed an insoluble economic dilemma.

- **Increasing Enrollment.** The percentage of college age youth enrolled in higher education has been increasing steadily, and there is reason to believe that it will accelerate in the years ahead. Combined with a burgeoning population base this fact has heightened the urgency for making the most effective use of student financial aid resources. Limited resources must accomplish more.

- **Manpower Needs.** The same factors that have caused Americans to be concerned about their position as leaders of the free world have made them increasingly aware of the loss of able manpower from our educational system. Because as many as 200,000 of our ablest youth fail to go to college each year, many Americans (especially educators) have become more fully aware of the financial obstacles to higher education.

**Importance of Self-Study**

These and other pressures have led some institutions into a thorough study of their financial aid programs and have led to general agreement among educators as to what constitutes good practice. Without exception, those institutions that have gone through the process of study and evaluation have found it rewarding, and it cannot be emphasized too strongly that the practical advice offered in this volume is not intended as a substitute for critical self-evaluation. Leaders in the field of student financial assistance agree that pat conformity is to be avoided, and that each institution should attempt to develop policies and procedures suited to its own circumstances. Insofar as colleges and universities serve common causes, there can be agreement; insofar as each institution has unique purposes, variety of methods is to be encouraged. Uncritical acceptance of "recommended good practices" will result, inevitably, in loss of institutional vigor and integrity.

Thus the principles stated in this chapter are recommended as guidelines by which each institution may wish to develop its own policies. The practices described throughout this volume are suggestive and designed to stimulate imaginative self-study among college and university officials.
Principles of Good Practice

The following principles of good practice have received impressive agreement among those who have given most time and thought to the problems of student financial assistance:

- A sound program is student-centered. Financial assistance for the needy and worthy student is effective only if his program of aid is planned and tailored to his individual circumstances. This key concept is reflected over and over again in good financial aid practice. A student who receives aid should get enough to enjoy a full collegiate experience; he should not go through college as a second-class student; and the amount of his loan obligation should be scaled to his future educational and occupational plans. In short, the student-centered concept requires policies adaptable to the differences among individual students.

- A sound program is an arm of educational policy. Another purpose of an aid program is to improve the quality and representative nature of the student body, as well as to provide incentives for better performance. It must, therefore, be responsible to the central leadership of the institution and guided in policy by the faculty. Individual recipients of financial aid should—insofar as possible—personify institutional values and ideals.

- A sound program acknowledges public needs. No program that is selfishly institutional can be considered sound. The nation's need for well-educated youth is such that each college should recognize a responsibility to serve the larger community. Every scholarship awarded to a student who does not need or deserve it represents a denial to one who does, and society is the loser. A sound program evidences a sense of public responsibility—for example, by cooperating with secondary schools to see that the most worthy youth are encouraged and by avoiding the use of arbitrary and socially unsound criteria for selection.

- A sound program is based on need. All good aid programs must be based on need. Institutional budgets as well as national manpower needs are such that "miles-per-dollar" are an important index of success. Failure to stretch funds represents inefficiency; giving money to someone who doesn't need it or giving a student more money than he needs are among the most obviously uneconomical practices.

- A sound aid program is centralized. The financial aid office (or the committee that guides it) should have authority to mobilize and utilize all institutional resources—scholarship and loan funds, employment opportunities, and other forms of assistance. The alternative is chaotic inefficiency and failure to fulfill either institutional or community objectives.

Balancing Objectives

It is readily apparent that these principles are in some respect overlapping, and in others, potentially contradictory. A college that places undue emphasis on its program as an arm of institutional policy may fail to do all it might for the achievement of broader, public goals. The institution that is over-cautious in measuring student need may fail to provide adequate aid, thus defeating the purpose of its efforts. The art of developing a sound financial aid program hinges on the ability to acknowledge and embrace all objectives in balance.

To illustrate the problem of balance: We have said that a sound program should reflect institutional values and serve institutional goals. It is obvious that much can be gained from an institutional as well as a public standpoint, by using financial aid to bring to the campus an able youth who might otherwise go to college. But when financial aid is used to bring to one college a student who might otherwise go to another, it becomes a weapon of competition. It may make it possible for the student to choose freely between the high-cost and other lower-cost institutions on their respective merits, but if the size of the scholarship offered is greater than the student's actual need, the offering institution is then using funds as a lure. This practice of competitive bidding serves no useful social or educational purpose. Experience with such practice has resulted in grief to all concerned.

The trouble with many financial aid programs is that they fail to consider these important values. Recognition that a financial aid program embraces all the values of the total educational process is needed in developing a good program. Financial aid policy requires the same critical attention frequently reserved for curriculum policy. It is a supporting service to education. It has a profound influence on the make-up of a student body and thus upon the entire educational enterprise; and it will have a profound effect upon national intellectual strength. Sound policy in student financial assistance is the translation of institutional values into operating practice in an area of important, though heretofore neglected, work.

Need For Attention

A few of the facts that prompt the American Personnel and Guidance Association to believe that financial aid practices in U.S. colleges and universities need the most urgent attention are:

- College enrollments, already at an all-time high, may be expected to double by 1970.
- At present, some 200,000 of our ablest youth fail to go on to college—many of them for financial reasons.
- Costs of tuition and required fees have risen almost 75 per cent in the last decade and promise to increase still further.
- Creation of the National Defense Student Loan Program has, within a year, increased by 500 the number of colleges having loan funds. This means that many loan funds are being administered by relatively inexperienced officers.
For their own good, for the good of individual students, and for the good of the nation, the American Personnel and Guidance Association believes that colleges and universities must give these matters far greater attention than they have given them in the past.

One of the best discussions of financial aid policy and practice is contained in *Financial Assistance for College Students*, a 1946 publication of the American Council on Education. Now out of print, it is generally available in college libraries. A much briefer but valuable discussion is Rexford G. Moon's article in the October, 1959, issue of *The Educational Trend* entitled: "Care, Cooperation and Coordination in Student Financial Aid Administration." Richard C. Mattingly's *Scholarships, Fellowships and Loans; a Selected Bibliography* and Appendix B of this Manual suggest further leads.
Chapter 2

Measuring Student Need

A distinguished university president has referred to the financial aid officer as a "bureaucrat with a combination of the skills of a social worker and an internal revenue agent." On the one hand he is performing a socially useful function, working with needy youth in an effort to help them help themselves; and at the same time he must be sure that the money is used for those who truly need it.

Carefully and consistently measured need is the only way in which an equitable distribution of aid can be affected. It is important to recognize a distinction here between need as a criterion for selection for aid and the degree of need as the basis for determining the amount of aid. Only if both are recognized can there be full and equitable use of funds.

Just as the internal revenue agent can insure fairness only through the careful application of uniform standards and measures, so can the financial aid officer do his job fully and fairly only if he has uniform standards. His judgements — unlike those of the internal revenue agent — are tempered by his role as social worker, but this is one of the very things that make financial aid work challenging.

Student need is one of the principal functions of the aid officer. There is no question that an institution does more good with its dollars by working at — rather than guessing at — the measurement of need. But no matter how careful the mechanical measurement of need and no matter how accurate the formulas and standards applied, there is always a judgement to be made, and it must be made by common sense.

How Much Does It Cost To Go To College?

NEEDS ANALYSIS begins with cost analysis. Until you know what it costs to attend your institution, you have no yardstick against which to measure need. Surprisingly few colleges and universities really know what student costs are per year, and when they take the trouble to inquire they are generally surprised at how much higher they are than they anticipated. There are in education, as elsewhere, hidden costs.

Only if you know what normal costs are can you evaluate budgets submitted on application forms. A student who estimates his laundry expense at a figure significantly different from the norm can be asked to explain. No sensible institution would require students to conform to absolute norms; they are simply a handy gauge of reasonableness.

Basic Costs: The best way to establish cost yardsticks is to do a study of student expenses at your institution. (One caution — students themselves can be notoriously uncertain about how much they spend for what.) The following check list will be helpful:

- Tuition
- Fees
- Books and supplies
- Room rent
- Board (regular meals)
- Snacks, refreshments, cigarettes, etc.
- Fraternity or sorority dues
- Other dues
- Recreation and entertainment
- Health
- Grooming
- Clothing
- Laundry and dry cleaning
- Travel: home-college
- Other travel
- Church and charitable contributions
- All other current expenses

College Costs Publication

An institution seeking to do a thorough study of students' actual expenditures and how they meet them is referred to Appendix A of the U.S. Office of Education publication, Costs of Attending College. It is a thorough and useful questionnaire. A reading of the publication itself will prove most helpful in developing a realistic picture of student costs and how they are met.

General cost norms are often distorted by the expenditures of students of considerable means. In developing norms for needy students, several colleges have found it helpful to ask such students themselves to work out a realistic basic budget in consultation with faculty representatives.

It is important that the needy student's budget not be a minimum one. If he is required to live on a truly minimum budget he will not benefit from his college experience as much as he should. Expenditures for such items as recreation and snacks should be included to establish a standard of living that permits the student
the fullest experience consistent with realistic limitations. Each institution will define the limits of reasonableness, recognizing that it is both unwise and unrealistic to permit the student under assistance to lavish funds that are, in one sense, not his own, and recognizing at the same time that if he is to get out of college what it has to offer him, he must live, in all important essentials, as his classmates do.

The judgment that falls to a financial aid officer, or to his committee, is to decide whether or not the "law," as applied to a given case, does justice to the individual and his circumstances.

**Extras — When Are They Legitimate?** It is difficult to decide what is a legitimate expenditure. The cost of maintaining an automobile, for instance, is a chronic source of trouble to financial aid officers, as is the cost of fraternity and sorority membership on some campuses. The latter generally can be coped with in terms of norms: If students customarily live in fraternities and sororities, the expenses incident to membership should probably be considered legitimate costs.

Automobiles, however, present a thornier problem, since they are seldom general prerequisites to basic college living. Yet they can sometimes be justified on economic grounds, as when they make it possible for a student to get to and from a job or in the case of a married student for whom no convenient or reasonable campus housing is available. Standard practice, therefore, is to calculate costs without allowance for such an item. Then adapt the individual budget where cause can be shown. The cost of maintaining and operating an automobile is such that the burden of proof should always rest with the student.

Travel costs, similarly, would be included in the basic budget only where student practice is uniform, as in a community college catering to non-residential students who commute to classes. In all other cases, the individual student's budget would show his travel costs, but there would be no travel entry on a basic budget. Many institutions do, however, establish travel allowances, based on distance from home to campus and permitting, for example, two round trips per academic year.

Even apart from variations in travel, student expenditures should not be expected to be uniform. The student who prefers to spend "incidental" funds for phonograph records rather than late evening snacks should be allowed to do so, and perhaps the student who hitchhikes home for vacation should be allowed to deploy the saved travel funds as he wishes. Institutions should establish total budget ceilings and allow individual students freedom in the allotment of funds to various items within that total, rather than try to keep "line item" control of expenditures.

Budget "extras" are bound to crop up even in the matter of tuition and fees. There will always be students who want to take an extra course involving a fee, or continue the piano lessons they have been taking for years. The best way of coping with extras is to judge their validity in the light of individual circumstances. E.g., ability to benefit educationally from the expenditure. All of this argues that the determination of reasonableness should be made on an individual, case-by-case basis with norms and standards used only as guides.

**Married Students — A Special Problem.** The problem of a reasonable standard of living for the self-supporting student becomes particularly involved in the case of married students. So many of the desirable aspects of family living seem so remote from clearly educational purposes that some institutions tend to work a financial hardship on married students. The number of variables increases in the case of the married student: insurance and medical costs, number and ages of children, need for domestic help if his wife is working, whether his wife is also a student, convenience of housing vs. cost of housing, and others. Relatively little work has been done on the problem. But since it is certain that there are to be more rather than fewer married students in future years, much more needs to be done. For a starter, a committee of student wives can be helpful in establishing reasonable norms.

**Measuring Resources**

AFTER ESTABLISHING guide lines as to reasonable costs and a mechanism for applying norms to individual cases, the next step in judging need is to measure assets and resources. This is a much more difficult job because measurements must be applied not to a relatively homogenous student body living under fairly uniform conditions, but to an infinite range of families and their circumstances. There are no two families in the United States whose financial circumstances are the same.

A large part of the difficulty is that money doesn't have identical worth for all people — any more than education does. Seven thousand dollars of income does not mean the same to a 40-year-old, suburban-dwelling junior vice-president as it does to a factory foreman. What they feel they can "reasonably afford" for education varies accordingly.

Family income at a given time — the time at which a son or daughter enters college — must be looked at as part of an earning pattern, in terms of the family's accustomed level of income and living as well as its future prospects. Many a financial aid officer has encountered the parent accustomed to a large income and high standard of living who, when faced with a sharp reduction of income, literally cannot reduce his standard of living accordingly. If his inability to contract the dimensions of his way of life is looked upon, too simply, as weakness of character, it is lucky more of us have not been put in his position. Conversely, the family to which a high material standard of living means little may be in the opposite position. The parental contribution called for by an objective standard may actually be far short of what they themselves consider a "reasonable effort" on behalf of their son or daughter.

All this suggests at least two things that are of critical importance, in measuring assets of students:
1. A thorough and accurate knowledge of family financial circumstances, and
2. A thought-out set of standards as to what constitutes a reasonable sacrifice for a family to make on behalf of its children’s education.

Even with these at hand, the institution will not be prepared to cope with all situations. It will still have to wrestle individually with the parents who could reasonably pay the costs of education, but who won’t. Is the son to suffer because his parents don’t value education, or this particular kind of education, very highly? And what of the parents who plead that they cannot send their daughter to your college without aid, because they are strainng to pay their son’s expenses at another institution — and everybody knows it’s more important for a man to have a college education? These are situations in which particular, policy-level consideration must be applied rather than simple facts and formulas.

But apart from the inevitable special cases, the careful application of standards to facts is the effective, tested method of measuring parental resources.

Two Examples

For illustrative purposes, take the cases of two students, A & B, each of whom is the youngest of four children of a clergyman whose income is $7,000 a year. How much can each boy expect to receive toward his college costs from his family? Using one popular “rule of thumb” — the 10% of annual income standard — each would count on $700 per year.

But, compare these circumstances:

Applicants A

- Father is only 45 and on verge of appointment to a larger church; is adequately covered by a church retirement program.
- Mother is facing major surgery.
- Has three brothers; two are still in college; the third, recently married, gets a little help from the father.
- The family had set up a small savings account for A’s education, but used the money last summer to attend a church convention.

Applicants B

- Father is within a few years of retirement and in failing health; has put aside some $15,000 for retirement.
- Mother is in good health.
- Has one brother who is a prosperous engineer; both sisters are married but one is in ill health and requires parental assistance.
- Has set up a small savings account for B’s education, which is still intact.

How much should each reasonably expect to receive from home?

How Much Should Parents Contribute?

SINCE THE principal source of support available to a student is the current income of his family, considerable thought has gone into the measurement of reasonable educational contributions from this source. Two objective approaches to the problem are in wide use today and have proved genuinely successful.

The Income Tax Method. The first and simplest is based on federal income taxes. Assuming that medical and other major fluctuating expenses are taken into account in the federal income tax return, this method simply decides what a reasonable parental contribution toward college expenses should be from the amount of federal income tax paid and the number of dependents. It has the great virtue of simplicity. The following is a schedule of parental contributions based on sample tax payments:

<table>
<thead>
<tr>
<th>Federal Income Tax</th>
<th>Number of dependent children in family</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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<td>$50*</td>
<td>$250</td>
<td>$370</td>
<td>$510</td>
<td>$650</td>
<td>$790</td>
<td></td>
</tr>
<tr>
<td>100</td>
<td>350</td>
<td>550</td>
<td>750</td>
<td>950</td>
<td>1,150</td>
<td></td>
</tr>
<tr>
<td>200</td>
<td>425</td>
<td>600</td>
<td>820</td>
<td>1,020</td>
<td>1,220</td>
<td></td>
</tr>
<tr>
<td>300</td>
<td>500</td>
<td>660</td>
<td>880</td>
<td>1,080</td>
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<td></td>
</tr>
<tr>
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<td>1,140</td>
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<td></td>
</tr>
<tr>
<td>500</td>
<td>670</td>
<td>820</td>
<td>1,020</td>
<td>1,220</td>
<td>1,420</td>
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<td>760</td>
<td>900</td>
<td>1,110</td>
<td>1,310</td>
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<td>800</td>
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<td></td>
</tr>
<tr>
<td>900</td>
<td>1,020</td>
<td>1,170</td>
<td>1,370</td>
<td>1,570</td>
<td>1,770</td>
<td></td>
</tr>
</tbody>
</table>

To avoid confusion it should be pointed out that a $50 federal income tax for a one-child family suggests an income of $2,400; for a five-child family an income of about $5,000.

The Income-Assets Method. A more elaborate and precise method for estimating reasonable parental contributions is the one developed and used by the College Scholarship Service, an agency of the College Entrance Examination Board. The system is described in detail in the CSS Computation Manual, which can be purchased for two dollars by writing to the Service at Box 176, Princeton, New Jersey.

Membership in and use of the services of CSS are available to regionally accredited colleges and universities. These services extend to the actual, complete computation of an individual’s financial need. The fee for participation is $100 per year. Short of full service of this nature, CSS will make its financial questionnaire
forms and manual available at moderate cost to interested institutions.

The essence of the CSS approach is close scrutiny of all parental resources and application to them of carefully worked-out "taxes." These taxes are based on actual collegiate experience. One writer has said:

In considering the CSS system it is important to remember that it was not conceived in a vacuum nor handed down from on high. Its origin lies in a study of what families in various income brackets, with various numbers of children, have contributed, do contribute, and seemingly can contribute without severe hardship to their children's education.\(^1\)

The following graph indicates the contributions from current income that are exacted by the application of the CSS formula to family income, before taxes:

![Graph showing expected parental support for college expenses from income - CSS procedure.]

Where the CSS system does yield advantages is in taxing assets, as opposed to income. CSS assumes that family assets such as savings, real estate and business equities, and stocks and bonds constitute a financial reserve that can and should be used in the education of the family's children. The CSS financial questionnaire (Appendix A) does a thorough job of ferreting out not only the size of such assets, but also the legitimate liens and demands upon them.

The family — ordinary in all other respects — that has $50,000 in market investments or savings, clearly can be called upon to meet college costs out of those assets. What else are they for, if not to buy "advantages?" On the other hand, the family that has, with hardship, managed to pay off the mortgage on a modest house or whose only economic security is a few hundred dollars in savings, does not invite — in the minds of most financial aid officers — taxation of assets. Even identical assets can, and should be, measured differently in different cases: $25,000 worth of common stocks are a more logical source of college funds when they belong to a working father than when they are the sole source of income for a widowed mother.

The CSS Manual identifies in some detail the guides used in taxing assets. A careful and critical scrutiny of them will be extremely helpful to the officer working out his own standards. CSS follows a practice of referring "tough" or complex cases to a "jury" of experienced financial aid workers. This policy underscores the fact that a human judgment must be made after all the facts and formulas have been applied.

How Much Can the Student Contribute?

T HE STUDENT'S principal sources of non-institutional aid, apart from his parents, are his own savings and summer earnings.

Most students interested in college and faced with financial problems make some effort to save. To get to college they often plan to use their entire savings in the freshman year. The financial aid officer will be wise to suggest that the savings be spread over the college years, and will calculate the student's contribution from this source accordingly. Thus, for the student who plans to spend four years in college, only one-fourth of his savings should be considered as his contribution for the freshman year. Some institutions, recognizing the extra expenses contingent on entering college (new clothes, for example), deduct a hundred dollars from total student savings before dividing by the contemplated number of years of study.

Summer Work. How much a student can earn and save during the summer prior to college, and during subsequent summers, varies greatly, depending upon his or her health and skills, employment conditions, and other factors. Students, however, are unusually resourceful in finding summer jobs. When they can

\(^1\)Morse, J. F., *An Aid to Administrators of National Defense Student Loans.*
keep their living costs down (by living at home, for example, or working where room and board are furnished) they find this a major source of college finances. Norms are hard to fix, but there is general agreement that the following figures represent reasonable summer earnings:

<table>
<thead>
<tr>
<th></th>
<th>Pre-freshman</th>
<th>Pre-sophomore</th>
<th>Pre-junior</th>
<th>Pre-senior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>$350</td>
<td>$400</td>
<td>$500</td>
<td>$550</td>
</tr>
<tr>
<td>Women</td>
<td>$150</td>
<td>$200</td>
<td>$250</td>
<td>$300</td>
</tr>
</tbody>
</table>

(For further discussion of earnings and expectations, see Chapter 5)

Other Resources. Many applicants for financial aid from the college or university already will have been awarded financial aid from other, non-institutional sources. Church and civic organizations, as well as business and industrial concerns, increasingly make grants or loans to outstanding local youth. These sums can constitute a significant source of assistance. An applicant for institutional aid should be required to report all such aid on his application form and should be placed under obligation to report any additional assistance of this sort that may be granted after he submits his application.

It is particularly important that the applicant indicate the precise terms of such "outside" aid, since much of it is for one year only or otherwise conditional. The college to which he is applying must know these details in order to plan sensibly its own program of assistance to the individual. (For further discussion of non-institutional aid and its integration into the regular program, see Chapter 6.)

Relatives and friends are another likely source of financial aid and one which applicants tend not to report unless specifically asked. It is suggested, therefore, that the application form contain a direct inquiry about possible assistance from such sources.

**Adding Up Student Need**

When subtracted from the estimated cost of a full year of study, the total resources — parental, savings, summer work, other loans or scholarships — will yield a dollar figure that represents the individual's degree of financial need. Many institutions use a simple tally sheet like the following:

**Expenses:**
- Basic budget
- Travel
- Other allowable
- **TOTAL**

**Resources:**
- Family income
- Family assets
- Student savings
- Summer savings
- Other
- **TOTAL**

**Total Expenses:**

**Total Resources:**

**Established need:**

**Application Forms.** Facts about resources are, of course, elicited through the use of an application form. The College Scholarship Service offers parents the convenience of submitting a single form to several colleges.

Most institutions, however, want some information about a student's financial situation directly from him. This has certain advantages. In the first place, no one form could be expected to satisfy the idiosyncrasies of all the some 2,000 institutions in the United States, although the CSS form is an admirable model. Second, and more important, is the fact that submission of the form directly to the institution (particularly in the upperclass years) provides opportunity for individual discussion — issues can be clarified, additional information can be obtained, and the student can be given financial counseling.

Appendix A contains samples of application forms currently in use in institutions that are considered leaders in the financial aid field. The searching nature of these forms, while annoying to some parents, suggests the importance attached to careful and accurate financial needs analysis.

**Verification of Financial Information.** One of the most ticklish problems in needs analysis is the question of verifying data submitted by students and parents. A careful look at the forms reproduced in Appendix A will reveal that there are internal checks on accuracy — for example, "unearned" income figures can be compared with capital assets to see if the relationship is reasonable and consistent.

Some institutions require parents to submit photostatic copies of actual Federal income tax returns (though this will not verify all items). For a relatively small charge, colleges can, and some do, hire the services of professional credit investigating agencies to check on the validity of certain figures, such as income, real estate, and net worth, though generally only in suspicious cases; and some institutions call upon alumni in the applicant's community to do a little amateur sleuthing, generally very amateurish.

There are several objections to professional and alumni credit investigations. Some contend that they are inaccurate, since only a second-hand check on key items is possible. Others believe they imply lack of confidence in the student's honesty and thus destroy the student's sense of responsibility to the institution. Most educators object strenuously to such investigations, even in the case of first-time applicants.

It has been said that "the money you waste by not investigating parental claims is the price you pay for preserving your idealism." Stated more positively, the relationship that can be built upon implicit confidence in the student and his parents can be a great help in financial aid work. Direct discussion with students and parents of their financial circumstances have proved immensely valuable to institutions that have been able to do it on any sizeable scale. The adage that expecting the best in people brings out the best in them has been demonstrated. In cases where parents or students are not
candid in reporting financial facts, many simply want a fair deal but believe that in order to get it they must strengthen their bargaining position with a tight-fisted, unsympathetic financial aid officer.

Frank discussion of reasonable "shares" in the educational costs of a student almost always leads to a fair arrangement. The financial counseling opportunities inherent in such joint planning are enormous. It also presents an opportunity to explain institutional financial aid policies to parents, most of whom appreciate and understand them even less than do their children. An "entrance interview" in which general policies are explained and in which the particular student's prospects and responsibilities are discussed thoroughly will do much to build a healthy relationship between the student and his college. It, in turn, should render unnecessary any formal investigation or check on the student's resources.

Annual Review. The annual review of student need is of critical importance. Family incomes and general economic circumstances can and, with surprising frequency, do change. Costs change, too, as a student advances through college (a U. S. Office of Education study recently demonstrated that costs tend to rise as a student progresses from freshman to junior year). Students' summer and term-time earnings can fluctuate considerably, with a profound effect upon need. Unless each case is reviewed carefully each year, an institution will find itself working a hardship on some students and spending money needlessly on others. For this reason, most institutions of higher education require an entirely new financial aid application form each year.
Chapter 3

Gift Scholarships

The oldest and most widely recognized assistance to students is the gift scholarship, a subsidy carrying no requirement that the student render either service or repayment. As such, it is both the most sought after form of student aid and the most generous. These factors require that gift scholarships be administered with relatively greater care and discretion than other forms of student aid.

Merit vs. Need

It is important to distinguish between the prize scholarship awarded in recognition of merit without regard to financial need, and scholarship assistance awarded in recognition of merit among those students requiring financial aid. American institutions have tended in recent years to limit the competition for significant cash prizes to those students who truly need financial assistance. Merit continues to play a key role, but financial need increasingly becomes a basic requirement for entry into the field of competition. Recognizing frankly that a scholarship or prize without money will not provide the full incentive value of the traditional scholarship many institutions have developed the concept of "honorary" scholarships. These carry a small, fixed cash stipend along with a certificate of award and have proven to be a valid incentive and reward device. The practice is illustrated in the National Merit Scholarship program, where honorary awards carry a stipend of $100. Still, ten such honorary awards could provide a needy student with a college education, and the practice of awarding even small stipends to scholars with no financial need can be expected to come under increasing criticism.

It has long been recognized that not all contestants for financial prizes can finish first, and that there are those back in the pack who deserve an assist. Toward the lower end of the competitive academic scale there has emerged a form of gift known on some campuses as "beneficiary aid" or "grant-in-aid." (The term "scholarship" is avoided to prevent confusion with the prize concept.) Beneficiary aid is frequently employed in cases of extreme hardship to assist youths of moderate ability to whom college education is a dedicated struggle rather than a brilliant conquest — the good, solid youth of high character who just can't compete successfully with more facile but not necessarily more admirable classmates. It is also used, with increasing frequency, to lighten the growing burden on students whose competitive standing would earn them only eligibility for loan assistance.

Though gift aid is much sought after by students and their families, its incentive value does not lie only in the winner-take-all competition. The ingenious financial aid officer, by mixing gift and loan assistance adroitly and varying the proportions in accordance with academic standing, can work magic on students. Some institutions fix a scale of proportions in conformity with academic standards. They announce that needy students in the top ten percent of their classes will receive 100 percent gift awards, while needy students in the middle range of academic performance may expect to receive aid in the form of 50 percent gift and 50 percent loan. Annual or semi-annual determination of this sort, though difficult in large institutions, can supply strong incentive to do well academically.

Selection of Recipients

Assuming that an institution is able to translate its values into personification of the ideal student — the ideal scholarship winner — how does it go about measuring applicants against that ideal?

Since in institutions that practice selective admissions the initial selection of scholarship winners is almost always made at the time of admission, it is a common and essentially satisfactory practice to combine admission and scholarship activities into a single action by a joint committee. The information available on candidates for admission usually needs to be supplemented only slightly to provide a basis for informed scholarship action. Many colleges and universities use the faculty members of their committees, as well as staffs, to interview and evaluate candidates. This reflects a conviction that scholarship candidates should be judged on the basis of more than paper records and that any selection committee should have a first-hand "feel" of the range of candidates before action on any one case. Interview and evaluation forms, if given sufficient meaning through the definition of terms, and rating scales are basic. But there is no substitute for the first-hand report of a committee member who has interviewed the candidate.

Most institutions can expect that some of their offers of aid to prospective students will be declined.
in favor of bids from competing colleges and universities. Thus, in order to get full use of available scholarship funds, it is necessary to award more money than is actually in hand for the purpose. A tricky problem, this can be managed by extrapolation of the statistics of past experience. Since a similar problem presents itself in straight admission matters, a pooling of risks can be affected through the coordination of admissions and financial aid activities. In financial aid work as in admissions, it is a good idea to have a "reserve list" of candidates ready (notifying those who are on it of their status), so that the college can move promptly to fill any vacancies that may occur.

Many devices have been used to cut down on multiple admissions and financial aid applications and thus get a more realistic estimate of how many applicants truly want to attend a given institution. But the problem persists. At least one of the evils of this situation, the tendency of students to hold out for the highest bid, has been eliminated by certain colleges that find themselves in friendly competition with one another. They meet each year, agree upon notification and reply dates (the latter is the more important), and then coordinate the size of their respective awards to joint candidates. Since the offers they receive are essentially uniform, these students must select their college on the basis of other considerations than the size of the scholarship.

Renewal of Awards

The offer of a scholarship to a prospective student should constitute an assurance of assistance in some form throughout the college course. Just what the conditions should be and just what form the assurances should take are vital questions — both to the institution (whose budget planning is involved) and to the student. The possible variations among conditions and assurances are infinite. (It is strongly recommended, of course, as indicated in Chapter 2, that all awards be made contingent upon demonstrated, continued need and subject to annual adjustment in terms of need.)

It is possible to make a flat guarantee of annual renewal on a gift basis, contingent upon the satisfaction of clearly fixed standards (a certain academic grade or rank, for example). This contractual guarantee has high competitive value. The able recipient knows that he is secure so long as he meets requirements that are clearly understood in advance. A variation is the guarantee of renewal upon conditions which are essentially subjective, e.g., continues to show promise of outstanding leadership in college and later life or makes a significant contribution to the life of the college. Subjective evaluations are hard to make. But they do give the college a greater degree of control and permit adjustment of awards to students who meet technical requirements but who are otherwise disappointments. A third possibility — in some respects both the fairest and most difficult to apply — is the agreement that a recipient be assured of aid renewal if he lives up to reasonable expectations. Here the institution evaluates a student's work in terms of his own potential and capacity, rather than in terms of his competition with others. Whatever the policy, the problem is to give the student as much assurance and confidence as possible, without letting him grow complacent.

It is generally agreed that a scholarship award should be assured for a full academic year, subject only to the satisfaction of minimal requirements. At the end of a quarter or semester, only cases in which there has been a flagrant failure to meet basic standards of conduct and academic performance are reviewed.

Another variation is the two-year initial award. This allows a fuller opportunity for the student to effect a difficult adjustment from high school to college. It is particularly well-suited to the small high school graduate who must make the adjustment to a sophisticated campus or for the member of a minority group who is venturing for the first time beyond his community. It underscores again the basic importance of the tailor-made, individually-centered approach to financial aid planning.

Some institutions have a policy of making all freshman awards on a gift basis and then, beginning in the sophomore year, of shifting the less successful recipients onto loan or part gift part loan awards. Students should, of course, be made aware of the policy at the time of the initial award. It is simple fairness to warn them that there will be a competitive "narrowing down" and to give them a full understanding of the standards of competition.

It is no kindness to a student to encourage him to come to college even though he cannot be given the assistance he needs. Frequently, in the misguided optimism of the adolescent, he will put all his financial eggs in one basket and place a considerable strain on his family's finances in order to pay for his first year of college — confident that he will qualify for substantial aid the next year. Tact and good judgment are required to discourage such action when the college knows that this student will not win the aid he so earnestly seeks.

The same principle applies to an institution's total budgeting. Only disappointment and ill-feeling can result if the college offers freshmen aid that it cannot reasonably hope to sustain throughout four years. The officers and committee members who make the initial award should decide upon subsequent renewal of aid. Only they are likely to understand fully the commitment they have made and the obligation they must fulfill. Separate committees for freshman scholarships and for upperclass scholarships have frequently found themselves at odds for lack of communication and understanding.

Endowed Funds

The advantages of the flexible stipend, discussed in Chapter 2, are so great that it is reasonable to believe that most institutions will in time adopt the practice. In some instances, however, this is
more easily said than done. For at this point many institutions run into one of the problems of inherited wealth — the endowed scholarship fund whose terms are rigid.

The problem of endowed scholarship funds is a classic one: the secure advantages of perpetuity must be weighed against the disadvantage of undesirable restrictions. Many financial aid officers, particularly at older institutions, are plagued by conditions imposed long ago and entirely unrealistic in today's circumstances. College and university officials working with prospective donors should refuse to accept perpetual funds whose terms are so restricted that they hold any prospect of hindrance in the future. So unpredictable is the future (who a century ago would have imagined the virtual disappearance of Latin and Greek from the undergraduate curriculum?) that all restrictions should be viewed with suspicion. A standard form of protection is inclusion of an escape clause in any restricted deed or gift. A reasonable donor should be willing to append to his conditions a clause that reads, to cite but one example, something like this: "In the event these conditions come to be, in the considered judgment of the Trustees, inappropriate to changed circumstances, inimicable to the best interests of the college or contrary to the public interest, they are authorized to so alter or amend them as to make them compatible with changed conditions, though always as consistent as possible with the expressed objectives of the donor."

Inclusion of an escape clause in current deeds of gift will provide protection against error in the future. But the fact is that colleges and universities must now live with the errors of the past. True, recent studies indicate that restricted funds are not a great problem in the total U.S. program of student aid. This does not, however, diminish the problem for institutions that have only a few such funds.

The Scholarship Budget

FINANCIAL AID officers should be familiar with the investment policies and practices of their institutions. The rate of return on the investment of principal funds has a direct effect upon the scholarship budget. Many institutions allow a standard rate, say four per cent, of return on endowed funds and follow the practice of pre-empting any surplus for general university purposes. Thus, if the treasurer has a good year and reaps a five per cent return on investments, the scholarship program is done out of some 20 per cent of its "rightful" budget. It can be argued (we don't say successfully) that such preemption of funds is a violation of the deed of gift as well as an unwise reduction of potential scholarship effort. Some funds require separate or particular investment and bring in irregular or unusual returns, and it is well to know how accurately they are being budgeted.

Many college financial aid programs hinge significantly upon endowed funds. In these institutions, because of increasing demands upon all institutional funds, financial aid officials are increasingly being urged to "live within their income." College trustees find it harder and harder, in the face of inflationary pressures and other inroads, to appropriate funds for scholarship purposes from current income. This puts vise-like pressure on the scholarship program, whose relatively inflexible income from endowments has been eroded by inflation. By asking the program to live within its income, trustees are asking that diminished purchasing power be used to accomplish a growing task. For the benefit of trustees, scholarship endowment income should be translated into a comprehensible statistic, such as the number of tuitions it can buy. For example, a plea for economy in the scholarship budget may put the facts this way: "Scholarship income has increased 50 per cent in the last decade while our enrollment has increased only 25 per cent." A more realistic statement, based on the same facts, would read, "Our scholarship income today can pay full tuition for 8 per cent of our student body, whereas a decade ago it would carry 12 per cent of our student body." The adequacy of endowment income must always be measured in terms of program potential.

This kind of analysis may demonstrate the need for annual appropriations for the scholarship program just to maintain its level of operation. Appropriation can be counted upon, however, only when governing officials

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**Best Uses of Restricted Funds**

Here are a few practical suggestions on how to make the best of restricted funds:

- Get a good lawyer to read the gift instrument that is causing you trouble. He may see a way out — a way of interpreting a single key word — that hasn't occurred to lay readers.

- Advertise restricted funds. Frequently, qualified students turn up where you least expect them.

- Use your financial aid application form to identify those students who meet conditions of age, birth, geography, or interest required by your funds.

- Find a recipient, if you can, for the most highly restricted fund you have, before awarding less restricted and unrestricted funds. In this way you may avoid wasting a stipend by preempting the one student who can qualify for the toughest slot.

- If you have done everything you reasonably can to award a scholarship, but it just isn't being used, consult a lawyer about the feasibility of asking a court to apply the legal doctrine of cy pres, by means of which such terms may be eased to permit use in a proximate fashion. Courts vary in their attitude toward such requests, but it's fair to warn you that they are all understandably reluctant to lay aside the terms of a contract.
are fully persuaded of the importance of scholarships to the health and vigor of the institution. Thus the clarification and resolution of the issues suggested in Chapter 1 becomes a matter of utmost importance.

**Importance of Gift Scholarships**

The action of many governing bodies in recent years in requiring a shift from gift scholarships to loan assistance has represented their base effort to reconcile a desire to aid needy students with a recognition of mounting economic pressures on the institution. Whereas the advantages of loan assistance are many and convincing (see Chapter 4), a decision to shift student aid to loans for purely economic reasons should be resisted. The traditional values of gift scholarships should not be surrendered uncritically. The financial aid officer must recommend the kind of aid program that best meets institutional needs and then drive the hardest bargain he can with economic necessity.

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**Scholarships vs. Loans**

Consider some of the arguments advanced in favor of scholarships as opposed to loans:

- **They are more effective competitive tools.** If you’re trying to improve the quality of your student body you’re much more likely to attract good students with gift aid than you are with loan aid.

- **They offer a greater incentive.** The prospect of a loan is less likely to serve as incentive to meet high standards. The “name” scholarship, especially the perpetual, endowed one, grows ivy with time, and can become a little Nobel prize of its kind within your institution, with all that that means for dramatizing institutional values and goals.

- **They contribute more to the personal welfare of the recipient.** A heavy burden of loans may discourage a youngster from pursuing further study or a career to which he aspires.

- **They are more equitable and in the long run economical.** Since society benefits from having educated persons, it should share with the student the cost of obtaining his education. Gift scholarship aid to needy and deserving students is an economical investment in our common future, and the denial of such gift aid is a pennywise, pound-foolish economy.

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**Financial Aid Summary**

Quite apart from abstract arguments about the relative merits of gift and loan assistance, the need for such funds varies greatly among institutions in accordance with size, costs, and the economic make-up of the student body. Though there are obvious dangers in a “keeping-up-with-the-Jones” attitude, it may be helpful to see what other institutions are making available for scholarships. The publication, *Financial Aid for College Students*, put out by the U.S. Office of Education, presents a convenient summary of the financial aid programs of virtually all U.S. colleges and universities.

**Scholarship Adequacy**

The U.S. Office of Education publication *Costs of Attending College* implies another rough index of scholarship adequacy. It suggests that gift scholarships, on the average, meet about 5 per cent of all costs of students attending college in the U.S. Thus, in order to meet a national norm, a given scholarship budget would have to equal 5 per cent of the per student costs at the institution, multiplied by total enrollment. Since every national norm covers a multitude of statistical sins, this gauge should be used cautiously.

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**Use of Funds**

"I have estimated that the student body of a college with a $2,000 per year expense budget would have to be subsidized with financial aid from the institution and/or external sources to the extent of $1,000 per student per year to be a socio-economic representative group. The student body at most colleges in this expense category now have on the average less than $400 aid subsidy per enrolled student. The national average is less than $100 per student. Society will probably need to triple its present resources or spend between 900 million to a billion dollars per year for direct financial aid in order to be representative within the present pattern of higher educational opportunity. I cite these figures not to excite excessive spending for financial aids but to show how much more could be done with more money and how inadequate our present funds are if we are striving for democracy in higher education. If more funds are to be brought into being, they should be carefully administered and re-useable." Rexford G. Moon, in *The College Board Review*. 

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Institutions will vary, of course, in their attitudes toward the relative importance of gift scholarship aid. But it is principally important for all to recognize that such aid has a significant role to play in any sophisticated and well-coordinated program of student assistance.
Among key dates on the calendar of financial aid operations are the following:

1. Date of notification of freshman scholars: This date must be set early enough in the spring of the recipients' final high school year to give them time to plan and yet late enough to give you all the information needed to make confident selections from among candidates. It had better be as early as the college's chief competitor's notification date or some of the better prospects may accept other offers. April 1 is suggested.

2. A deadline date for accepting freshman awards: This date should be early enough to allow for institutional planning and early enough to permit effective work on the "reserve list." It should be early enough to discourage "fishing expeditions" on the part of candidates and yet sufficiently later than the notification date to give them a fair opportunity to reflect, make wise decisions, and to weigh alternative offers.

Where it can be established that a group of colleges are in competition for candidates, it is a wise and a constructive thing to make it friendly competition by agreeing upon common notification and acceptance dates. May 1 is suggested.

3. A notification schedule for upperclass awards: Award notification should be sent as early as possible during the summer so that applicants can either enjoy peace of mind or get to work raising additional funds or making such other adjustments as the notice may call for. It is a sound practice to send out bad news first, on the theory that those whose renewal news is going to be good can better afford the luxury of waiting.

The institution will, of course, want to wait until all the evidence, academic and otherwise, is available before it passes judgment on applications for renewal of scholarships. The best suggestion that can be made, in the light of this, for beginning and completing the upper class notification process: Start no later than two weeks after final exams, and conclude no later than August 1.

4. An acceptance date for upperclass awards: Few institutions set such a date, since it can generally be assumed that all offers will be accepted. If such a date is to be set it should be set early, for there is no good reason why an experienced undergraduate should be in doubt about accepting or declining his award. A return post card, enclosed with the award notice and with a request that it be returned within a week, would do. (Incidentally, it is always wise to get his summer address from the applicant himself, so that there will be no danger of the notice going astray or having to be forwarded.)

5. Committee meeting dates: Since the committee should be a policy-making body, meeting dates should be set to avoid conflict with the staff's peak work-load. The committee will want to review the preceding year's program after college opens in the fall and to set policies for the coming year before admission activities begin. October and January meetings are likely to be the principal policy sessions, with additional working meetings as required.
Chapter 4

Loan Assistance

THE GROWTH of loans as a form of student financial assistance has been phenomenal. As recently as 1956 a study showed that all told around 14 million dollars was being loaned to students by colleges and universities; reports were widespread that many loan funds were not being used at all. The situation changed almost overnight. When the National Defense Student Loan Program was established in 1958 the first application from colleges for loan funds totalled 79 million dollars. And today requests for additional funds running to tens of millions of dollars are being filed with the U. S. Office of Education.

De-Frosting Loan Funds

ONE REASON loan funds did not move until recently was that they were administered by people who saw them as fiscal cares rather than as instruments of educational policy. Now loan funds in the hands of financial aid officials and deans of students circulate.

Once colleges made the decision to use rather than hoard loan funds policies were modified to meet student circumstances. Under previous practice the neediest student was (in the eyes of the treasurer) the poorest risk; he now becomes the principal beneficiary; he also proves to be a good risk. Instead of charging commercial interest rates, with repayment starting at once, colleges began experimenting with more generous terms. They recognized that it would defeat the loan's purpose if payment were demanded while the needy student was still in college. The long-term, low-interest loan, designed for the truly needy student, that emerged proved attractive to students who had previously resisted the idea of borrowing to pay for their education.

In a nation where installment buying is so common it is surprising that borrowing for college did not become popular sooner. One reason is the reluctance of young people to burden themselves with debt at the start of their careers. Another cause of resistance to loans as a general method of financing college is the conviction that they give education the character of a commodity and thus encourage the application of the laws of the market to it. It is argued that easy loans for colleges are inflationary in that they tend to drive up college costs. It is also argued that the burden of a financial obligation may have a bad effect upon the motivation of students. Despite these objections Americans are increasingly ready to borrow for college and colleges are increasingly willing to lend.

Reasonable Terms

READINESS to borrow for college, like readiness to borrow for a house, depends in large part on how much and on what terms.

The repayment terms in the federal loan program authorized by the National Defense Education Act of 1958 represent the kind generally endorsed by educators. Each loan is interest-free while the borrower remains a full-time student, and interest at the rate of 3 per cent per annum is charged after completion of his education. No payment on either principal or interest is required until one year after graduation. Payments thereafter are made on a scheduled basis over ten years. A moratorium on payments and the accumulation of interest is declared in the event the borrower returns to full-time study or enters the armed forces. The liberality of these terms accounts in large part for the enthusiasm with which the federal program has been received. Many institutions are taking them as model repayment and interest terms for a student loan fund and are amending the terms of other loan funds to coincide with them.

Publications Available

The manual put out by the U. S. Office of Education in connection with the National Defense Student Loan Program may be obtained by writing the Student Loan Section, Division of Higher Education, U. S. Office of Education, Washington 25, D. C. Another pamphlet An Aid to Administrators of National Defense Student Loans, by J. F. Morse, is available from its publishers, the College Entrance Examination Board, 425 West 117th St., New York 27, N. Y.

The "loan-guarantee" programs developed in Massachusetts and New York illustrate another way of making loans more accessible and attractive. By guaranteeing the repayment of all or part of the loans, these agencies encourage commercial lenders to make money available to college students on favorable terms.

How Much?

TO A STUDENT wondering whether or not to borrow for college the terms of repayment probably are less important than the total amount of the obligation. Very few would be willing or should be advised to borrow all the money needed for college, no
matter how favorable the terms. There is a limit, hard as it is to define, on the extent to which a student should obligate himself, and it must be respected. One authority has suggested that a student's total loan obligation should not exceed his expected average annual salary during his first ten years of employment. (The limit of $5,000 in aggregate loans under the National Defense Student Loan Program is consistent with that concept.) The prospective engineer might therefore borrow up to eight or ten thousand dollars, whereas the prospective teacher or clergyman is better advised to borrow less than that.

How Much Can A Student Repay?

"Graduates whose beginning salaries are anywhere near the national average should be able to repay loans aggregating as much as $4,000. Non-technical graduates throughout the nation received beginning salaries which averaged about $5,000 per year in 1938. Technical graduates received approximately $5,500 as an average. These salaries, which are expected to be even higher in the future, should permit the repayment of $50 or less each month for educational loans." Hill, W. W., Credit for College.

"We can certainly all agree that it is undesirable to encourage a student to take out loans to the point where he is seriously overburdened by debt. And it is a fact that we in the colleges do not really know just where a reasonable amount of debt ends and overburden begins. Obviously the notion of overburden really depends on the attitude of the individual borrower: A loan of $100 is a bitter and weary burden to one man, while a loan of $5,000 is borne cheerfully by his brother. One complication in determining the total debt loan for any individual will be the necessity of taking into account graduate school loans to come as well as present undergraduate loans.

"Colleges can learn an important lesson from the banks on this point. A student's educational loans will eventually be repaid mainly from income. And like the banks, we in the colleges shall do best if we have an eye on the future earning potential of the individual (as well as his present attitude) when we encourage him to borrow more than $1,000. Perhaps in the average case we shall not want to see the total education loans of an individual exceed his expected average annual earnings for his first 10 years after completing his studies.

"Such estimates of annual earnings will not be altogether simple to work out and will be subject to error, but we owe it to the student to try as best we can to develop some sense of appropriate limits." John V. Monro, The College Board Review.

Once again the principle of tailoring aid to individual circumstances, including plans for the future, emerges. Not only should the future college teacher assume less obligation than the future engineer because of earning differentials; he should also borrow less per year because he's going to have to finance graduate work as well.

Loans to Freshmen

Whether or not a college freshman should be encouraged to borrow is an unresolved issue. Most institutions shy away from the practice for several reasons. First it is feared that because of his youth a freshman might easily be troubled and discouraged by having to borrow. Second, it is feared that a student whose borrowing begins so early will accumulate too burdensome a debt by the time he completes his education. Third, the freshman's uncertainty about future study and occupation makes it difficult to plan a loan program for him. Finally, colleges frequently want to wait and see how the freshman makes out academically before they extend credit to him. Certainly loans to freshmen should be fewer and smaller than those to upperclassmen. On the other hand, any policy that arbitrarily excludes freshmen and has the effect of denying them a chance to go to college clearly is unwise. If an institution can help the freshmen in a more generous way, so much the better. If a loan is the only way, then it should by all means be used.

Forgiveness

Since it is impossible to see in the future, some institutions make adjustments in loan totals after the fact — when it is known what the borrower's occupation and economic status actually are. A few colleges "forgive" part or all of a loan in the event the borrower actually is engaged in a low-paying occupation such as teaching or the ministry. This forgiveness concept is included (for public school teachers) in the National Defense Education Act. There are bookkeeping, administrative, and educational headaches in this kind of condition, and colleges will want to think carefully before adopting it in their regular loan operations. Forgiveness of loans in the case of death, disability or protracted illness is fairly common, but is generally handled on an ad hoc case-by-case basis.

Loans to Women

A recent study showed that proportionately almost twice as many men as women borrow money for college. Women students, if they do borrow, generally want to take on a smaller loan burden in order to avoid carrying obligations into marriage. It may be some time before the value of the education itself is counted an addition to the dowry. This fact once again underlines the importance of planning financial aid in accordance with the individual's circumstances. (See also Chapter 5, "Employment.")
Educating the Student to Loans

FEW STUDENTS — particularly those who are just beginning college — have a sophisticated understanding of economics or personal finance. Many consider borrowing simply “being in debt” and a thing to be avoided at all costs. A good financial aid officer may have to give the prospective borrower financial counseling. He can point out that the student will in all probability earn more money as a result of attending college (it has been estimated that a college degree is “worth” $100,000 in lifetime earnings); that regular payments based on his earnings can retire his obligations in a relatively short time; and that the terms of his loan represent a distinct advantage over what he might expect in a commercial obligation. At the same time, he should appreciate the nature of the commitment he is making and should understand that he is not getting something for nothing.

To insure a sense of personal responsibility for his financial obligation, the student himself should sign the loan note. In some states a minor’s signature on a loan note is not legally binding; those states generally require that a parent be a co-maker of the loan. In states where no such limitation applies and the question of co-makers is optional with the college, there is strong sentiment for avoiding the practice. The feeling is that the increased legal protection given by the co-signature is outweighed by the sense of personal responsibility developed in the borrower. Since parents, whether legally responsible or not, may be involved in repayment, it is a good thing to keep them advised of the nature and extent of obligations being assumed by their children. The student, too, may lose track from year to year of how much debt he has accumulated. Some method should be devised for keeping him posted — a footnote on his annual award notice, an interview each time he executes a new note, or a form of note that indicates clearly the total obligations.

Convenience Loans

IN RECENT years a form of aid often called a “loan of convenience” has emerged on the college scene. Its purpose is to ease the financial pressure on families that are basically capable of meeting college costs but find it difficult to pay on schedule. The loans generally carry rates of interest and terms comparable to commercial loans, and usually no evidence of financial need is required. The family with a good current income whose children are all in college simultaneously finds this chance to “amortize” the cost of college a great convenience. Such loans make it easier for colleges to increase tuition for enrolled students. The availability of convenient financing softens the blow for parents who have been budgeting carefully.

Some educators feel that middle-income families are unduly “squeezed” by the needs-test approach to financial aid. The suggestion has been made that “a line of credit” be offered to anyone not eligible for aid on a strict needs basis allowing them to borrow as they see fit. Another form of convenience loan is to permit parents to pay a year’s cost in 12 equal monthly installments. This has proved helpful to parents and has forestalled some applications for direct loans. As the college gets into what are, for all intents and purposes, commercial loans, cooperation with banking agencies is recommended.

The Uses of Loans

THE ARGUMENT is frequently advanced that loans are better for students than gift aid because they build character and develop a personal sense of appreciation for the education the borrower receives. And the loan teaches him the value of the dollar. Most financial aid officers, recognizing that there may be some merit in the argument, nonetheless avoid this sorghum and molasses rationale, principally because it is used all too frequently and as an argument against gift aid rather than as an argument for loans. There are many good reasons for making loans a part of the financial aid package. These reasons are practical and measurable and are not beclouded by moralizations.

From the institution’s point of view, the great advantage of loan funds is the obvious fact that the money will return to aid others. A million dollars, set up as a perpetual scholarship fund yielding 4 per cent interest, will provide $1,000 in aid to 40 students each year. A revolving loan fund in the same amount, assuming an average loan term of 10 years, will give as much help to at least 100 students each year. The implications for expanding a student aid program are obvious. All that is needed is a “readiness to borrow” on the part of students and their families.

In a sense, student loans have a built-in needs test: few people borrow more than they have to. This is the basis for one of the important uses to which loans are put in a well-integrated financial aid program. In cases of doubtful or marginal need, some colleges offer a student part or all of the aid he has requested on a loan basis. The presumption is that if he needs the money he will accept the loan; if he doesn’t, he won’t. Financial aid officials are impressed by the number of cases in which the loan offer has brought forward unexpected help from an uncle or grandmother, making it unnecessary for the student to accept the loan.

The long-term, low-interest loan is also used frequently to carry the scholarship holder who has failed to meet renewal standards but who nonetheless is deserving of a chance to continue his college work.

Students often carry too much part-time work for their own and the college’s good. Pressed for funds, they take a second job or a full-time graveyard shift in a local factory. The result is that they fail to attain the purposes for which they came to college. In such cases the substitution of a loan for a job makes the best kind of financial, academic, and personal good sense. The student can easily be shown that his rate of earnings will be greater after graduation than while he is a student and that it is therefore more economical for him to borrow than to work.
Loans might substitute for employment in other situations. Many colleges believe that a student who needs aid should work part-time during the school year. Yet there are times when such a student would contribute more to his own and the college’s welfare if he were excused from work. In these cases the principle of self-support can be preserved if a loan is substituted for earnings. The student whose election as editor-in-chief of the college daily promises to make his senior year a hectic one is a prime candidate for such substitution, as is the student carrying an independent or supplementary academic program. Substitution of loan aid for earnings can resolve a classic dilemma in financial aid work: what to do with the needy student who asks to be excused from his obligation to work in the summer because he has a once-in-a-lifetime chance to travel abroad at no expense to himself. In all such cases, the loan substitution permits the student to assume a financial responsibility equivalent to self-support work, without letting work get in the way of personal or intellectual advancement.

Leaders Among State Loan Programs

Massachusetts:

Massachusetts enacted legislation in 1956 authorizing creation of a Massachusetts Higher Education Assistance Corporation. It established a guaranty fund which is used to underwrite 80 per cent of each loan made by a participating bank to a college student. Money for the guaranty fund was contributed by individuals, corporations, and foundations.

The MHEAC began operation in April, 1957, and has guaranteed more than 4,200 loans having a total principal value of over $2,200,000.

New York:

The New York Higher Education Assistance Corporation began guaranteeing loans during the summer of 1958 and by July 1, 1959, had underwritten 6,062 loans with a total principal value of $3,300,000. More than 200 banks are participating in this program and the average loan is almost $550. In New York the guaranty fund was established with state funds.

The New York Higher Education Assistance Corporation has the power to loan money to students by commercial banks. Annual and maximum loan guarantees are limited by the statute creating the Corporation:

Other States with loan programs include: Maine, North Dakota, Rhode Island, Virginia, and Wisconsin.

Non-Institutional Loans

There are many non-institutional loan funds that can supplement an institution’s own budget for student aid. Literally thousands exist throughout the country, among the largest of which are the banks participating in state-wide guarantee plans. In addition, individual banks and banking systems have established special college loan programs, and a few commercial enterprises have come into being to lend money for college expenses.

The biggest news in the student loan field is the National Defense Student Loan Program enacted by the 85th Congress and administered by the U.S. Office of Education. Under this program, tens of millions of dollars are being made available annually to colleges and universities throughout the country. At present some 1,300 institutions are participating in the program (some 500 of which never before had loan funds). Though each institution is responsible for the administration of its own fund, including the selection of recipients and the determination of the size of loans, the terms of the loans are fixed by law. Borrowers who subsequently become public school teachers may be excused from payment of up to 50 per cent of their total loans plus interest, at the rate of 10 per cent for each year of full-time teaching service. Special consideration in the award of loans is given to those planning careers in teaching and to students who have superior preparation in or capacity for the study of mathematics, sciences, and modern foreign languages. For two booklets describing the program see the box on page

Budgeting

Simple calculation will indicate how much of the principal of a revolving loan fund should be lent out in a given year. The principal sum divided by the average life of an outstanding loan will yield the figure. For example: in an institution where loans are not made to freshmen and loans are due five years after graduation, the average life of a loan will be approximately seven years; given a revolving loan fund of $140,000, a minimum of one seventh, or $20,000, can prudently be loaned each year. Actually many loans will be repaid prior to their due date, thus bringing returns in advance of the $20,000 per year rate. A statistical analysis of recent experience will indicate the extent to which the institution can accelerate this rate of lending.

Collection

A regular schedule of repayment installments is integral to good collection practice. The principle of tailoring practice to individual circumstances is as applicable here as it is in the awarding of financial aid. If a borrower is starting out in a low-paying training program after college a system of graduated annual payments is better than equal annual payments. Though monthly payments are a bookkeeping nuisance there may well be cases in which they are necessary.

1 Perhaps the most complete published list is in Hill, W. W., Credit for College. See Appendix B.
Payment Schedules

The following payment schedules demonstrate the graduated vs. equal annual installment approaches:

Equal Annual Payments, $1,000 at 3% over 10 years

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Interest</th>
<th>Principal Payment</th>
<th>Balance of Loan</th>
<th>Total Payment</th>
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<tbody>
<tr>
<td>1</td>
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<td>$912.50</td>
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<td>3.33</td>
<td>111.09</td>
<td>--</td>
<td>1,171.92</td>
</tr>
</tbody>
</table>

$117,50

Graduated Annual Payments, $1,000 at 3% over 10 years —
$10 for Year 1 to $195.70 for Year 10

<table>
<thead>
<tr>
<th>Payment No.</th>
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<th>Principal Payment</th>
<th>Balance of Loan</th>
<th>Total Payment</th>
</tr>
</thead>
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<td>$40.00</td>
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<td>960.00</td>
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<tr>
<td>3</td>
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<td>90.00</td>
<td>750.00</td>
<td>115.20</td>
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<td>640.00</td>
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<td>15.30</td>
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<tr>
<td>9</td>
<td>10.80</td>
<td>170.00</td>
<td>190.00</td>
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</tr>
<tr>
<td>10</td>
<td>5.70</td>
<td>190.00</td>
<td>--</td>
<td>195.70</td>
</tr>
</tbody>
</table>

$214.50

$1,214.50

If a copy of the repayment schedule with a fixed date for payments is given each borrower just before he graduates, there should be no need for reminders. A prompt notice that a payment is overdue, however, is of considerable importance. Although there should be no difficulty in maintaining a reasonably accurate mailing list close liaison with the alumni office is important. A regular series of form notices, of graduated degrees of insistence, and culminating in a registered letter from the president or similar official is fairly regular practice in dunning recalcitrant borrowers. In rare instances an institution may employ the services of a professional collection agency, but generally this is to be avoided. Most graduates who fail to repay loans on schedule have some pressing reason for it. A constructive effort to identify the reason and establish a new repayment schedule will yield better results. Sometimes the circumstances warrant a moratorium on payments or even, in the case of total disability, for example, cancellation of the debt. Every reasonable effort should be made to collect loans; but it should be kept in mind that the purpose in doing so is to help other students and not to imitate commercial lenders.

At one time, insurance against failure to repay loans was widely used. Some institutions required borrowers to take out policies in the face amount of the loan with the college as beneficiary. Sometimes it was required that these policies even had to be prepaid. Statistics now show that this practice is not worth the administrative headaches and expense it involves.

Collection Experience

The management of loans is by far the most complex administrative problem in financial aid work, because of the need for collection. Careful coordination of interested officers (the awarding officer, the paying officer, and the collecting officer, especially) is of prime importance. So is the maintenance of careful records.

The success of colleges and universities in the collection of loans has generally been excellent. According to W. W. Hill, the experience of the larger and more carefully administered student loan funds indicates that at least 98 per cent of the money loaned to students will be repaid. Variations in earning level, loyalty to
alma mater, etc., have less effect on repayment than good loan fund administration. By giving a close enough relationship between the borrower and the financial aid officer, an institution should gain more in interest payments than it loses in defaulted loans, and its loan funds should experience a steady growth through the years.

The exit interview toward the close of the borrower's college career is regarded by many officers as a key feature of good collection policy. Discussion with the financial aid officer will help the student plan his repayment schedule in the light of his immediate prospects for employment, military service, marriage, etc. He will understand fully how extensive his debt is, when and how it must be paid, and where to send his check. He has an opportunity to clarify questions such as "What happens if I don't keep up my payments?" The financial aid officer, on the other hand, can make any adjustments in the repayment schedule that may seem advisable for there is no point in insisting on an unrealistic schedule of repayments.
Chapter 5

Student Employment

"Working your way through college" is an expression that is still used, though college costs are now so great few full-time, resident students can earn enough to meet them. But "working your way through college" expresses the pride Americans take in popular education and indicates the personal sacrifices they will make to improve themselves. The expression is more than mere folklore in financial aid work. For few if any U.S. colleges will give financial assistance to a student unless he will work for a part of his needs. A cardinal principle of student financial assistance is that: "The first means of support is self support."

The Responsibility to Work

American colleges have come a long way in developing student work programs since the day when jobs were largely day labor or menial work. An eight-hour factory shift, however romantic, leaves little time or energy for the real business of education. Menial and service work sometimes can be detrimental to a student's personal development. But no matter how much the tradition may have been modified, there is still firm insistence on at least token self support. Work is required as evidence that a student is willing to help himself before asking others to do so.

Most colleges insist undergraduates who receive financial aid assume two kinds of work responsibility: full-time work during summer vacations and part-time work during the academic year. Colleges or universities generally take more responsibility for providing satisfactory employment for needy students during the school term than for locating satisfactory summer work. Developing the local, term-time employment program is part of college's larger effort to harness all possible sources of money for student aid. In the past, catch-as-catch-can student employment frequently gave the highest-paying job to a student whose need for it was not so great as that of many others. Students were at the mercy of local employers whose sole object was to get the cheapest labor possible. Magazine selling, dishwashing, and other low paying jobs were standard.

Capturing the Job Market

Intent now on making the best possible arrangement for their students, aggressive colleges have set out to "capture" part of the local job market. Here are three steps that can be taken to do this:

1. Clarify the institution's own job needs and employment practices. Every college, no matter how small, needs a large operating staff. This can largely be composed of students or their spouses. Even full-time jobs can be broken down into manageable parts and carried by students. In large institutions this takes good working relationships between the student aid officer and the personnel director. (One large university has stated in all its union contracts that any job that can be filled by a student may be.)

2. Try to improve relationships with those who traditionally use student labor. Local drugstores, supermarkets, eating places, theaters and the like have probably relied for years on students. They have either waited for students to ask for work or have advertised for help. Chances are they will cooperate in an effort to coordinate their needs with student needs. A good employment center, where they can list their requirements and get reliable referrals, is a convenience to them. The college can use such a center to see that needy students get the jobs best suited to their talents and schedules. Everybody gains: a talented student artist gets a job painting signs at five dollars an hour instead of wasting his talents in a hash house while the sign painting firm goes short handed.

3. Find untapped employment opportunities in the community. Like the college itself, many local employers have neglected the possibilities of student employees partly from ignorance and partly because hiring students is just too complicated. Here again, if the college will assure careful, reliable referrals, it can often capture additional jobs for its students. Student workers have at least two distinct advantages over their competition. First, they offer more brains per dollar than do most available workers. Secondly, they will work evenings and weekends when many other persons will not. The well-organized college can add a third important advantage: since students referred for jobs are those in need of aid (both gifts and loans) and since the college has a controlled employment program, the school can guarantee responsible work. Any coordinated work program must be based on the understanding that work performance counts, favorably or unfavorably, in assignment of future jobs to students and in the award of gift and loan aid. An employer who is concerned that his help may be "irresponsible college kids" will be reassured by this protection.
Conditions of Work

WHEN A COLLEGE can control the flow of its students into jobs, it can also insure reasonable rates of pay and acceptable working conditions. This is an important part of the bargain the school makes with its students when that student agrees to perform his work responsibly and well. The college must be willing to drop unreasonable employers from its roster as well as unreasonable student employees. A "fair trade" policy for odd jobs — baby sitting, lawn mowing, and the like — is of particular importance. Since odd jobs are fluid, both students and employers must be dissuaded from senseless overcharging or under-paying.

As the college takes more and more responsibility for the employment of its needy students, it will improve their job opportunities. Some institutions actually give interested students "training" in baby sitting. As a result their baby sitters are in great demand. When the institution refers only well-qualified students to employers and refuses to send them students whose qualifications are questionable its endorsement means something. Its influence in the job market is increased. The college can then do for its students what they cannot do for themselves.

When student employment is centrally controlled, it is possible to enforce an institutional policy that puts the student's academic and personal growth at the center of things. Although there are limits, employers can be persuaded to modify work schedules to suit student workers. To insist that a waiter work every noon meal from twelve to two or not at all, even though the student filling the job would like to take an early afternoon seminar once a week, may make managerial sense but it does not make educational sense. A good financial aid officer will supply another waiter on the one day in question or insist that the dining hall itself arrange a substitute. This can be put across to the employer in conferences and informal meetings.

Coordination

JOB PLACEMENT must, of course, be well coordinated with the other components of the financial aid package. How much the student earns helps determine how much gift and/or loan aid he needs. How well he meets his responsibility for self support should be considered in deciding how much aid he deserves. Thus, a well thought out system of reporting earnings and work performance is part of a sophisticated student-employment program. Appendix A includes a model employment registration and referral form and an earnings report and performance rating form. Both are useful in a program of any size.

A well-designed and administered system of employment registration can yield an invaluable inventory of student skills and experience. It is of great value in persuading employers to deal with the college employment office rather than directly with individual students. If the center has a long list of jobs with guaranteed fair wage and work conditions, and if applicants for scholarship and loan aid are required to register, then just about all students will be included on the employment center's roster.

Student Enterprises

STUDENT INGENUITY is another great source of jobs. Because they know the strengths and weaknesses, likes and dislikes of their schoolmates, students themselves turn up markets for unique goods and services. The alert college will try to harness the resourcefulness of individual students for its overall aid program. When a student decides to publish a campus picture calendar or sell parents birthday cakes for delivery on campus, there are jobs in the offing. Of course students can and will do these things without the help of college authorities. But here again a quid pro quo can be developed. The student has an idea which implies job opportunities. The college has, among other things, the right to control access to dormitories for selling purposes. If they can get together, everybody gains.

Merger of student ingenuity and institutional interest has developed enterprises known as "Associated Student Agencies," "Student Services, Inc.," etc. These are associations of small student businesses. They usually sell specialty items and personal services to students under college sponsorship. In return for authorizing access to college buildings and grounds — often tantamount to a monopoly of the student market — a college can control rates of pay, quality of goods and services, and jobs. Coordinating a number of such student businesses has these effects: Each business can be run economically and efficiently. One salesman can handle a variety of items and earn enough to meet all his needs. Incidentally, this also controls the number of salesmen allowed in dormitories. Then each small business can, by pooling efforts, get the benefit of professional accounting, legal help, and other business services. On many campuses these associations are marvels of student enterprise and student financial aid work.

The following partial list of student agencies at one University suggests the range of possibilities:

<table>
<thead>
<tr>
<th>Student Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodations</td>
</tr>
<tr>
<td>Birthday Cake</td>
</tr>
<tr>
<td>Blotter</td>
</tr>
<tr>
<td>Book Supply</td>
</tr>
<tr>
<td>Calendar</td>
</tr>
<tr>
<td>Cap and Gown</td>
</tr>
<tr>
<td>Directory</td>
</tr>
<tr>
<td>Distributing</td>
</tr>
<tr>
<td>Food</td>
</tr>
<tr>
<td>Furniture</td>
</tr>
<tr>
<td>Tutoring and Typing</td>
</tr>
</tbody>
</table>

One note of caution: earnings from these businesses and the businesses themselves are generally subject to local, state, and federal taxes. For example: the college or university's local real estate exemption probably will
not apply to the space given to administer student businesses. Associations of student enterprises should therefore engage legal and accounting help to lay a careful foundation for their activities. The college — since its reputation and students are involved — may find it worthwhile to provide these services. If past experience is borne out, the association will soon be successful enough to carry these and other administrative expenses (e.g., rent) by levying a percentage tax on the gross business of each member enterprise.

**Educational Values**

INCOME is not the only advantage of student employment — even though it is its main purpose. There are opportunities to gain vocational experiences in both term time and summer employment.

College students traditionally have relied upon seasonal openings for summer jobs. They have been camp counselors, lifeguards, resort-hotel waiters, etc. These jobs pay reasonably well and conditions are healthful. But recently, through the cooperation of college placement officers and employers, students have located summer jobs that offer them a chance to "try out" possible vocations or to get a head start on careers they have chosen. Some of these, hospital orderly and newspaper copy boy, for example, pay relatively little. A self-supporting student can "afford" to take such a job only if financial aid authorities will recognize this fact when they plan his aid program. If, as suggested in Chapter 2, a college junior is expected to save a minimum of $350 from summer employment but has a chance to work on an out-of-town newspaper as a cub reporter, he must persuade his financial aid officer that gift and/or loan aid for his senior year should be increased by the amount he will fall short of $350. Under these circumstances the aid officer must consider the career plans of the student. This illustrates once again the importance of a close counseling relationship between the financial aid officer and his needy student. Unless the office that controls scholarships and loans also manages the employment program, close coordination is virtually impossible.

Fortunately, not all summer jobs that are vocationally worthwhile are low paying. Many business and industrial firms offer summer training programs for promising college students at attractive salaries. A number of college placement offices have sought out interesting and reasonably paid summer jobs in both federal and state governments for students who may eventually become government workers. Alumni are frequently asked to give students a summer trial. College students genuinely interested in career training do a good job for such employers. Business and industry see the benefits that such a program gives.

**Reasonable Workload**

HOW MUCH outside work can a student carry without damage to his academic and personal life? That is a difficult question to answer. Generally speaking, when a student's work load plus his classroom hours exceeds 35 hours a week, including commuting time, he may be overburdened. But this will vary with the individual and with the institution, since the academic demands made upon the individual are the basic factors in the formula. Twelve to fifteen hours of part-time work per week is probably a reasonable load at most colleges and universities.

Measured in terms of earnings, a reasonable work load traditionally equals the cost of a year's board. Since it costs about $400 per year for a resident student to eat, a job that brings in that amount can be considered reasonable self support, no matter how few hours of actual work it involves. It can be argued that the aggressive student who sells enough souvenirs during the football season to bring in $400 should be rewarded by being freed of work during winter and spring.

**Work Load Guide**

While these guides to reasonable work loads must be adapted to each campus, here are general considerations that apply everywhere:

- Work requirements should include a minimum — such as $300 to $400 — to insure a basic sum in the student's budget.
- The requirement should be devised so that real effort is required of a student.
- A ceiling should be imposed on the number of hours (per week or month) that a student may work.
- In all circumstances, rates of pay per hour should reflect a reasonable community standard.
- Students who devise ingenious methods of earning money should get some credit for the "effort factor."

**Learn While You Earn**

THIS "COMPATIBLE THEORY" of student employment can be applied to term time employment as well as summer employment. Where a college or university develops a coordinated job program it can help students "learn while they earn." The Yale Bursary Employment Program is an endowed program that can be adapted by any institution that has control of employment on its own campus. The Yale Program places students in jobs that suit their talents, interests, or career plans and that have educational value. It is not necessary to "make work" so much as it is necessary for the employer or supervisor to think in terms of educating or training his student employee. To take an example: if the dining hall manager hires a student of hotel administration and gives him an opportunity to work in
all phases of the dining hall operation — waiting, dishwashing, cashiering, menu-planning, and so on — it is likely he will get more work out of the student at the same time that the student gets useful training.

Some campus jobs not now "entrusted" to students can turn out to be useful in this respect. The next time the college considers hiring a full-time assistant in its news bureau or a technician for its biology laboratory, it may discover that a team of talented and interested students can do the job as well — with greater benefits to everyone. An outstanding undergraduate who is considering a career in college teaching can assist in the teaching of a college course. The testimony of Yale undergraduates that their jobs under the Bursary program have sometimes been as valuable as an extra course or have greatly influenced their careers after college should encourage other placement offices to find jobs for students that have values beyond the income they produce.

Opportunities For Women

Finding jobs, both term and summer, for women students has always posed a more difficult problem than finding jobs for men. Convention rules out physical labor, late night, or solitary work. And so work opportunities are limited. Yet girls need income and experience just as boys do. The college is not likely to change society or its attitudes overnight. But it can take a more realistic attitude toward the employment of women. First of all, it need not take society's word that girls are physically frail and socially limited in the work they can do. The college can ask the girls themselves. When custom limits a type of job to male students, a question put to the girls may reveal that both their interest and their capacity have been underestimated. Late evening work off campus ruled out as unsafe can sometimes be made safe. At any rate, a conference of girls on the subject of work opportunities may well open new horizons. If jobs for girls remain limited, the college should, where it controls the employment situation, think of reserving for girls those areas of work for which they are considered qualified. This will help insure equal opportunity where there is equal need. For example, if dining hall jobs are considered too "hard" for girls, then library jobs should be regarded as too "easy" for boys. The shortage of clerical help on campuses may make it worthwhile for a college to offer free clerical training to its own students.
Chapter 6

Non-Institutional and Miscellaneous Forms of Aid

Financial help is increasingly available to college students from sources outside their own colleges and universities. Not only have church, civic, fraternal, and alumni groups increased their assistance, but business concerns have begun to make scholarship awards to sons and daughters of employees or to promising prospective employees. Increase in the number of these "outside awards" is a mixed blessing for institutions of higher education. They have provided much needed help to students. But the complexity of their purposes and standards has greatly complicated the administration of institutional aid programs.

Conflicting Motives

Although the motives and standards of outside donors frequently differ from those of the institution in which the recipient is enrolled, the college must take a constructive attitude toward outside awards. They are, potentially, a great asset to students, colleges, and society alike. Experience has shown that most of these awards can be accommodated gracefully and effectively in a financial aid program.

Athletic Scholarships

But since "he who pays the piper calls the tune," conflict between outside awards and institutional policy can arise. The classic example is the athletic scholarship. If a group of alumni award a scholarship to a student because of his prowess as an athlete while the college's policy is to avoid such standards, a conflict of serious proportions looms. When the dean suggests that the student-athlete give up sports to concentrate on his studies, the conflict emerges. The student himself may not feel free to act as he wishes. When the athletic scholarship wins the battle, the basic values of the institution may be — and on occasion have been — destroyed.

At least one large group of colleges has adopted a simple basic proviso effective in controlling outside awards to athletes. They have said flatly that all outside awards must be approved by the college financial aid authorities. Any student who accepts an outside award not approved by such authorities is automatically ineligible to represent his college or university in any inter-collegiate activity. They have made this regulation stick. As a result outside donors now apply standards consistent with those of the institution.

Not all colleges do this. Practically speaking, athletic scholarships are so firmly imbedded in some institutions that the only thing that can be done is to try to keep them within limits. Only when all schools in a given athletic conference move together is there any likelihood that a single college can contain the evils of athletic proselytizing. The alumni of a college that attempts it independently would rebel. But limits on the number and amount of such awards have been imposed by some colleges. This at least keeps the awards overt and regulated. Since it is virtually impossible to subject these awards to the principles of good financial aid practice, it is questionable whether they should be considered part of the college financial aid program or be administered by the financial aid office. Nevertheless, every effort should still be made to persuade alumni and other athletic boosters to tailor athletic awards to institution policies.

Interpreting Policies to Donors

The problems connected with other outside awards are similar but much less difficult. When a concern awards a scholarship to a promising engineering student in order to recruit him, a conflict with institutional values and standards may arise. When a fraternal organization decides to make an award that greatly exceeds a student's true need, despite that student's modest academic qualifications, this award, too, may conflict with institutional standards. But in these cases much can be done.

Avoidance of conflicts of this sort rests upon the development of clear and reasonable standards by the institution and a vigorous effort to explain and "sell" them to outside donors. There is no question that a college has the authority and ability to enforce its standards. The hard job is to enforce standards without losing great potential benefits. That this has been done successfully by many colleges and universities should offer encouragement to still others.
A college must know what it will approve or tolerate and what it will not and have some mechanism for resolving borderline cases. If a college requires certain academic standing for gift scholarship aid, what will it do in the case of a student who has a scholarship from a missionary organization in his home-town church but fails to meet that standard? Will the college approve the award and weaken its own standards? Or will it, more reasonably, find some compromise solution?

One institution’s compromise in such a dilemma was this: it got in touch with the sponsoring group, explained its standards in careful detail, and said: The college itself would take over responsibility for the student’s finances temporarily and award him a long-term loan that would carry him through the fall term. This loan would be granted with the understanding that the student would be eligible for reinstatement of his outside gift award if by mid-year he had satisfied the minimum academic standard for gift scholarship holders. This was readily agreed to. All worked out well. But the important point is that the outside donors appreciated the importance of maintaining institutional standards when the situation was carefully explained.

It takes cooperative institutional effort to educate outside donors to the standards and values of college financial aid programs. Associations of colleges, particularly in joint fund-raising efforts, have a unique opportunity to do this. Whereas a group of colleges can safely insist that outside awards be based on need, an individual institution might be timid to do so for fear a donor would take his money elsewhere.

**Alumni Relations**

The cooperation that grows out of understanding is nowhere so evident as in the case of non-athletic alumni scholarships. Institutions once harassed by alumni awards to students who didn’t really need them or who weren’t qualified have been able to develop effective working relationships with those same alumni. There is a suspicion that admissions and financial aid officers are unsympathetic eggheads who are willing to sell the tradition of *alma mater* short. The only way to dispel this attitude is by helping the alumni understand the perspective in which institutional authorities must view admission and aid. Some grasp of the range of applicants, their needs, and their qualifications, broader than that which a local alumni club can be expected to have, is necessary for understanding.

Here is the most direct and perhaps most effective way to bring this about: have alumni go through the motions of actually being the admissions and/or financial aid committee. One or two colleges have done this. They have, at Alumni Day or reunion time, employed real (though disguised) cases. In effect, they ask their alumni: “What would you do if you were in our shoes?”

The results which range anywhere from total lack of agreement among alumni to full endorsement of actions taken by the college authorities make this point most effectively: One alumnus, sitting in one town or city and knowing a few students, seldom has the perspective to second-guess the institutional authorities.

Steps short of this can do a lot to make the same point. Regular bulletins to alumni, addresses to local alumni clubs by college representatives, involvement of alumni in interviewing and evaluating applicants, more alumni meetings with undergraduate students all contribute to a greater appreciation of what’s going on at the institution and a fuller appreciation of the standards and values being applied.

Directors of alumni relations are quick to acknowledge the value of alumni participation in the financial aid program, so far as alumni interest is concerned. Nothing brings alumni quite so close to *alma mater* as to have their club assist one or more local students — especially when the students express their gratitude by letter and in person and bring home first-hand impressions of what’s going on at the college. To help build this cooperation, alumni scholars should be encouraged to participate in the affairs of the local club and should be used as speakers at alumni meetings.

To a lesser degree, the same approach can be made to other outside donors. Virtually all of them are interested in advancing education as well as their own particular causes. They will be grateful for efforts to acquaint them with the institution’s standards and procedures. They can be counted upon to make reasonable adjustments in their own programs for better cooperative relationships. Those who do not respond to conscientious overtures should be discouraged from further interest. If there is a real conflict between their standards and those of the institution, institutional integrity should not be compromised.

**Reporting to Donors**

Regular reports to outside donors are one way to foster good relationships. In many cases, the student is a good medium for such reports. He should be encouraged to render regular reports to those who are helping him get his education. The gratitude and interest of their protege is frequently the only reward these sponsors have. The college, too, should indicate its gratitude. Regular letters are the best means of doing so. These can be timed to serve as an inquiry to the donor, about his plans for continued aid to the student — an annual check to clarify the student’s financial status. If college and donor are attuned, it should be appropriate for the college to recommend to the donor if and how much aid should be extended to the student next year. (Ideally, recipients of outside aid should file annual financial aid applications with the college.) In large institutions this can be handled by a form. In all institutions, several tasks can be performed in a single donor letter. It can include a report, an evaluation, an expression of gratitude, an inquiry, and a recommendation.
Advisory Service to Aid Agencies

CONSTRUCTIVE relationship between colleges and outside donors can go one step further. The college, with its extensive experience in financial aid work, can give valuable advice to organizations that propose to set up student aid programs. Although there may be no benefits to the institution, the effort is worthwhile. Such elementary concepts as basing awards on need and other accepted practices of colleges and universities may never have occurred to citizens whose interest in helping deserving youth is only part time. Most civic, religious, and fraternal donors have not explored the possibilities of cooperating with other community agencies and with colleges and universities to stretch their efforts.

Adjustment of Stipends

MOST INSTITUTIONS take the position that they and their funds are the last resort of a needy student — that a boy or girl who gets aid from an outside donor must count it as an asset in his or her request for aid from the college. This seems simple, but it can cause complications. What if a youth is awarded an institutional scholarship and later wins a prize scholarship from an outside source? Should his institutional award automatically be reduced by the exact amount of his later award? Logic and consistency would suggest that this be the case. And it is just as well to announce in advance that it will be the case. In practice, however, it often seems harsh. Various modifications have been used to ease the impact. In the first place the action should not be abrupt. This can be offensive both to a student and an outside donor whose award may lose its prize effect if it is simply substituted for institutional funds. It is best to make the student a party to the decision within the framework of institutional policy. If the rationale of this policy is sound and lucid enough, the student, however disappointed he may be, will appreciate the long-run importance of upholding the policy. The same is true of the outside donor. Nevertheless, it is often wise to do nothing to permit the student a token financial advantage. For example, if a student is awarded a $500 gift and a $500 loan by the college and then wins a $250 prize gift scholarship, he might be content to substitute the new gift award for one-half of the earlier loan award. If his earlier award was a $1000 gift, the institution might reduce that to $850. This would allow the recipient a total award of $100 more than the institution had calculated his need to be. Such a decision would, of course, depend on the nature of the outside award and the amounts involved. Nonetheless the principle of “deductability” of outside awards may often be better preserved by a reasonable rather than an arbitrary application.

Miscellaneous Forms of Aid

NO MATTER how well a basic program of student financial aid is conceived and conducted, there will always be unanticipated demands upon it. The basic planks of gift scholarships, long-term, low-interest loans, and student employment leave inevitable cracks through which certain problems can fall. A number of auxiliary financial aids have been developed to caulk this basic structure.

Short-term, “emergency” loan funds. Minor financial crises always crop up among college students, no matter how well planned their overall finances: a “G.I. Bill” check is late; a check from home, promised in time for the prom, doesn’t arrive; a college pre-med senior has a unique chance to buy a microscope at a bargain; a careless sophomore loses his wallet at the football game. Many colleges cope with small, temporary economic crises like these through a system of short-term loans, generally interest-free, if repaid within six months or a year. A simple application form (See Appendix A) is part of the streamlined process of helping the student.

Locating Sources of Outside Aid

How to identify and locate prospective outside sources of financial aid? There is no single published list of donors. Much can be done, however, to comb the field. Here are seven steps:

1. Maintain a file of bulletins, clippings, and announcements along with records of your own current or former outside donors, identifying any known agency or organization that awards funds to students.

2. Put the individual student to work in his home community. Have him get in touch with the service clubs (Rotary, Lions, Kiwanis, Elks) and his church, as well as his high school counselor who may be acquainted with local donors.

3. Get in touch with the appropriate State Department of Education and request information on any student aid program it may administer.


5. Study American Foundations and Their Fields, which summarizes the activities of virtually all U.S. philanthropic foundations. See Appendix B.

6. Maintain a small library of current commercially published scholarship guides (e.g., Feingold, S. N. Scholarships, Fellowships and Loans; Lovejoy, C. E., & Jones, T. S., Lovejoy-Jones College Scholarship Guide; and The College Blue Book. See Appendix B.

7. Scout the treasurers’ reports of other colleges. You can frequently identify sources of funds not previously known to you.
promptly and with relatively little fuss. The ceiling on such loans is generally low ($50 - $100). The turnover is rapid. Many colleges lend the principal of a short-term fund twice in one academic year by setting close due dates. Setting due dates right after the Christmas holidays has two distinct advantages: Money to repay the loan may well come from gifts and/or holiday savings; and if so, funds are returned in time to be reloaned in the spring term.

*Discretionary gift funds.* Small gift awards, something like emergency loans, are made outside the regular awards procedure. Their purpose is not to meet a temporary crisis but to enrich the life of a needy student. A dean or counselor, who feels that a student is living "too close to the margin," that he would be a lot better off with a new suit, a date for homecoming weekend, or a set of books he does not feel he can afford, is usually the one who requests such aid, rather than the student himself. Under this arrangement, award of a small sum does not necessarily constitute a change in computation of the student’s basic need. It simply represents a temporary adjustment. It is more of a bonus than a pay raise. Aid of this sort is a morale booster. It can do wonders for a student whose concern for his finances has got him "down in the dumps."

*Medical discounts.* It is a standard practice for members of the medical profession to adjust their charges to the financial status of the patient. Colleges can help their needy students by agreeing with local physicians and surgeons to certify students who are in financial need if those students require medical care. This certification, generally a very simple form signed by the financial aid officer, insures that the doctor gives his most advantageous rate to those students who need it most.

*Loan Libraries.* The cost of books is a significant item in every student’s budget, especially if he must buy them new. A few colleges manage a lending library of basic texts to ease the burden on self-supporting students. Needy students may borrow at least some of the books they require for a year. An annual campaign sponsored by a student group encourages all students to donate used texts. Saleable items can be converted into more texts.

*Cooperative.* Any effort that holds down the costs of attending college is a form of financial aid. A number of colleges and universities have given their support to cooperative student efforts designed to minimize the cost of room and board. By lending sanction or even initial capital funds for such purposes (or for a cooperative book store) the institution can do much to help students. In return it may reasonably require that the advantages be limited to those who most need financial relief. A principal disadvantage of this kind of cooperative is that it tends to segregate needy students from their classmates and gives them second-class status.

*Uniform Dormitory Rentals.* Providing all dormitory accommodations at a uniform, median rate is not financial aid as such, but it has advantages. Needy students, instead of congregating in low-cost rooms, may mingle freely with classmates without having to worry about costs.

The numbers and types of financial aid, like the sources of financial aid, are vast and varied. The job of marshaling all of these and using each in its appropriate way is one of the most significant dimensions of financial aid work.
Effective Administration

The student financial aid operation is a service function within an institution of higher education. Since it serves the central function of the college it must be subservient to the central policy bodies of the institution. Policy guidance for the financial aid program flows logically from the faculty and central administration. They will provide sound policy guidance only if they have advice and counsel directly from financial aid officers with a strong sense of the importance of their work—a spirit that is likely to exist only in a service agency that feels "close to the top." As with all service functions in a college or university, it is important to give the administering personnel the feeling that they have some control over their program without permitting them to become autonomous and oblivious of central policy.

Since no two institutions are organized alike, it is virtually impossible to describe an ideal administrative set-up. In complex institutions the financial aids program is likely to be part of a larger service agency, which includes admissions work, student counseling, and perhaps all student personnel work and services. But financial aids should only be a part of a larger agency if the other duties of the agency are also student-oriented. When aid programs are administered by treasurers, bursars, and business officers results generally have been bad. There is some comfort in Alexander Pope's couplet: "Over forms of government let fools contest; What's best administered, is best."

The Policy Committee

The most successful administration of student financial aids has come when the financial aid operation has been made an independent unit of institutional administration answerable to a top-level representative policy committee. This relationship should embody two general practices:

1. The financial aids office should be directly responsible to the committee. There should be no middle office. Direct access to the policy level is vital to good communication and morale.

2. The principal financial aids officer should be a member of the policy committee. Even if the committee is concerned with more than student aid and even if he must be a non-voting member, he should at least be present to hear and be heard when policy is made. If the committee is concerned with student aid exclusively, the financial aids officer may appropriately serve as its executive secretary.

Uses and Abuses of Faculty

If financial aid policies are to reflect the larger policies and objectives of the faculty the financial aid committee should include faculty representatives. They should serve terms long enough to become well versed in financial aid work. Their service on the committee should include at least a taste of the real work of financial aids—interviewing, needs analysis, and so on. This will improve the perspective of faculty members. But the committee must not do the work of the staff. It is gross inefficiency to have a policy committee review each case and determine each award. The committee should have enough "feel" for problems at hand to give sensible policy direction to the staff and enough confidence in the staff to let it carry out the committee's instructions. A committee may be used to review borderline or tough cases. It can also serve as an appeals body. Inevitably cases arise in which a student and/or his family feel they have been wronged. Knowledge that his fate is not in the hands of a single individual with final power is a source of reassurance to a student.

A financial aids committee, like its staff, should have jurisdiction over all aspects of student-aid work, loans, and gift scholarships. It may be advisable to include on the committee persons whose institutional duties touch on these matters—the treasurer, the personnel director, etc. Their involvement in policy decisions is likely to insure their constructive rather than passive cooperation in the financial aid program.

Central Control

A good financial aid program is centralized. Even the temptation to put student employment in the senior placement organization should be resisted. For it is important that a student go to a single place and deal with a single staff in all matters of financial assistance. If loan funds are being administered by the bursar or treasurer, gift scholarships by the dean, and jobs by a placement or personnel officer, chaos will result. All aid must be subject to control by a single policy committee and a single administrative officer.
Integration of Financial Counseling

"Financial counseling should be integrated with the total counseling process contributing to the adjustment of the individual student... This fundamental philosophy underlines the theory that the financial aid program cannot be administered as a thing apart from other student personnel services. A student's financial difficulties may be correlated with problems of vocational alternatives, emotional disturbances caused by financial worries, or physical disorders resulting from over-exertion in attempts at self-support. It would be a fallacy to assume that a part-time job, loan, or scholarship, either singly or in combination, would solve all of the many aspects of the basic problem. It is evident, therefore, that any financial counseling program should be carefully coordinated with other student personnel services such as clinical counseling, health and mental hygiene, student activities, housing, and employment." — Financial Assistance for College Students, See Appendix B.

Staff

A college must be realistic when it thinks through the administrative organization of a financial aid program. Even if an ideal arrangement could be conceived, an institution must start toward its goal from where it is. Few aid programs have blossomed overnight. Few faculties have been won over to a high regard for the importance of financial aid work in a single debate. Half-loaf settlements are quite all right so long as they don't foreclose the possibility of further advances at a later date.

In smaller colleges financial aid work may be but one of the functions of the dean or a similar officer. Though financial realities may require this, it is worthwhile nonetheless to consider appointing a part-time faculty or student assistant to look after financial aid matters. Even if the dean can keep up with the pressing aspects of student aid on a part-time basis, he certainly will not have the time to develop and improve the program. In many colleges where there is no full time financial aid officer, it will be found that several persons are each doing a part of the job: Someone devotes part of his time to helping students find jobs; someone awards scholarships; many people spend time offering financial advice to students; someone lends and collects money, though this is incidental to his other duties. The college can probably develop a superior program of student aid with no real increase in effort or expenditure if it pulls these functions into a single office and utilizes a full-time financial aid officer.

Size of the financial aid staff will, of course, vary from one institution to the next. But a college with, let us say, 500 students probably needs a full-time financial aid officer, a secretary, and a part-time employment assistant. At the same time, a staff of this size can (and does) do an effective job in an institution three times that size. One large midwestern, coeducational institution of more than 20,000 students has a staff of 10 in its financial aid office, whereas an all male institution in the East has that many financial aid people for less than half the number of students. Though it is true that a large staff can accomplish more than a small one, there are Parkinsonian pitfalls in large-scale administration here as elsewhere. So it is just as well to hold down staff size.

Relationships of Financial Aid Officer to Others

Because he runs a service agency the financial aid officer must maintain "lines of communication" with the following:

Faculty and Academic Officials — Largely a policy relationship. They must be kept informed of the contribution to institutional excellence being made by the financial aid program.

Deans of Students and Counselors — Sources of information on the qualifications and needs of students. They must have a complete understanding of the financial aid program.

Institutional Employers — Sources of performance reports and other information. Work with employers to insure desirable working conditions and maximum use of student workers is important. Everybody will be better off if employers fully understand the objectives of financial aid work as well as its practices.

Treasurer and Bursar — For aid in fiscal planning, budgeting, and accounting. These officers are especially strong allies in developing sound loan collection procedures and in maintaining fiscal records.

Registrar — Source of academic data and information, as well as a partner in a good records system.

Admissions Officer — Communication here is of such immediate and critical importance that it is generally held desirable to join the two functions.

Director of Alumni Relations — See Chapter 6.

Directors of Activities (Coaches, etc.) Source of information on students. A valuable ally in controlling the total program and work load of the student.

Many institutions have found it good practice to bring together a working committee of these officers from time to time. This insures general understanding of the practices and policies of the financial aid program and helps develop administrative procedures suited to all.
Utilizing Students

STUDENTS frequently do some of the work in a financial aid office. Some institutions have a system of apprenticeships or internships for graduate students who study part time and work part time in the financial aid office. Their proximity to the problems of students can be put to good use in this work. While final decisions on eligibility and need for aid probably should not be made by students, they can do a good many other things. Development and supervision of a student employment program and preliminary review of financial aid applications are examples of work that they can do effectively and inexpensively.

Seasonal Help

SINCE certain phases of the financial aid operation are highly seasonal, the use of part-time personnel should always be considered. Faculty or administrative personnel can prove helpful on a part-time basis. When the counseling function of the financial aid officer is more than he can handle effectively, an experienced faculty member who has been relieved of part of his teaching load for a semester or a quarter can give needed relief without a permanent increase in staff.

Streamlining the Operation

THE MORE personal the financial aid program the better. Conversations with students and their families, face-to-face reports to the faculty, and individual letters to donors and sponsors are all desirable. The personal approach should be modified only when absolutely necessary. But it does become necessary to streamline a large operation. Even in dealing with students where personal relationships are most important, pressures of time will require a financial aid officer to cut corners. It is important that he cut where it hurts least. For example: when individual letters of award are no longer practicable and form notices become necessary, they should be sent to students whose news is favorable. Preserve individual letters for those who are disappointed.

Reports and record keeping lend themselves to time-saving techniques that will effect economies and allow personal attention to go where it counts. What a machine can do effectively is best done by machine. The time and energies of the professional financial aid staff should be reserved for tasks they alone can do well. Although a punch-card operation does not become feasible until enrollment reaches into the thousands (and then only after carefully study of needs and uses), there are many other devices that can release time for more important work.

Time Savers

- A multi-copy award notification form. A clerk transcribes data directly from action records onto this. Copies automatically go to key record keeping spots, such as the dean's office and the registrar's office.
- A multi-copy form for loan notes executed by students, with terms and conditions pre-printed. It contains the loan amount and account numbers. Copies automatically go to files, collection office, etc.
- A photo-copying machine to make copies of incoming items that must be distributed or circulated in a hurry.
- A report form for donors that can be prepared by clerical staff. Most donors do not object to such impersonal reports when they are told that time and money are saved.
- Robot typing machines mechanically prepare items that appear to be individually done.

Since such a large part of the financial aid operation is mechanical in nature, efficient office practices used in business and industry have many applications. It is a rare institution that cannot find among its friends and alumni someone who will offer a little free counsel on how to streamline its financial aid (and other) offices. In Appendix A are sample forms that can be used to advantage.

Minimal Records

A good financial aid officer must maintain the following minimal records:

1. A cumulative and comprehensive individual record on each student who has applied for aid.
2. A record of expenditures from and commitments against all funds and accounts.
3. A record of loans made and repayments scheduled.
4. A record of all employment openings and referrals.
5. A record of the terms and conditions of all funds and accounts.
6. A record of all communications with aid agencies and donors outside the institution.
In one sense records are kept for the purpose of making reports and answering inquiries. Thus records must meet report needs. Certain of these, such as annual fiscal and operations reports, are obvious. Others are ever present but not thought of as reports needs; e.g., records that tell the student how much he owes in loans or tell the dean the academic average of gift scholarship winners. The greater the demand for reports the more extensive must the record keeping be. Records must anticipate future report needs.

It is important, therefore, to identify all those who are likely to need reports. The financial aid office must then try to anticipate what they will want to know and the distill that down to what they will really need to know. Obviously unnecessary record keeping and reporting data and disseminating it must be set up. A totally mechanized system — an electronic data processing machine that will give you any report you want on the shortest notice — comes to mind. Colleges with student bodies of two thousand or more may find those machines worthwhile. But the vast majority of U. S. institutions will have to settle for something less costly and less efficient. But they, too, can think their way to surprising efficiencies. A well-designed record form, for example, can double as a report form through the simple device of photography. When a student wants a report of his accumulated indebtedness, a photostatic copy of his record card will do the trick. A copy will also serve as a report to a non-institutional donor. Old-fashioned carbon paper can be a great boon, too. The student’s award notice can be designed so that a carbon copy sent to the Dean will serve that office’s needs, another carbon can serve the treasurer as a disbursing record, and a third can be affixed to the student’s cumulative record. Use of different colored paper for each carbon copy will save endless trouble. Requiring a student to file a self-addressed, stamped envelope with his financial aid ap-

lication form will save money and clerical time. An application form with the student’s name and class in the upper right-hand corner will help the file clerk. In short, a little thought can lighten the clerical burden of financial aid work.

Communication among Colleges and Universities

In all matters that pertain to administration of financial aids, colleges and universities should communicate more with one another. “Big Ten” financial aid officers have found great benefit in an annual two-day session.

A single day spent on the campus of a sister institution can give the financial aid officer new ideas for approaching many familiar problems. Certain institutions are known for their experience in financial aid work. They are logical first steps in a study tour. But good ideas can spring up in unlikely places, too.

Professional management studies may or may not be in order. Much can be done without them. In the development of forms, for example, the American Association of Collegiate Registrars and Admissions Officers has published a booklet entitled Analysis and Design of Office Forms. The College Entrance Examination Board has published a manual of forms (now out of print, but perhaps available in your library) entitled Freshman Admission Forms and Letters. This is a collection of specimens from ten colleges.

But even better than reading about how others do it is going and seeing at first hand how they do it.
**FRESHMAN SCHOLARSHIP APPLICATION**

Due March 15, 1959

Between November 1 and March 15 this office will accept applications for undergraduate students only. This application is composed of three sections which are the basic blank, the parents' confidential statement, and the recommendation blank. All of these should be on file before the deadline date. Materials received after the due date will only be considered in case of cancellations or declines.

Name in full (First) Last Middle           Date

Home address: Street Zip Code              Phone

University address, if known: Street Zip Code              Phone

Male   Female   Married   Single

Birthdate Month Day Year                  Birthplace

Are you a citizen of the United States? Yes   No              If not, of what Country

How long have you lived in Ohio? ________________________________

Graduate of: High School Date of Graduation

Course taken: Rank in class Number in class

Name and address of high school principal:

Date of proposed entrance to the University: College:

Field of Study:

Which campus do you plan to attend? Columbus Branch

Proposed date of graduation: Type of Degree:

Have you previously applied for a scholarship at Ohio State? Yes   No              If so, what year:

If you are applying for a special scholarship, please list:

If you do not receive this special scholarship, would you want to be considered for a general scholarship? Yes   No

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1. **A model institutional financial aid application:** The above form, used at The Ohio State University, reflects very advanced practice in financial aid work. Pages 1, 2 and 3 elicit relevant information about the student, his activities and his budget. Pages 4 and 5 (which are detachable) provide the essential background needed to evaluate the proposed family contribution. Page 6 provides work space for the financial aid staff, where it belongs — right on the application form itself.
In order that the University Scholarship Committee might better judge the worthiness and financial need of each applicant, we are asking the parent or guardian to complete this confidential financial statement. You may do this in Section A or if you wish, you may write a general statement of your financial status including average yearly income in Section B.

**FAMILY FINANCIAL STATEMENT—SECTION A**

<table>
<thead>
<tr>
<th>Item</th>
<th>1958</th>
<th>1959 (Estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages before taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Father</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mother</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Father</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mother</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Father</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mother</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Income (Gross minus Business Expenses)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Tax on 1957 Income</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Parent's Assets and Liabilities**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings</td>
<td></td>
</tr>
<tr>
<td>Real Estate</td>
<td></td>
</tr>
<tr>
<td>Others (Please list)</td>
<td></td>
</tr>
<tr>
<td>Indebtedness</td>
<td></td>
</tr>
<tr>
<td>Automobile: Make</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Year</td>
</tr>
</tbody>
</table>

**FAMILY FINANCIAL STATEMENT—SECTION B**

**Applicant's Assets and Liabilities**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings</td>
<td></td>
</tr>
<tr>
<td>Insurance (Educational)</td>
<td></td>
</tr>
<tr>
<td>Others (please list)</td>
<td></td>
</tr>
<tr>
<td>Indebtedness</td>
<td></td>
</tr>
<tr>
<td>Automobile: Make</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Year</td>
</tr>
</tbody>
</table>

How much financial support can you give the applicant for his college year? 
I hereby declare that to the best of my knowledge and belief the information given in the application is correct.

Date: _______________ 1958   (Signed) Parent or Guardian
Extra Curricular Activities in High School (Sports, debate, plays, music, publications, organizations, office, field, honor societies, etc.)

Activities outside High School (Church, youth groups, etc.)

Condition of Health

Physical Handicap

Employment in which you have been engaged, and dates of such employment.

Name and address of present employer

Hours per week

Weekly earnings

Name of person(s) dependent upon your earnings, and to what extent?

Will you work next year while attending college?

If so, for what portion of your expenses?

---

**Estimated Budget for 19...19... Academic Year**

*A statement of the average expenses may be found in every college catalogue*

<table>
<thead>
<tr>
<th>Estimated Expenses</th>
<th>Estimated Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Fees</td>
<td>Savings to be used</td>
</tr>
<tr>
<td>Room and Board (if away from home)</td>
<td>Prospective earnings during period</td>
</tr>
<tr>
<td>Books and supplies</td>
<td>Aid from parents</td>
</tr>
<tr>
<td>Clothing</td>
<td>Aid from relatives, friends</td>
</tr>
<tr>
<td>Traveling Expenses</td>
<td>Other sources</td>
</tr>
<tr>
<td>Others (specify)</td>
<td>Amount needed to balance budget</td>
</tr>
</tbody>
</table>

*Include University fee, laboratory fee, activity and insurance fees, etc. for entire year.

**TOTAL $**                                      **TOTAL $**

---

**Personal Statement:**

Use this space to give in your own words, any additional information that will enable the Committee to judge your merit as a scholarship applicant.

(Avoid restating information previously given on this application)

---

**NOTE:** Any additional facts the applicant may wish the Committee to consider in judging his eligibility may be added on a supplementary sheet.

---

Applicant's Signature
11. List the names of two (2) teachers under whom you have studied at the University who know you well or
the names and addresses of two (2) persons in your community as character references:

4. Some scholarships have been designated by their donors for students who are or are not members of social fraternities or
sororities. Of what fraternity or sorority are you a member?

If you meet the conditions listed for any of the following restricted scholarships, quote the appropriate scholarship,
and furnish the evidence requested: Leadership Scholarships, let in detail extracurricular activities and office held; Alan Lewis
(baseball players with high scholastic standing); National Club (physically disabled students); R. A. Moore (orphans under 21
with neither a living father nor mother); Ma of Gamma Phi Beta (descendants of members of Ma Dean of Gamma Phi Beta
Sorority; give maiden name and married name of member from whom descended); L. and M. Price (long distance runner);
Stanford Gold Star (children of Stanford men or women who lost life in World War II or Korean conflict; give name of de-
ceased parent and date of death); R. Zeigle (deaf and hard-of-hearing students). (See information bulletin for full de-
tails concerning aid funds.)

19. All University awards are based on the future promise shown by the candidate. It is believed that an account of
an applicant's undergraduate activity is most helpful in determining to what extent he contributes—and will con-
tribute—to the community in which he lives. The Financial Aid Committee, therefore, requests the applicant
to use the space provided below to give an account of his interests and activities during his undergraduate course to
date. Since this statement will be considered a definite record of the applicant's activities; it will be in his best interest to be
through and clear in its presentation. All honors, prizes, and other distinctions—scholastic and otherwise—should be
described.

______________________________
Signature of Student Applicant

______________________________
Date

Certificate to be Signed by Parent or Guardian

I hereby declare that all the foregoing statements are, to the best of my knowledge and belief, correct.

I further agree that if, as a result of this application for financial aid, the applicant is awarded a University loan, I
shall share with him the responsibility for its repayment.

______________________________
Signature of Parent or Guardian

______________________________
Street address

______________________________
City

______________________________
State

______________________________
Relationship to applicant

______________________________
Date

2. Items from Institutional Application Forms: Item a. suggests the practice of identifying persons
from whom references can be obtained; Item b. helps identify applicants who can be considered for re-
stricted or special condition awards; Item c. illustrates the clerical convenience of having basic informa-
tion placed in a convenient spot for ready filing work; Item d. illustrates a way of informing and involving
II. COLLEGE RECORD (To be completed by applicant)

1. List academic average for each year of college attendance. If credits were earned at college other than Virginia, indicate.
   (This information available at Registrar's Office)

<table>
<thead>
<tr>
<th></th>
<th>First year</th>
<th>Second year</th>
<th>Third year</th>
<th>Fourth year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade Point Average</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit Hours</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

19. "Outside" Scholarship. If the applicant is the recipient of scholarship aid from sources outside Harvard (listed under Items 1 and 2, Columns 1 and 2 on the preceding page) he is asked to state here the source and the circumstances of this award. Is it likely that this award will be renewed for 1959-1960?

---

YALE UNIVERSITY

Application for Financial Aid in Yale College or the School of Engineering 1959-1960

Please Return by February 15 to FINANCIAL AIDS OFFICE
Room 136, Welch Hall

1. Name in full .................................................. Yale Class .............

2. Residential College ........................................ Room number .............

3. State degree for which you are a candidate ........................................

4. State major course of study ........................................

5. Do you expect to do graduate work? ........................................ In what field?

6. State your intended future occupation ........................................

7. Are you a married student? ........................................
   (Note: A student who plans to be married during the college course should make this fact known to the Financial Aid Committee in advance. It should be noted that a limitation exists with respect to the amount and form of aid available to married students.)

8. Do you have the use of an automobile in New Haven? ........................................
   (Note: Arrangements for the following question: the student who is occupying quarters in New Haven and not in any house from the University may keep or operate a motor vehicle in New Haven without specific prior written permission of the Financial Aid Committee.)

9. Are you a member of a fraternity? ........................................

10. Do you expect to be employed during the academic year 1959-60? ........................................
    If so, how? ........................................

11. Describe your probable activities for the coming summer, including proposed employment, travel, study, military service, etc. ........................................

12. State here the name of any specific Scholarship for which you wish to be considered at this time ........................................

---

Address at which you wish to be notified of action taken on this Application (July)

Name ........................................
Street and No. ........................................
City and State ........................................

---

parents; Item e. can be used to provide a ready summary of the applicant's academic record; Item f. is a device for clarifying sources of outside assistance; Item g. suggests the specific data that is sometimes required; Item h. is a convenient way of obtaining an accurate notification address from upperclassmen.
3. Parents' Confidential Statement of the CSS. This form, used by the College Scholarship Service, illustrates the careful detail in which family financial information can be obtained. Careful instructions must accompany such a detailed form if it is to be effective. (Copyright, 1959, College Entrance Examination Board. Used by permission of the publishers.)
### CSS COMPUTATION WORKSHEET

**Student Applicant**

<table>
<thead>
<tr>
<th>Doc no.</th>
<th>John Samuel</th>
</tr>
</thead>
<tbody>
<tr>
<td>(last name)</td>
<td>(first name)</td>
</tr>
</tbody>
</table>

**Colleges Receiving Computations**

| Chicago Wooster |

**CSS Statement No.** 163/96

| A. | Net Income (children 2.) | 7250 |
| B. | Applicant's Maintenance | 490 |
| C. | Tot. Maintenance | 1960 |
| D. | Fed. Income Tax | 705 |
| E. | Continuing Exp. |.........|
| F. | Non-recur. Exp. + Debts | 800 13 266 |
| G. | Housekeeping |.........|
| H. | Schooling |.........|
| I. | Other Dependents |.........|
| J. | Total Allowances | 2931 |
| K. | Remainder | 4317 |
| L. | Tax on Remainder | 240 |

**Occupation** CHEMIST

**Parental Status** O.K.

**Step**

| Father | 44 |
| Mother | 43 |

**Family Contribution from Income and Assets**

| Living at College | Commuting |
| Fam. Off. | Computed (B+L) | Fam. Off. Computed (B+L) |
| Income | 1400 730 |
| Assets | 150 90 |

Total | 750 820 |

**Computation of Financial Need for Year**

| College-Budget | 2000 |
| Applicant's Resources |
| Family Res. | 750 800 |
| Appl. Assets | 550 720 |
| (Tot. | 250 | 50 |
| | 60 | 50 |
| | 100 | 250 |
| | 100 |
| Add. Source |

Total | 900 110 |

**Financial Need**

| Budget minus Resources | 1100 890 |

| Levy Against Assets (Shares, 7.) | 90 |

---

A. (18) Income figure raised to keep it in line with reported continuing business expenses (item 17), etc.

D. (21) Tax for 1959 estimated income, as adjusted, obtained from Table II (page 64).

F. (20) Non-recurring expense for termite control amortized over 3 years.

Applicant’s Assets: We assume $300 savings and take 1/5 for the first year. See text (page 23) for discussion of this procedure.

Commuter budget: The $1600 budget includes tuition, fees, books, equipment and allowances for clothing, recreation and laundry, and the $300 for maintenance and incidentals.

N.B. Had we used Table IVc (page 72), entering at the $7,250 income level with allowances totaling $266, the expectation from income would have been $740. This small difference is created by the fact that in building Table IV, both the income and allowances were grouped, and mid-points were used to represent the whole range.

---

4. **CSS Worksheet.** The sheet on which actual computation of assets and resources is made, on the basis of information obtained from the Parents’ Confidential Statement.
NAME _______________________________ SAT _______________________________

COLLEGE ___________________ CLASS _______ DEGREE ___________________ MAT _______________________________

NET. FAM. INC.: Actual 19____, $_________; Est. 19____, $_________ PS _______________________________

---

<table>
<thead>
<tr>
<th>REQUEST $</th>
<th>BUDGET $</th>
<th>COMMENTS</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>FROM</th>
<th>RECOMMENDED AWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>PARENTS</td>
<td>GIFT $_________</td>
</tr>
<tr>
<td>STUDENT</td>
<td>LOAN ________</td>
</tr>
<tr>
<td>SUMMER</td>
<td>JOB _________</td>
</tr>
<tr>
<td>OTHER</td>
<td>OTHER _________</td>
</tr>
</tbody>
</table>

TOTAL $ | TOTAL $ | INITIALS | DATE |

<table>
<thead>
<tr>
<th>FROM</th>
<th>RECOMMENDED AWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>PARENTS</td>
<td>GIFT $_________</td>
</tr>
<tr>
<td>STUDENT</td>
<td>LOAN ________</td>
</tr>
<tr>
<td>SUMMER</td>
<td>JOB _________</td>
</tr>
<tr>
<td>OTHER</td>
<td>OTHER _________</td>
</tr>
</tbody>
</table>

TOTAL $ | TOTAL $ | INITIALS | DATE |

<table>
<thead>
<tr>
<th>FROM</th>
<th>RECOMMENDED AWARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>PARENTS</td>
<td>GIFT $_________</td>
</tr>
<tr>
<td>STUDENT</td>
<td>LOAN ________</td>
</tr>
<tr>
<td>SUMMER</td>
<td>JOB _________</td>
</tr>
<tr>
<td>OTHER</td>
<td>OTHER _________</td>
</tr>
</tbody>
</table>

TOTAL $ | TOTAL $ | INITIALS | DATE |

---

COLLEGE MASTER'S RATING

---

FINAL SCHOLARSHIP AWARD

<table>
<thead>
<tr>
<th>Gift</th>
<th>Loan</th>
<th>Job</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

5. An Institutional Worksheet. On this sheet, "readers" of the student's application summarize their computations and record their recommendations. At this particular institution, the readers are members of the Financial Aids Committee. If the first two readers disagree on an award, the third acts as arbiter and reconciles the two earlier recommendations.
6. **Short-term or Emergency Loan Application.** The brevity and simplicity of this form suggest the "streamlined" nature of the short-term loan procedure. Since the sums involved are usually small, less detailed information is required. Note the built-in record of action and repayment on the reverse side.

7. **Employment Registration.** This compact but very complete employment registration form is an excellent model. Note especially that it contains space for a complete record of referrals and results, and that it is designed for visible filing with a coded classification system. The record of class schedule is vital.
UNIVERSITY OF VIRGINIA
CHARLOTTESVILLE

OFFICE OF STUDENT AID

Room 5, Minor Hall

Dear Employer:

In accordance with your recent request, the student whose name appears below is being sent to you for an employment interview. We hope that he will prove satisfactory to you.

Please fill in the information requested on the lower half of this letter and return it to this office as soon as possible. Until we hear from you, we shall assume your job is still open and shall continue to send interested applicants to you. It is important, therefore, that this form be returned.

We wish to thank you for providing this opportunity for student employment. If we can be of further service, please call upon us.

Sincerely yours,

Frank A. Williar
Assistant to the Director

Name______________________________

Hired___________Not Hired___________

(Date)

Remarks:________________________________________

________________________________________

(Name of firm)

By_________________________(Signature)

8. Employment Referral Form. This simple form letter serves as an introductory letter to the employer. When returned it becomes a part of the employment file, serving to discontinue recruitment for the job and placement efforts for the student.
STANFORD UNIVERSITY

COMMITTEE ON FINANCIAL AID

NOTIFICATION OF SCHOLARSHIP AWARD

Name of Student: 
Amount of aid per year: $ 
Special conditions, if any: 
Type: 
Source of award: 

Date:

Last date on which you may indicate your acceptance:

Policies Applicable to Entering Freshman Scholarship Recipients

1. PUBLICITY—Stanford is one of the West Coast members of the College Entrance Examination Board which is conducting a coordinated scholarship program. A basic policy is to regard as confidential the amounts of the awards. We shall sincerely appreciate your cooperation in respecting this policy. The colleges believe that your need for assistance in continuing your education and the amount of money required are matters of private concern to you and your family. You may wish to show this statement to your high school principal or counselor, so that he will understand our reason for desiring that the amount of your grant be not revealed.

2. RENEWABILITY—If you make application each spring before April 15, and if you are found eligible on the basis of your record and character, you may expect renewal of your scholarship throughout four years of undergraduate study.

SCHOLARSHIP CANDIDATE’S REPLY FORM

Please fill in the following, detach and mail as soon as possible to the Office of Financial Aids, Stanford University, Stanford, California. Scholarships cannot be reserved after:

Name of student: Last First Middle Date

I accept the scholarship offered under the conditions outlined.

I DO NOT accept the scholarship Reasons for declining

Signature of Student

9. Cumulative Financial Aid Record. Here is the form used by one institution to keep a concise but complete record of a student's entire financial aid history. Photographic reproductions of this form can readily be sent to Deans, counselors and advisors to keep them abreast of the student's financial situation.
12. **Loan Note:** This note, on its reverse side, describes a variety of terms and conditions that can be incorporated by reference on the face of the note. It has five copies, in different colors, separated by "one-shot" carbon paper. These are distributed to all offices involved, one of them serving as a payment voucher or draft at the Bursar's office.

11. **Loan Note:** This loan note is suitable for loans carrying identical terms and conditions, or loans that carry only slight variations in terms (such as 1 pce. vs. 2 pce. above.) It's reverse side is a convenient record of payments.
THE OHIO STATE UNIVERSITY

Rush J. Barretson, Director

Rush J. Barretson, Director

Rush J. Barretson, Director

Rush J. Barretson, Director

13. Form Notification Letters (3). These are samples of form letters used to notify students of action on their applications for aid. Body of the letter is mimeographed; name, class and nature and amount of award is typed on, and carbons made in sufficient quantities to meet reporting and records needs.
15. Record of Student's Loan. If not incorporated on the loan note itself, a record of student obligations can be maintained on a card of this sort. It has the advantage of being on durable, stiff paper, whereas copies of loan notes are usually less substantial.

14. Loan Repayment Advises. These simple little slips, prepared in pads, are used as reminders, acknowledgements, and reports on the status of a student's loan obligation.
17. **Rating Form.** Where opinions and evaluations are being solicited from persons who have had a professional relationship with the applicant (teachers, counselors, etc.) a more detailed inquiry form can be used. The above is one part of such a form.

16. **Reference Form.** In large institutions and in the case of first-time applicants, form letters such as the above frequently are sent to persons whose names are supplied by the applicant.

**PERSONALITY RATING SCORE**

<table>
<thead>
<tr>
<th>Personality</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trustworthiness</td>
<td>5</td>
</tr>
<tr>
<td>Social acceptability</td>
<td>4</td>
</tr>
<tr>
<td>Persistence</td>
<td>3</td>
</tr>
<tr>
<td>Willingness to work</td>
<td>2</td>
</tr>
<tr>
<td>Dependability</td>
<td>1</td>
</tr>
</tbody>
</table>

**Dear**

has applied for a

and has listed you as

a reference. In addition to scholastic ability, most scholarships require evidence of good character, financial need, and school or community service. Your opinion is needed in determining the fitness of the above applicant and any information given as will be held in complete confidence.

**Cordially yours,**

John G. Steele, Jr.
Director of Loans
and Scholarships

Please supply any information you may have on the following:

1. **Character**

2. **Ability (or probable ability) to do college work**

3. **Are the applicant's parents financially able to send him (or her) to college?**

   (If not - state briefly why not)

4. **If you know, give the applicant's vocational plans**

5. **How long have you known the applicant and in what relationship?**

   (Any additional information may be added on the reverse side of this form.)

Signed

Date

Address

Occupation

**THE UNIVERSITY OF TEXAS**
Office of the Dean of Student Life
Box 7994 - U. T. Station
18. Summer Earnings Report: This double post card provides the institution with an earnings report for the student's record, helps build up a file of summer opportunities, and provides certain evaluative information regarding the opportunity.

19. Award Notification Form: This notification form lends itself to ready clerical processing. Name and address of the student are typed in lower left-hand corner, and form is inserted in a window envelope. Conditions and terms of award are printed on reverse side.
SUMMER EMPLOYMENT REGISTRATION
Office of Placement and Counseling

Name: ........................................ Last    First    Middle    Class: ........................................

College (or local) Address: ........................................ Telephone: ........................................

Home Address: ........................................ Previous Secondary School (or College): ........................................

Age: ........................................ Married?: ........................................

Major Field of Study: ........................................ Are you a U.S. citizen?: ........................................

Scholastic Average (last June): ........................................ (at mid-year)

What is your intended occupation after College?: ........................................

College Activities (memberships, athletics, organizations, honors, etc.): ........................................

What foreign languages do you speak?: ........................................ Fluently?: ........................................

Do you have a driver's license?: ........................................ What State?: ........................................ Use of car for summer?: ........................................

What type of employment do you seek for the summer? (Be specific, e.g. sales, resort, etc.): ........................................

For what reasons do you seek such work? (e.g. experience, to pay college expenses, travel, etc.): ........................................ Minimum earnings?: ........................................

Are you available for the entire summer?: ........................................ If not, what weeks?: ........................................

Are you restricted to any particular area?: ........................................ Preference?: ........................................

Past Employment: list activities during past three summers: ........................................

List any additional employment experience: ........................................

Are you on Scholarship?: ........................................ University?: ........................................ Other? (specify): ........................................

Bursary work (if on scholarship): ........................................

Special Qualifications (e.g. lifeguard's certificate; knowledge of sailing; entertainment skills; musical instruments, etc.): ........................................

How well do you type?: ........................................

For Office Use

20. Summer Employment Registration: Students seeking help in locating summer employment provide needed information on this form. Note the emphasis on employment objectives. Note also the device of placing registrant's name in upper-corner, for easy file reference.
21. Job Description Card: A visual file of job opportunities can be maintained through file use of this kind of card. Space.

22. Alumni Interviewer Form: This form suggests the importance of providing instruction and guidance to persons who are not professional interviewers. The combination of essay-type report and objective rating is common.
23. The Cumulative File: Student records and other data often are kept in standard manilla folders. The vast blankness of these folders can be put to use by over-printing on the face or the interior of the file, or by using a rubber inked stamp.
Appendix B
Selected References


