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ABSTRACT

This report provides results from a Minnesota state survey designed to identify the characteristics of the students enrolled in Minnesota colleges and how their families are financing their education. Data are presented from survey responses of 5,347 undergraduate college students. Information is presented separately for dependent and independent students and covers: demographic data; the social and economic characteristics of the students' families; the cost of a college education and sources of funding; the patterns of attendance and utilization; and choice of institution. Among the survey's conclusions are the following: (1) financial aid is not fully utilized; (2) students from wealthier families are, in general, more likely to attend college than those from poor families; (3) in general, families with incomes under $40,000 are making an extraordinary effort to support their children; (4) the higher education financing system is regressive; (5) families do a dismal job of preparing for college; and (6) low income students are seeking the same traditional college experience as those students with high incomes. Extensive figures, graphs, and tables detail the study's findings. Appendices contain the survey instrument, data tables, and an algorithm for fully allocating instructional costs. (GLR)

WAYS AND MEANS:
HOW MINNESOTA FAMILIES PAY FOR COLLEGE

Minnesota Private College Research Foundation

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November 1992

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The following institutions participated in this study:

State Universities

Bemidji State University
Mankato State University
Metropolitan State University
Moorhead State University
St. Cloud State University
Southwest State University
Winona State University

University of Minnesota

University of Minnesota - Duluth
University of Minnesota - Morris
University of Minnesota - Twin Cities

Private Colleges

Augsburg College
Bethel College
Carleton College
College of Saint Benedict
College of St. Catherine
College of St. Scholastica
Concordia College - Moorhead
Concordia College - St. Paul
Gustavus Adolphus College
Hamline University
Macalester College
Minneapolis College of Art & Design
Saint John's University
Saint Mary's College of Minnesota
St. Olaf College
University of St. Thomas

Preface

This document presents a first look at family finances and college participation for the universe of freshmen, sophomores and juniors attending one of Minnesota's three baccalaureate degree-granting systems. The objectives of this study are not prescriptive but are intended to expand our empirical understanding of how families pay for college.

This study would not have been possible without the support of many individuals and their organizations. Foremost, we would like to thank the Lilly Endowment, Inc. for underwriting this study. Clearly, without their financial support and the encouragement of Ralph Lundgren, this project would not have materialized. Equally vital was the generous support and willing participation of Minnesota's three baccalaureate degree-granting systems: Minnesota's seven State Universities, the three baccalaureate degree-granting campuses of the University of Minnesota and Minnesota's sixteen four-year, private liberal arts colleges.

Developing the survey instrument, creating a master address file, tracking down missing student phone numbers and reconciling innumerable conflicting pieces of information required the ongoing support and coordination of registrars, institutional and system researchers, financial aid officers, computing directors and their staffs. Additionally we would like to thank Mark Heffron of ACT, William Hall of Applied Policy Research, Inc., Joel Schuessler of Concordia College (St. Paul), and Michael White of Saint John's University for their valuable assistance. Thanks also are due to Dr. Frank Martin and Dr. Ellen Fitzgerald of the University Research Consortium for their helpful review of the results of the survey pilot.

The research project team consisted of Mary Grusin and Manuel Lopez of the Minnesota State University System, Rob Toutkoushian and David Berg of the University of Minnesota, and Julie C. Lund and Brian Zucker (principal researcher) of the Minnesota Private College Research Foundation.

1. Introduction

Entering Fiscal Year 1993, state and local governments find themselves in a third consecutive year of budget retrenchment. According to the 1993 edition of the *Fiscal Survey of the States,* 35 states were forced to reduce their Fiscal Year 1992 enacted budgets, up from twenty-nine states in Fiscal Year 1991. Despite very conservative estimates of revenue growth for Fiscal Year 1993, more than a dozen states will again face budget shortfalls.

During the first three budget years of the 1990s, state spending increased at less than half the average annual rate of the previous decade. After adjusting for even modest increases in inflation and population growth, per capita state spending declined at a rate of more than one percent annually. As a result, most state governments face difficulty in setting their budgets. Ten states missed their July 1st budget deadlines, and at least half a dozen more will require special legislative sessions to realign their previously enacted budgets.

While many policymakers continue to hope for the return of business as usual, there is a growing body of evidence that suggests that the "new federalism" has taken hold. That is to say, federally mandated but unfunded spending is driving state expenditures up, precipitating state revenue imbalances regardless of the economic health of individual states. Even under the most optimistic projections of economic growth, existing public services are not sustainable at current levels without major policy reform.

As one of the largest discretionary budget items for state governments, higher education is a focus for budget cuts. Among the 35 states that were forced to make cuts after approving their Fiscal Year 1992 budgets, only three maintained their prior year funding commitments to higher education. The most common but by no means exclusive response to these cuts has been to raise public sector tuition.

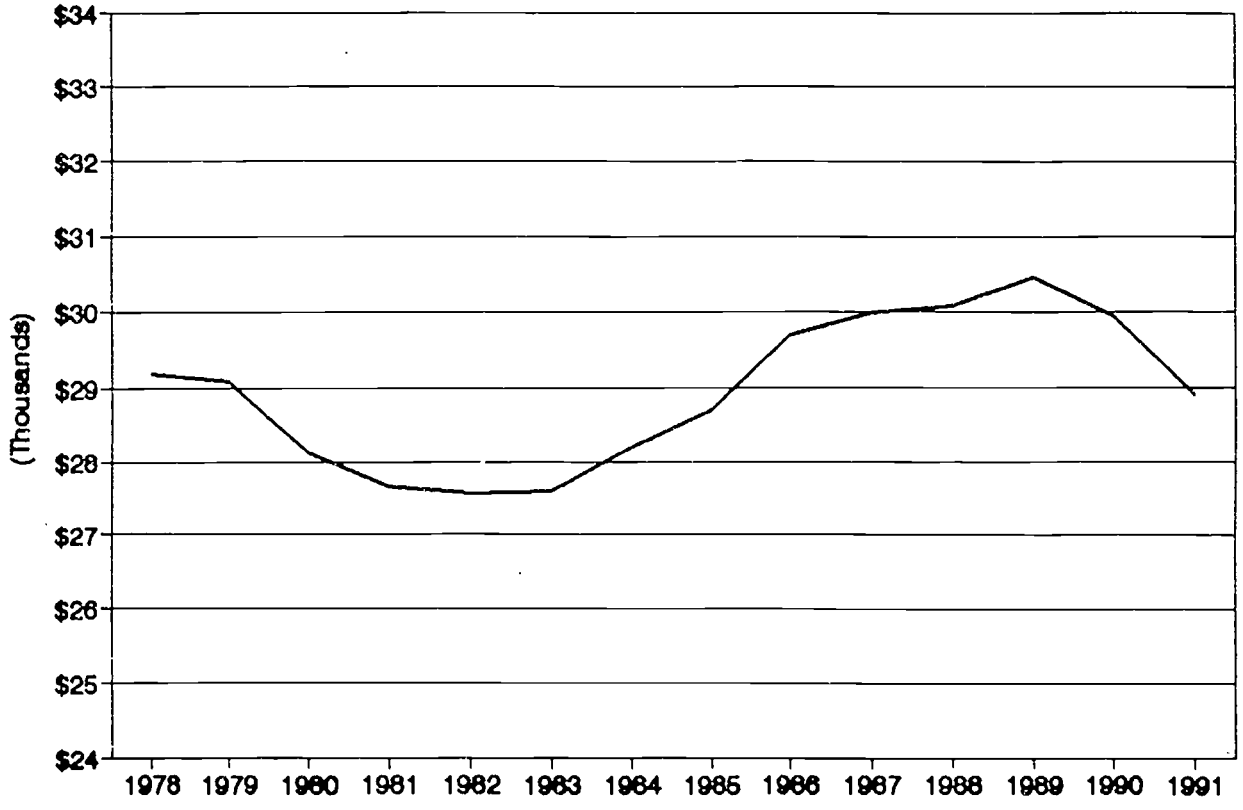
Although state funding for financial aid continues to increase, grant aid as a percent of attendance costs continues to fall. During the past four years, public sector attendance costs have risen by approximately $12 billion, while state and federal grant aid to these same students has increased by less than $500 million.

While the data concerning Fiscal Year 1993 budgets is not yet fully available, it appears that a majority of states will again cut funding for higher education. These cuts will reduce access for low- and moderate-income families. Though reauthorization of the Higher Education Act resulted in higher loan limits, expanded loan eligibility and a larger authorized maximum Pell grant, the federal appropriations process will result in reduced grant aid for the coming year.

While private higher education is only marginally supported through government subsidies, its fiscal situation is no less precarious. Between 1980 and 1990, tuition as a percent of private college education and general (E&G) revenue increased from 70 to nearly 80 percent. In contrast with public institutions, which receive most of their funding from state governments, it is family income which underwrites private higher education.

At the same time that private colleges have become more reliant on families as their primary revenue source, family ability to pay has eroded. (As public tuition rises without corresponding increases in financial aid, this is true for families with students enrolled in public institutions as well.) Graph A shows median household income for the period from 1978 to 1991. Under the assumption that labor force participation remains relatively unchanged, there is little evidence to suggest real personal income will increase substantially during the next decade.

Graph A
Median U.S. Household Income
In 1990 Constant Dollars



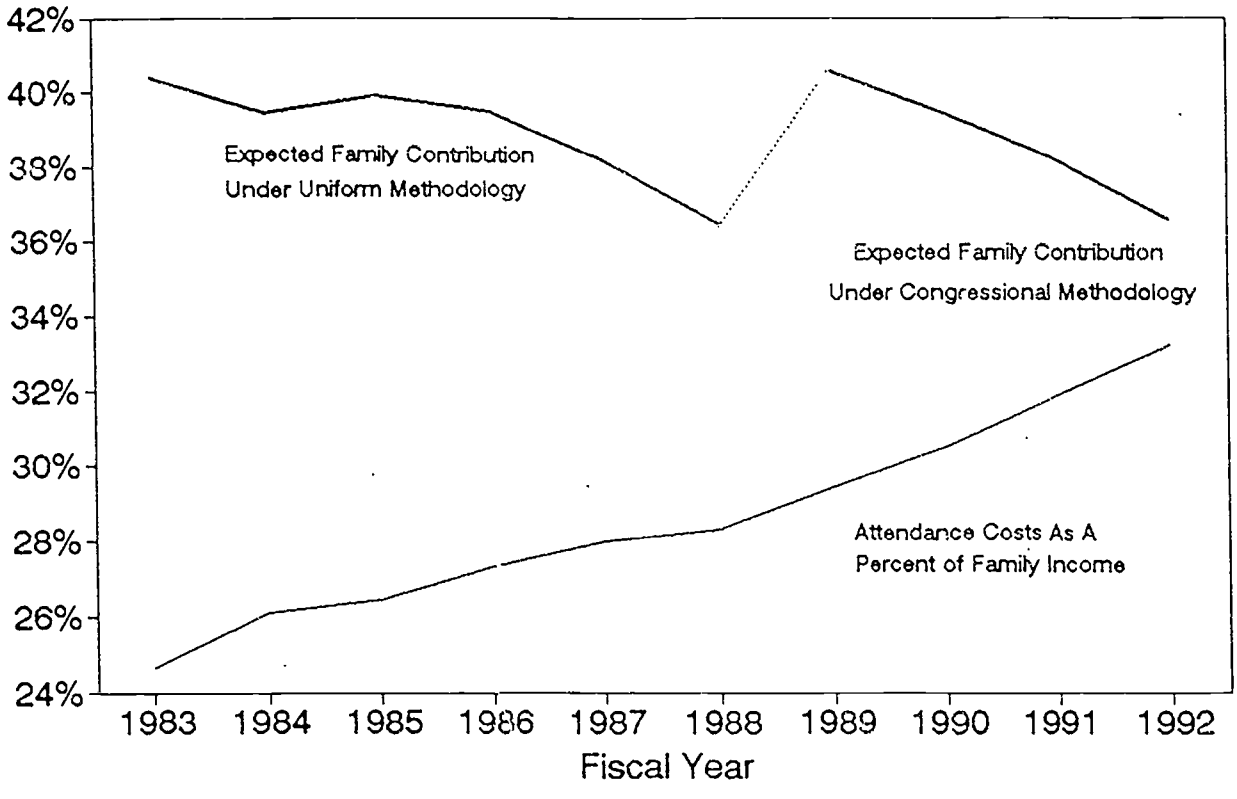
In an effort to sustain access for those families who are falling behind, private institutions have had to divert considerable resources from their primary mission of instruction to financial aid. Between 1980 and 1990, for example, direct instruction as a percent of education and general (E&G) expenditures decreased from 43 percent to 35 percent, while financial aid expenditures rose from 13 percent to 20 percent of the budget. Under the current trend, financial aid now captures an additional one percent of the E&G budget each year.

An erosion in family ability to pay is reflected in the condition of their assets as well. For those families attending Minnesota postsecondary institutions and applying for financial aid, constant dollar home equity has fallen nearly 50 percent since 1985. Because this data is based on financial aid applications, the trend is not indicative of the general population, but rather reflects conditions among households at a specific point in their life cycle. Typically, households with a dependent applying for aid have 4.2 family members, including 1.5 members attending college. On average, the head of the household is about 48 years old. These numbers remain virtually unchanged from five or even ten years earlier.

What has changed is the ability of families at this stage of their life cycle to accumulate wealth, particularly home equity. This decline is due primarily to two factors: first, there has been an enormous rise in home equity loans due to changes in federal tax law and a growing propensity in this country to sacrifice future income for current consumption; second, home market values have remained flat or have decreased. In recent years, families have not had the remarkable appreciation enjoyed by a previous generation of homeowners.

Under federal financial aid guidelines, stagnant incomes and a decline in assets have dramatically expanded financial need, particularly among middle income families. Because government support has not kept pace with rising costs, private institutions have turned to tuition to finance this unmet financial need. Graph B illustrates the effect of these trends. The top line of this chart shows the family's expected contribution as a percent of total attendance costs. With the exception of Fiscal Year 1988, when the federal needs analysis shifted from Uniform to Congressional Methodology, expected family contribution as a percent of attendance costs has declined at an average rate of more than one percent per year. At the same time, attendance costs as a percent of family income have increased at an annual average rate of nearly 1.5 percent and, for the past three years, at a rate of nearly 2 percent per year.

Graph B
Attendance Costs As A percent of Family Income and Expected Family Contributions As a Percent of Attendance Costs For Dependents Applying for Aid at Minnesota Private Colleges Fiscal Year 1983 to 1992



In the private sector, each incremental decrease in the expected family contribution is met with an incremental increase in institutional aid to help absorb the difference between what a family can afford to pay and the cost of attendance. In Minnesota, private colleges, on average, meet about 60 percent of a student's financial need with grant aid. However, because net attendance costs continue to rise faster than income, families are left with fewer resources to meet other needs, including sending other family members to college. In other words, both the family and the institution are making a greater effort to sustain access. Both are diverting resources intended for other purposes to pay for college.

During the past decade, private colleges have offset the decline in outside support and increased financial need by shifting a disproportionate share of the cost to full-pay students. Fully one-third of the increase in the private college tuition or "sticker price" is due to the growth in "unfunded" aid. This has resulted in an

increasingly progressive price curve, with the average aid recipient paying about 35 percent less than the average full-pay student. This has had two effects: first, by accelerating growth in tuition, it has created even greater financial need; second, it has contributed to the perception that private higher education is unaffordable which has driven a significant number of middle- and upper-income families to the public sector. This shift in enrollment from the private to the public sector has the added consequence of incurring greater state expenditures to educate these students at a time when states can barely meet existing demand.

Entering Fiscal Year 1993, private higher education finds itself trying to balance a shrinking number of full-pay students against a growing proportion of students with need and an average public-private tuition gap of nearly $8,000. Under the 1992 reauthorization of the Higher Education Act, family assets have been eliminated from the federal needs analysis. If private institutions maintain their commitments to meet a fixed proportion of need with grant aid, this will require an additional $1 billion dollars in institutional support.

How Does Minnesota Compare?

Because our study concerns the financing of higher education in Minnesota, it is important to understand how family resources and the structure of subsidies compare with the rest of the nation. To address this question, we have examined Minnesota's funding environment using three broad criteria: 1) the level and distribution of household personal income as an indication of family ability to pay; 2) the structure of state tuition and financial aid policy; and 3) the overall level of baccalaureate participation and the composition of participation by sector.

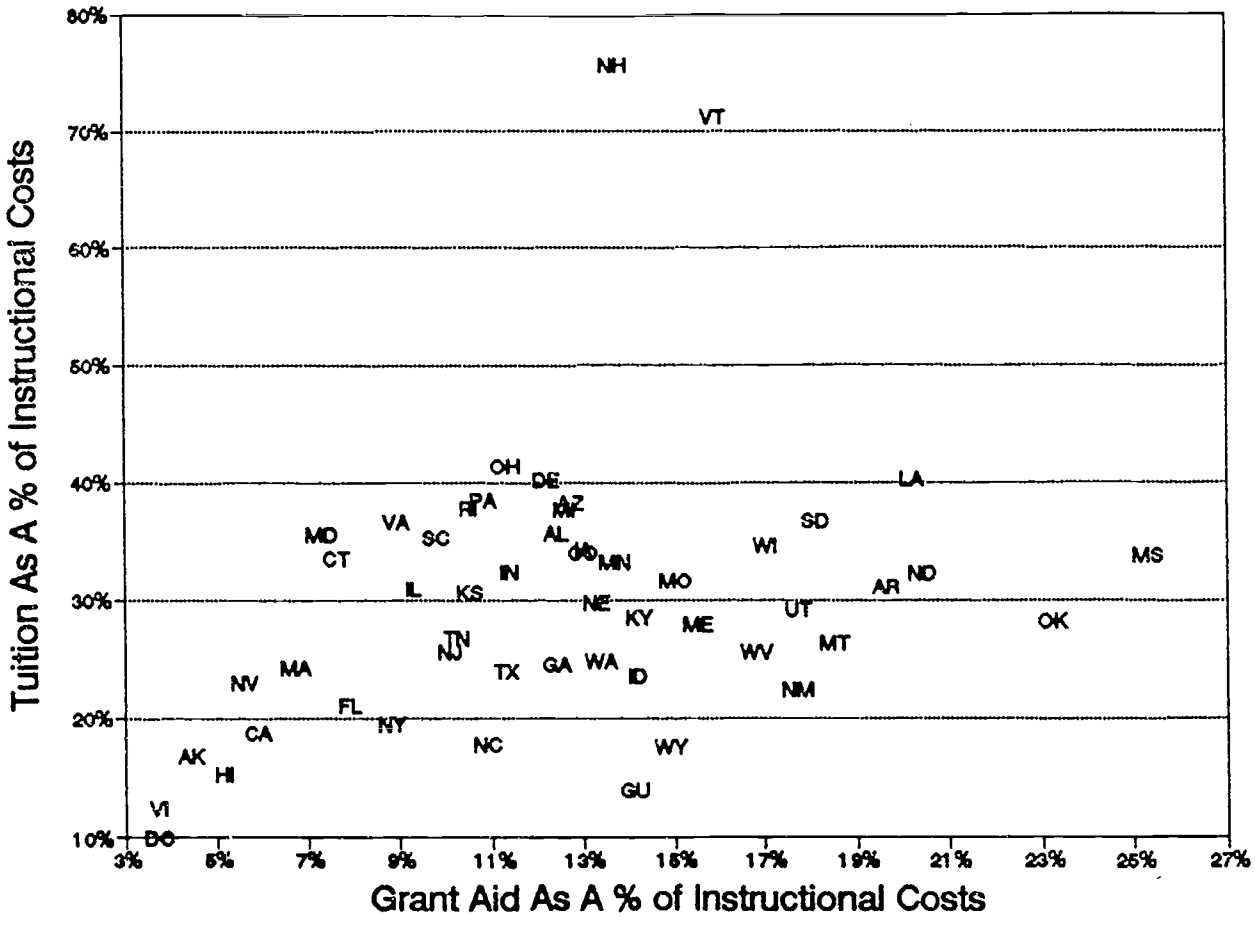
According to the Census Bureau's Current Population Survey, Minnesota ranked 16th in median household income in 1990, making it the second wealthiest state in the Midwest after Illinois and 5.0 percent above the national median. When compared in terms of disposable household income (which measures after-tax funds available for consumer purchases) Minnesota is 3.4 percent above the U.S. median, with a slightly smaller proportion of households earning under $10,000 or above $50,000 than nationally. All other things being equal (such as the cost of living), this data suggests that Minnesota family resources differ only marginally from the national median.

To examine the structure of state tuition and financial aid policy, we have constructed two measures that depart from conventional state rankings of tuition and financial aid. Both measures start with an estimate of fully allocated instructional costs (FAIC) for students attending baccalaureate degree-granting institutions in each state. Fully allocated instructional costs include all direct and indirect expenditures that can be considered as part of the "value of services" rendered to students. The formula used to estimate FAIC is shown in Appendix D.

To compare differences in public sector tuition and financial aid policies by state, total tuition revenue (from residents and non-residents) and total grant aid expenditures (from state, federal and institutional sources) are computed as a percent of FAIC. These ratios provide a more meaningful profile of tuition and financial aid subsidies because they capture the interaction of policies from all funding sources and compare this support with the level of service students actually receive. These ratios also reveal the proportion of a student's total subsidy that is derived from sources based on need and sources that are not need-based.

For Fiscal Year 1990, Minnesota ranked 20th nationally in public sector tuition and 20th in public sector financial grant aid as a percent of fully allocated instructional costs. In both cases, Minnesota is within five percent of the fifty state median. For the ten institutions included in the Minnesota sample, tuition represented 33.2 percent of FAIC and financial aid represented 13.7 percent. In other words, on average, students attending Minnesota public baccalaureate degree-granting institutions received the equivalent of an 80.5 percent discount off the value of services they received through a combination of tuition and financial aid subsidies. Graph C compares the distribution of these subsidies by state for all public baccalaureate degree-granting institutions.

Graph C
Tuition and Financial Aid Expenditures As A Percent of
Fully Allocated Instructional Costs
At Public Baccalaureate Degree-Granting Institutions, Fiscal Year 1990



Again, this suggests that Minnesota lies close to the national median. All other things being equal, this data indicates that subsidies for Minnesota public higher education are slightly more generous than the national norm. Coupled with a slightly higher median family income, it is reasonable to suggest that cost is less likely to be a barrier to higher education access for families in Minnesota than in a majority of other states. Indeed, according to the 1991 edition of [*State Profiles: Financing Public Higher Education*], Minnesota ranked 23rd in tuition as a percent of per capita disposable income.

In Fiscal Year 1990, Minnesota ranked 15th nationally in the ratio of college enrollment to total population and 20th in the proportion of recent high school graduates who attend college. Both ratios provide further evidence of greater accessibility.

One trait on which Minnesota deviates more sharply from the nation is in the proportion of students who attend private institutions. In Fiscal Year 1989, Minnesota ranked 11th in private sector share of first-time freshmen attending in-state public and private institutions--capturing 29.2 percent of freshmen enrollment compared with 23.3 percent nationally. While there is naturally latitude for interpretation, these data suggest that Minnesota families benefit from comparatively greater competition between sectors.

Neither the condition of state budgets, family resources nor financing characteristics of institutions support the argument that higher education funding conditions in Minnesota are unique from the nation. To the contrary, we find the characteristics of the state to be indicative of the median national experience.

Similarly, the basic standards against which higher education policies should be held accountable -- access for qualified students, regardless of ability to pay, and choice of the best institution to meet student needs -- are the same in Minnesota as elsewhere around the country, and have changed little during the past two decades. With only rare exception, however, have we attempted to put these standards into practice. At the state level, surprisingly little is known about who attends college, how college is financed or what happens to students once they leave college. Consequently, the extent to which individual families have been affected by past or future actions is largely expressed in anecdotal terms.

It is in this environment that we have undertaken our study of the financial characteristics of Minnesota families with students enrolled in Minnesota's three baccalaureate higher education systems -- the State University System, the University of Minnesota and the state's four-year private colleges.

2. Research Objectives

In order to gather accurate information on student/family ability to pay so that policymakers can gauge the equity and efficiency of given tuition and financial aid policies, our research was designed to accomplish the following objectives:

1) allow calculation and analysis of the distribution of state higher education costs and benefits to households of different income classes;

2) enable policymakers to identify the proportion of families eligible for financial aid who currently do not apply, determine the maximum number of potential aid recipients and quantify the cost for providing aid under various scenarios;

3) help identify families whose incomes exceed federal and state eligibility standards but who have failed to adequately support their children's pursuit of an education. That is, the analysis would allow comparison between actual

family contributions and family contributions expected under Congressional Methodology;

4) identify how well access and choice for students from different income classes have been served by current state and institutional policies and calculate higher education participation rates by family income class.

3. How Families Pay For College: The Survey

Methodology

The Minnesota family financing study was designed to address a limited number of critical gaps in our collective understanding of who attends college and how postsecondary education is financed. More specifically, the survey was organized around four basic areas of inquiry: 1) demographic, social and economic characteristics of the families; 2) cost of college and sources of funding; 3) patterns of attendance and utilization; and 4) institutional choice. We asked each of the families responding to our research a total of 35 questions. A copy of the survey cover letter and questionnaire can be found in Appendix A.

The survey population consisted of the known universe of freshmen, sophomores and juniors whose families are Minnesota residents and who attended any of Minnesota's 26 public or private baccalaureate degree-granting campuses during Fall Term 1991. Table One shows the institutions participating in the project and their respective shares of the survey sample.

The project team eliminated seniors from the survey for two reasons: first, families with students in the lower division provide a more projectable look at what family finances will be like in the near future (today's freshmen are tomorrow's sophomores); and second, as a group, the families of freshmen, sophomores and juniors are more likely to be active partners in financing their student's education than the families of seniors who may already be focused on life after college.

The team also decided that the families of dependent and independent students would require slightly different questionnaires to accommodate differences in support and household composition. Dependent students are those claimed as dependents on their parents' tax return; independent students are self-supporting, often parents themselves, and generally 24 years of age or older. Because the family rather than the student is the subject of our analysis, the survey instrument for dependent students was designed to be filled out by parents, while the questionnaire for independent students was addressed to the students themselves.

To ensure a fully projectable sample, the project used a proportionally distributed random sampling technique. Under this technique, a predetermined quota

of students was drawn from a master file that contained the names, addresses and phone numbers of all freshmen, sophomores and juniors who are state residents and attended one of Minnesota's baccalaureate degree-granting systems during Fall Term 1991, and their parents.

Four criteria, resulting in a total of 312 cohorts, were used to establish student quotas. These criteria included:

1) Credit load: part-time = under 12 credits; full-time = 12 or more credits during the 1991 Fall Term;

2) Dependency status: all students age 24 or older were treated as independent students; those under 24 were treated as dependent students unless otherwise determined from financial aid records or from the household;

3) Academic level: freshmen, sophomore or junior status as of Fall Term 1991; and

4) Institution: 26 baccalaureate degree-granting institutions, including seven State Universities, three University of Minnesota institutions and 16 private colleges.

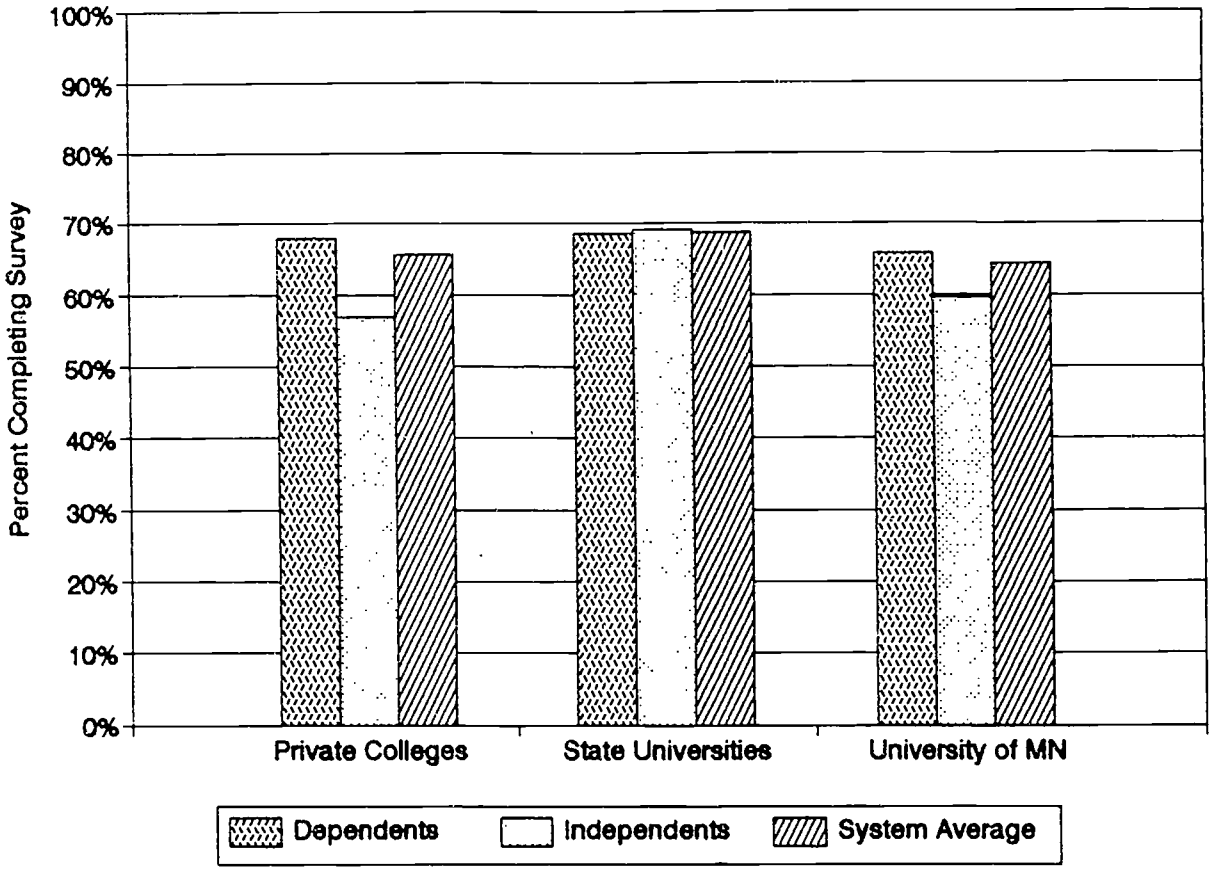
Table One shows the proportion of the total survey sample in each cohort represented.

Table One
Survey Sample Frame

	FRESHMEN		SOPHOMORE		JUNIOR		FRESHMEN		SOPHOMORE		JUNIOR		TOTAL
	Under 24/Depend Full	Part	Under 24/Depend Full	Part	Under 24/Depend Full	Part	24 +/Independ Full	Part	24 +/Independ Full	Part	24 +/Independ Full	Part	
UNIVERSITY OF MN													
Morris	0.6%	0.0%	0.5%	0.0%	0.3%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.0%	1.7%
Twin Cities	5.7%	2.0%	4.3%	1.4%	4.1%	1.4%	0.4%	0.6%	0.9%	0.6%	1.9%	1.5%	25.0%
Duluth	2.0%	0.7%	1.5%	0.2%	1.1%	0.2%	0.1%	0.1%	0.2%	0.1%	0.3%	0.1%	6.6%
PRIVATE COLLEGES													
Augsburg	0.5%	0.1%	0.5%	0.0%	0.5%	0.0%	0.1%	0.1%	0.0%	0.1%	0.5%	0.1%	3.9%
Bethel	0.6%	0.0%	0.5%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%
Carleton	0.2%	0.0%	0.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
Concordia-MH	0.9%	0.0%	0.8%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%
Concordia-SP	0.4%	0.0%	0.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	1.4%
Gustavus	0.8%	0.0%	0.8%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	2.3%
Hamline	0.5%	0.0%	0.4%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%
MCAD	0.2%	0.0%	0.2%	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.8%
Macalester	0.2%	0.0%	0.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%
St. Benedict	0.7%	0.0%	0.7%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%
St. Catherine	0.4%	0.0%	0.4%	0.0%	0.4%	0.0%	0.0%	0.3%	0.2%	0.3%	0.5%	0.4%	2.5%
St. John's	0.7%	0.0%	0.6%	0.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%
St. Mary's	0.3%	0.0%	0.3%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.9%
St. Olaf	0.7%	0.0%	0.7%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.2%
St. Scholastica	0.6%	0.0%	0.5%	0.0%	0.3%	0.0%	0.2%	0.2%	0.3%	0.1%	0.3%	0.1%	2.4%
St. Thomas	1.5%	0.0%	1.5%	0.0%	1.4%	0.0%	0.2%	0.4%	0.2%	0.2%	0.5%	0.3%	5.6%
STATE UNIVERSITIES													
Bemidji	1.1%	0.0%	0.8%	0.0%	0.6%	0.0%	0.1%	0.1%	0.1%	0.0%	0.2%	0.1%	3.3%
Mankato	3.2%	0.1%	1.7%	0.1%	1.5%	0.1%	0.2%	0.2%	0.2%	0.2%	0.4%	0.3%	8.3%
Metro	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.2%	1.5%	1.8%
Moorhead	1.4%	0.0%	0.9%	0.0%	0.8%	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	4.1%
Southwest	0.7%	0.0%	0.3%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%
St. Cloud	3.8%	0.1%	2.7%	0.2%	2.3%	0.1%	0.2%	0.2%	0.3%	0.1%	0.5%	0.2%	10.9%
Winona	1.6%	0.0%	0.7%	0.0%	0.5%	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	3.5%
TOTAL	29.3%	3.3%	22.0%	2.1%	19.5%	2.2%	2.4%	2.5%	3.4%	2.3%	6.4%	4.9%	100.0%

On the basis of a pilot survey, the project team determined that an initial sample of 8,001 students with an overall response rate of 60 percent would provide projectable findings. In practice, the survey achieved a 68.7 percent response rate before adjusting for households with missing or incorrect addresses and phone numbers or for those which did not belong in the sample. Figure One shows the unadjusted response rates by system and dependency status.

Figure One
Unadjusted Response Rates By System and Dependency Status



With a total of 5,347 completed interviews, the survey represents about a one in fifteen sample for each of the three systems. Table Two shows the total number of completed interviews by system and dependency status. For the majority of questions and tabulations shown in this report, the statistics have a margin of error of plus or minus three to eight percent, with a 95 percent level of confidence. To

illustrate, about ten percent of all parents with dependent students in our sample report a 1991 adjusted gross income of $100,000 and above. The true proportion of families of at this income level lies somewhere between 9.2 and 10.8 percent.

Table Two
Total Number of Completed Interviews
By System and Dependency Status

	Private Colleges	State Universities	University of Minnesota	Total
Dependents	1,418	1,422	1,370	4,210
Independents	349	424	364	1,137
Total	1,767	1,846	1,734	5,347

Sample Representativeness

The family financing survey was administered using two mail waves and a telephone follow-up of non-respondents. The mail waves were sent about two and one-half weeks apart, starting in June 1992, with the phone wave beginning in July. All phone interviewers underwent a half-day training session, and interviewer calls were regularly monitored for quality control. When calling households, allowances were made for as many as six attempts at contact before a family was classified as unreachable.

Given the nature of this project, considerable effort was made to assure that the sample be truly representative of Minnesota's resident baccalaureate attending population. In order to be representative, two conditions must be met: first, all segments of the population should have an equal chance of responding to the survey; second, all segments of the survey population should demonstrate comparable rates of participation.

The stratification technique we employed effectively addressed the first condition. With respect to the latter, confidence regarding survey participation was determined, first by examining overall response rates and second by examining whether there were any systematic patterns of refusal. Response rates by institution ranged from a low of 51.0 percent for the Minneapolis College of Art and Design to a high of 79.8 percent at the University of Minnesota at Morris. In all, only four of 26 institutions failed to achieve a 60 percent response rate. Together these four institutions represent 3.5 percent of total enrollment. Table Three shows initial sample size, the sample return and response rates by institution and dependency status.

Table Three
Initial Sample Size, Sample Return and Response Rates
By Institution and Dependency Status

	INITIAL SAMPLE			SAMPLE RETURN			RESPONSE RATE		
	DEP	IND	TOT	DEP	IND	TOT	DEP	IND	TOT
UM_Morris	116	13	129	93	10	103	80.2%	76.9%	79.8%
UM_Twin Cities	1511	502	2013	939	294	1233	62.1%	58.6%	61.3%
UM_Duluth	460	65	525	341	41	382	74.1%	63.1%	72.8%
PC_Augsburg	136	100	236	77	49	126	56.6%	49.0%	53.4%
PC_Bethel	123	5	128	87	4	91	70.7%	80.0%	71.1%
PC_Carleton	48	0	48	31	0	31	64.6%	NA	64.6%
PC_Concordia_MH	200	0	200	154	0	154	77.0%	NA	77.0%
PC_Concordia SP	67	15	82	48	5	53	71.6%	33.3%	64.6%
PC_Gustavus	185	3	188	145	1	146	78.4%	33.3%	77.7%
PC_Hamline	112	13	125	66	5	71	58.9%	38.5%	56.8%
PC_MCAD	31	20	51	18	8	26	58.1%	40.0%	51.0%
PC_Macalester	40	6	46	22	4	26	55.0%	66.7%	56.5%
PC_St. Benedict	163	9	172	107	5	112	65.6%	55.6%	65.1%
PC_St Catherine	100	147	247	72	100	172	72.0%	68.0%	69.6%
PC_St John	162	4	166	108	2	110	66.7%	50.0%	66.3%
PC_St Mary	68	9	77	46	3	49	67.6%	33.3%	63.6%
PC_St Olaf	176	2	178	122	0	122	69.3%	NA	68.5%
PC_St Scholasti	120	104	224	77	64	141	64.2%	61.5%	62.9%
PC_St Thomas	353	145	498	238	81	319	67.4%	55.9%	64.1%
SU_Mankato	539	123	662	360	88	448	66.8%	71.5%	67.7%
SU_Metro	0	148	148	0	114	114	NA	77.0%	77.0%
SU_Southwest	98	16	114	57	12	69	58.2%	75.0%	60.5%
SU_St Cloud	743	130	873	523	81	604	70.4%	62.3%	69.2%
SU_Winona	233	48	281	167	36	203	71.7%	75.0%	72.2%
SU_Bemidji	207	54	261	143	33	176	69.1%	61.1%	67.4%
SU_Moorhead	257	70	327	174	43	217	67.7%	61.4%	66.4%

Non-respondent bias also was analyzed by examining whether families refusing to participate demonstrated certain characteristics different from the responding population. Refusal rates were constructed by eliminating from our sample those families that could not be reached by mail or phone. Adjusting for families who were never contacted raises the survey's participation rate to 85.9 percent for families of dependent students and 89.1 for independent students. Table Four shows refusal rates by system and dependency status.

Table Four
Refusal Rates By Institution, System and Dependency Status

SYSTEM	INSTITUTION	DEPENDENTS	INDEPENDENTS
U of Minnesota	Duluth	12.8%	4.4%
U of Minnesota	Morris	2.2%	22.2%
U of Minnesota	Twin Cities	16.5%	11.4%
U of Minnesota	System Total	14.9%	10.9%
State University	Metro	NA	10.9%
State University	Moorhead	7.5%	8.5%
State University	St. Cloud	16.3%	10.0%
State University	Mankato	17.5%	6.3%
State University	Bemidji	16.9%	5.7%
State University	Southwest	17.4%	7.7%
State University	Winona	11.6%	10.0%
State University	System Total	15.2%	8.9%
Private College	Augsburg	10.3%	15.5%
Private College	Bethel	16.2%	0.0%
Private College	Carleton	25.7%	NA
Private College	St. Benedict	20.9%	16.7%
Private College	Concordia (MH)	14.5%	NA
Private College	Concordia (SP)	11.1%	0.0%
Private College	Gustavus Adolphus	12.5%	0.0%
Private College	St. John's	14.8%	0.0%
Private College	St. Mary's	14.3%	0.0%
Private College	Hamline	22.8%	16.7%
Private College	MCAD	9.8%	20.0%
Private College	Macalester	11.8%	20.0%
Private College	St. Catherine	12.8%	11.5%
Private College	St. Olaf	17.1%	0.0%
Private College	St. Scholastica	21.8%	13.5%
Private College	St. Thomas	17.2%	13.8%
Private College	System Total	16.5%	13.1%

The possibility for non-respondent bias exists for those families who were not contacted as well. Uncontacted families were basically clustered into two groups: those with incomplete address and phone records and those who attended institutions where the spring term ended before our survey arrived. The majority of families in the latter group were represented by single independent students. As a group, single independent students have a very low incidence of home ownership, and many of these students had moved at the end of the academic year without a forwarding address or phone number.

This problem affected independent students attending four private colleges: Concordia College (St. Paul), Gustavus Adolphus College, Hamline University and Saint Mary's College of Minnesota. Collectively, these four campuses represented 0.5 percent of all independent students and 6.9 percent of the independent students who attend private colleges.

In all cases, repeated efforts were made to follow-up on families with undeliverable addresses or unusable phone numbers by relying on alternative campus records and directory assistance. All families who initially refused to participate by mail were contacted by phone and, in those instances where families refused to participate by phone, a second follow-up call was made about two weeks later to persuade the family to reconsider. On average, about one-third of the families that initially refused by phone later agreed to participate.

In addition to families who refused any participation, a small proportion of families (about six percent) returned the survey but failed to answer one or more questions. The question that families were most disinclined to answer concerned their 1991 adjusted gross income. Table Five shows the refusal rate by system and dependency status for this question.

Table Five
Percent of Families Completing The Survey
Who Did Not Report Family Income

	Private Colleges	State Universities	University of Minnesota
Dependents	7.2%	7.4%	5.0%
Independents	4.9%	2.6%	1.1%

An examination of the social characteristics of respondents refusing to report family income indicates that a failure to answer this question is not systematically concentrated in any particular income class. For example, when we examine parent educational attainment, which is perhaps our best predictor of income, 20.5 percent

of the families with dependent students who refused the income question reported both spouses as having only a high school education; another 20.0 percent indicated that both spouses had at least a baccalaureate degree. For those reporting their income, 19.0 percent reported both spouses with high school educations and 18.7 percent with both spouses having at least a baccalaureate degree. Given a five percent margin of error, the educational attainment of these two populations are statistically the same.

To ensure that our sample was fully projectable at a system level, each respondent was assigned a sample weight which adjusted the proportion of survey respondents to correspond with their actual share of enrollment by institution and dependency status. For example, families with dependents at Carleton College represented 0.6 percent of our original sample of 8,001 families but 0.58 percent of the families that completed the survey. All Carleton respondents were therefore given a sample weight of 1.026 (.6/.58) to ensure that they were proportionately represented. The sample and return distribution and corresponding sample weights for dependent and independent students by institution are shown in Table Six.

Table Six
Distribution of Surveys Sent and Returned and Sample Weights
By Dependency Status and Institution

	SAMPLE DISTRIBUTION			RETURN DISTRIBUTION			SAMPLE WEIGHTS		
	DEP	IND	TOT	DEP	IND	TOT	DEP	IND	TOT
UM_Morris	1.5%	0.2%	1.6%	1.8%	0.2%	1.9%	82.6%	86.1%	83.0%
UM_Twin Cities	18.9%	6.3%	25.2%	17.7%	5.5%	23.3%	106.6%	113.1%	108.1%
UM_Duluth	5.8%	0.8%	6.6%	6.4%	0.8%	7.2%	89.3%	105.0%	91.0%
PC_Augsburg	1.7%	1.3%	3.0%	1.5%	0.9%	2.4%	117.0%	135.2%	124.1%
PC_Bethel	1.5%	0.1%	1.6%	1.6%	0.1%	1.7%	93.6%	82.8%	93.2%
PC_Carleton	0.6%	0.0%	0.6%	0.6%	0.0%	0.6%	102.6%	0.0%	0.0%
PC_Concordia_MH	2.5%	0.0%	2.5%	2.9%	0.0%	2.9%	86.0%	0.0%	0.0%
PC_Concordia SP	0.8%	0.2%	1.0%	0.9%	0.1%	1.0%	92.5%	198.7%	102.5%
PC_Gustavus	2.3%	0.0%	2.4%	2.7%	0.0%	2.8%	84.5%	198.7%	85.3%
PC_Hamline	1.4%	0.2%	1.6%	1.2%	0.1%	1.3%	112.4%	172.2%	116.6%
PC_MCAD	0.4%	0.3%	0.6%	0.3%	0.2%	0.5%	114.1%	165.6%	129.9%
PC_Macalester	0.5%	0.1%	0.6%	0.4%	0.1%	0.5%	120.4%	99.3%	117.2%
PC_St. Benedict	2.0%	0.1%	2.2%	2.0%	0.1%	2.1%	100.9%	119.2%	101.7%
PC_St Catherine	1.3%	1.8%	3.1%	1.4%	1.9%	3.2%	92.0%	97.4%	95.1%
PC_St John	2.0%	0.1%	2.1%	2.0%	0.0%	2.1%	99.3%	132.5%	100.0%
PC_St Mary	0.9%	0.1%	1.0%	0.9%	0.1%	0.9%	97.9%	198.7%	104.1%
PC_St Olaf	2.2%	0.0%	2.2%	2.3%	0.0%	2.3%	95.5%	0.0%	0.0%
PC_St Scholasti	1.5%	1.3%	2.8%	1.5%	1.2%	2.7%	103.2%	107.6%	105.2%
PC_St Thomas	4.4%	1.8%	6.2%	4.5%	1.5%	6.0%	98.2%	118.6%	103.4%
SU_Mankato	6.7%	1.5%	8.3%	6.8%	1.7%	8.5%	99.2%	92.6%	97.9%
SU_Metro	0.0%	1.9%	1.9%	0.0%	2.2%	2.2%	0.0%	86.0%	86.0%
SU_Southwest	1.2%	0.2%	1.4%	1.1%	0.2%	1.3%	113.9%	88.3%	109.4%
SU_St Cloud	9.3%	1.6%	10.9%	9.9%	1.5%	11.4%	94.1%	106.3%	95.7%
SU_Winona	2.9%	0.6%	3.5%	3.2%	0.7%	3.8%	92.4%	88.3%	91.7%
SU_Bemidji	2.6%	0.7%	3.3%	2.7%	0.6%	3.3%	95.9%	108.4%	98.2%
SU_Moorhead	3.2%	0.9%	4.1%	3.3%	0.8%	4.1%	97.8%	107.8%	99.8%

On the basis of this discussion, we have concluded that the statistical information which follows is reliable and representative of the characteristics of state residents attending Minnesota's State University System, the University of Minnesota System or one of Minnesota's private colleges.

Segmenting the Attending Population

The quality and size of the sample permitted a detailed set of tabulations and a fairly elaborate segmentation strategy. In general, responses to survey questions have been tabulated by system and dependency status. In addition, our analysis of families with dependent students consistently involved tabulation by family income class. For this purpose, we segmented the dependent population into seven income groups. Table Seven shows the proportion of all families of dependent students in each income class, along with the average income and income threshold which defines each class.

To be consistent with the way in which most financial aid data is reported, we asked families to report their adjusted gross income. Adjusted gross income excludes such deductions as individual retirement accounts, alimony and self-employed health insurance. As a general rule, adjusted gross income is about six or seven percent less than personal income.

Table Seven
Income Classes Used For Analysis of Dependent Students

Adjusted Gross Income Class Thresholds	Average Adjusted Gross Income	Estimated Average Personal Income	Percent of Total Dependents Population
$ 0-$14,999	$ 9,855	$ 10,446	8.3%
$ 15,000-$24,999	$ 23,245	$ 24,640	10.5%
$ 25,000-34,999	$ 33,140	$ 35,128	16.0%
$ 35,000-$44,999	$ 42,420	$ 44,965	15.3%
$ 45,000-$59,999	$ 54,425	$ 57,691	21.3%
$ 60,000-$79,000	$ 70,210	$ 74,423	15.2%
$80,000-$250,000+	$129,000	$136,740	13.3%

Dependent students, the bulk of what we traditionally have thought of as the college bound population, are examined in the following section.

4. The Economic and Social Characteristics of Families with Dependent Students

Understanding the economic and social characteristics of families has bearing on this analysis in two basic ways: first, characteristics such as income, family size and home equity are the basis for determining a family's ability to pay for college under federal financial aid guidelines; second, characteristics such as parent educational attainment or whether the family lives in a metropolitan or non-metropolitan part of the state, may influence parents' expectations regarding time to completion, where the student lives while in college, as well as the institution the student chooses to attend. Perhaps most importantly, understanding the characteristics of families of college students provides essential information about higher education access and equal opportunity.

Educational Attainment of Parents

Table Eight shows the educational attainment of parents by the system their student attends. In aggregate, a remarkable 62.3 percent of the parents of dependent students attending one of Minnesota's baccalaureate degree-granting institutions have had at least one year of college. After controlling for age, this is more than one and one-half times the proportion of adults in the general population who have had one or more years of college.

While parent educational attainment for the three systems combined is relatively high, there is a pronounced difference between the State Universities and Minnesota's two other baccalaureate systems. On average, Minnesota's State Universities have nearly twice the proportion of first-generation dependent students as the other two systems. In all three systems, fathers have achieved significantly higher levels of education than mothers, with men holding more than twice the proportion of graduate degrees and one and one-half times the proportion of baccalaureate degrees as women. Current enrollment data for Minnesota suggests that this gap will diminish in the next decade; female students now outnumber males by more than 20 percent.

Table Eight
Parent Educational Attainment
By System

Private Colleges	Mother's				
Father's	HS Dgr	1 or 2 Yr Dgr	4 Yr Dgr	Grad Dgr	Total
HS Dgr or Less	15.0%	5.2%	3.3%	0.8%	24.3%
1 or 2 Yr Dgr	7.7%	11.7%	3.4%	1.1%	23.9%
4 Yr Dgr	5.8%	5.8%	11.0%	2.4%	25.0%
Grad/Prof Dgr	2.6%	4.8%	10.8%	6.3%	24.4%
Total	31.6%	27.6%	28.8%	10.6%	97.7%

State Universities	Mother's				
Father's	HS Dgr	1 or 2 Yr Dgr	4 Yr Dgr	Grad Dgr	Total
HS Dgr or Less	31.1%	9.5%	2.2%	0.5%	43.2%
1 or 2 Yr Dgr	13.5%	12.2%	1.9%	1.2%	28.8%
4 Yr Dgr	5.8%	4.7%	4.2%	1.1%	15.8%
Grad/Prof Dgr	1.3%	2.5%	3.3%	2.0%	9.2%
Total	52.6%	29.3%	11.7%	4.9%	97.1%

University of MN	Mother's				
Father's	HS Dgr	1 or 2 Yr Dgr	4 Yr Dgr	Grad Dgr	Total
HS Dgr or Less	17.9%	6.2%	2.6%	0.5%	27.2%
1 or 2 Yr Dgr	10.1%	11.1%	3.9%	0.9%	26.0%
4 Yr Dgr	6.7%	9.1%	8.9%	2.4%	27.1%
Grad/Prof Dgr	3.3%	4.0%	7.7%	3.1%	18.1%
Total	38.2%	30.6%	23.2%	6.9%	98.4%

The relatively high proportion of parents in our sample with some college experience is a clear indication that a significant number of potential first-generation students are not attending Minnesota baccalaureate degree-granting institutions. A natural implication of this finding is that a parent's education may be the defacto right of passage for his or her son or daughter's college participation, setting in place an inter-generational cycle of "educational poverty."

The impact of parental values on the participation of first-generation students is unclear. The link between education attainment, income and the ability to afford college, however, is unambiguous.

Educational Attainment and Family Income

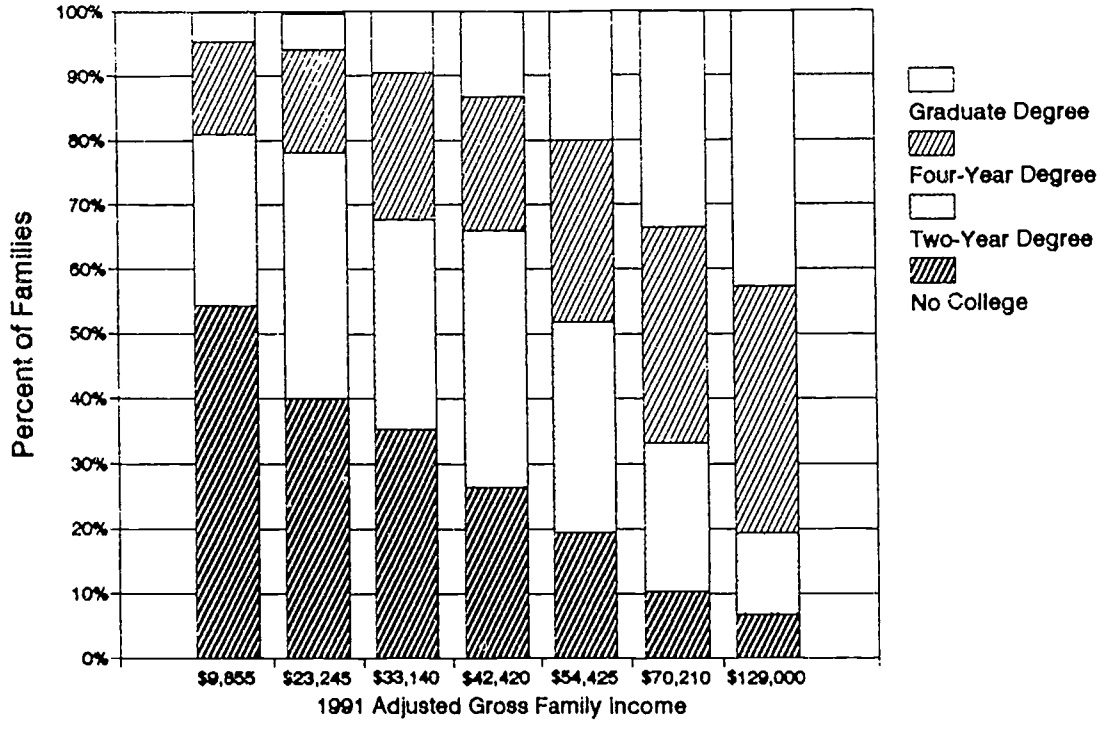
Studies conducted since the early 1960s have documented the economic return or "private benefit" of postsecondary education. Current population survey data, for example, shows the discounted lifetime earnings of a college graduate to be about

$500,000 greater than that of a high school graduate. A recent Princeton University study of identical twins found that every year of education, from elementary school through graduate school, adds 16 percent to an individual's lifetime earnings. The study found that a four-year college degree can increase an individual's expected lifetime earnings by two-thirds.

From the perspective of the family rather than the individual, the income gap between parents with and without a college education is exacerbated because the overwhelming majority of people choose spouses with comparable levels of education. For example, according to our sample, adults with a baccalaureate degree are twice as likely to marry someone with a baccalaureate degree as they are to marry someone with only a high school diploma. Those with a graduate degree are approximately six times as likely to marry within the same "educational class." Because labor force participation and average earnings rise with educational attainment, this tendency reinforces a polarization in family incomes and may explain the growing income disparity between income/educational attainment classes.

Figure Two shows the educational attainment of parents in our sample by family income class. Families that include at least one parent with a baccalaureate degree are approximately three times as likely to have an income above $60,000 as those with lower education levels.

Figure Two
Educational Attainment of Parents
By Family Income Class



Labor Force Participation, Education and Income

A hallmark of the 1980s was the enormous rise in female labor force participation and its contribution to the growth in family personal income. Among those families supporting dependents in college, labor force participation is well above the state norm, with close to 85 percent of all parents serving as active members of the labor force and with nearly half of all families having two parents working full-time.

Given the extent to which real growth in family personal income is tied to the total number of hours family members work, and that an individual's prime earning years are between the ages of 40 and 60, the majority of families with dependents in our sample may have reached the upper bound of their incomes. Because nearly half of these parents (46.5 percent) have at least one child under the age of 18, the financial pressures faced by this cohort of families are likely to intensify in the future. Figure Three shows the labor force status of two-parent households by income class.

Figure Three
Labor Force Status of Two-Parent Households
By Family Income Class

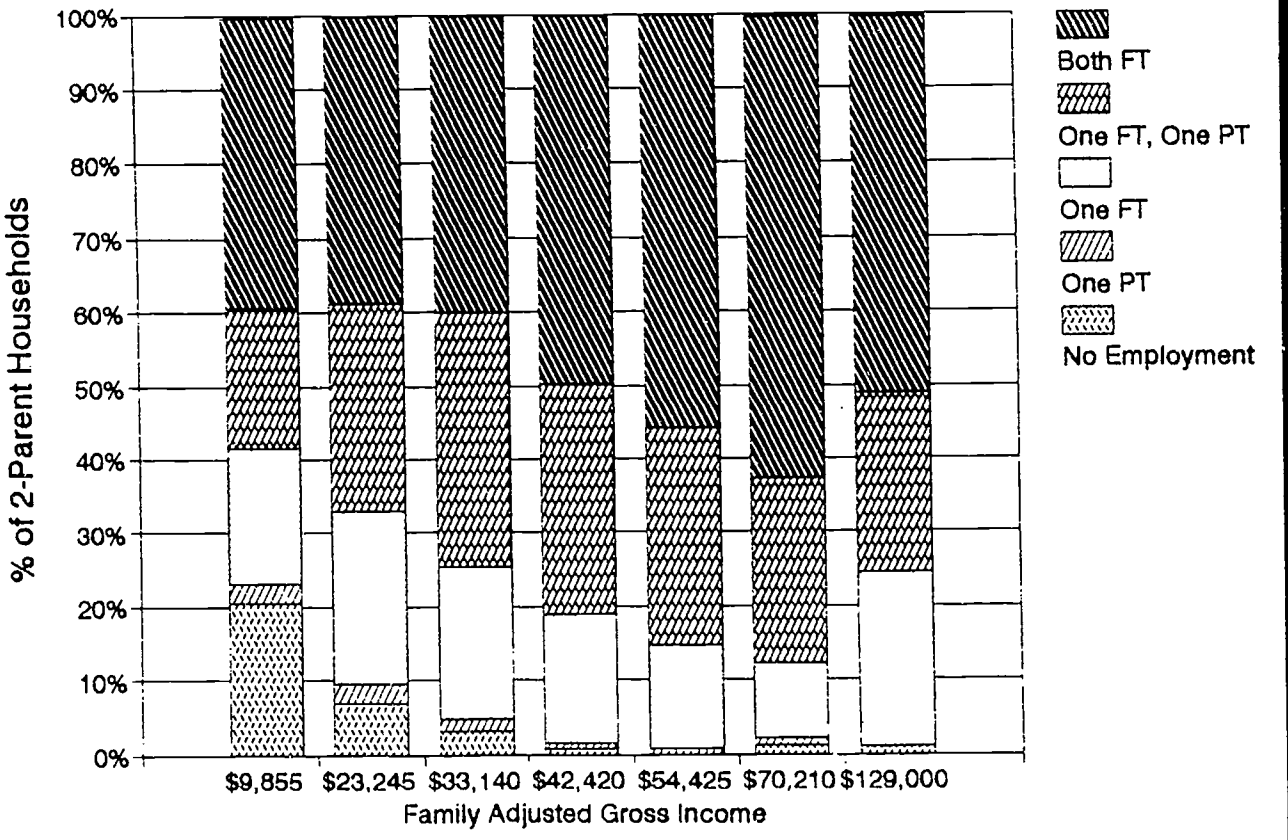


Table Nine shows the labor force status of parents by system. An interesting feature of this table is the strong similarity in labor force participation among the three systems. Given the strong correlation between educational attainment and higher earnings, this table suggests that **differences in family income by system have less to do with the employment status of parents than with parent educational attainment.** That is, the educational attainment of working parents drives family earnings far more often than the type of employment or how many hours they work.

One clear exception to this generalization is the core of families in which mothers have a graduate or professional degree. In these families, women are about one and one half times more likely to work full-time than other women.

Table Nine
Labor Force Status of Parents By System

PRIVATE COLLEGE PARENTS

		Mother's Status				
		Employed Full-time	Employed Part-time	Unemployed Seeking Work	Unemployed Not Seeking	Total
Father's Status	Single Parents	9.0%	2.0%	0.4%	0.1%	11.4%
Employed Full-time	3.0%	42.7%	22.5%	1.8%	11.3%	81.3%
Employed Part-time	0.2%	1.6%	0.4%	0.1%	0.4%	2.7%
Unemployed Seeking Work	0.1%	0.8%	0.2%	0.0%	0.1%	1.2%
Unemployed Not Seeking	0.1%	1.3%	0.6%	0.0%	1.1%	3.2%
Total	3.4%	55.3%	25.8%	2.3%	13.0%	99.8%

STATE UNIVERSITY PARENTS

		Mother's Status				
		Employed Full-time	Employed Part-time	Unemployed Seeking Work	Unemployed Not Seeking	Total
Father's Status	Single Parents	6.8%	1.8%	0.7%	1.0%	10.3%
Employed Full-time	3.4%	44.3%	21.8%	2.0%	8.6%	80.1%
Employed Part-time	0.3%	2.5%	1.2%	0.2%	0.3%	4.5%
Unemployed Seeking Work	0.2%	0.6%	0.2%	0.1%	0.2%	1.4%
Unemployed Not Seeking	0.5%	1.2%	0.8%	0.1%	1.0%	3.6%
Total	4.4%	55.4%	25.8%	3.2%	11.1%	99.8%

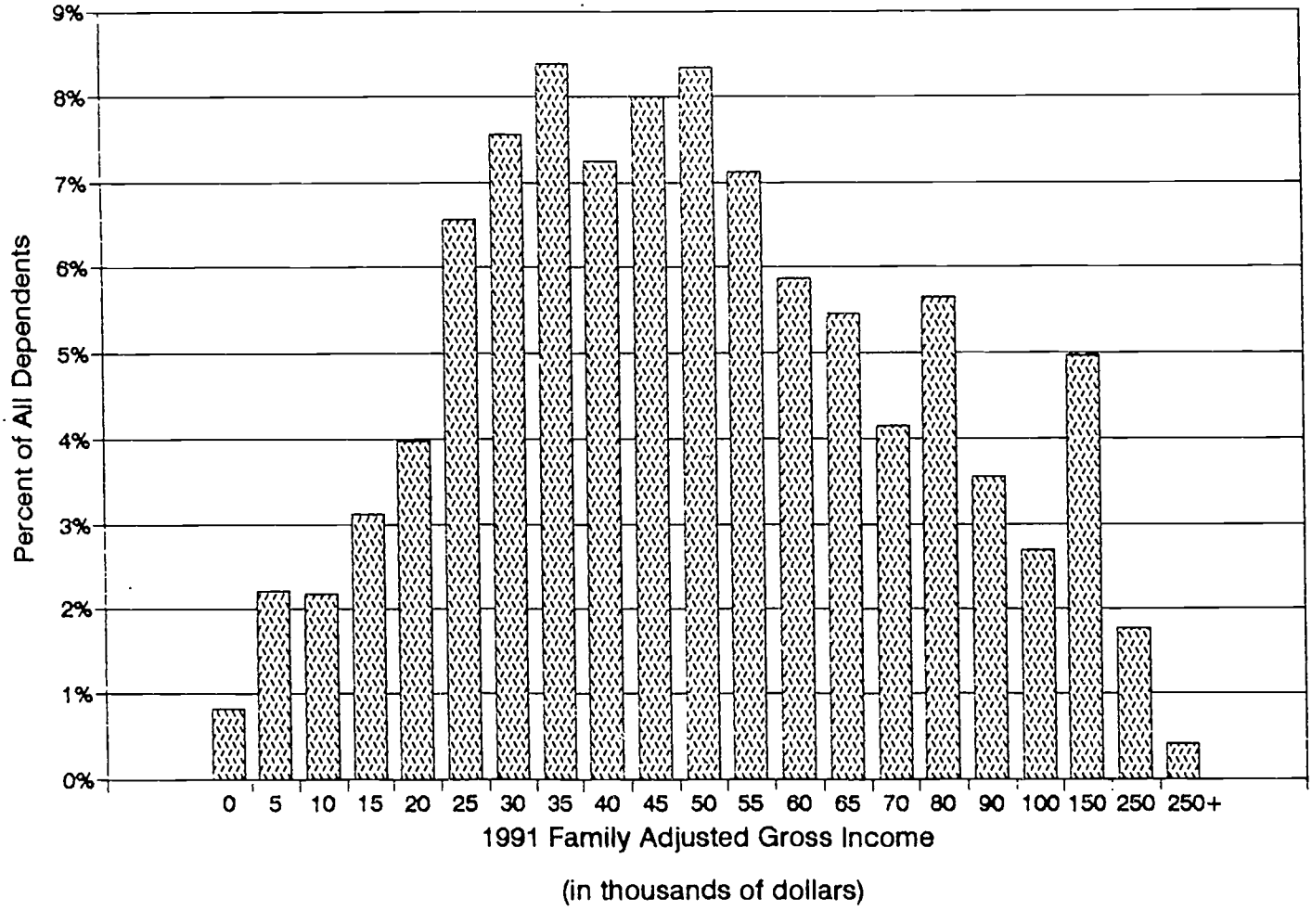
UNIVERSITY OF MINNESOTA PARENTS

		Mother's Status				
		Employed Full-time	Employed Part-time	Unemployed Seeking Work	Unemployed Not Seeking	Total
Father's Status	Single Parents	8.6%	1.9%	0.4%	0.0%	10.9%
Employed Full-time	2.6%	42.1%	22.1%	1.5%	10.4%	78.8%
Employed Part-time	1.1%	1.7%	0.6%	0.1%	0.4%	3.8%
Unemployed Seeking Work	0.7%	1.3%	0.5%	0.3%	0.0%	2.8%
Unemployed Not Seeking	0.1%	1.3%	0.8%	0.1%	1.0%	3.2%
Total	4.4%	55.0%	25.9%	2.3%	11.8%	99.5%

Family Income

Figure Four shows the distribution of incomes for families with dependent students attending one of Minnesota's three baccalaureate degree-granting systems. Consistent with the generally higher than average educational attainment of parents with students in college, this data shows the extent to which college participation is dominated by middle- and upper-income families. For the three systems combined, median family income in 1991 was just slightly under $50,000. This compares with an estimated state median of $44,000 for families with parents having the same age distribution.

Figure Four
Distribution of Income
For Families With Dependents At Four-Year Institutions



Using data from the 1990 current population survey of family income and assets, we compared the income distribution of the baccalaureate institution-attending population with the income distribution of families with heads of households the same age. Figure Five shows the results of this comparison.

Consistent with a number of national studies (none of which to our knowledge, conducted in Minnesota), **the relative proportion of families with dependent students attending college rises sharply with income.** The ratio of families with students attending Minnesota four-year colleges to all families of similar age and size indicates that families with incomes over $50,000 are three times as likely to have a son or daughter attending a baccalaureate institution as families with incomes under $30,000. It is critical to recognize that these rates include only enrollment in baccalaureate degree-granting systems.

Minnesota's extensive two-year college sector, with more than 120,000 students, is in all likelihood dominated by students with lower family incomes. While this may alleviate some concern regarding college access in general, even under the best circumstances this pattern of attendance suggests a two-tier system of education, one for those families with more higher education and income, and another lower-cost non-baccalaureate system for those families with less education and income.

Figure Five
Comparison of Income Distribution For Families
With Dependents Attending Minnesota Baccalaureate Institutions
with Families of Comparable Age and Size

Consistent with parent educational attainment, a sharp difference exists between the family incomes of students attending State Universities and Minnesota's two other baccalaureate degree-granting systems. For Minnesota residents, the median family income of State University students is approximately 15 percent below that of the University of Minnesota and the Minnesota private colleges. Figure Six and Figure Seven show the 1991 distribution and cumulative distribution of family adjusted gross incomes by system.

Figure Six
Distribution of Family Incomes of Dependent Students By System

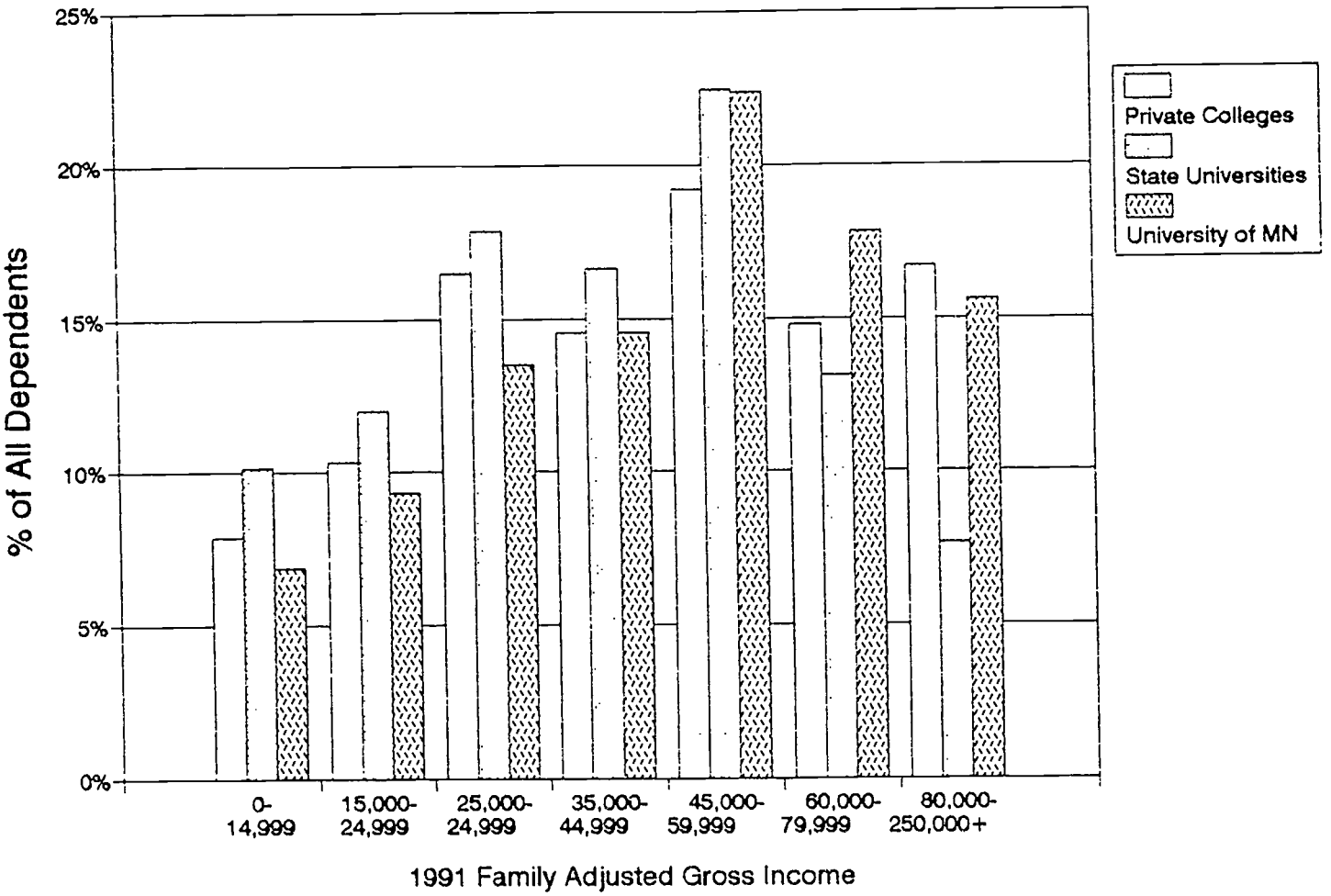
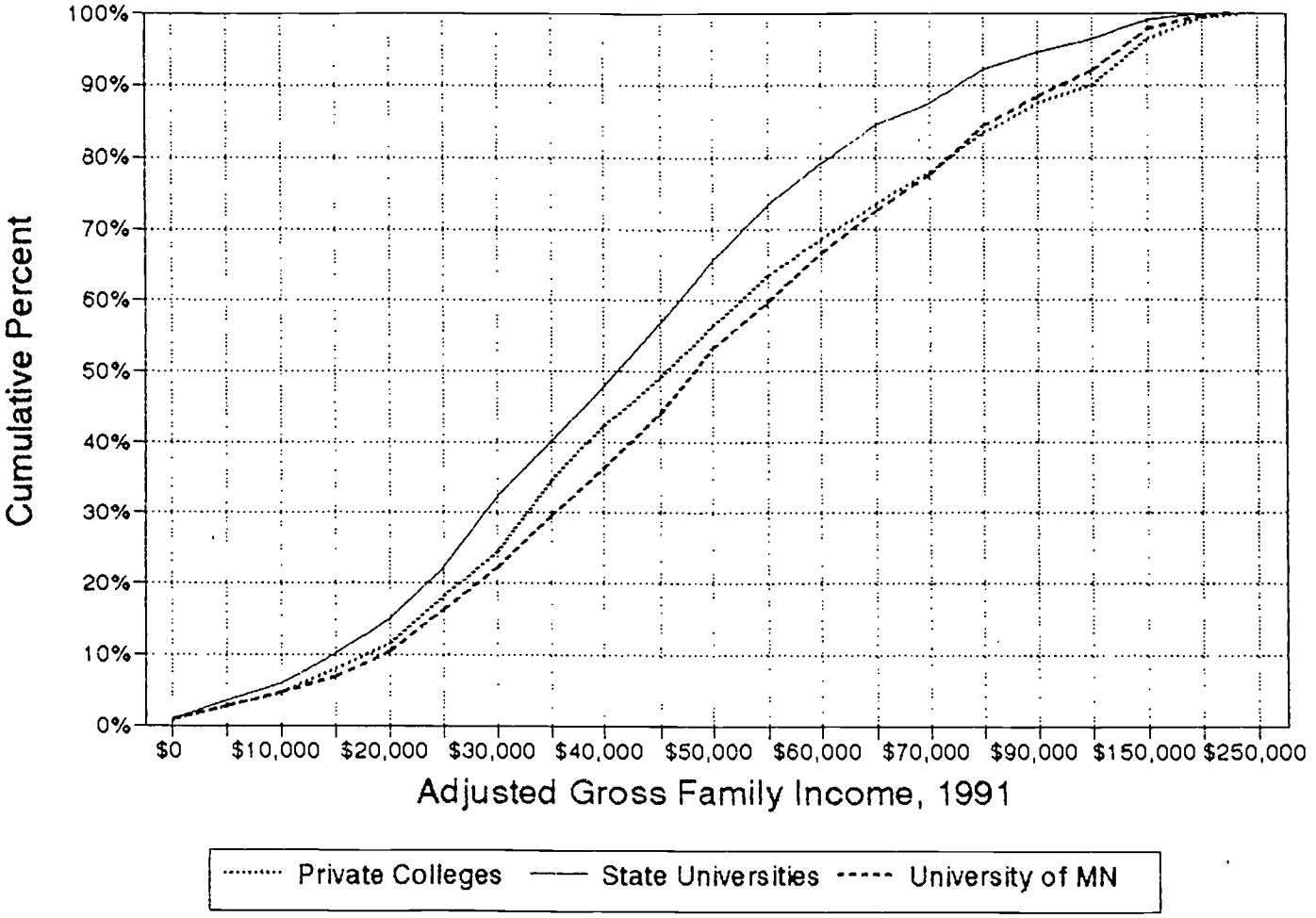


Figure Seven
Cumulative Distribution of Family Incomes
of Dependent Students By System



While State University students are represented by families with incomes below the state median in much greater proportion than in the other two systems, their distribution relative to the state population overall still implies an underrepresentation of lower-income families. In addition, enrollment at Minnesota's State Universities includes a significantly larger proportion of students with parents living in non-metropolitan areas of the state. For example, among new entering students in the fall 1991 class, only 16.5 percent were from Hennepin and Ramsey counties, compared

with 39.9 percent for the University of Minnesota and 29.5 for Minnesota's private colleges. To some extent, the lower incomes of State University students may be offset by a lower cost of living outside the Twin Cities metropolitan area resulting in a smaller difference in disposable income than these distributions might otherwise suggest.

Household Composition

Despite a large variation in family incomes, both within and across systems, the average household size, particularly for families with incomes above $30,000, is similar. A drop in average household size for families with incomes under $30,000 is due primarily to the absence of a second parent. Figure Eight shows the proportion of single-parent households by family income. The dramatic concentration of single-parent families at incomes below $30,000 should suggest a significantly lower participation rate for this segment of the population. Given the steady rise in single-parent households in this country (nearly one out of every three children born in 1989 was born into a single-parent household) access to postsecondary education for those students and families is likely to face enormous challenges in the coming two decades.

Figure Eight
Proportion of Dependents From
Single-Parent Households

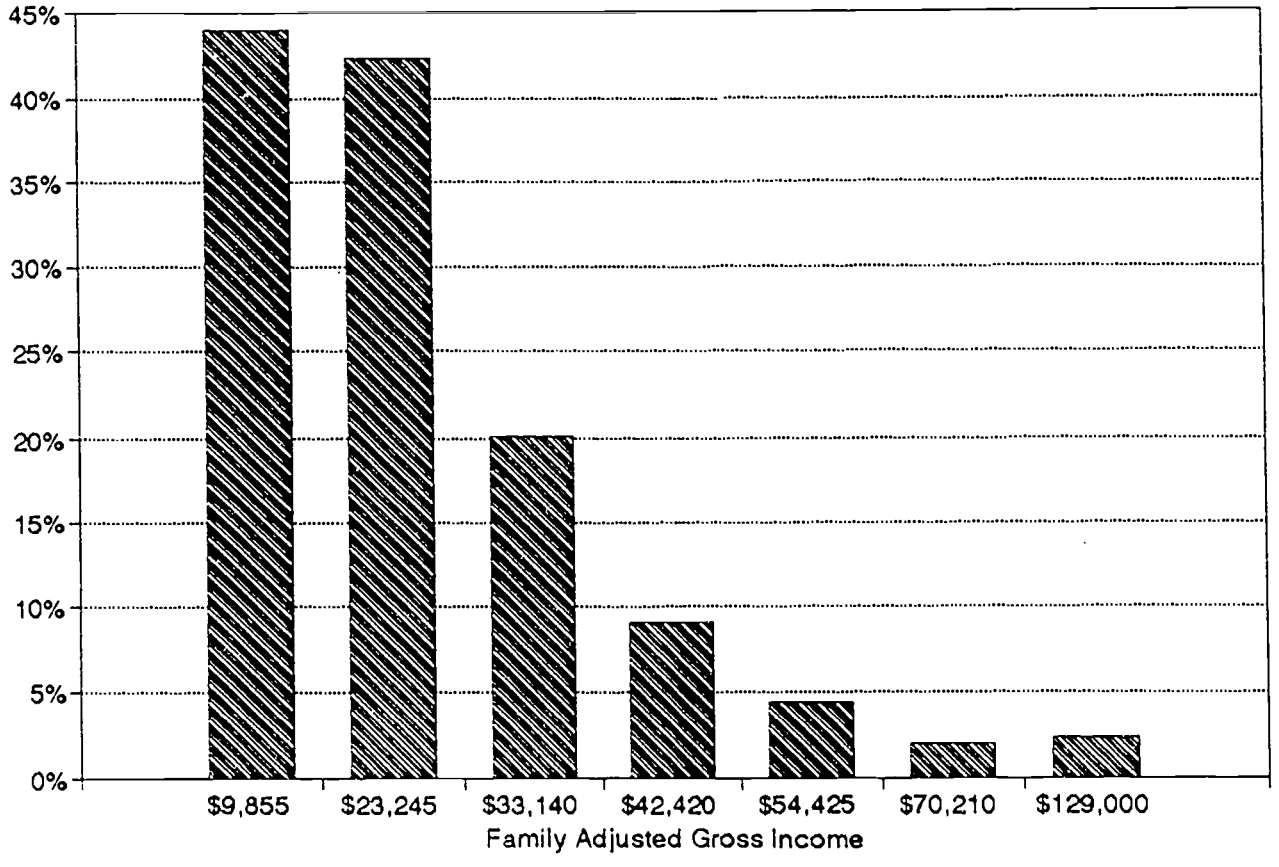
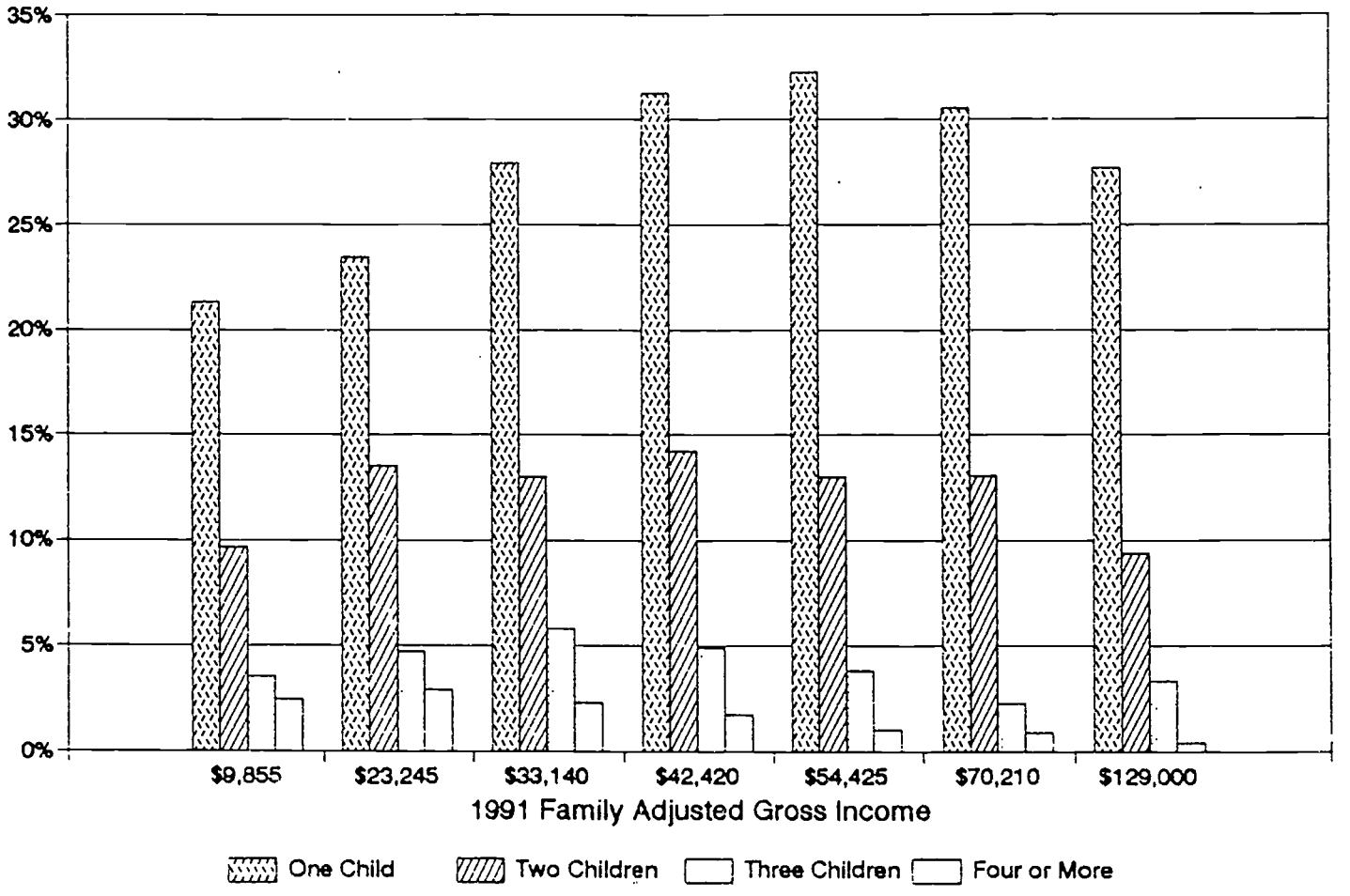


Figure Nine shows the number of children under age 18 living with parents by family income. The number of children differs only slightly by family income. Consequently, unless financial grant aid can fully compensate for differences in family means, low-income families can expect to face a significantly greater financing burden.

Figure Nine
Number of Children Under Age 18
By Family Income

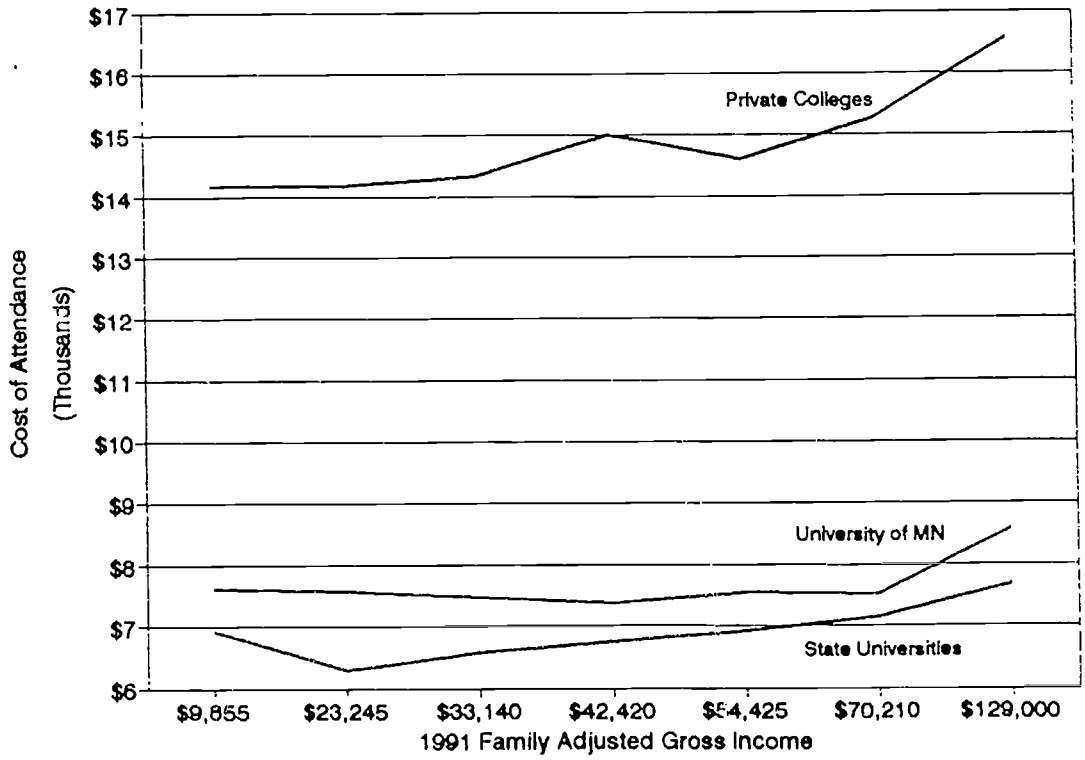


5. How Families Pay for College

Student financial aid packages are influenced by many factors, including the institutional tuition and living budgets, what families believe are appropriate expenses, parent and student earnings, whether the family has saved for college and, perhaps most notably, the availability of financial grant aid. Figure Ten shows the average cost of attendance by system and by family income for full-time students. As a general observation, **parents with dependents in college use student budgets (tuition and living expenses) remarkably consistent with those used by campus financial aid officers.**

Increases in attendance costs for families of higher incomes result from two factors: first, for students attending both public and private institutions, wealthier families tend to use more generous living and miscellaneous expense allowances for their children. For example, a computer or car might be included. Second, at private colleges, wealthier students have a tendency to attend higher cost institutions, where "sticker price" can vary by as much as $8,000.

Figure Ten
Average Cost of Attendance For Dependent Students
By System and Family Income



Overall, these attendance costs suggest a $7,000 - $8,000 price gap between public and private institutions and a $500 - $1,000 gap between Minnesota's two public baccalaureate systems. The intervention of grant aid, however, substantially alters this price disparity. Figure Eleven shows the average net attendance cost for dependent students by system. These figures represent the costs shown in the previous figure less all grant aid from all sources.

Figure Eleven
Average Net Cost of Attendance For Dependent Students
By System and Family Income

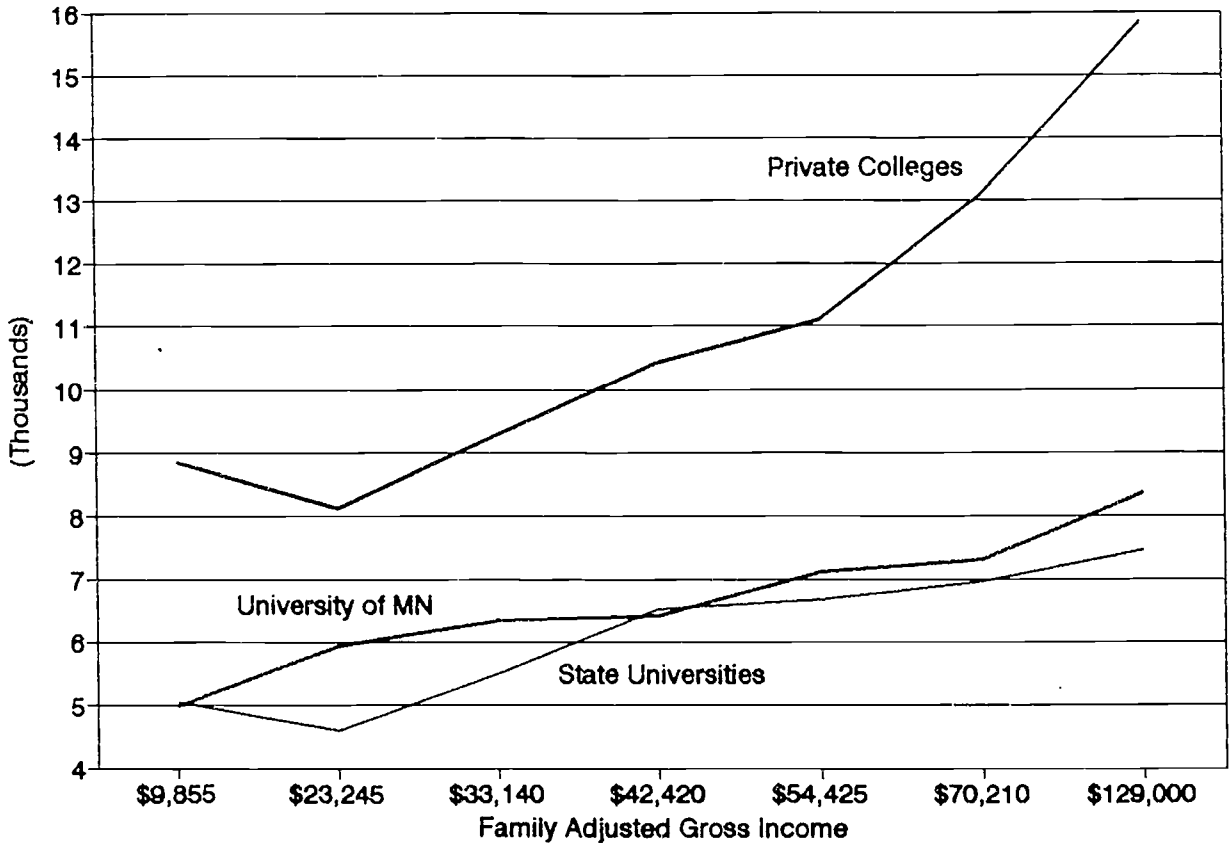
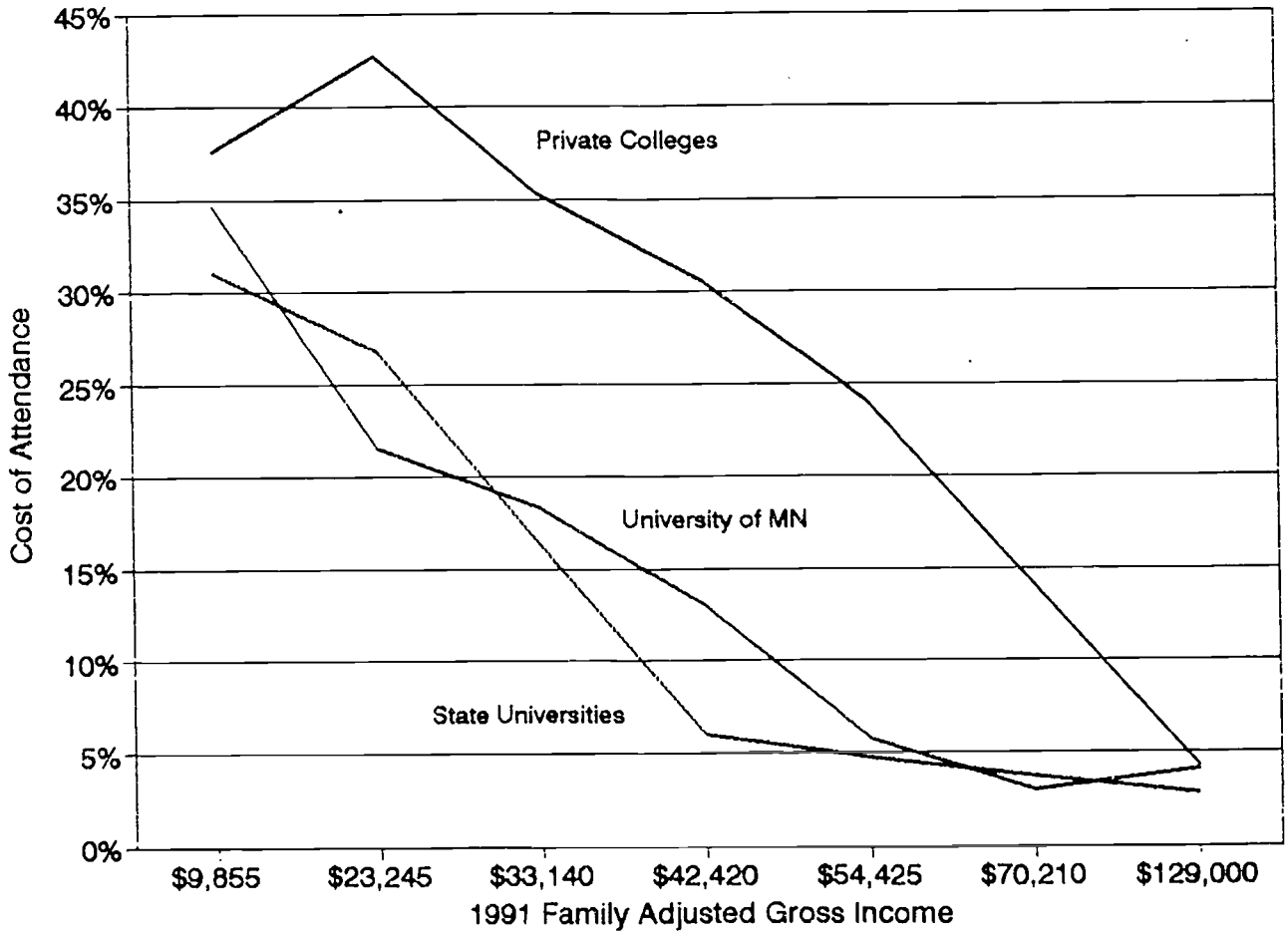


Figure Eleven clearly illustrates the role of financial aid in helping to reduce and equalize attendance costs based on a family's ability to pay. As a result, the relatively "flat" cost curves of Figure Nine are now progressive, with a particularly sharp curve for the private sector. For families with incomes under $35,000, financial aid has cut a $7,000 public-private price gap down to about $2,500, a 39 percent reduction in costs. For families with incomes of $40,000 to $60,000, there is about a 24 percent reduction in private sector attendance costs.

In the public sector, financial aid reduces attendance costs for families with incomes under $35,000 by about 26 percent and nearly equalizes costs between systems. For families with incomes above $40,000, there is little difference between net and full attendance costs at the State Universities. University of Minnesota students with family incomes above this amount, however, receive approximately a 13 percent reduction in cost. Figure Twelve shows the effective discount rates by system and family income.

Figure Twelve
Effective Discount Rates By System and Family Income



Family Financial Aid Packages

Despite significant differences in attendance costs by system and family income, the general structure of how higher education is financed is remarkably similar across sectors. Figures Thirteen, Fourteen and Fifteen show the percent distribution of funding sources for full-time students by family income for each of the three systems.

Figure Thirteen
How Private College Families Pay For College

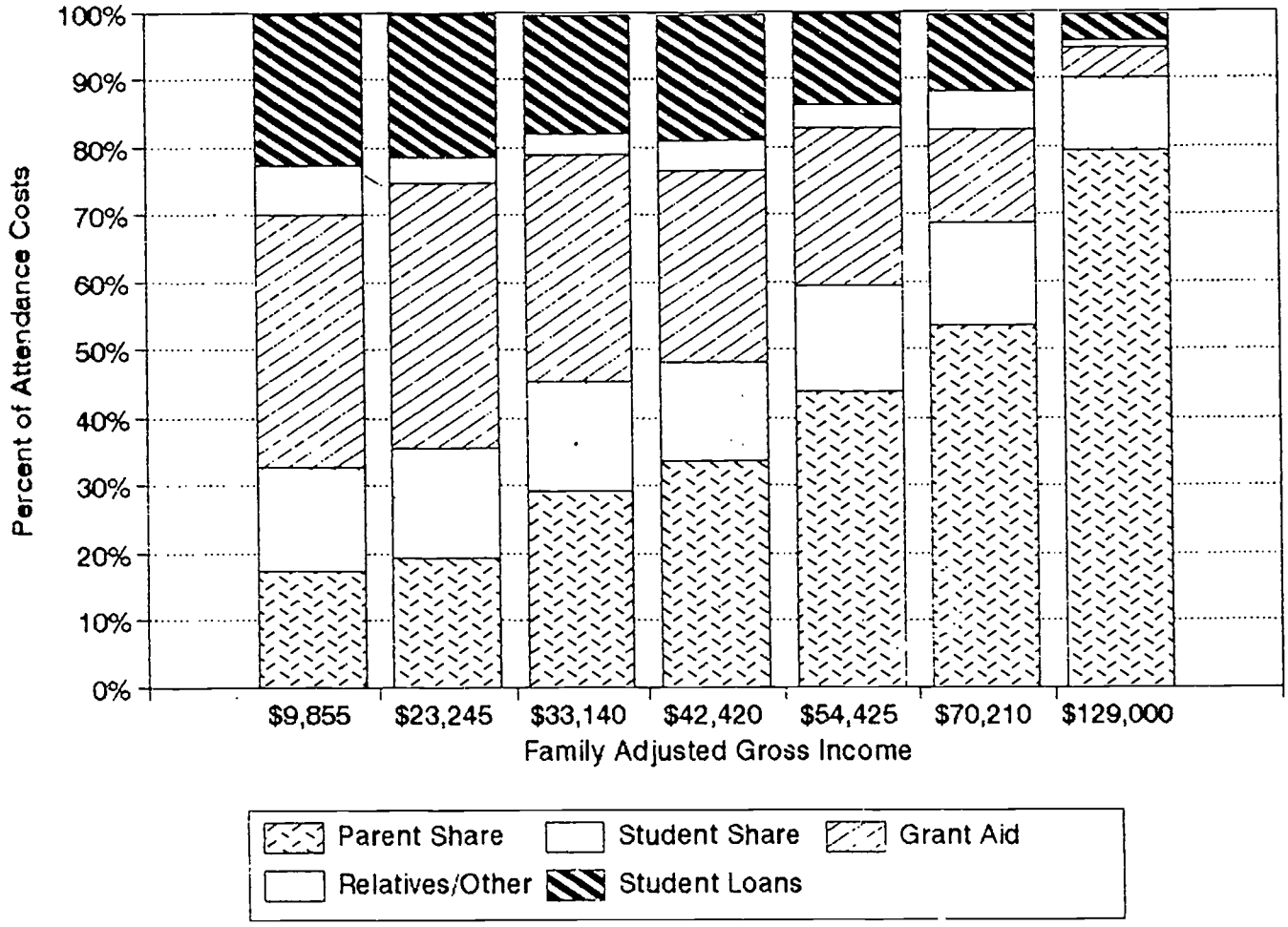


Figure Fourteen
How State University Families Pay for College

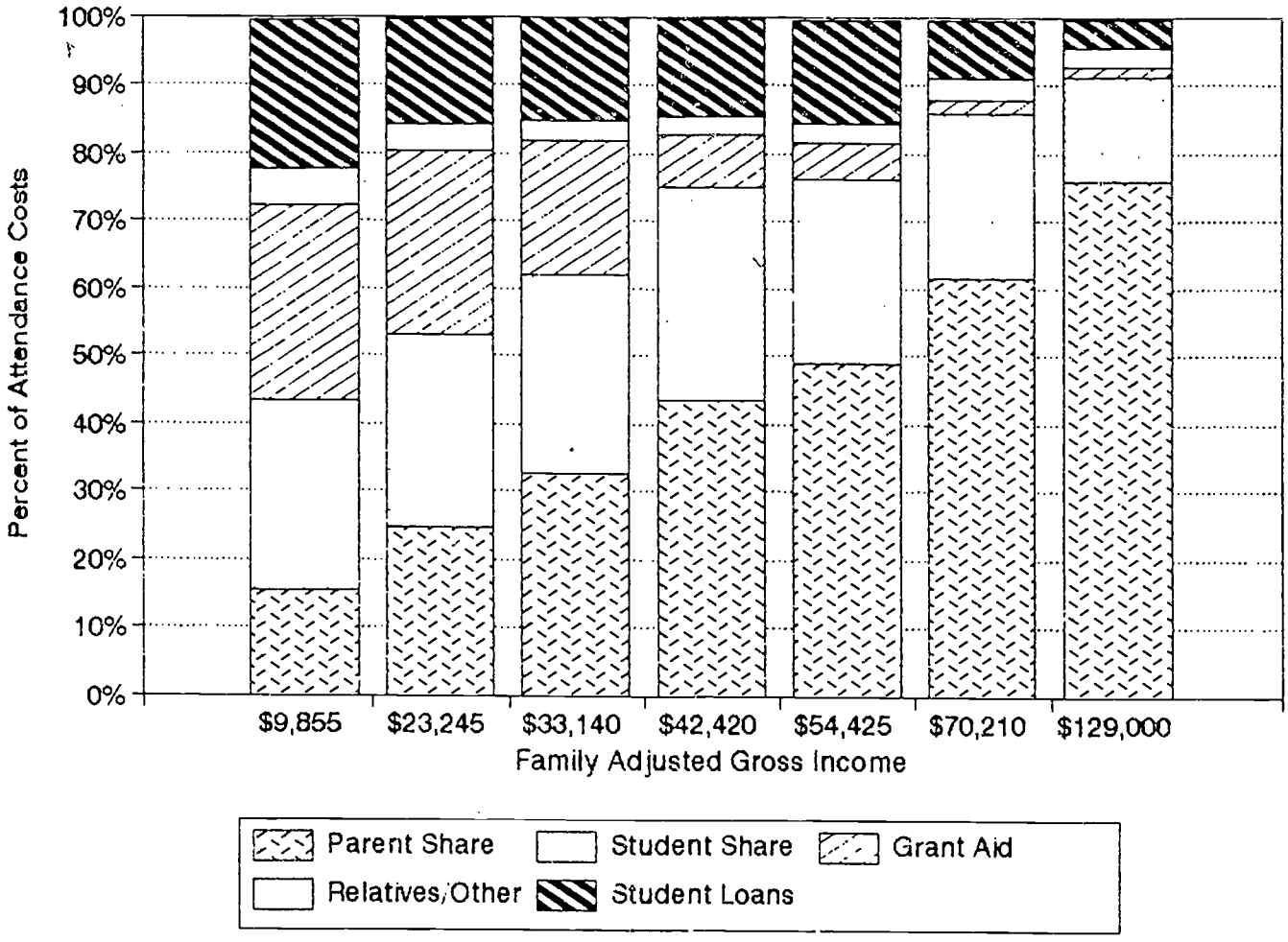
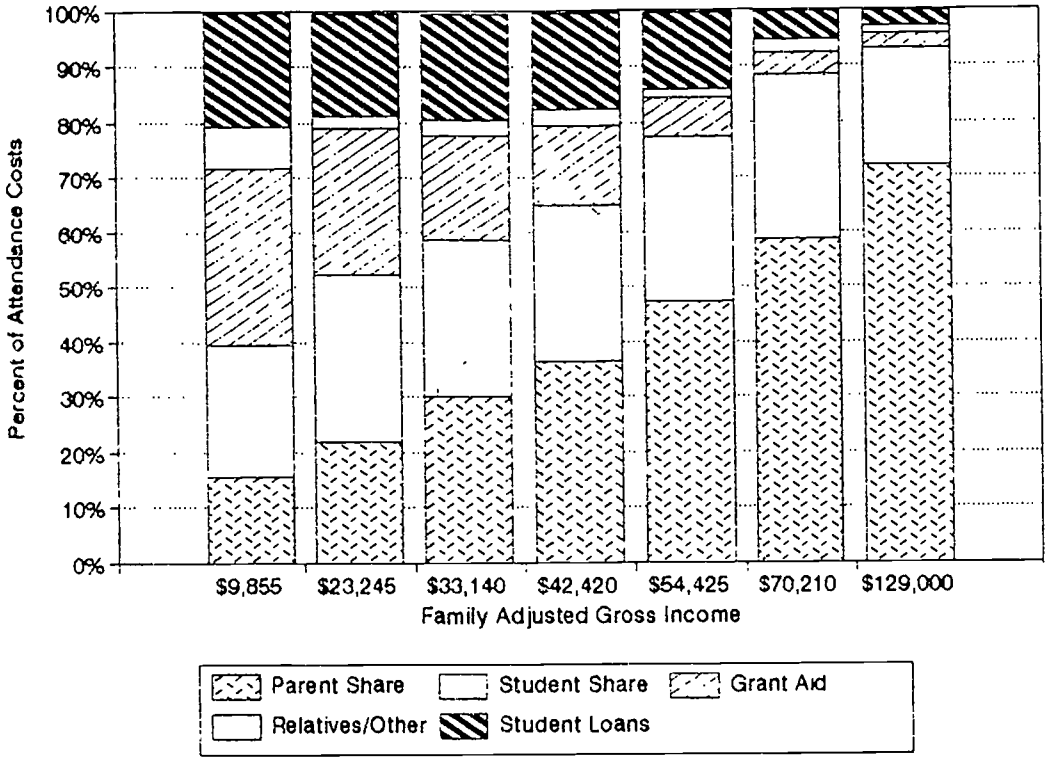


Figure Fifteen
How University of Minnesota Families Pay for College

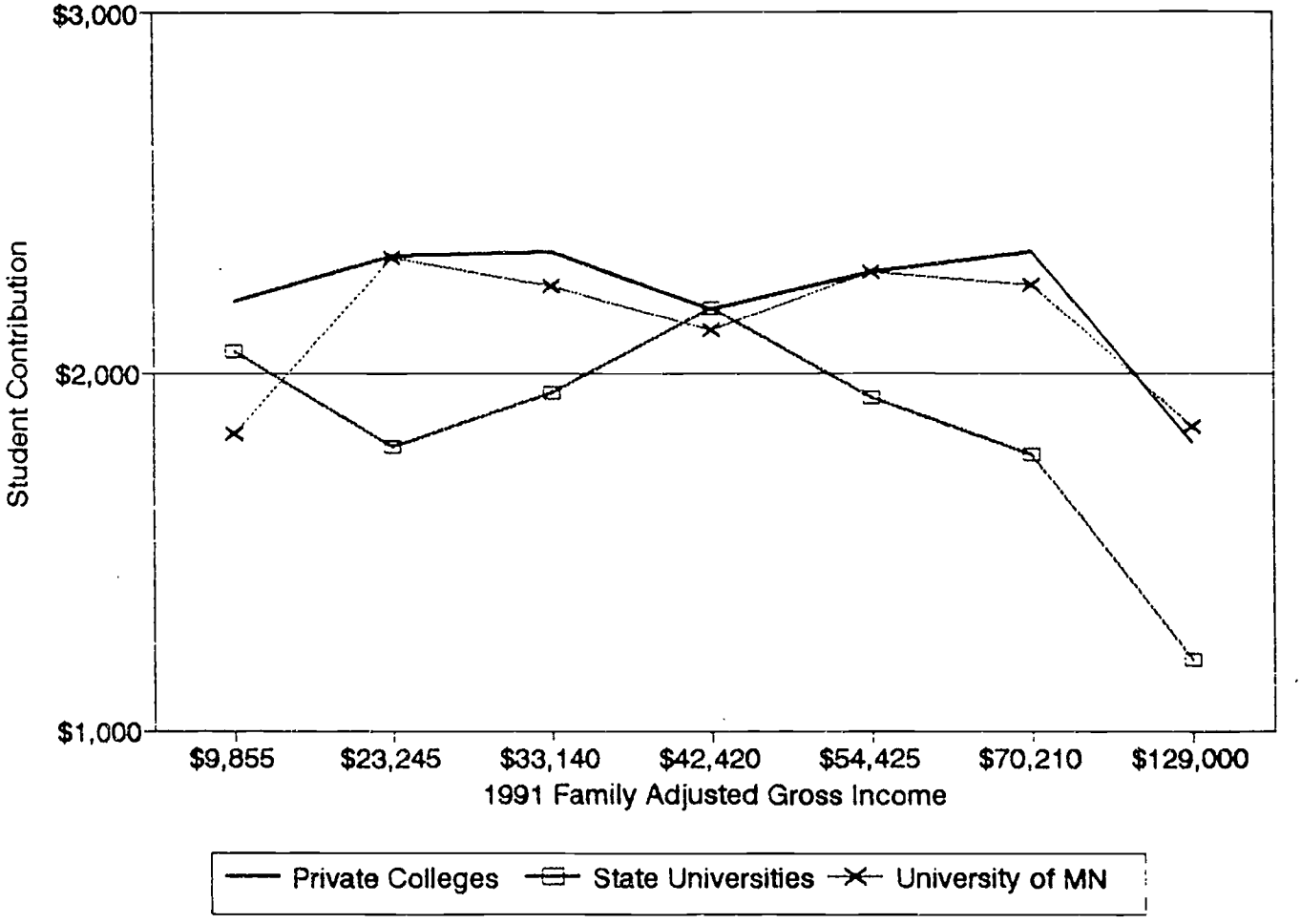


The Student Share

For the University of Minnesota and the private colleges, students' contributions towards their education, which include current income and student savings, are nearly constant across incomes. While the percentage of total attendance costs met through savings and income vary by system, the actual dollar amounts are within a much closer range. The average is about $2,100 for all students, suggesting that this may be a reasonable maximum for students to contribute.

As a general rule, this pattern of support is consistent with financial aid guidelines, which stress and assure a consistent and reasonable effort on the part of all students. The one notable exception to this pattern occurs for State University students with family incomes above $60,000. For this group, student contributions are about one-third lower than those of high-income students from the other systems. Figure Sixteen shows the dollar amount of student contributions by system across incomes.

Figure Sixteen
Student Contributions By System and Family Income



Contributions From Grant Aid

For students with family incomes under $35,000, grant aid represents a significant (and, for those at private colleges, the largest) component of the family financing package. With the exception of support from savings, relatives and other sources, which together typically account for less than ten percent of attendance costs, grant aid is the only thing that stands between current income and debt.

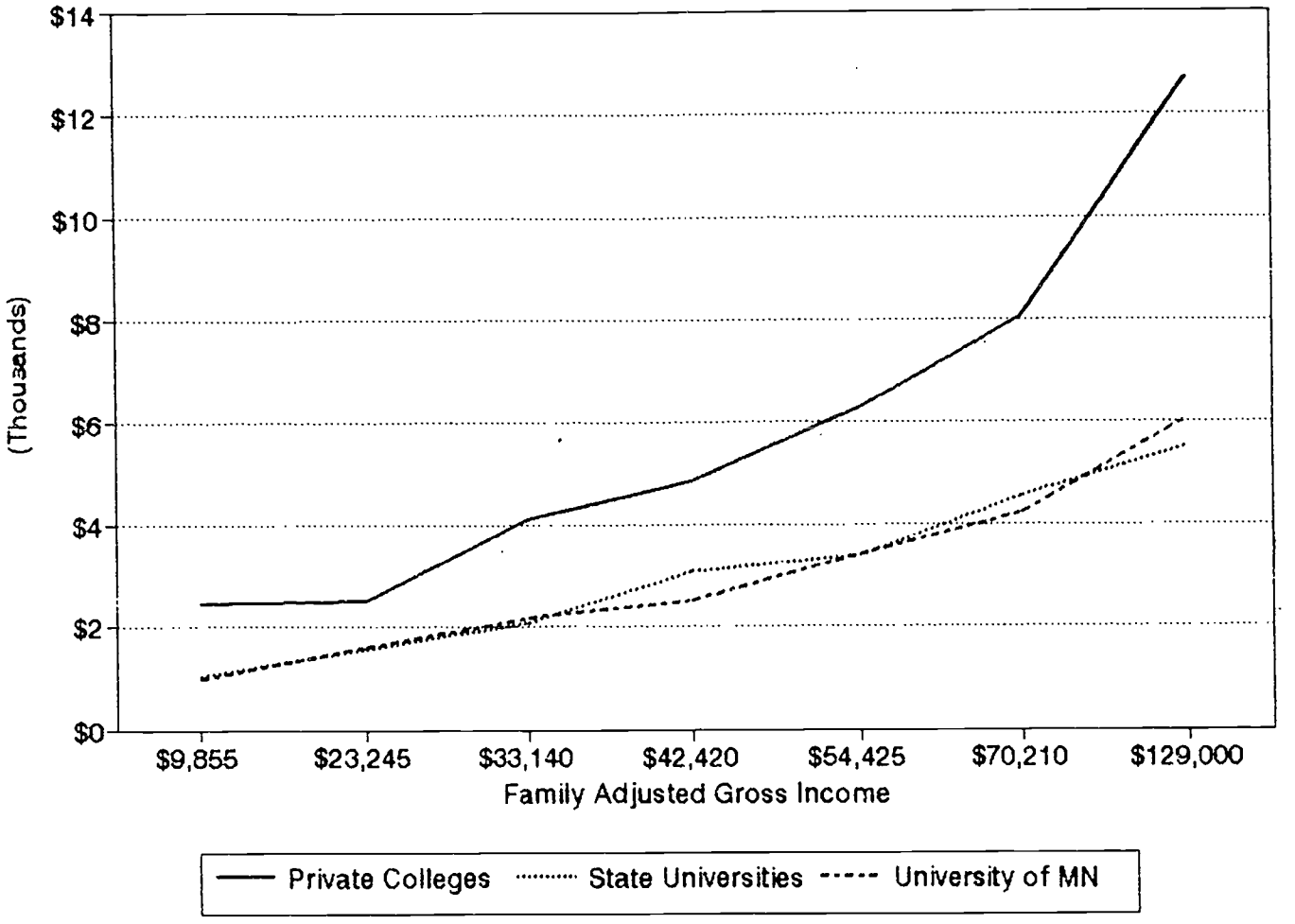
While some comfort can be taken from the progressive distribution of grant aid, the "residual burden" left to families (most often met through a larger than expected family contribution and greater borrowing) indicate that **moderate- and low-income families from all three systems are faced with an excessive burden and a funding structure which overall is regressive.**

Parental Contributions and Congressional Methodology

One of the most significant findings of our analysis is that parents depart significantly from the contributions expected of them as defined by the Congressional Methodology, the universal formula for determining parental contributions. With the exception of a comparatively small amount of merit (no-need) aid, Congressional Methodology serves as the basis for determining financial need and for awarding government and institutional grants. An underlying principle of the Congressional Methodology is that parent contributions should be a function of the resources a family has available to put toward higher education. In other words, Congressional Methodology defines a parental contribution expected regardless of institutional cost. This contribution is, in theory, progressive, increasing with family income and ability to pay.

Yet, in practice, all families pay more if their child is enrolled in the private sector. As seen in Figure Seventeen, which compares actual parental contributions by system, there is an average difference between sectors of $1,000 to $2,000 for families with incomes under $45,000. While the family assets of those attending private colleges are greater, this factor can account for no more than one-fifth of the difference between public and private college parental contributions. Thus, Congressional Methodology neither sets nor predicts parental contributions.

Figure Seventeen
What Parents Contribute Through Current Income, Savings and Loans
Toward Their Children's Attendance Cost



When asked what they feel they should contribute to their child's education given their financial situation, parents' "self-defined" contributions are predictably lower than actual support -- in all three systems and across all incomes. Under this framework, the public-private "contribution gap" is reduced only slightly. Perhaps more remarkable is that **families with incomes above $35,000**, and particularly those who are less likely to receive grant aid, **are seeking in absolute and relative terms larger reductions than those below $35,000**. Figures Eighteen, Nineteen and Twenty compare actual and self-defined parental contributions by system and family income.

Figure Eighteen
Actual and Self-Defined Parent Contributions
For Dependent Students Attending Private Colleges

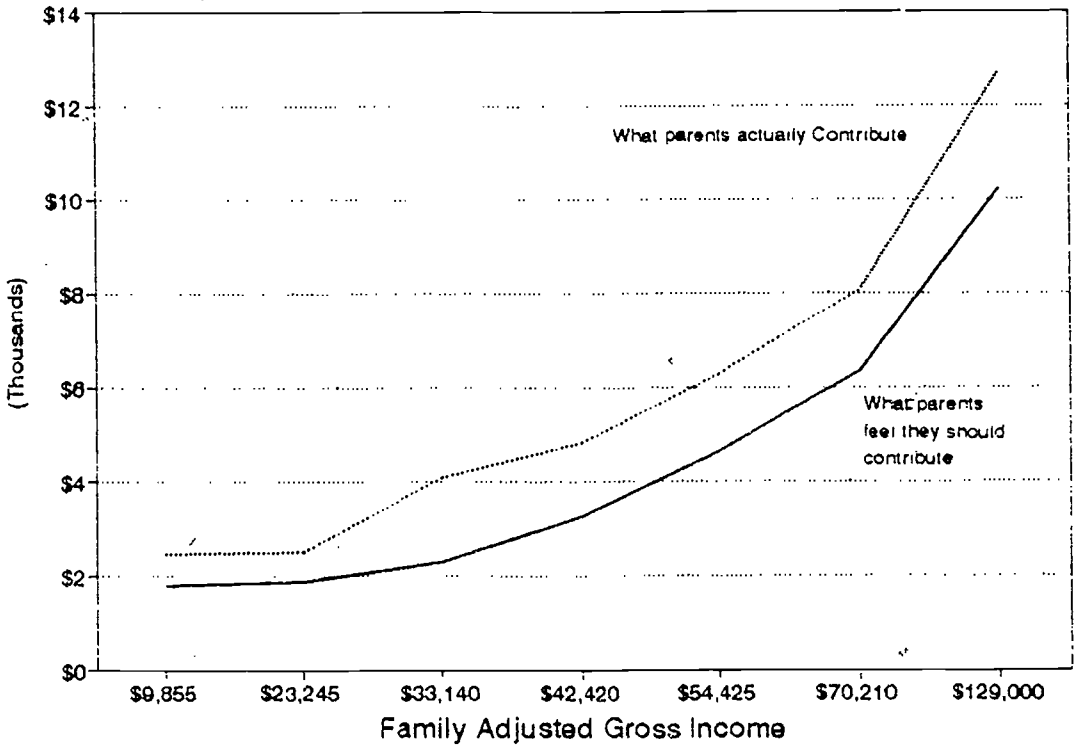


Figure Nineteen
Actual and Self-Defined Parent Contributions
For Dependent Students Attending State Universities

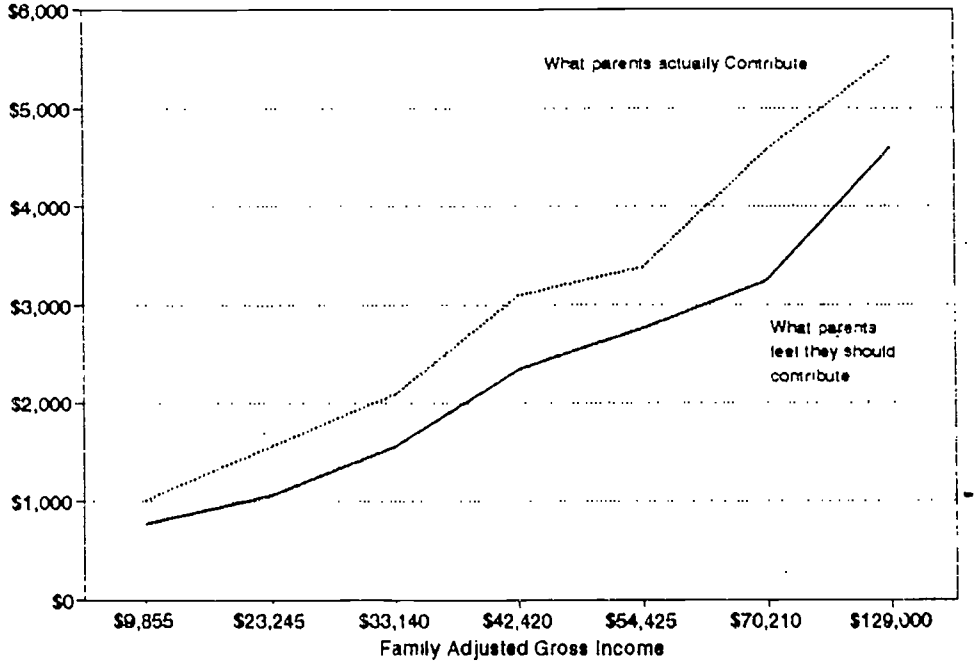
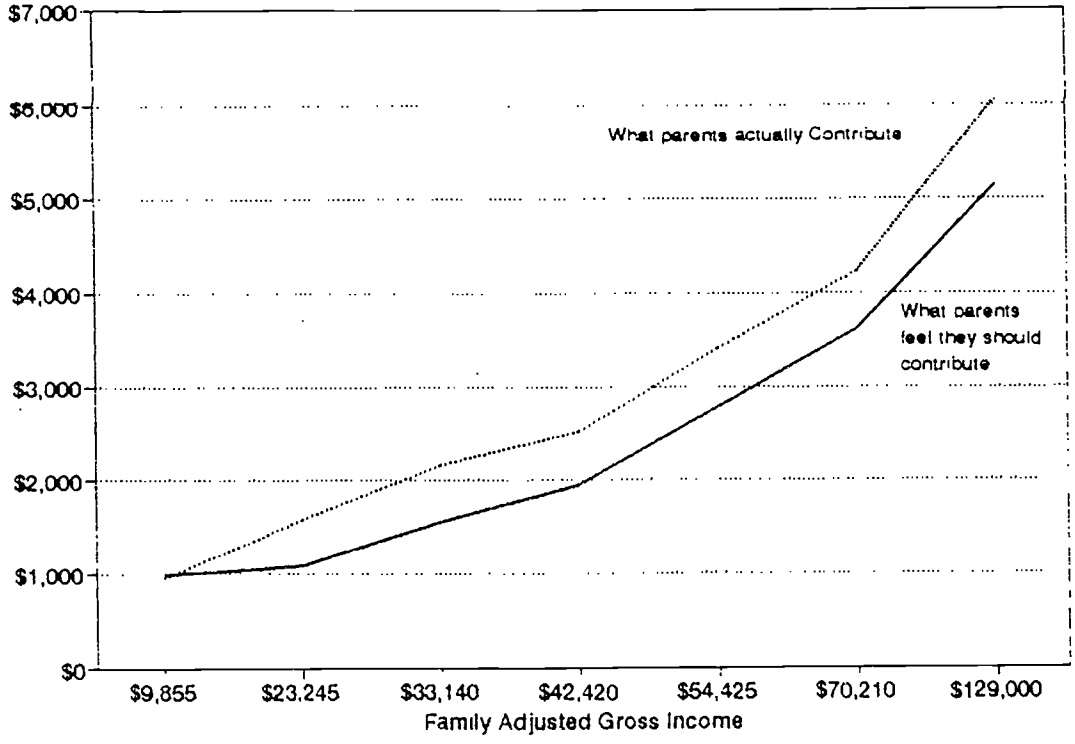


Figure Twenty
Actual and Self-Defined Parent Contributions
For Dependent Students Attending the University of Minnesota



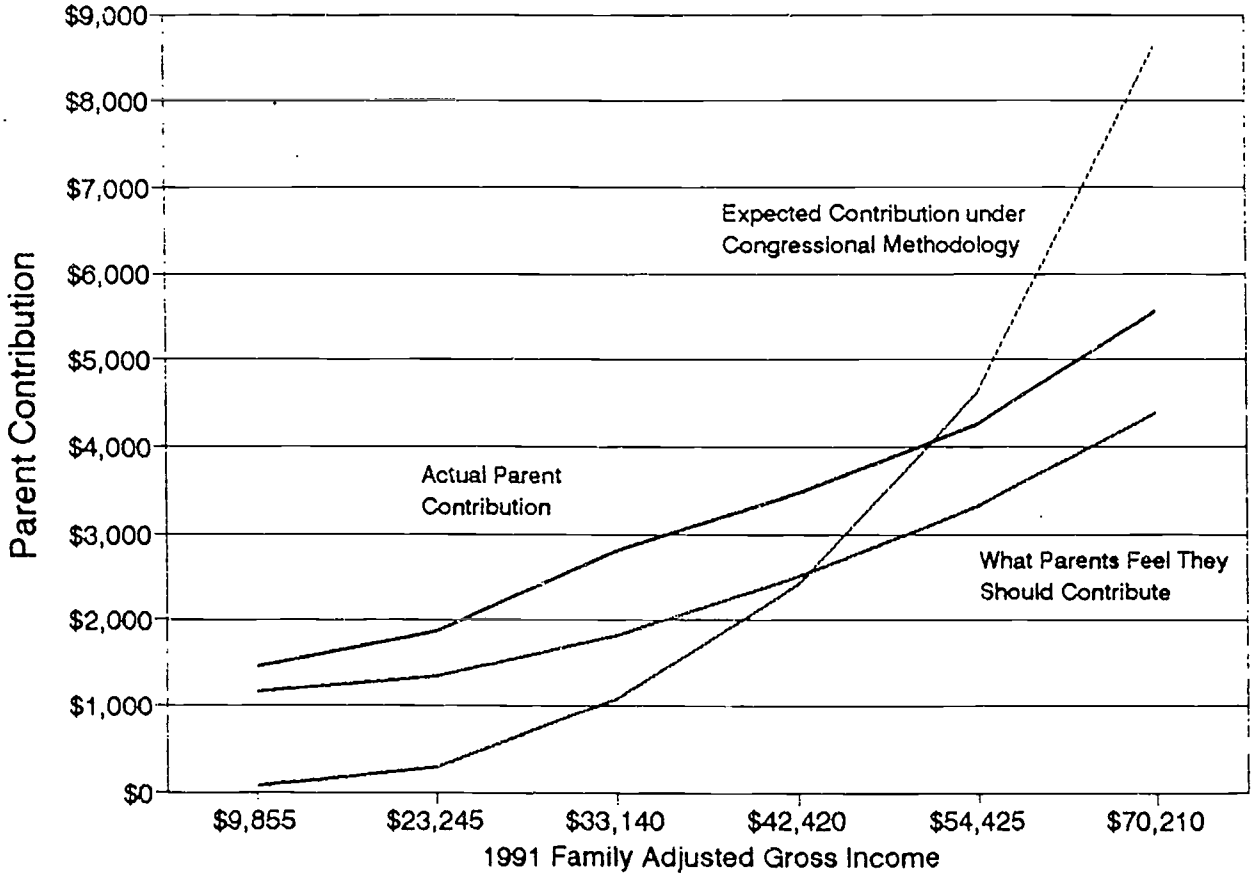
While financial need is determined using the same methodology on all campuses, major differences remain in the proportion of need met with grant aid as opposed to debt. In this respect, the most striking feature about parents' self-defined contributions is that, for families with incomes below $60,000 (about two-thirds of all families), **these contributions exceed government contributions expected under Congressional Methodology by more than 300 percent.** In other words, parent tolerance for saddling their children with debt does not remotely approach the government expectation of tolerable student debt load.

This observation is particularly significant in light of the revisions in Congressional Methodology as a result of the 1992 reauthorization of the Higher Education Act. These revisions reduce expected family contributions, but provide no additional money for federal grant aid. In fact, while the maximum authorized Pell

grant is $3,400, actual funding will result in a maximum grant of $2,300, $100 less than the previous year.

Unless state governments and/or institutions provide additional grant aid, the only perceivable effect of reauthorization will be an expanded opportunity for families to borrow more than their tolerance for debt currently allow. Figure Twenty-One shows actual, self-defined and expected parental contributions by family income for all three systems combined.

Figure Twenty-One
Actual, Self-Defined and Expected Parental Contributions
By Family Income Class

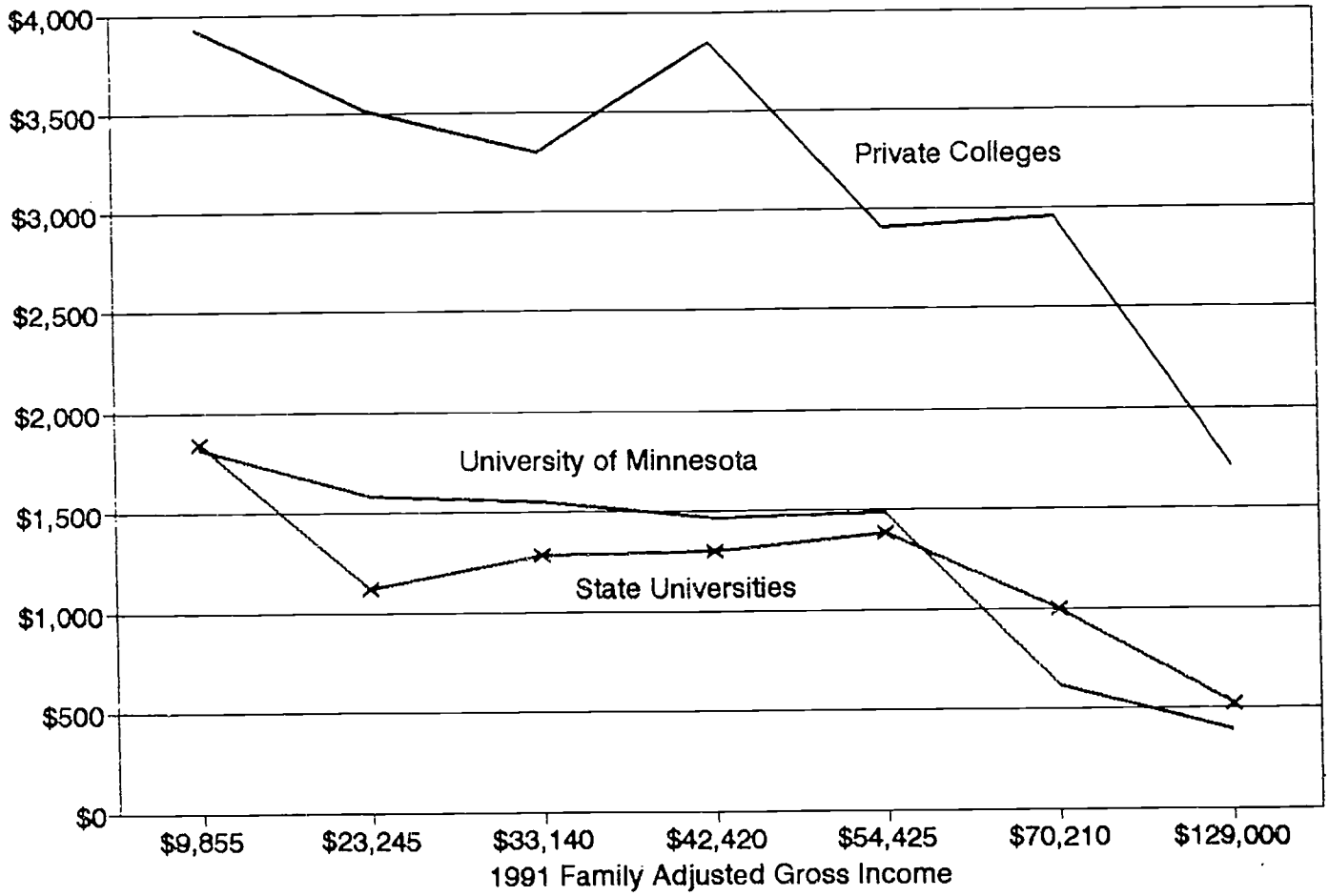


Student and Family Debt

In aggregate, students with family incomes under $35,000 are absorbing about twice as much debt as those with incomes above $45,000. Coupled with parental borrowing, this results in a dramatic difference in family debt by income. Figure Twenty-Two shows average family debt by family income.

Levels of indebtedness, loan default rates and methods of repayment are all major issues nationally; debt loads are staggering, default rates are seen as unacceptably high, and repayment through community service is viewed as a way to imbue community values and ownership. But there has been virtually no attention to the regressive distribution of debt.

Figure Twenty-Two
Average Combined Student and Parent Debt
By Family Income



Despite the considerable commitment of institutions and government to need-based grant aid, low- and moderate-income families face an extraordinary financial burden in paying for college -- one which greatly exceeds basic financial aid guidelines and one which represents a greater level of effort than that faced by middle- and upper-income families.

Figures Twenty-Three and Twenty-Four show net attendance costs and parental contributions as a percent of family income. These charts illustrate the regressivity of the current scheme for financing higher education. By implication, these differences in cost burden may help to explain differences in participation rates by family income. The higher relative burdens faced by lower-income families also translate directly into a much greater likelihood that future financial support for their students will be disrupted.

Figure Twenty-Three
Effective Net Attendance Costs For Dependent Students
By System

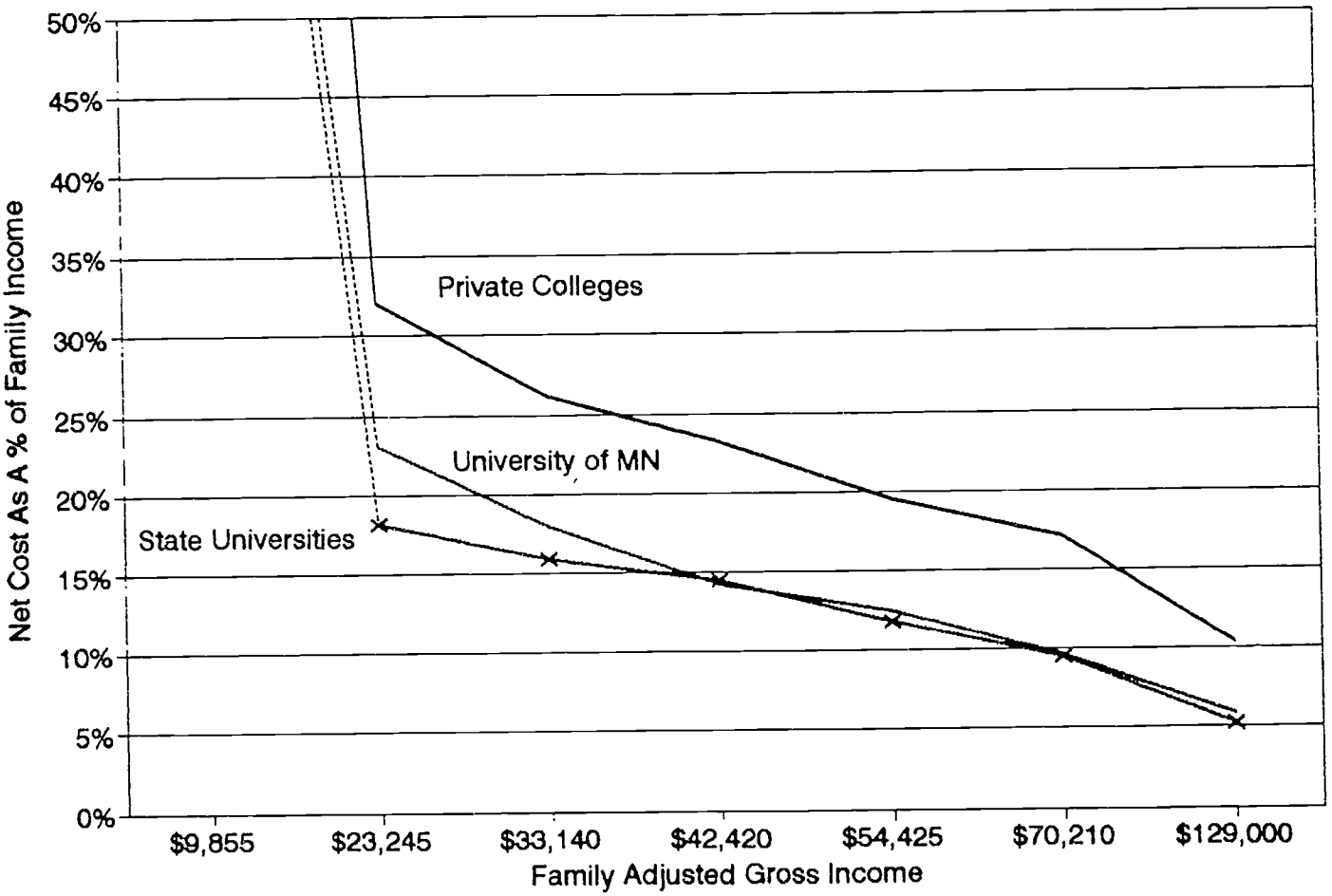
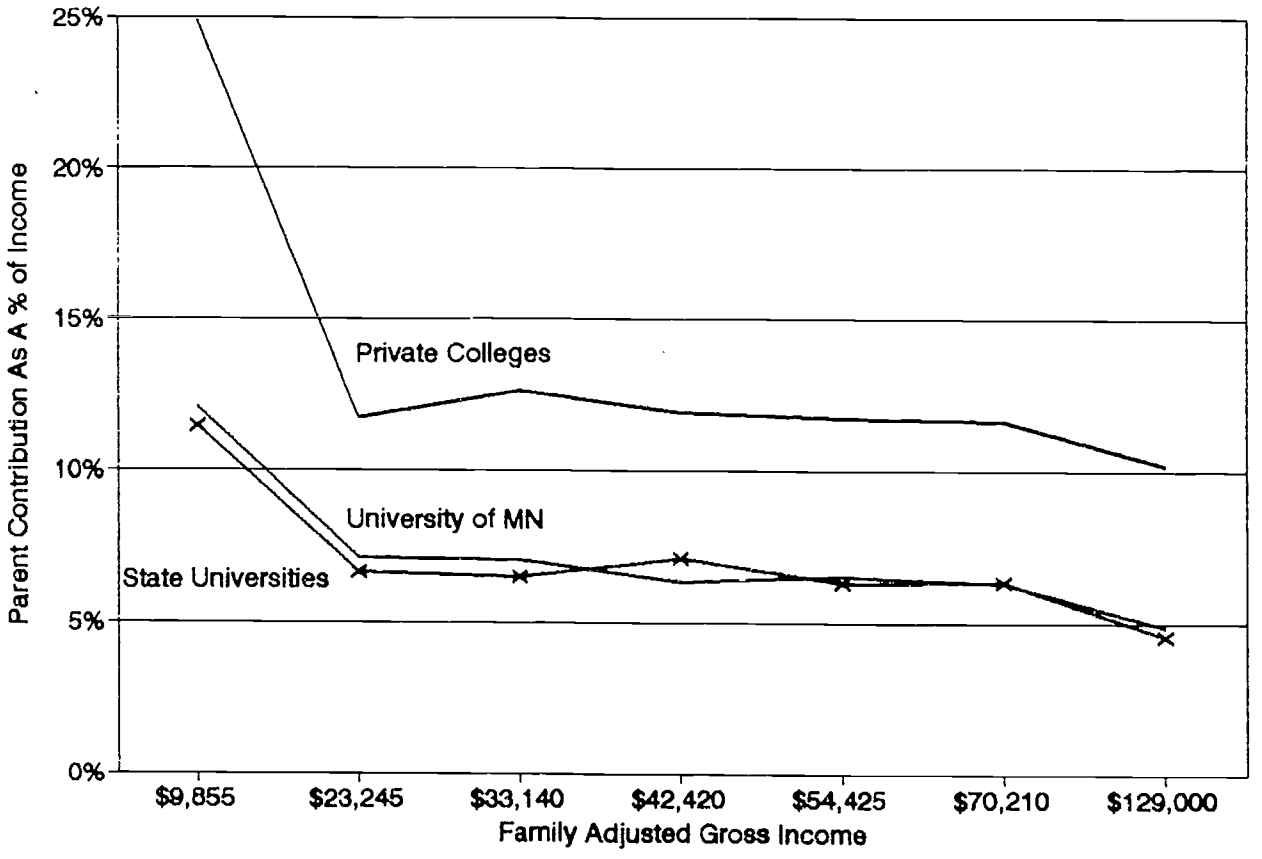


Figure Twenty-Four
Parent Contributions as a Percent of Family Income

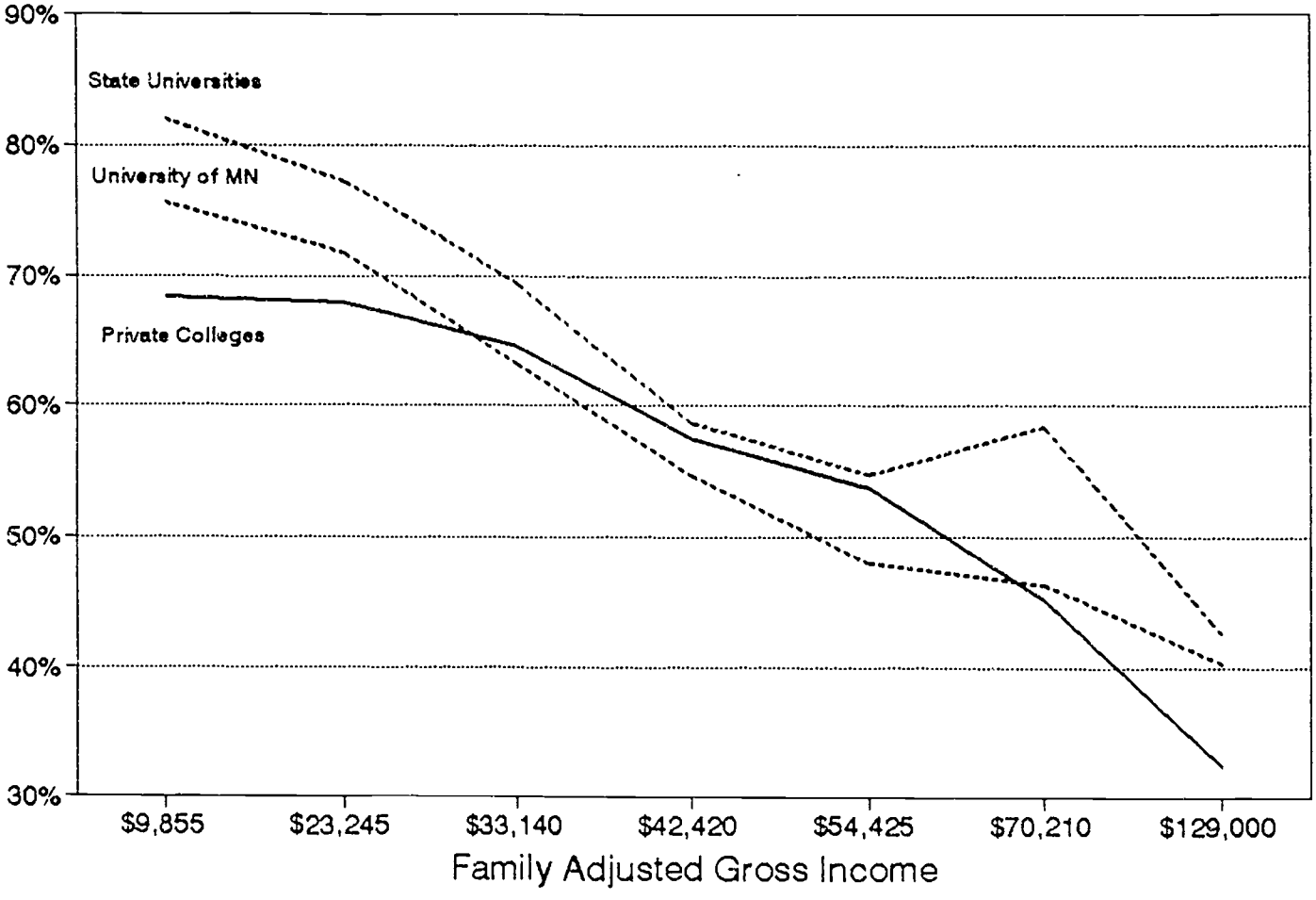


Planning for College and Sustaining Support

Popular belief heralds the high cost of college and extraordinary "sacrifice" that parents make to support their children. For all its notoriety and anticipated hardship, however, **56.3 percent of all Minnesota parents with children in the state's baccalaureate degree-granting systems say that they have not saved or invested for their child's college education. Moreover, nearly one out of every five families with incomes under $45,000 -- families likely to qualify for financial aid -- have not applied for aid even though their child is attending college full-time.**

Figure Twenty-Five shows the proportion of families by family income that did not save for college. The observed pattern of family preparation is predictable, with saving rates increasing with income. Unfortunately, so is its impact. Given a minimum attendance period of four years, a family earning the median income can anticipate a minimum net attendance cost of $26,000. Allowing for a slightly higher-priced institution or five years of attendance or both, can easily bring the cost to $40,000. Considering further that the average family already supports at least one, but more likely two other dependents, the level of preparation that families make for college may best be described as an accident waiting to happen. **Even at incomes of $45,000 and above, more than 47 percent of all parents report that they have not saved for college.**

Figure Twenty-Five
The Proportion of Families with Dependent Students That
Did Not Save or Invest For College



Less than full participation in federal, state and institutional financial aid programs is another clear indication that families are financially unprepared for post-secondary education. Figures Twenty-Six and Twenty-Seven show the proportion of full-time dependent students who apply for financial aid by family income and system and by number of dependents in the family. This data reveals a systematic pattern of under-utilization, suggesting that a significant number of non-applicants are "self-screening" themselves out of the financial aid process.

Whether such families believe they are ineligible, are "too proud" to accept aid, are fearful of the system and their loss of privacy, too cynical to believe that the assistance they would receive is worth the 132-question form, or merely uninformed about financial aid programs, the lower application rates of smaller families and families with higher incomes who might qualify for aid speaks directly to the need for better communication about the role of financial aid in financing higher education. The lower applicant rate also indicates that aggregate need is conservatively $50 million greater than previous estimates of nearly $575 million have suggested.

Figure Twenty-Six
The Proportion of Full-Time Dependent Students Applying
For Financial Aid By System

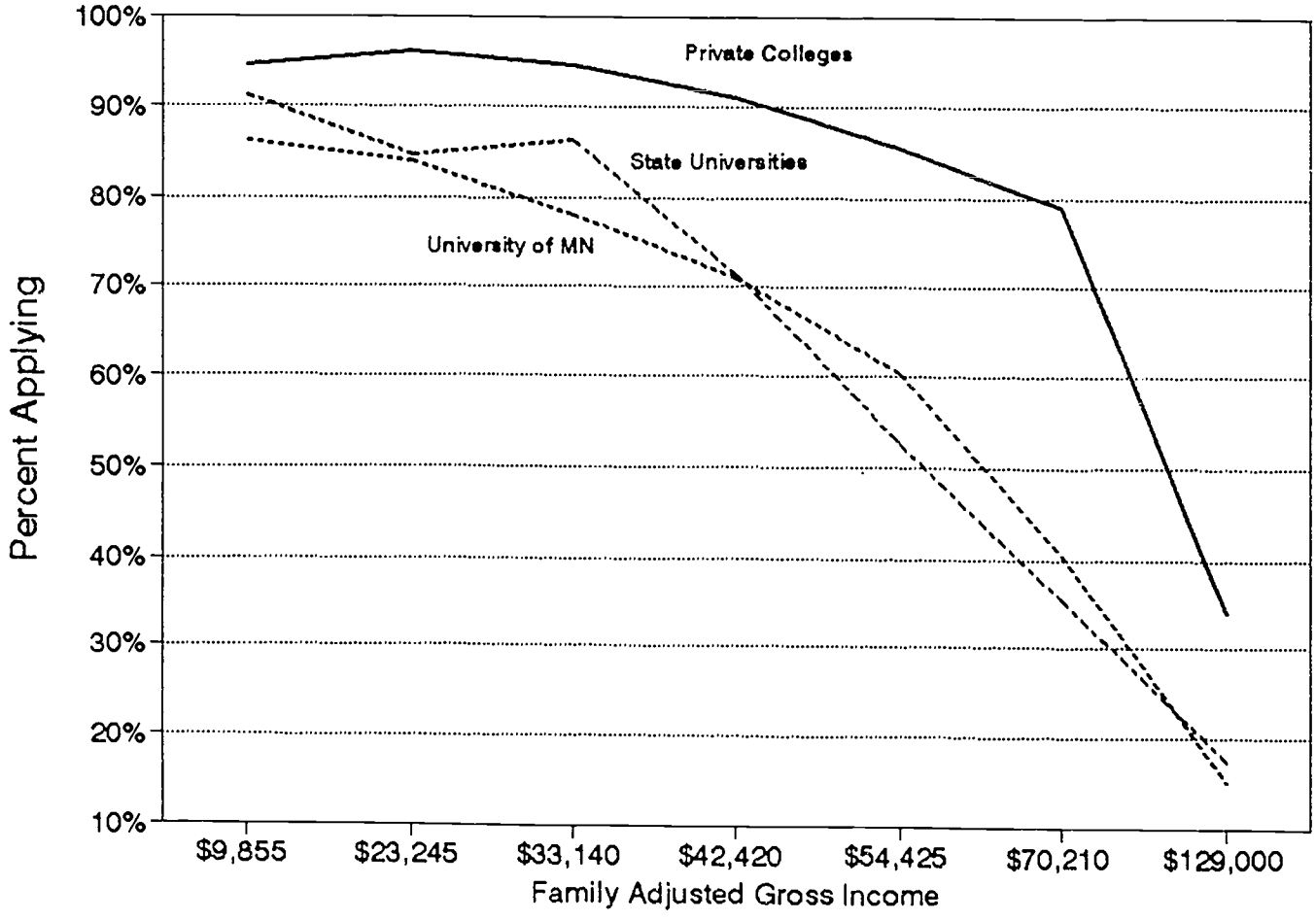
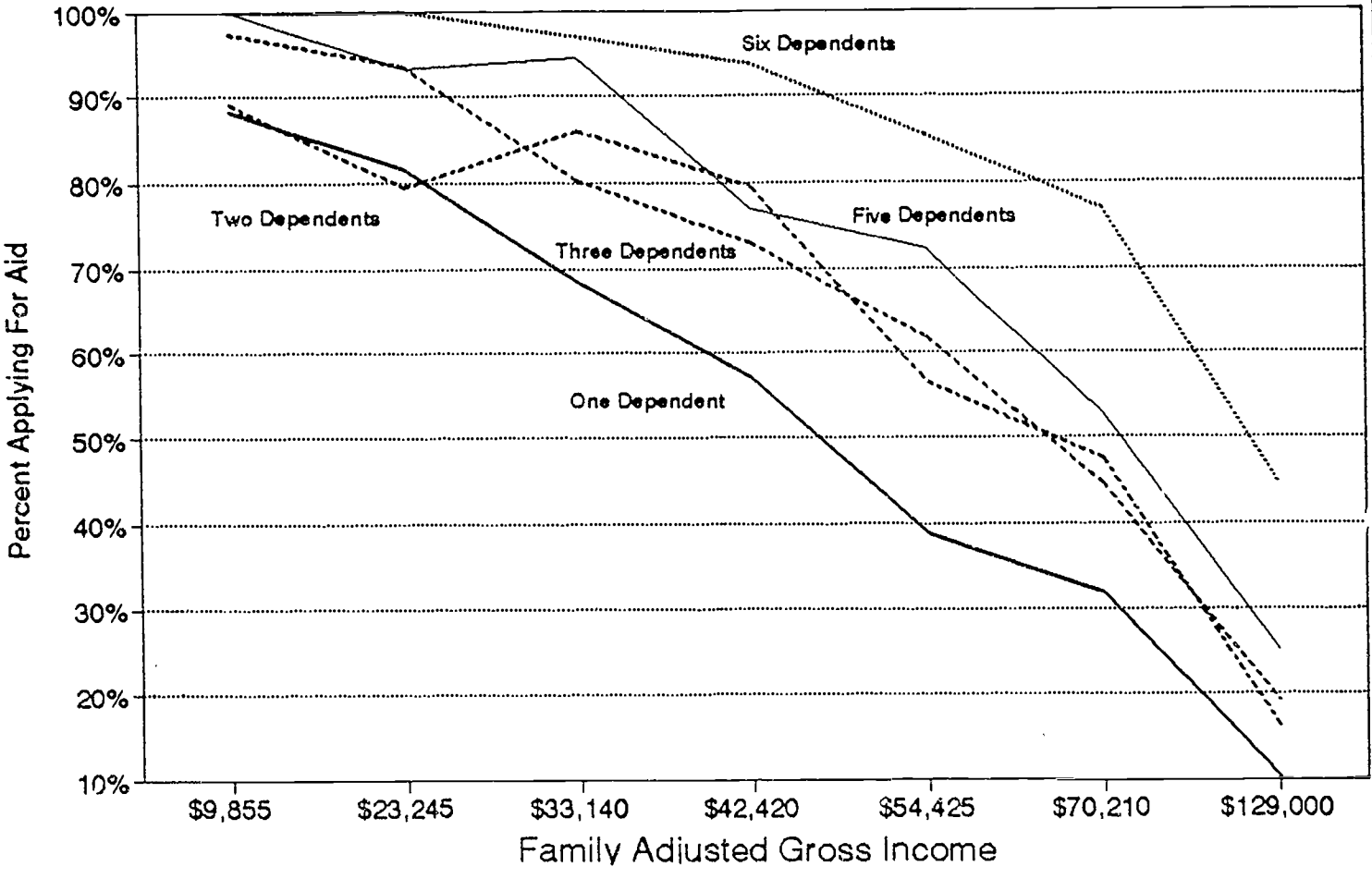


Figure Twenty-Seven
The Proportion of Full-Time Students Applying For Aid
By Number of Family Dependents and Family Income



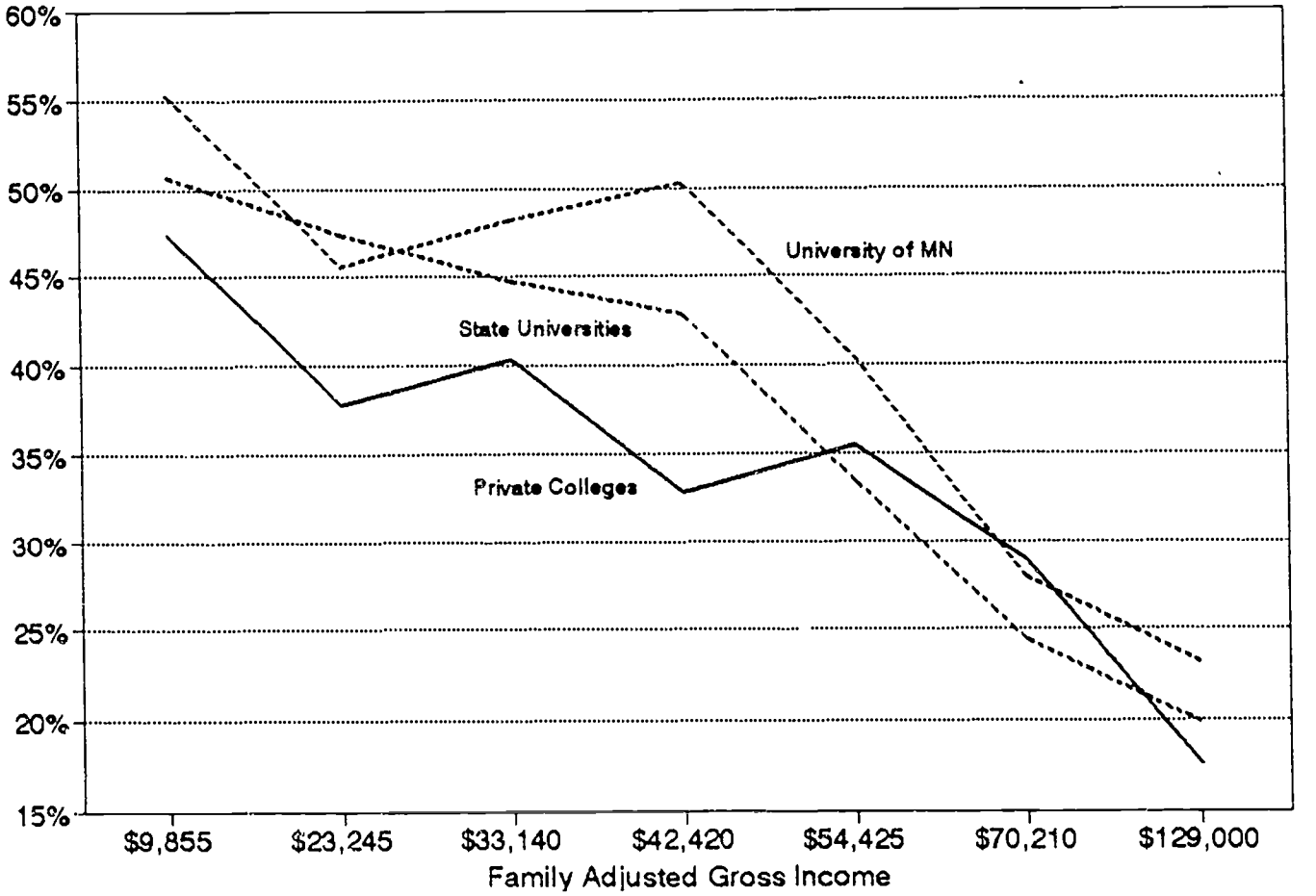
Given the current condition of family resources and the availability of funding from other sources, a significant proportion of students are at risk of having their attendance disrupted for financial reasons. Collectively, **37 percent of all parents in our sample believe that their support will not keep pace with attendance costs and may actually decrease before their son or daughter graduates.**

Naturally, the likelihood of reduced support decreases with income. But even for families with incomes above $50,000, one out of four parents anticipate an absolute or relative decrease in assistance to their children in college. To the extent that parents act on their beliefs, student loan burdens may increase or course loads may decline, resulting in reduced grant aid and a prolonged time to completion. Figure

Twenty-Eight shows the proportion of parents by system and family income indicating that they are likely to reduce their financial support before their son or daughter graduates.

At a family income of $42,000, the likelihood of future parental support diverges sharply by system. This is surprising because parent savings rates by system are virtually identical at this income level and the parents of students at private colleges are the least likely to reduce their support, even through their costs are much higher. This offers a first indication that **parents' willingness to support a son or daughter through college may have as much to do with motivation as it does with financial resources.**

Figure Twenty-Eight
The Proportion of Parents Who Are Likely to Reduce Their Financial Support By System and Family Income



It is virtually impossible to determine from our survey whether differences in parental support are the product of family "values", financial preparation or personal calculations of "economic utility." Differences in the support behavior of parents who have and have not saved for college, however, differ profoundly. Figures Twenty-Nine through Thirty-Four compare average parental contributions and the likelihood that their support will decline by system and family income class for parents that did and did not save for their child's college education.

Without exception, parents who saved for college contribute substantially more money to their son's or daughter's education than non-savers. Second, although there is some ambiguity for each system at certain income intervals, parents who saved are about 20 percent less likely to reduce their support than non-savers.

The dismal savings effort of Minnesota parents runs counter to the prevailing image of hardworking, frugal savers Minnesotans hold of themselves. Instead, our research indicates the same low savings rate in Minnesota as those observed nationally. These observations speak to several generalized problems: an economy that is largely consumption driven and starved for investment capital, and families vulnerable to catastrophic illness, underinvestment for retirement or loss of employment. But they also prompt concern about whether Minnesota families fully value higher education and are willing to sacrifice personal standard of living for this investment in their children's future.

Figure Twenty-Nine
Comparison of Average Parental Contributions For
Savers and Non-Savers At Private Colleges

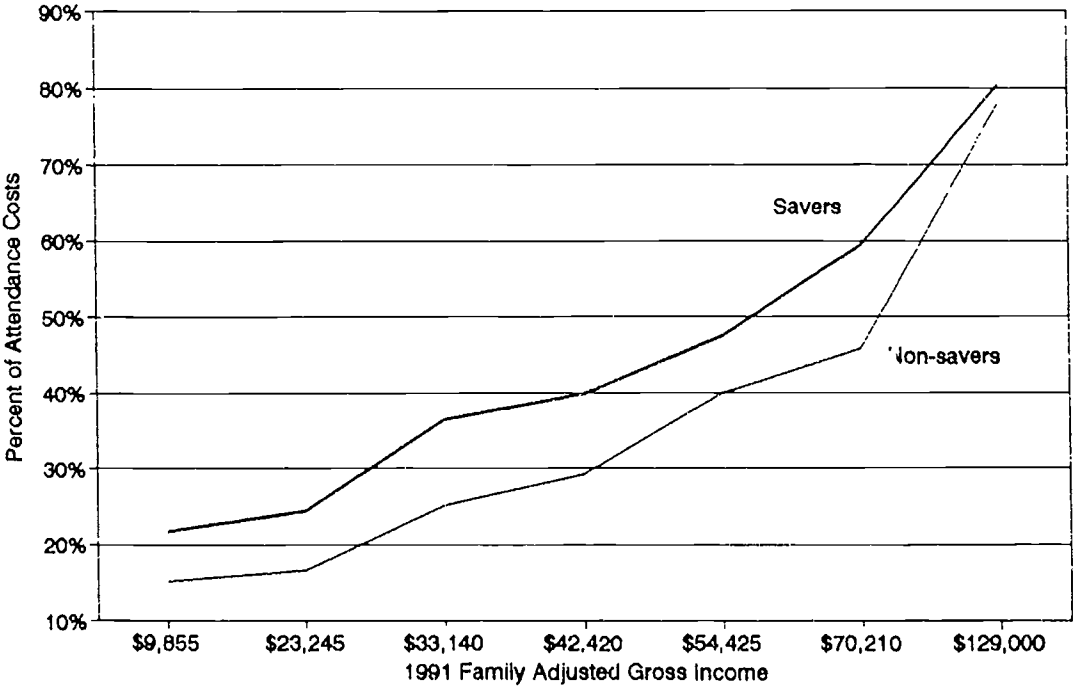


Figure Thirty
Proportion of Private College Parents Who Are Likely to Sustain Their Support Until Graduation By Saving Status

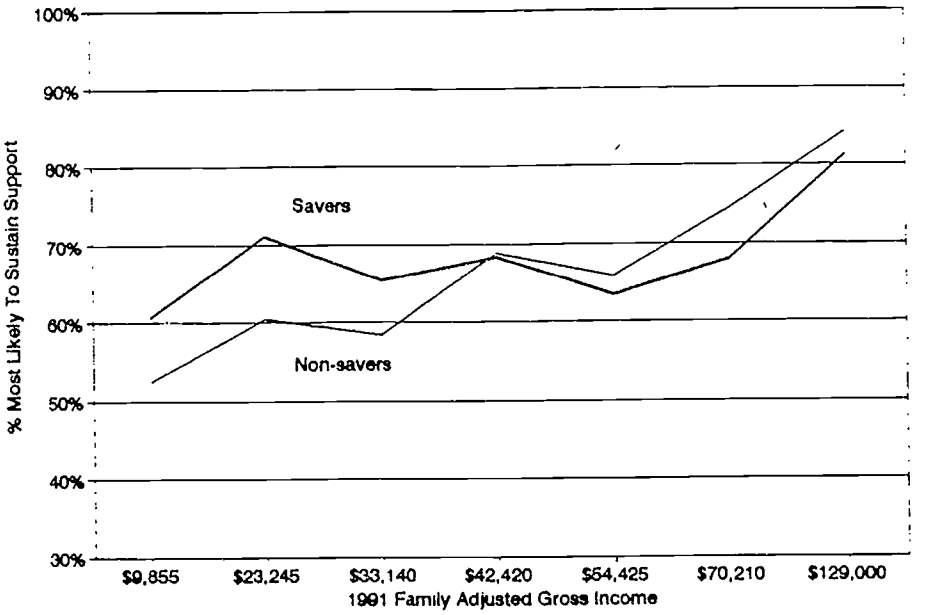


Figure Thirty-One
Comparison of Average Parental Contributions For Savers and Non-Savers At State Universities

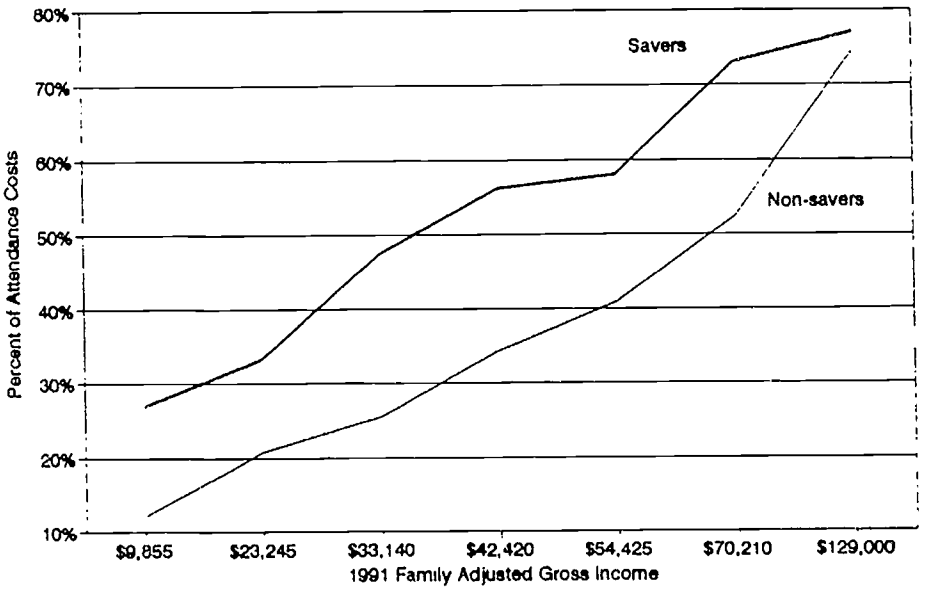


Figure Thirty-Two
Proportion of State University Parents Who Are Likely to Sustain Their Support Until Graduation By Saving Status

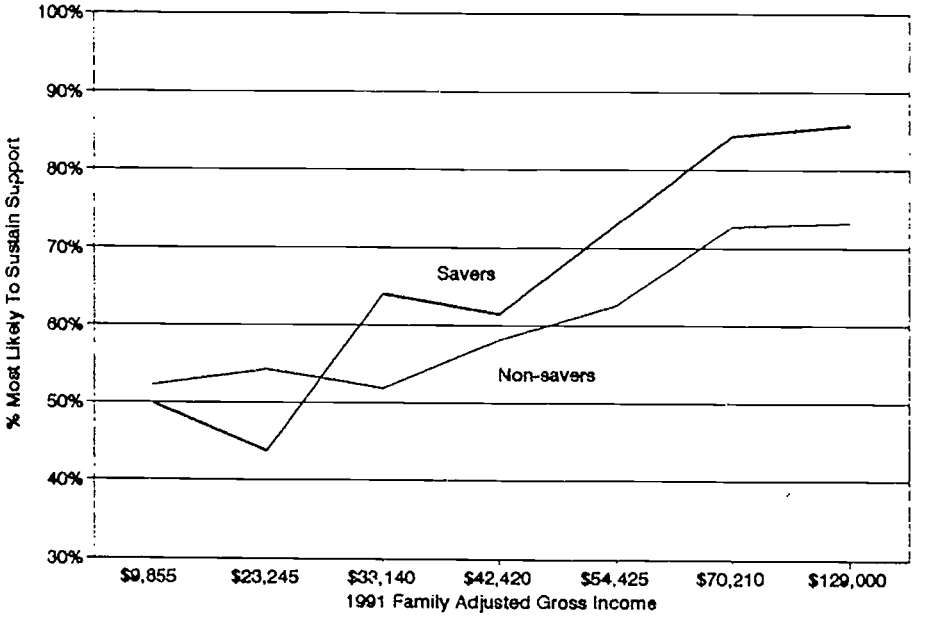


Figure Thirty-Three
Comparison of Average Parental Contributions For Savers and Non-Savers At The University of Minnesota

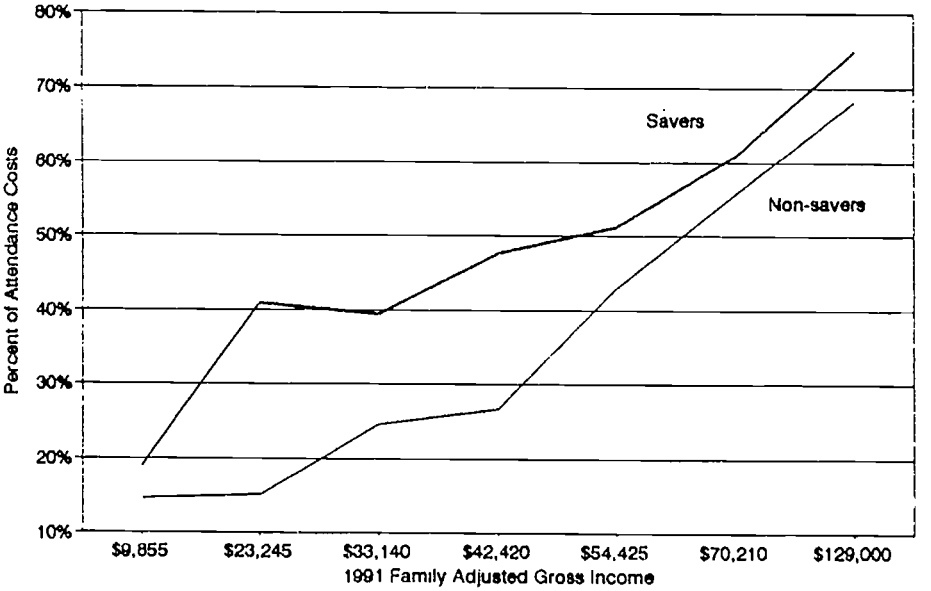
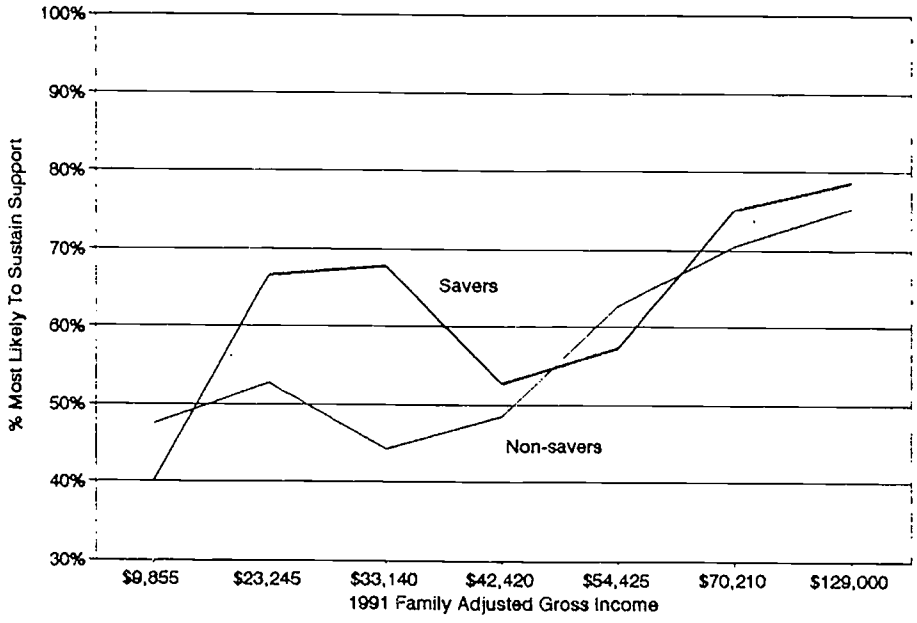


Figure Thirty-Four
Proportion of University of Minnesota Parents Who Are Likely to Sustain Their Support Until Graduation By Saving Status



6. Patterns of Utilization and System Choice

For all the variation in parental behavior by family income and system, there is one question on which 99.8 percent of all parents agreed: they expect their son or daughter to finish college and earn a degree. Moreover, no less than **80 percent of all parents -- from all incomes and systems -- expect their son or daughter to finish within five years.**

These responses are clearly at odds with actual completion rates and raise a number of issues. First is the possibility that parent aspirations for their children are poorly matched with student academic ability; second, that the institutions

themselves are failing to provide a level of service sufficient to graduate four out of five dependent students within five years; third, that students are not receiving the outside support they need to finish "on-time." Most notably this includes financial support but other forms of "nurturing" are clearly part of this matrix. Figures Thirty-Five, Thirty-Six and Thirty-Seven show parental expectations regarding time to completion by system.

Figure Thirty-Five
Private College Parents' Expectations
Concerning Number of Years To Graduation

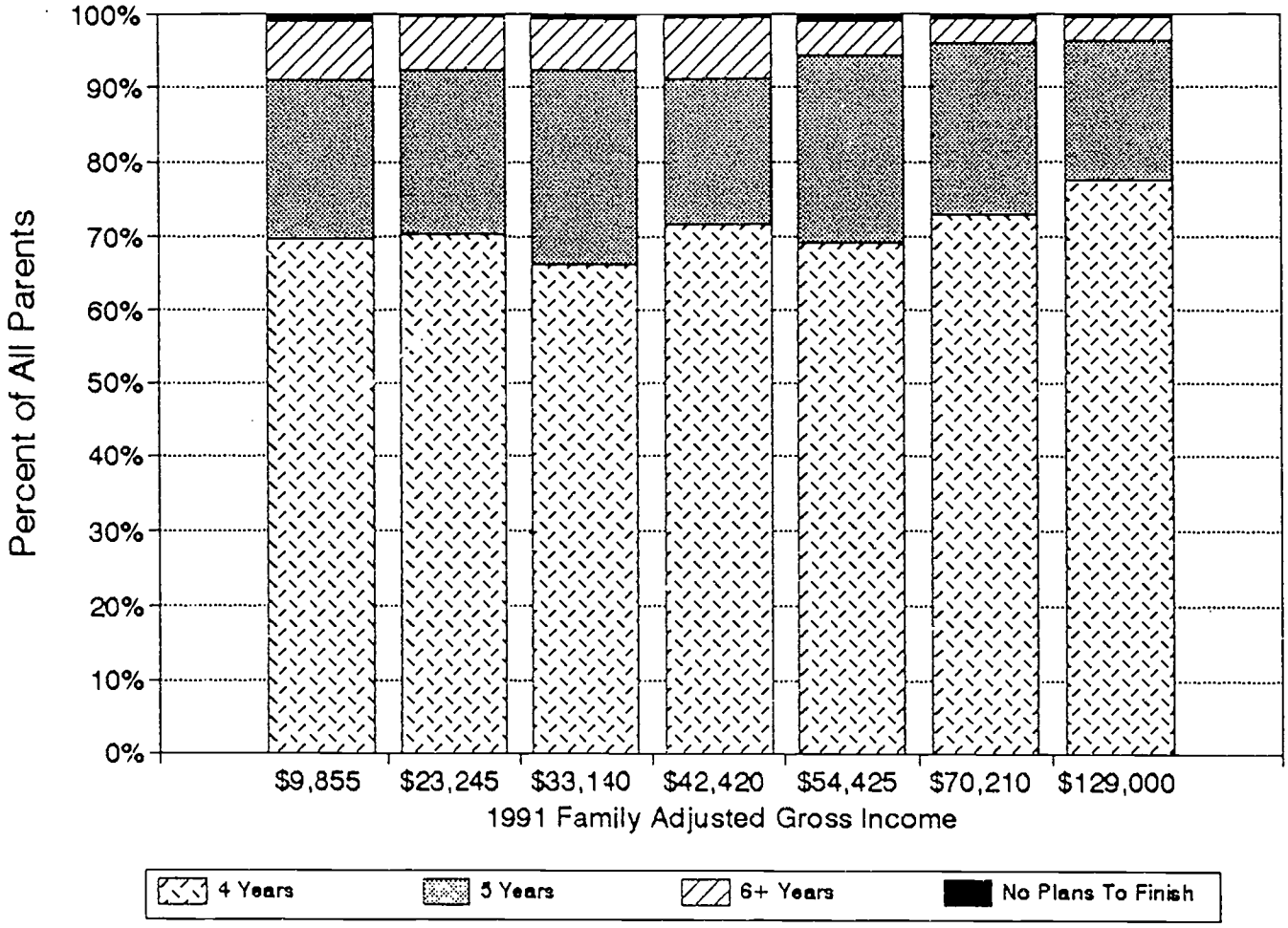


Figure Thirty-Six
State University Parents' Expectations
Concerning Number of Years To Graduation

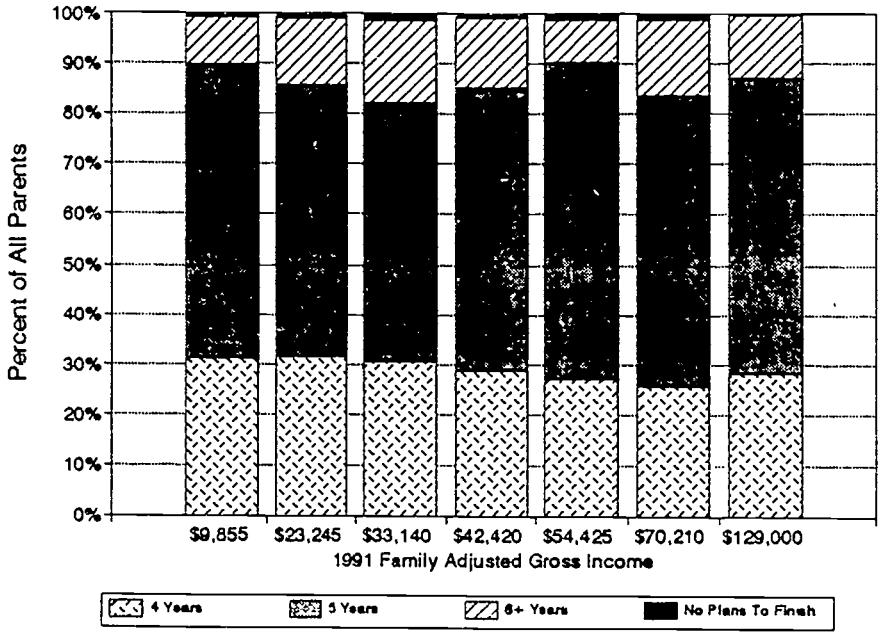
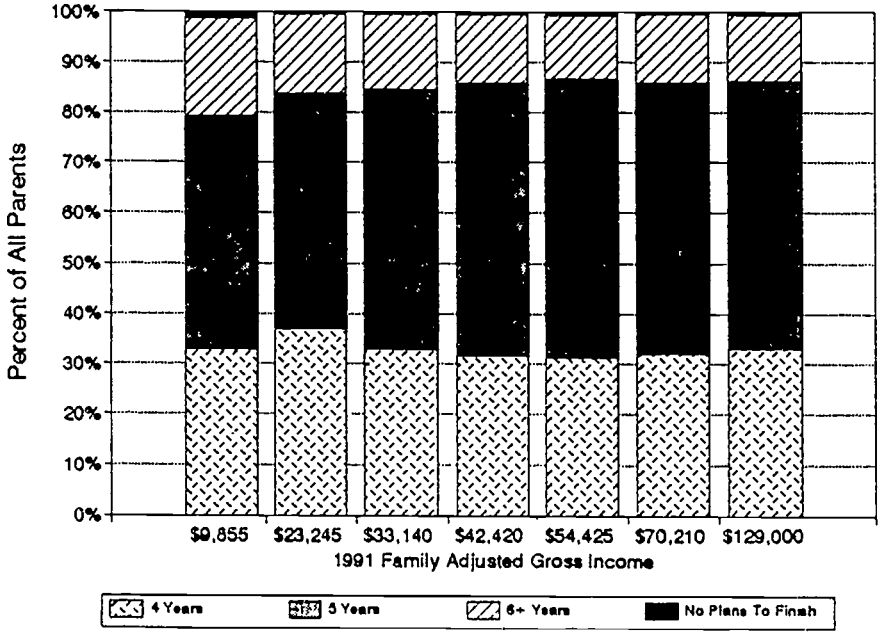


Figure Thirty-Seven
University of Minnesota Parents' Expectations
Concerning Number of Years To Graduation



As resources for college become tighter, students may be expected to reduce their credit loads and or live with parents. Based on the relative cost of attendance for families at different income levels, it might therefore be reasonable to anticipate that students from lower-income families will be more likely to attend college part-time and be more likely to live with their parents -- even at the risk of "watering down" their experience, enrolling at an institution that is not suitable to their needs, interests and aspirations, and prolonging their time to completion. **Contrary to expectation, however, the vast majority of dependent students attending college are committed to a traditional experience, regardless of family income.**

Figures Thirty-Eight and Thirty-Nine show the proportion of students who attended full-time and lived with their parents during spring term 1991, by system and family income. In both cases, a systematic relationship between family income and home residence or family income and credit load is unfounded.

This consistency in behavior across incomes is significant to Minnesota for two reasons: first, state financial aid policy has been used explicitly as an instrument to increase student course loads by rationing aid to part-time students while holding non-aid recipients harmless; second, there has been a long-standing suspicion -- shown here to be unfounded -- that low-income students take unfair advantage of the State Grant program by living with their parents and "pocketing" the state-funded living allowance. This view has undermined efforts to increase the state living and miscellaneous allowance.

Figure Thirty-Eight
Proportion of Dependent Students Attending Spring Term Full-Time

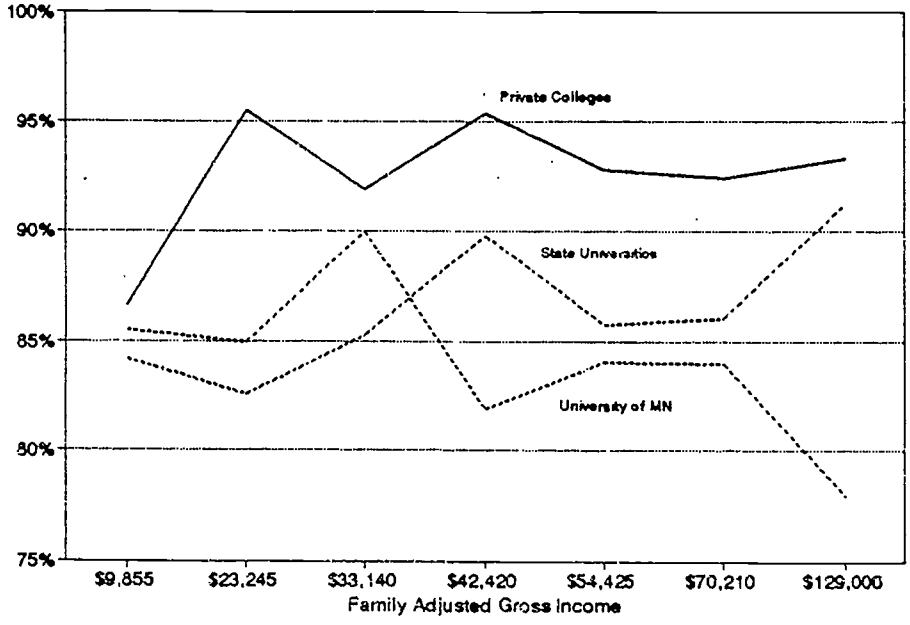
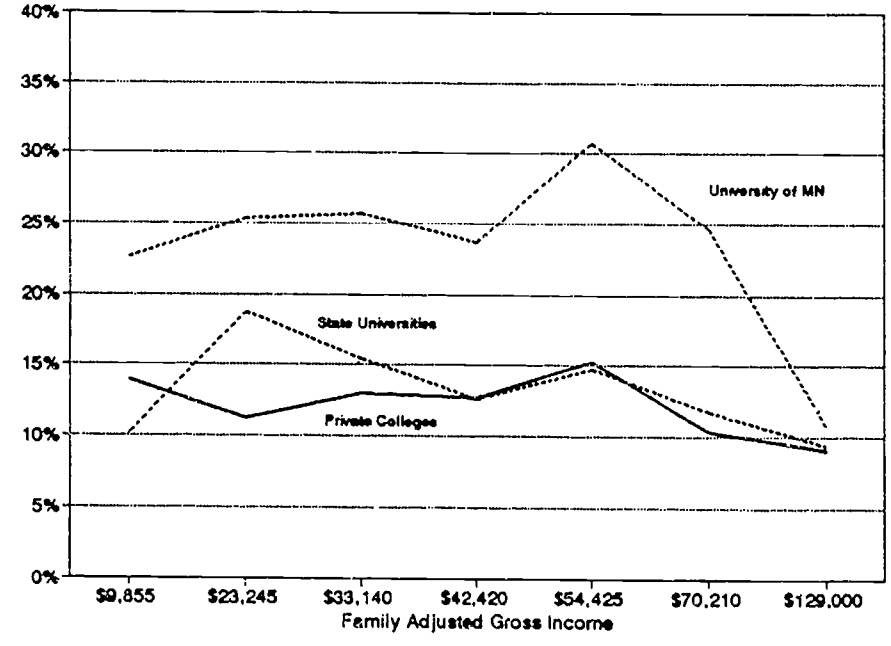


Figure Thirty-Nine
Proportion of Full-Time Dependent Students Who Lived With Parents During Spring Term

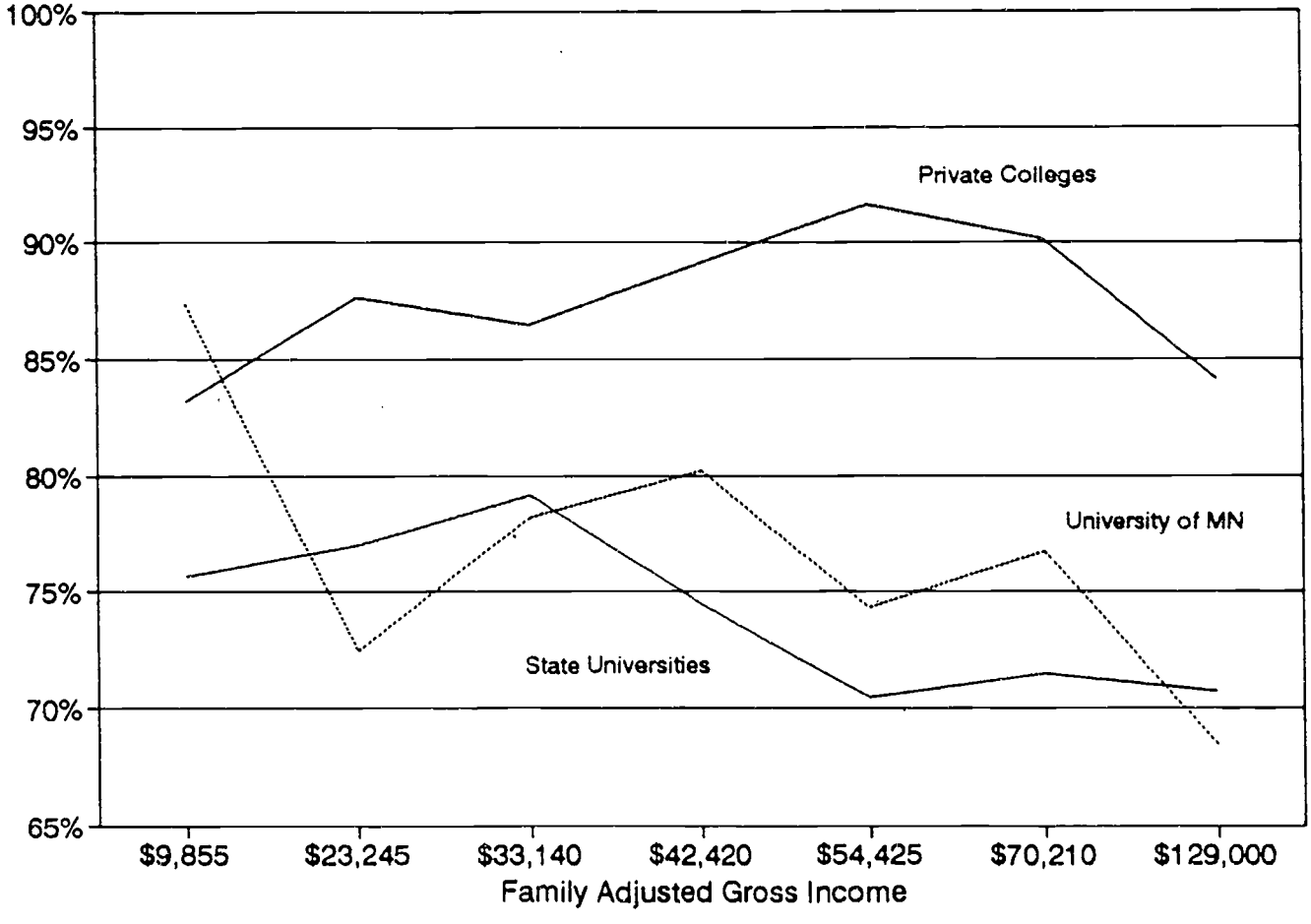


Institutional Choice

Together with access to higher education, the ability of students to attend the institution of their choice regardless of income has stood as a fundamental tenet of state and national higher education policy. To that end, Minnesota has established an enormous array of postsecondary institutions and has made great strides to ensure that cost is not a barrier to attendance.

Figure Forty shows the proportion of parents indicating that their children are attending their first-choice institution by system and family income. Notwithstanding the large disparity in participation rates and the excessive cost burden faced by low- and moderate-income families, Minnesota policymakers can and should take comfort in the large proportion of parents who indicate that their son or daughter is attending the first-choice institution -- regardless of family income.

Figure Forty
The Proportion of Students Attending
Their First-Choice Institution By Family Income



Although attendance at a first-choice institutions is not correlated with income, the possibility remains that lower-income students may systematically constrain themselves to lower-cost institutions. Under this assumption, we would expect the diversity of choice to rise with income. Table Ten shows the distribution of students by family income class among alternative systems, and the extent to which students of a given income class are clustered among particular first- and second-choice institutions.

The six systems of Table Ten are represented along a continuum based on average cost for state residents. In practice, lower-income students are less likely to consider institutions outside Minnesota and therefore show less diversity in their selection. Contrary to our expectation, however, high-cost institutions are the most likely first-choice for students with family incomes of less than $40,000, $30,000 and $20,000. This finding suggests that the interaction of federal, state and institutional aid is a powerful factor sustaining choice for those students committed to a baccalaureate education.

Table Ten
First- and Second-Choice Systems By Family Income Class

Family Income Under $20,000

First Choice	Second Choice: Minnesota 2YR Public	State University	University of MN	Non-MN Public	Minnesota Private	Non-MN Private	Total
MN 2YR Public	0%	1%	1%	0%	0%	0%	2%
State University	2%	19%	4%	2%	2%	1%	31%
University of MN	2%	6%	15%	2%	4%	2%	31%
Non-MN Public	0%	2%	0%	0%	1%	0%	3%
MN Private	0%	8%	5%	1%	15%	1%	32%
Non-MN Private	0%	1%	0%	0%	1%	0%	2%
Total	5%	37%	25%	5%	23%	5%	100%

Family Income $20,000-$29,999

First Choice	Second Choice: Minnesota 2YR Public	State University	University of MN	Non-MN Public	Minnesota Private	Non-MN Private	Total
MN 2YR Public	0%	1%	0%	0%	0%	0%	2%
State University	1%	16%	6%	3%	3%	1%	30%
University of MN	0%	2%	11%	2%	3%	1%	21%
Non-MN Public	0%	2%	2%	0%	1%	0%	5%
MN Private	1%	7%	10%	2%	17%	2%	38%
Non-MN Private	0%	1%	2%	0%	1%	0%	4%
Total	3%	30%	31%	7%	26%	4%	100%

Family Income $30,000-$39,999

First Choice	Second Choice: Minnesota 2YR Public	State University	University of MN	Non-MN Public	Minnesota Private	Non-MN Private	Total
MN 2YR Public	0%	1%	0%	0%	0%	0%	1%
State University	2%	15%	5%	4%	3%	1%	28%
University of MN	1%	7%	11%	3%	3%	0%	25%
Non-MN Public	0%	2%	1%	0%	1%	0%	4%
MN Private	0%	7%	8%	2%	18%	3%	38%
Non-MN Private	0%	0%	2%	0%	1%	0%	4%
Total	3%	31%	26%	9%	27%	3%	100%

Table Ten (Continued)
First- and Second-Choice Systems By Family Income Class

	Second Choice						
	Minnesota	State	University	Non-MN	Minnesota	Non-MN	
First Choice	2YR Public	University	of MN	Public	Private	Private	Total
MN 2YR Public	0%	1%	1%	0%	0%	0%	2%
State University	1%	17%	5%	2%	3%	0%	28%
University of MN	1%	7%	15%	3%	5%	1%	31%
Non-MN Public	0%	1%	1%	0%	0%	0%	2%
MN Private	1%	8%	6%	2%	11%	4%	32%
Non-MN Private	0%	1%	2%	0%	1%	0%	4%
Total	3%	36%	30%	7%	20%	5%	100%

Family Income 40,000-$54,999

	Second Choice						
	Minnesota	State	University	Non-MN	Minnesota	Non-MN	
First Choice	2YR Public	University	of MN	Public	Private	Private	Total
MN 2YR Public	0%	1%	0%	0%	0%	0%	1%
State University	0%	15%	4%	2%	2%	0%	23%
University of MN	1%	6%	14%	5%	4%	1%	30%
Non-MN Public	0%	2%	2%	0%	1%	0%	5%
MN Private	1%	6%	9%	2%	16%	3%	37%
Non-MN Private	0%	0%	2%	0%	1%	0%	4%
Total	2%	30%	31%	10%	23%	5%	100%

Family Income $55,000-$69,999

	Second Choice						
	Minnesota	State	University	Non-MN	Minnesota	Non-MN	
First Choice	2YR Public	University	of MN	Public	Private	Private	Total
MN 2YR Public	0%	0%	0%	0%	0%	0%	0%
State University	1%	8%	4%	2%	2%	0%	17%
University of MN	0%	4%	12%	8%	6%	1%	30%
Non-MN Public	0%	2%	4%	0%	1%	0%	7%
MN Private	0%	4%	7%	3%	20%	6%	40%
Non-MN Private	0%	1%	3%	0%	2%	0%	5%
Total	1%	18%	30%	13%	31%	7%	100%

Family Income $70,000 and Above

The following section describes the financing behavior of independent students.

7. Economic and Social Characteristics of Independent Students

Family Status, Age and Gender

For purposes of this analysis, and consistent with financial aid needs analysis, independent students are treated in our study as four separate populations: single students, single parents, married students and married parents. While each of these groups have at least one common trait (the pursuit of a baccalaureate degree), each clearly faces a distinct set of financial constraints and personal and professional obligations that compete directly with their educational pursuit.

Unlike dependent students, most of whom are under the age of 24, single, supported by their parents and taking full- or nearly full-time loads, there is enormous variation in the social, economic and academic characteristics of independent students. Consequently, analyzing independent students by income without consideration of other factors reveals little about this population or the financing challenges they face. Table Eleven shows the distribution of independent students by system, family status and family income.

Table Eleven
Distribution of Independent Students By System
Family Income and Family Status

Private Colleges	Under $5,000	$4,999 $9,999	$10,000 $19,999	$20,000 $39,999	$40,000 and above	All Incomes
Single, No Children	10.6%	13.3%	10.0%	7.7%	1.1%	42.7%
Married, No Children	0.0%	0.3%	1.6%	4.4%	4.4%	10.6%
Single, Parent	6.7%	3.0%	4.4%	3.4%	1.5%	18.9%
Married, Parent	1.7%	0.8%	4.6%	9.7%	11.0%	27.8%
All Groups	18.9%	17.4%	20.5%	25.1%	18.0%	100.0%

State Universities	Under $5,000	$4,999 $9,999	$10,000 $19,999	$20,000 $39,999	$40,000 and above	All Incomes
Single, No Children	5.5%	6.2%	4.7%	4.7%	1.0%	24.1%
Married, No Children	0.3%	0.3%	0.6%	4.6%	4.4%	10.2%
Single, Parent	7.0%	5.9%	4.1%	4.7%	0.5%	22.2%
Married, Parent	1.8%	1.4%	5.1%	15.0%	20.3%	43.5%
All Groups	14.7%	15.8%	14.5%	29.0%	26.1%	100.0%

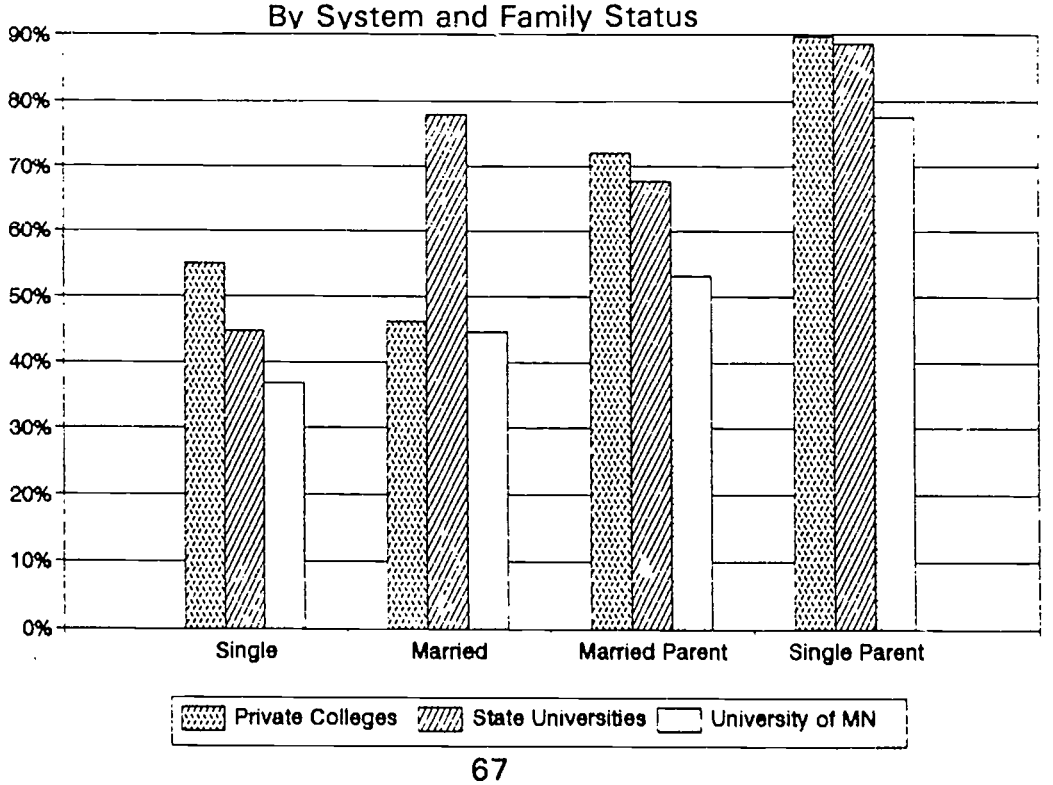
University of Minnesota	Under $5,000	$4,999 $9,999	$10,000 $19,999	$20,000 $39,999	$40,000 and above	All Incomes
Single, No Children	16.2%	16.1%	18.2%	2.6%	0.3%	53.4%
Married, No Children	0.6%	0.3%	3.5%	6.2%	3.3%	13.8%
Single, Parent	6.0%	3.7%	2.9%	0.8%	0.0%	13.4%
Married, Parent	1.7%	0.9%	3.8%	7.3%	5.8%	19.5%
All Groups	24.5%	21.0%	28.3%	17.0%	9.3%	100.0%

Table Eleven reveals a fairly distinct composition of independent students for each of the three systems. Collectively, **nearly half of all independent students are parents and more than** one out of **six are single parents.** All three systems have a comparable proportion of married students who are not parents. For all other classifications, the systems diverge sharply. At both the University of Minnesota and the private colleges, single non-parents are the largest cohorts, representing approximately 43 and 53 percent of total independent student enrollments respectively. For Minnesota's State Universities, married parents are the largest group of independent students.

The composition of the independent student population enrolled in each system differs by age and gender as well. Figure Forty-One shows the proportion of independent students who are female by system and family status. **In aggregate, 60 percent of all independent students are female.** The higher proportion of women, especially among older cohorts, suggests that the long-standing disparity in male and female educational attainment is coming to an end.

The data in Figure Forty-One illustrate distinct propensities of students of different genders and family makeup to attend different systems. **Single women, for example, are more likely to attend private colleges, while married women without children disproportionately attend State Universities. Single men are most likely to attend the University of Minnesota.**

Figure Forty-One
Proportion of Independent Students who are Female
By System and Family Status



Male and female independent students also differ sharply in age. With the exception of single male students who attend State Universities, female independent students are consistently older than their male counterparts, by system and by family status. On average, female independent students are nearly four years older than independent male students (32.2 compared with 28.4). The female median age is also four years greater (31 compared with 27). Figures Forty-Two and Forty-Three show the average age of male and female independent students by system and family status.

Figure Forty-Two
Average Age of Female Independent Students
By System and Family Status

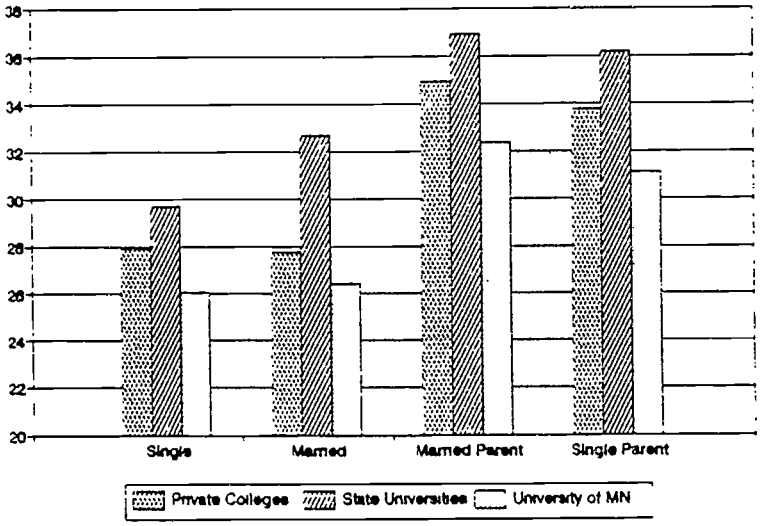
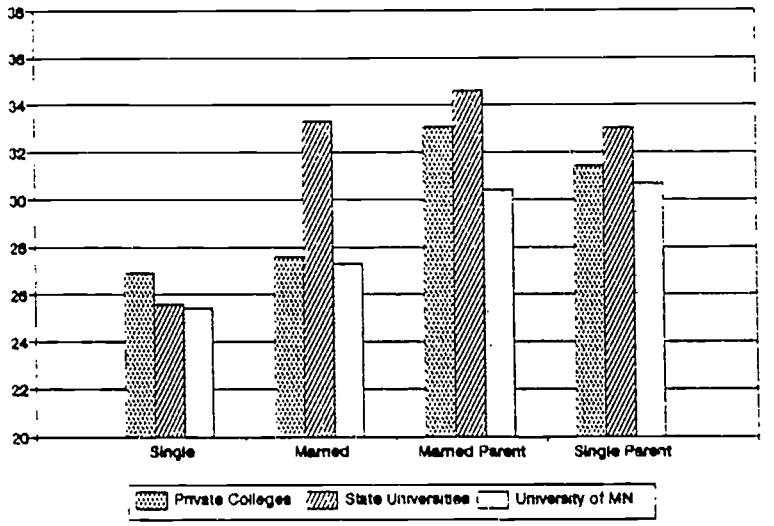


Figure Forty-Three
Average Age of Male Independent Students
By System and Family Status



Educational Attainment

Fewer than three percent of all independent students have already earned a baccalaureate degree. The majority of students in this small group are clustered at the private colleges. For all three systems, single independent students are less likely than married students to have attended or transferred from a two-year institution. Figures Forty-Four and Forty-Five show the educational attainment of married and single independent students by system.

Figure Forty-Four
Educational Attainment of Single Independent Students

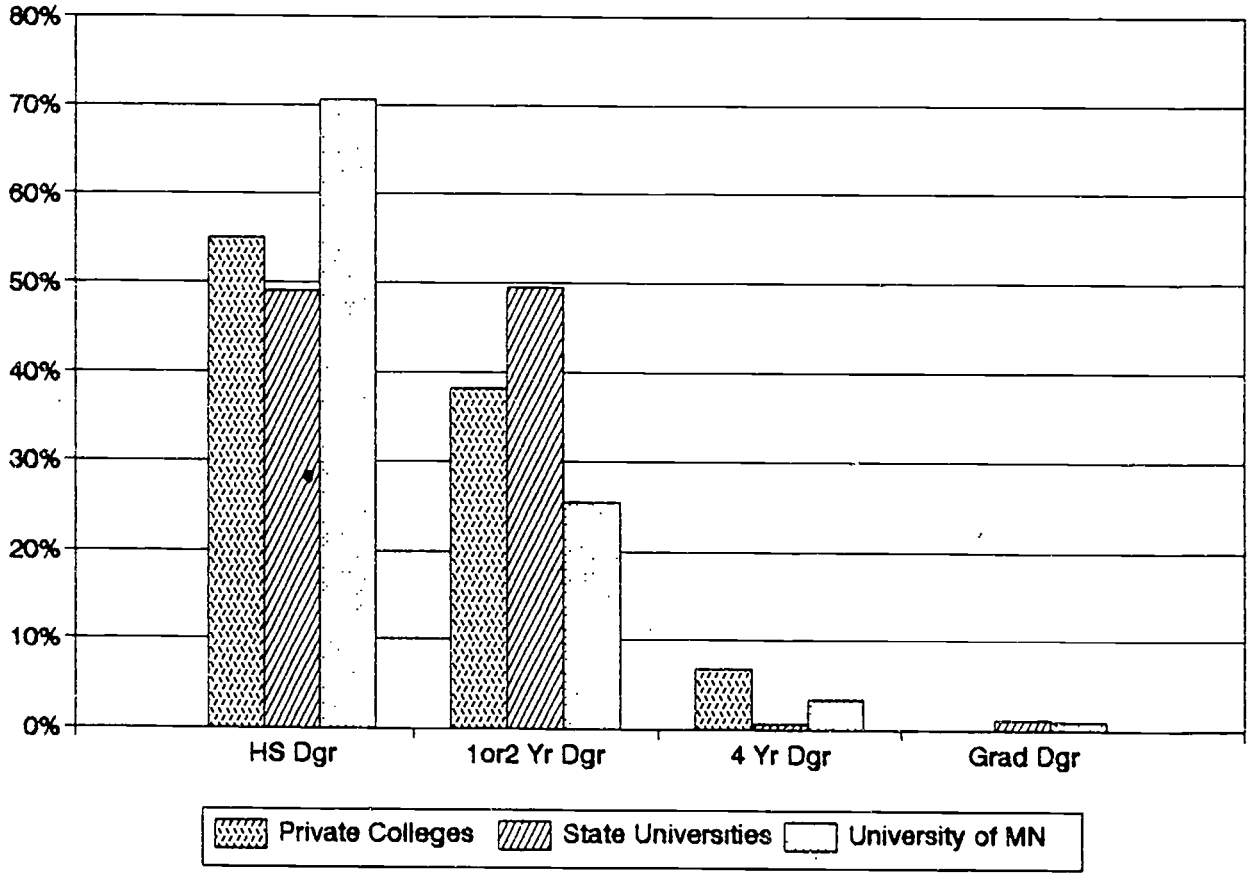
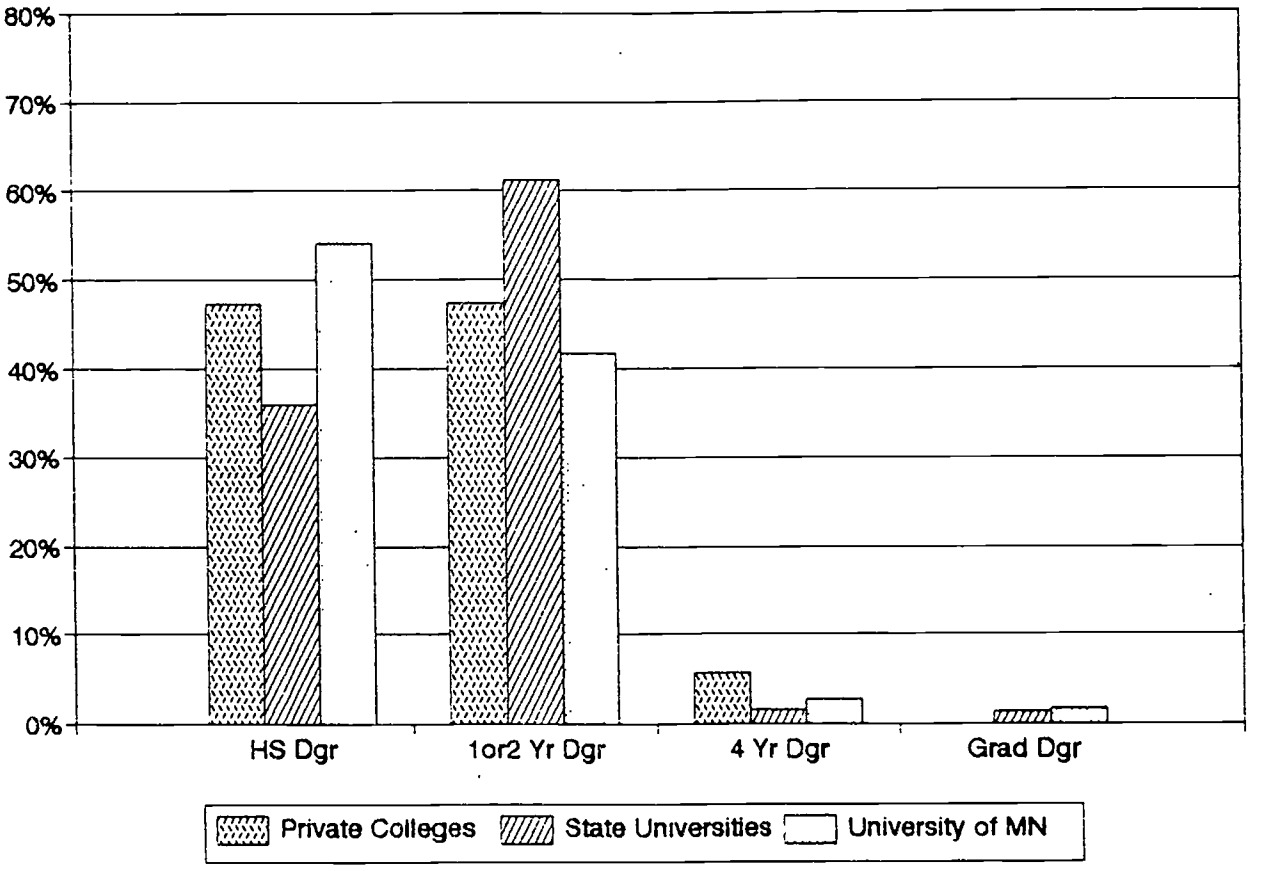
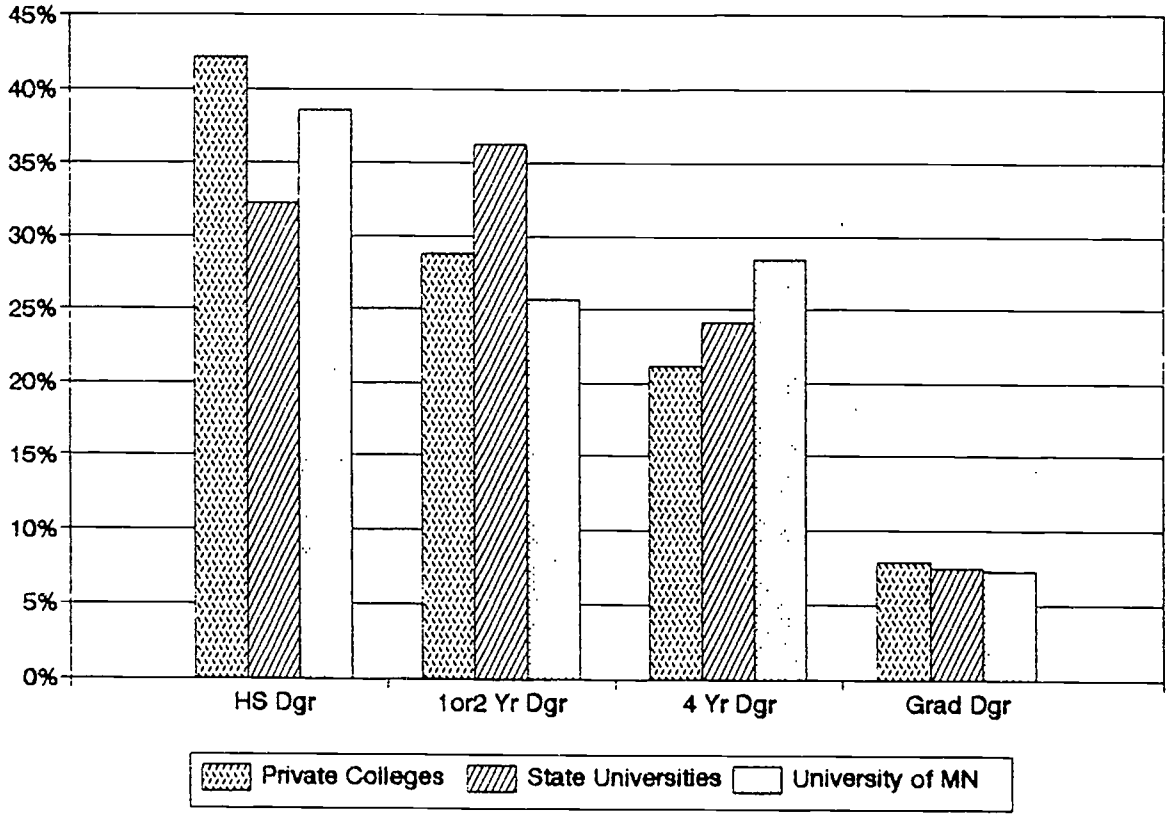


Figure Forty-Five
Educational Attainment of Married Independent Students



For those independent students who are married, more than one-quarter of their spouses have earned at least a baccalaureate degree. However, 22 percent are the first in their household to attend college and two-thirds are the first to seek a baccalaureate degree. More than 64 percent of these "first-generation" students are women. Figure Forty-Six shows the educational attainment of spouses of independent students by system.

Figure Forty-Six
Educational Attainment of Independent Student's
Spouse By System



Labor Force Status

Almost by definition, independent students face responsibilities which compete directly with their educational objectives. The two most apparent obligations are employment and parenthood.

On average, about 35 percent of all independent students work full-time; less than 20 percent report no employment. The proportion of students working full-time and attending a private college or State University is virtually identical and nearly twice as large as for those attending the University of Minnesota. In contrast with parents of dependent students, the unemployment rate of independent students is high. In fact, measured as the proportion of individuals employed or actively seeking employment, the average unemployment rates for male and female students is 9.8 and 7.4 percent respectively. Figures Forty-Seven and Forty-Eight show employment status of students by family status.

Figure Forty-Seven
Labor Force Status of Independent
Students By Family Status

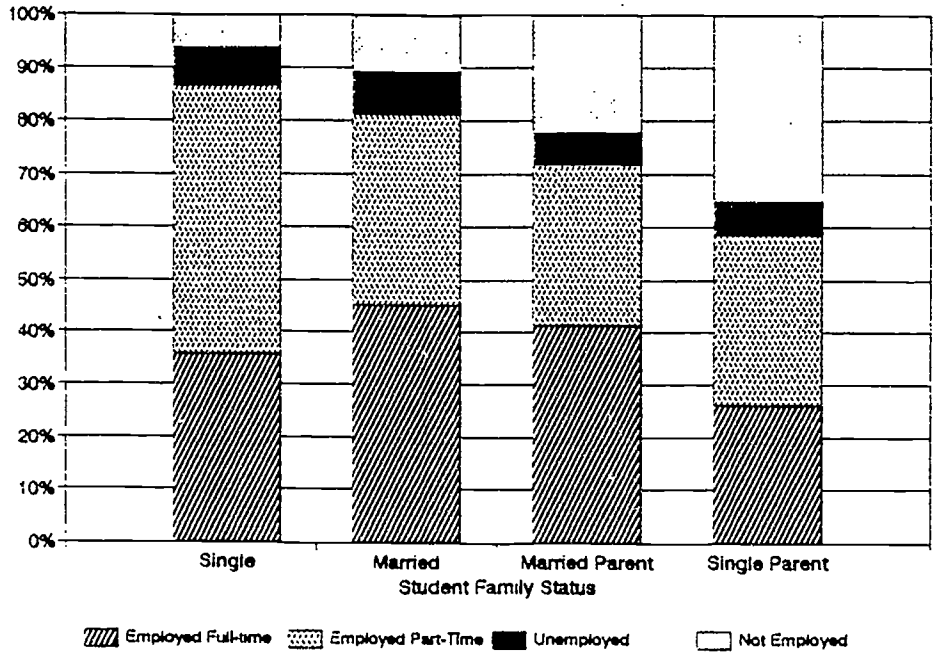
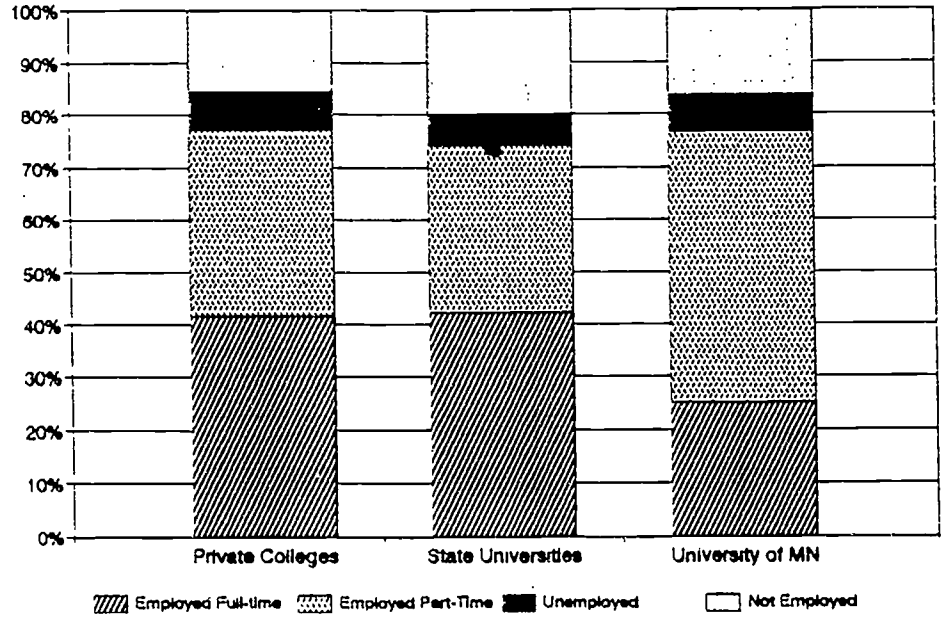


Figure Forty-Eight
Labor Force Status of Independent Students
By System



Family Income

Collectively, independent students have family incomes significantly below those of dependent students. Figure Forty-Nine shows the income distribution of independent students by system. Because of differences in family status, aggregate system comparisons are less meaningful for independent students than they are for dependent students. For example, the median income of single students is about $8,600, compared to a median for married parents of about $34,000. Consequently, the median family income of independent students attending State Universities is more than double that of the University of Minnesota, while the private colleges sit squarely in the middle of the three systems. Figures Forty-Nine and Fifty show the distribution and cumulative income distribution of independent students by system.

Figure Forty-Nine
Income Distribution of Independent Students By System

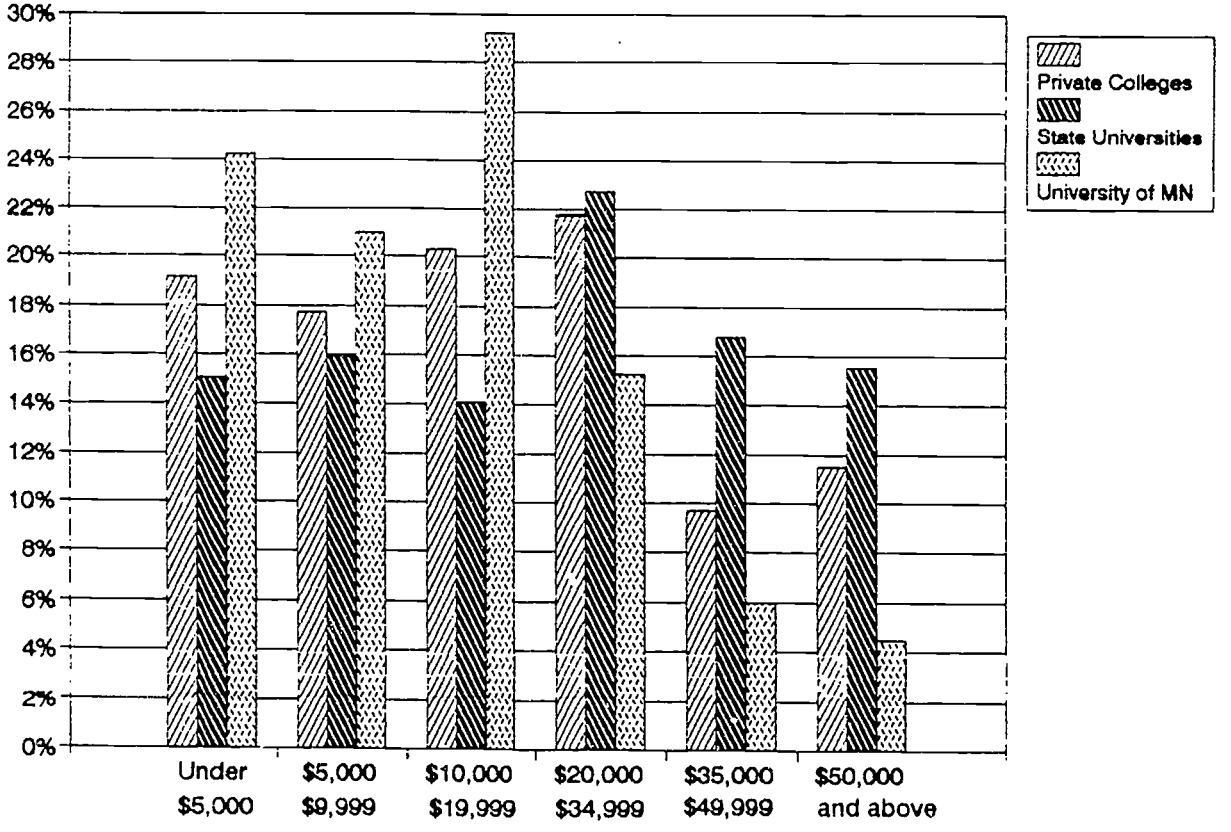
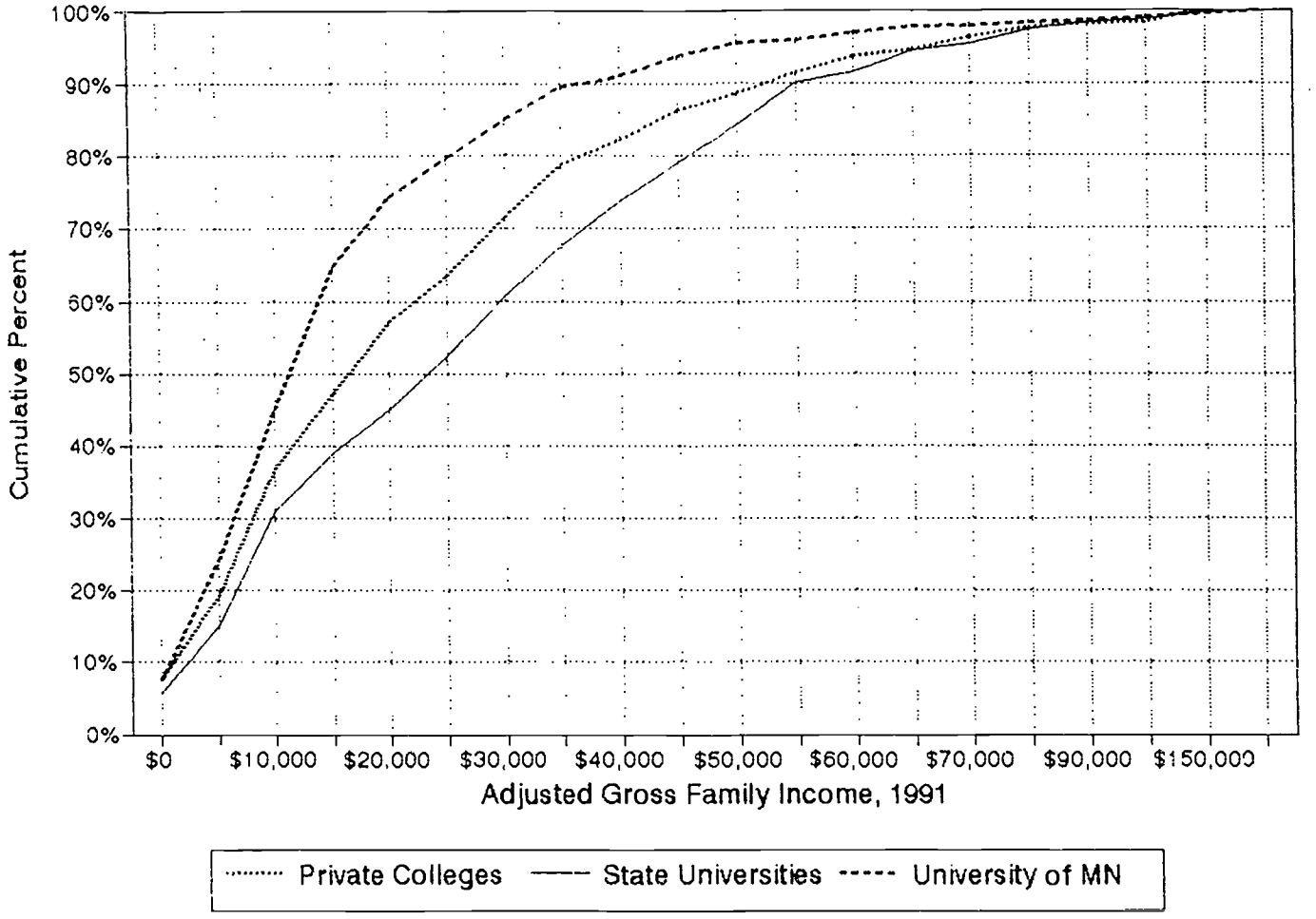


Figure Fifty
Cumulative Income Distribution of Independent Students By System



Figures Fifty-One through Fifty-Four compare the cumulative distribution of family incomes by system and family status. This table reinforces the importance of household composition in determining a student's ability to pay for college. Even after controlling for family status, major differences exist in the income distribution of students in each system. In those instances, higher income students tend to be significantly older than their counterparts. For example, married parents attending the University of Minnesota are on average five years younger than their married parent counterparts at State Universities.

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Figure Fifty-One
Cumulative Distribution of Single Non-Parent Students

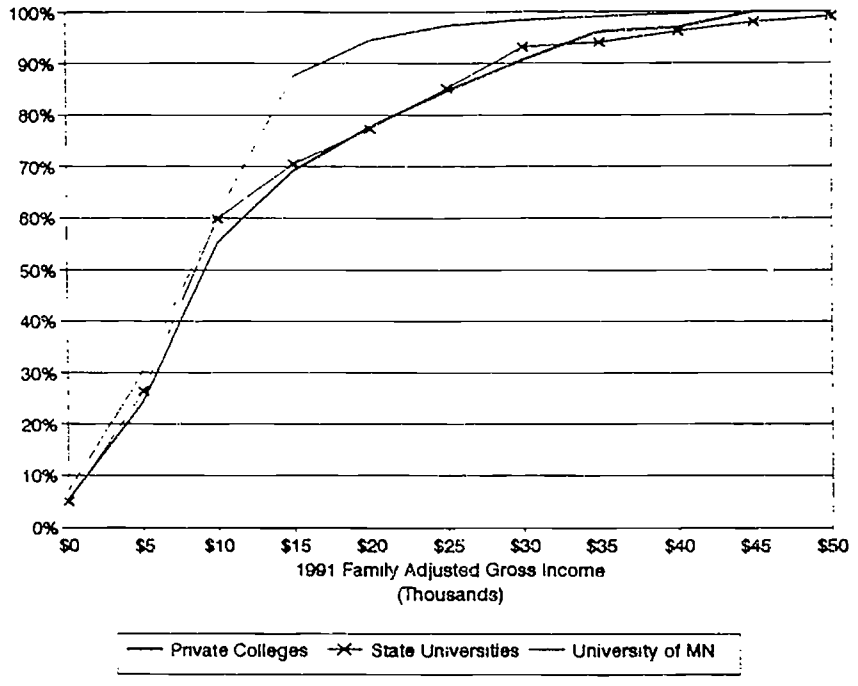


Figure Fifty-Two
Cumulative Distribution of Single Parent Students

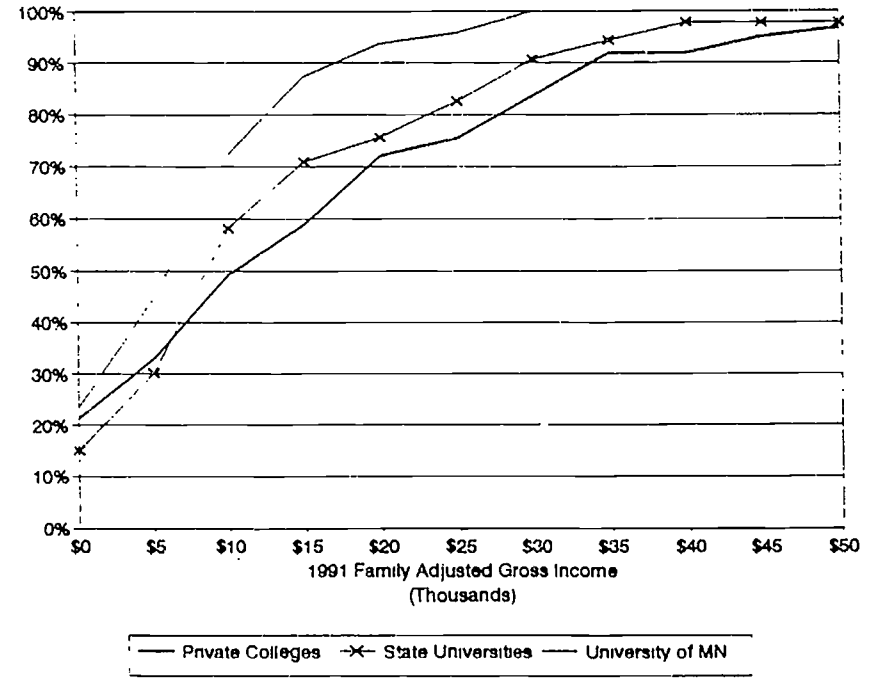


Figure Fifty-Three
Cumulative Distribution of Married Non-Parent Students

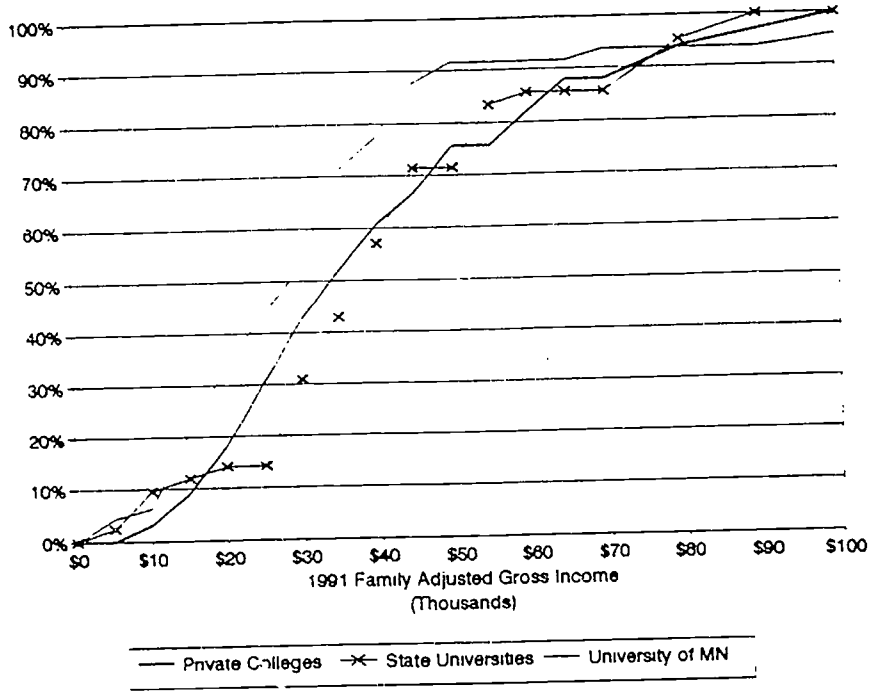
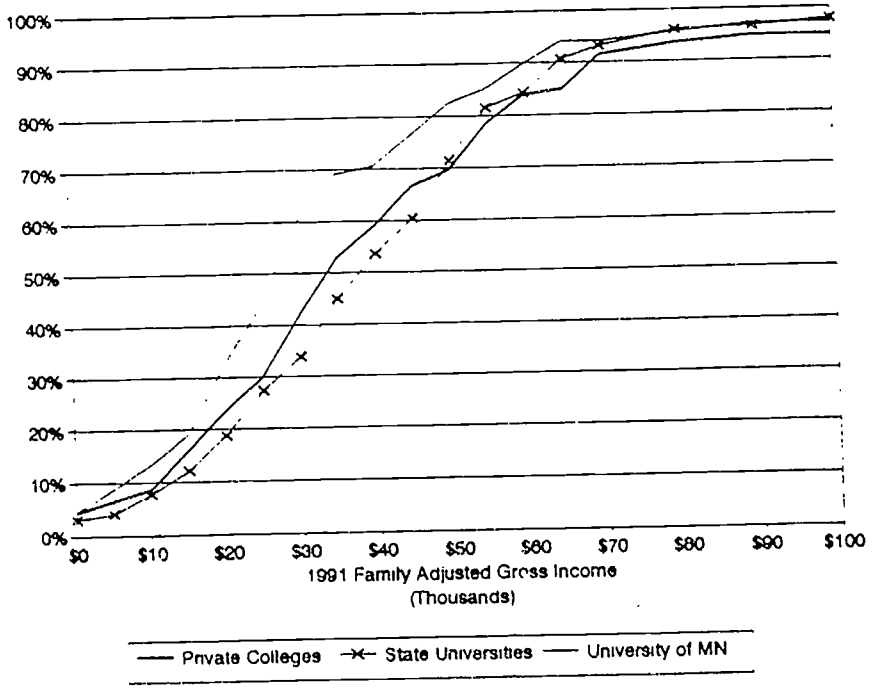


Figure Fifty-Four
Cumulative Distribution of Married Parent Students



8. How Independent Students Pay For College

Figures Fifty-Five and Fifty-Six show the distribution of funding sources by income for full-time and part-time independent students. As independent students move up the income stream, their family status is likely to change from single to married and their credit load is likely to decrease from full-time to part-time attendance. Under existing financial aid guidelines, the probability that an independent student will receive assistance is linked both to credit load and, for many students, an income which nearly approaches the poverty threshold.

Grant Aid

For the majority of independent students, grant aid constitutes a major, if not the dominant, source of funding for college. Remarkably, this is true of both full- and part-time students. For those attending part-time, however, grant aid typically accounts for about five to ten percent less of the student's total financial aid package. Because Minnesota has recently revised its definition of a full-time student from 12 to 15 credits, it is reasonable to predict that full- and part-time independent students will see an erosion in their grant aid.

Current Income and Savings

With the exception of students with incomes of $40,000 and above, about 20 percent of attendance costs for full-time students are paid through current income; another five percent are paid through savings. Considering that attendance costs for independent students do not include room and board expenditures, student contributions for independent and dependent students are at comparable levels. For those attending part-time, employment and savings typically account for 25 to 30 percent of attendance costs.

Relatives and Other Funding Sources

One of the most notable differences in the financing of full-time dependent and independent students' educations is in the proportion of funds provided by third party sources. For dependent students, this source of funds consistently accounts for less than two percent. For low-income independent students, it represents more than five percent; and for those with incomes above $40,000, it represents about ten percent. The two most common other sources of income are Veterans Administration and employer benefits. The proportion of financial support derived from relatives (which would presumably include parents) is negligible and suggests that the vast majority of independent students are not receiving direct financial support from their families to attend college.

Loans

As with low-income dependent students, independent students rely heavily on debt to finance their educations. For both full- and part-time students, loans typically represent between 30 and 40 percent of a student's financial package. For most students loans represent the "catch-all" of their financial package and serve to cover all remaining costs.

The high reliance on loans illustrates the catch-22 of attending college as an independent student. Full- or near full-time employment makes full-time enrollment difficult (only 17.5 percent of full-time employed independent students are taking year-round full-time loads). Yet, without a full-time load, state grant aid is substantially reduced. Consequently, needy students at less than full-time loads are likely to pay a higher net attendance cost (credit for credit). In addition, because 43 percent of all independent students take less than a full-time load, their time to completion is prolonged. Consequently, the discounted cost of attendance as a part-time independent student is considerably higher than full-time attendance. However, full-time attendance requires significant outside support or a near poverty standard of living.

Figure Fifty-Five
How Full-Time Independent Students Pay For College

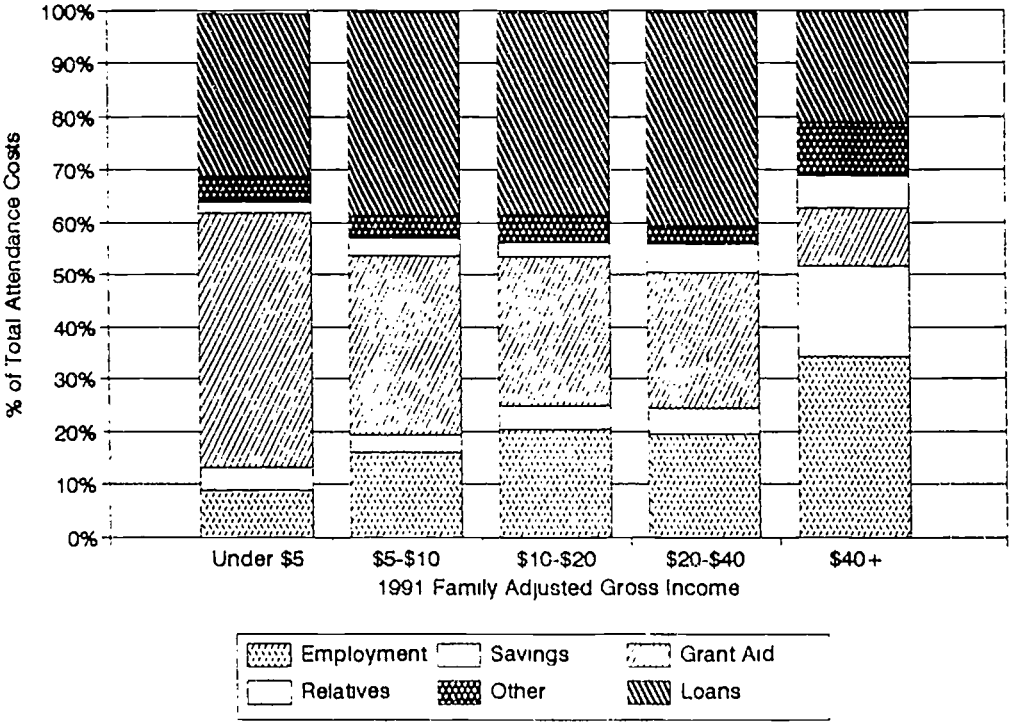
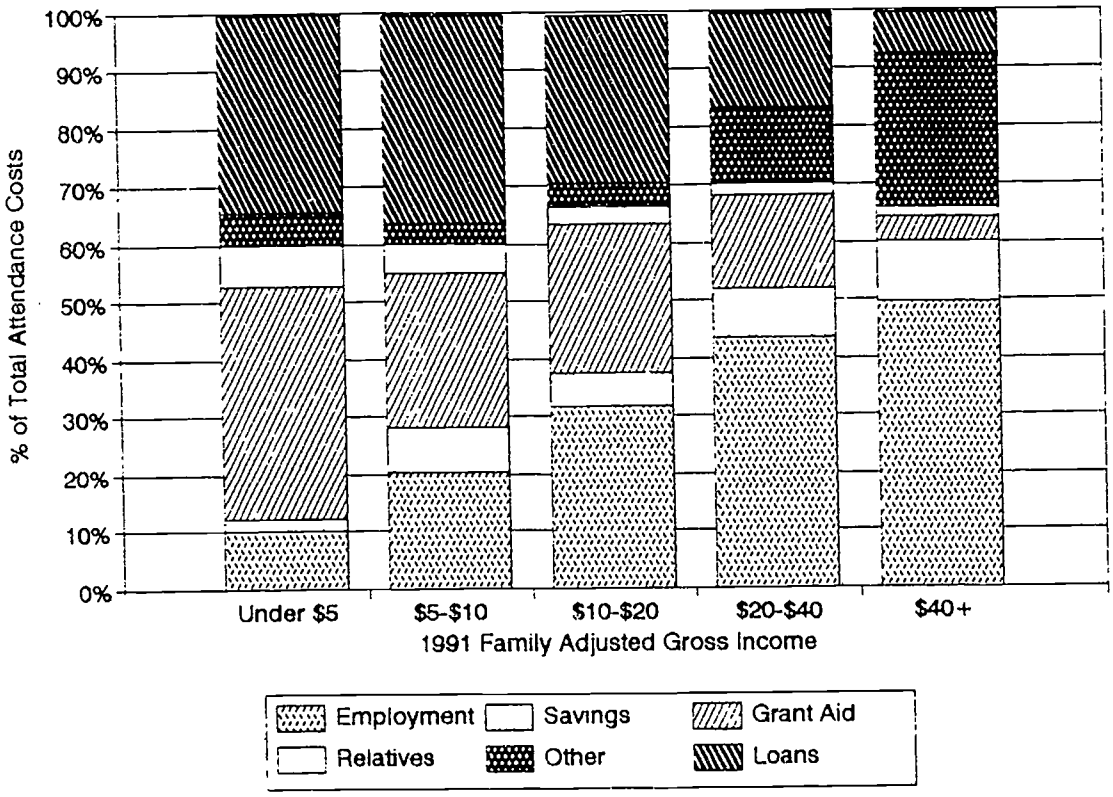


Figure Fifty-Six
How Part-Time Independent Students Pay for College



Figures Fifty-Seven, Fifty-Eight and Fifty-Nine show the distribution of funding sources for full- and part-time independent students by system and family status.

Figure Fifty-Seven
How Independent Private College Students Pay For College

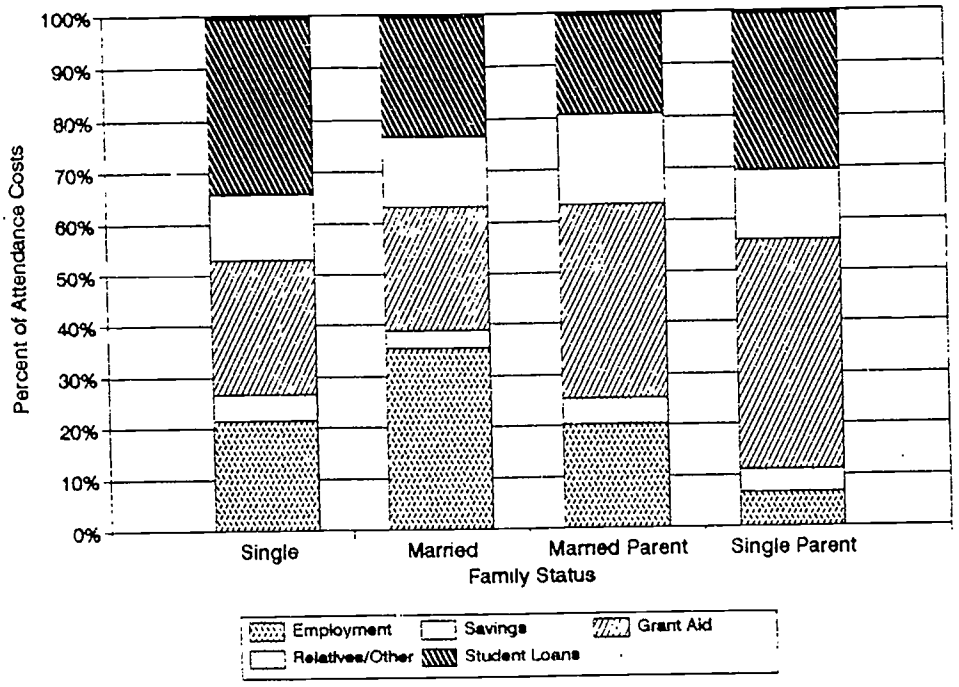


Figure Fifty-Eight
How Independent State University Students Pay For College

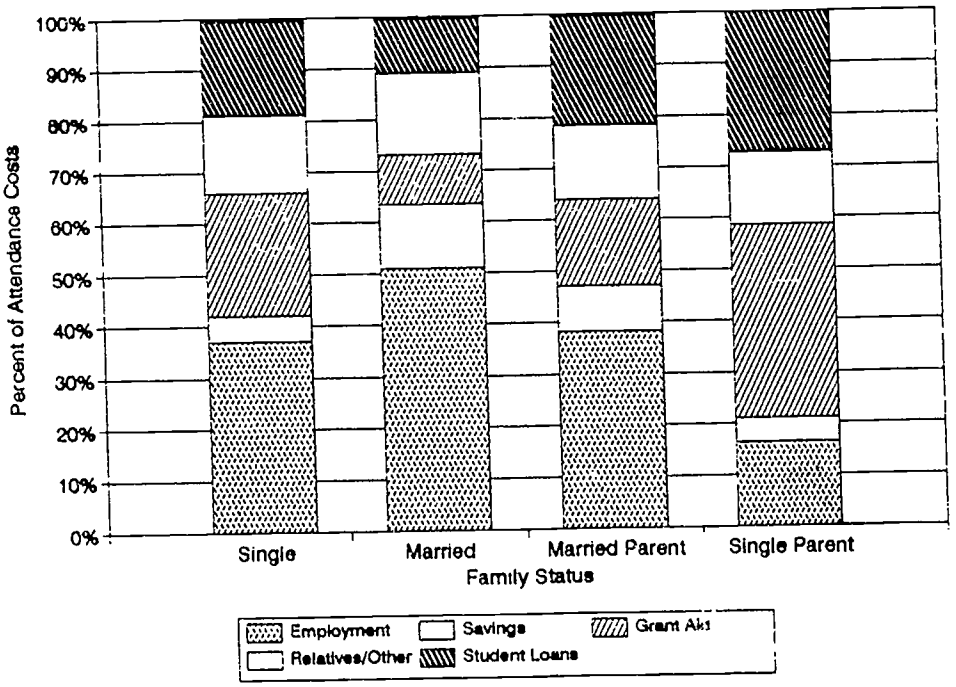
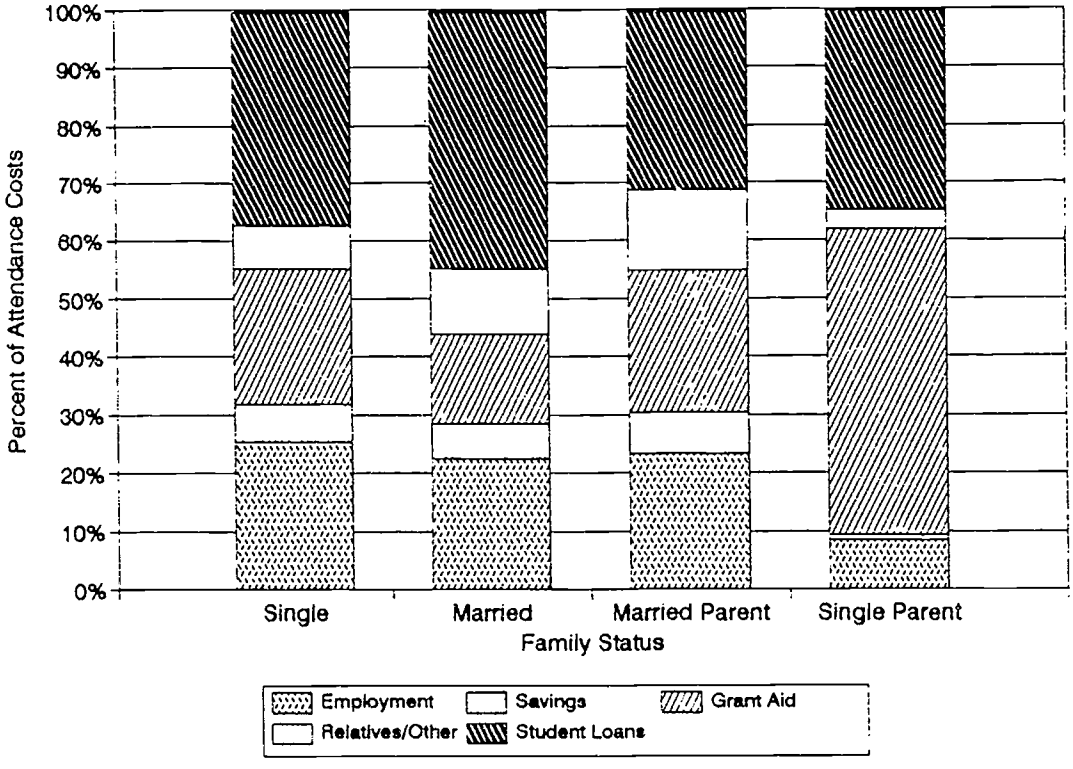


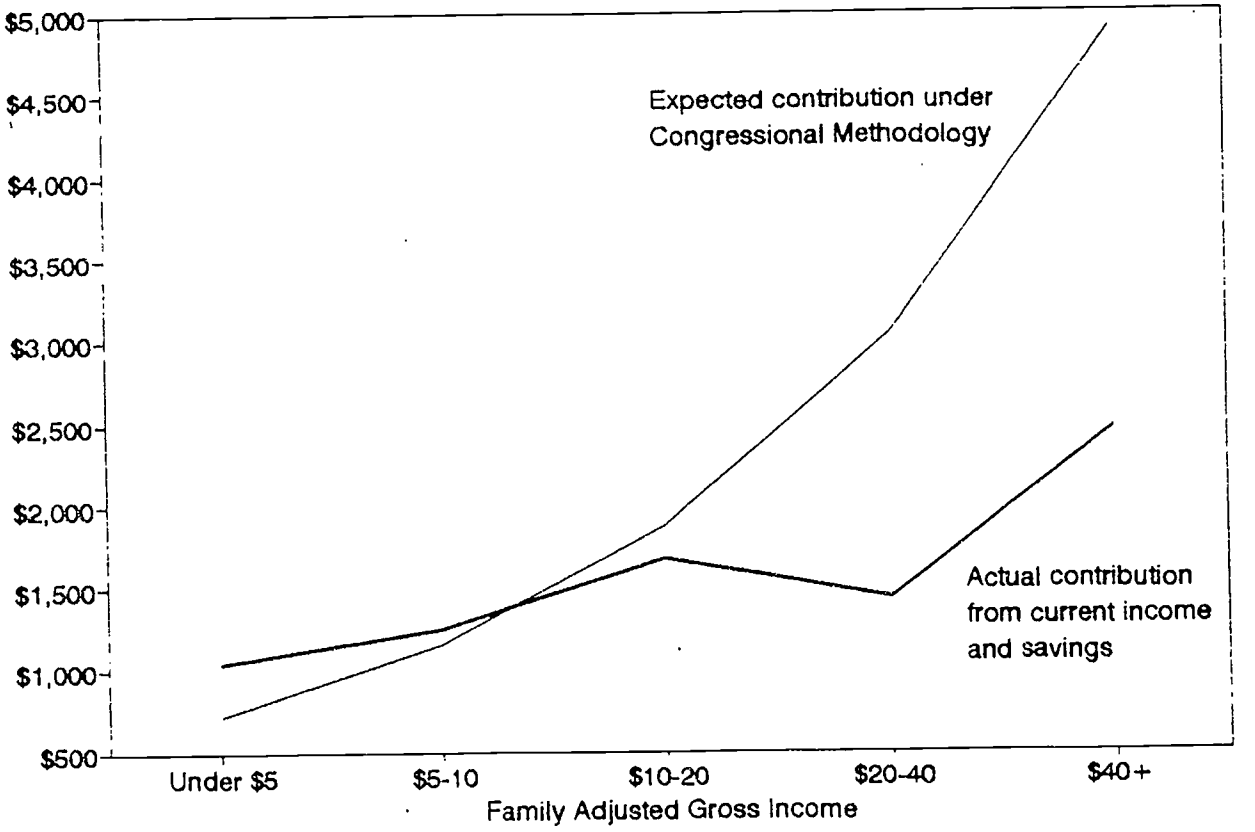
Figure Fifty-Nine
How Independent University of Minnesota Students Pay For College



Comparison of Expected and Actual Contributions

As with low-income dependent students, the family contributions of independent students with incomes of less than $15,000 tend to exceed federal guidelines under Congressional Methodology, though to a lessor extent. Where low-income parents of dependent students contribute $1,000 to $1,500 more than expected, low-income independent students are contributing about $200 above the federal guideline. At the other extreme, independent students with family incomes above $20,000 (about 42 percent of all independents) rely more heavily on debt or contributions from other sources than federal guidelines would suggest. Figure Sixty compares expected and actual contributions from current income and savings for full-time independent students by family income.

Figure Sixty
Expected and Actual Contributions for Full-Time
Independent Students By Family Income



Merging students from all family backgrounds in Figure Sixty obscures differences within each family status. Figures Sixty-One, Sixty-Two, Sixty-Three and Sixty-Four compare expected and actual contributions by family status and income. Under this segmentation, a sharp distinction in support patterns emerges, with parents who earn less than $20,000 contributing more than expected while married and single independent students who are not parents generally contributing less. In both cases, the deviation from expected behavior challenges Congressional Methodology as a realistic needs analysis.

For those students who contribute less than expected, there are two logical responses. First, these students are likely to have financial packages with greater loan volumes -- this is arguably their prerogative. Second, the needs analysis may be expecting too much of these students. For students contributing more than expected, the onus clearly falls on the availability of grant aid to reduce loan burdens to acceptable levels.

Figure Sixty-One
Actual and Expected Contributions For
Single Non-Parent Independent Students

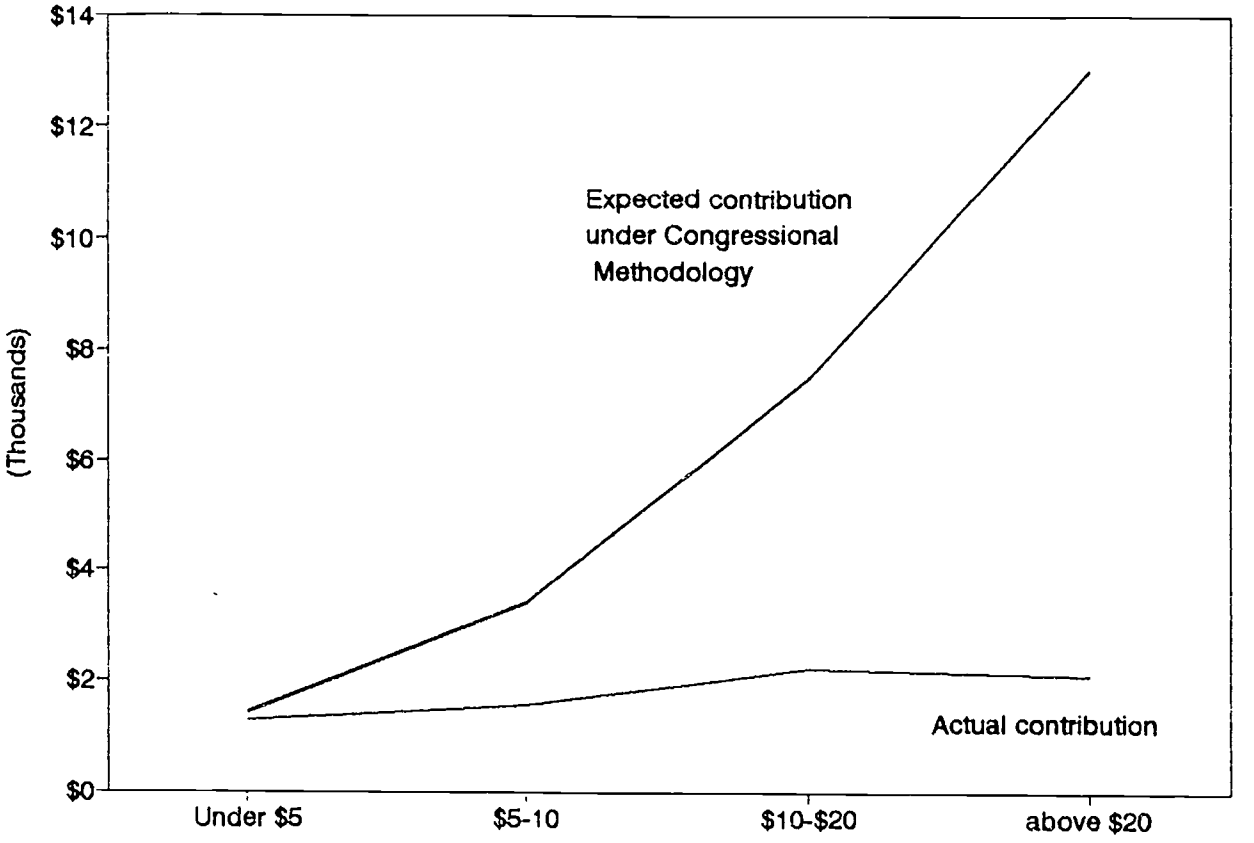


Figure Sixty-Two
Actual and Expected Contributions For
Married Non-Parent Independent Students

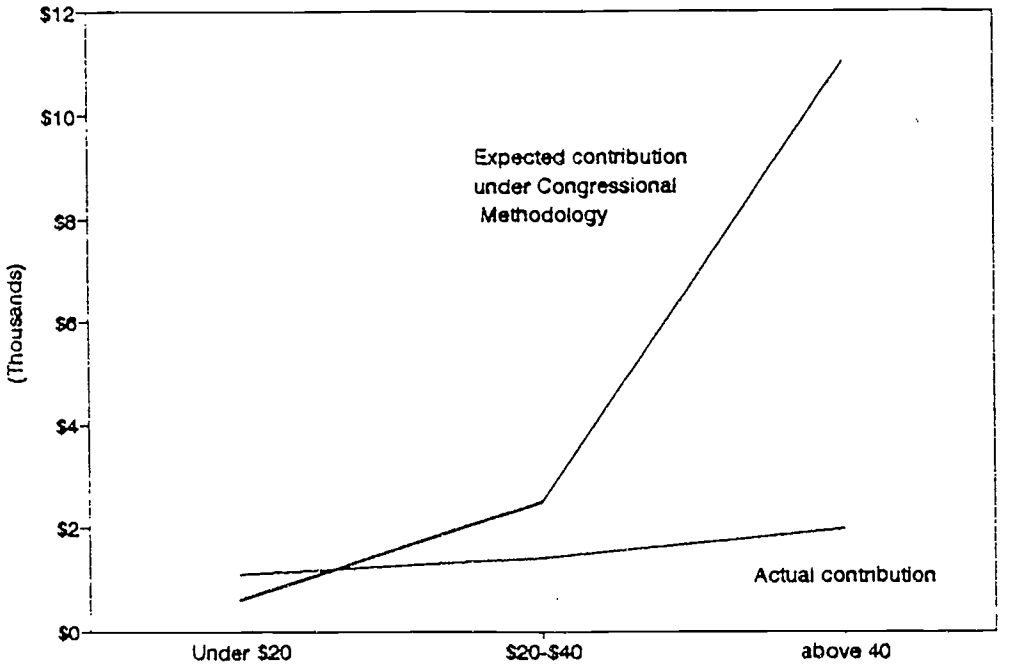


Figure Sixty-Three
Actual and Expected Contributions For
Single Parent Independent Students

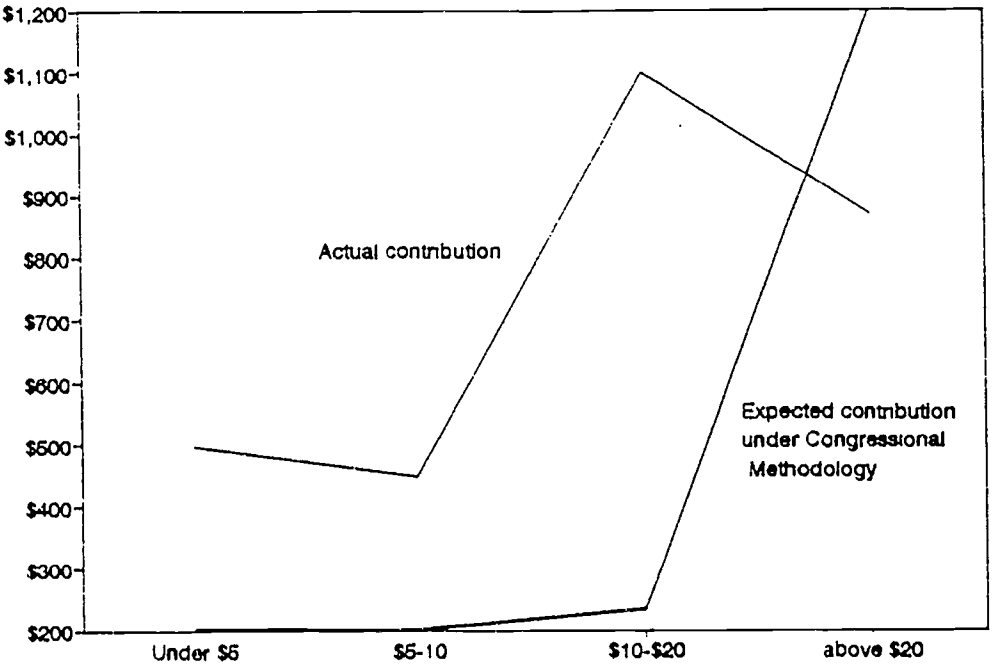
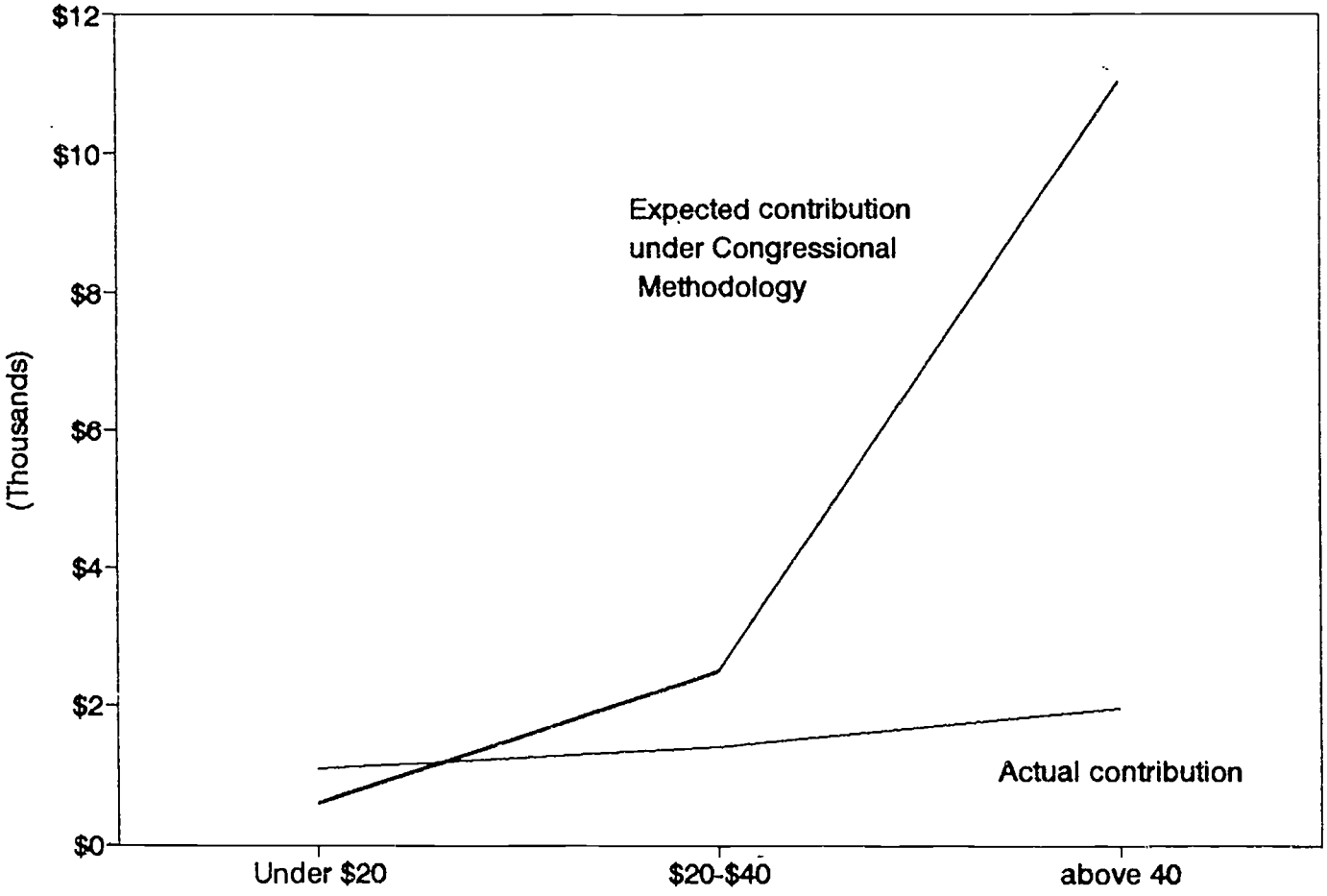


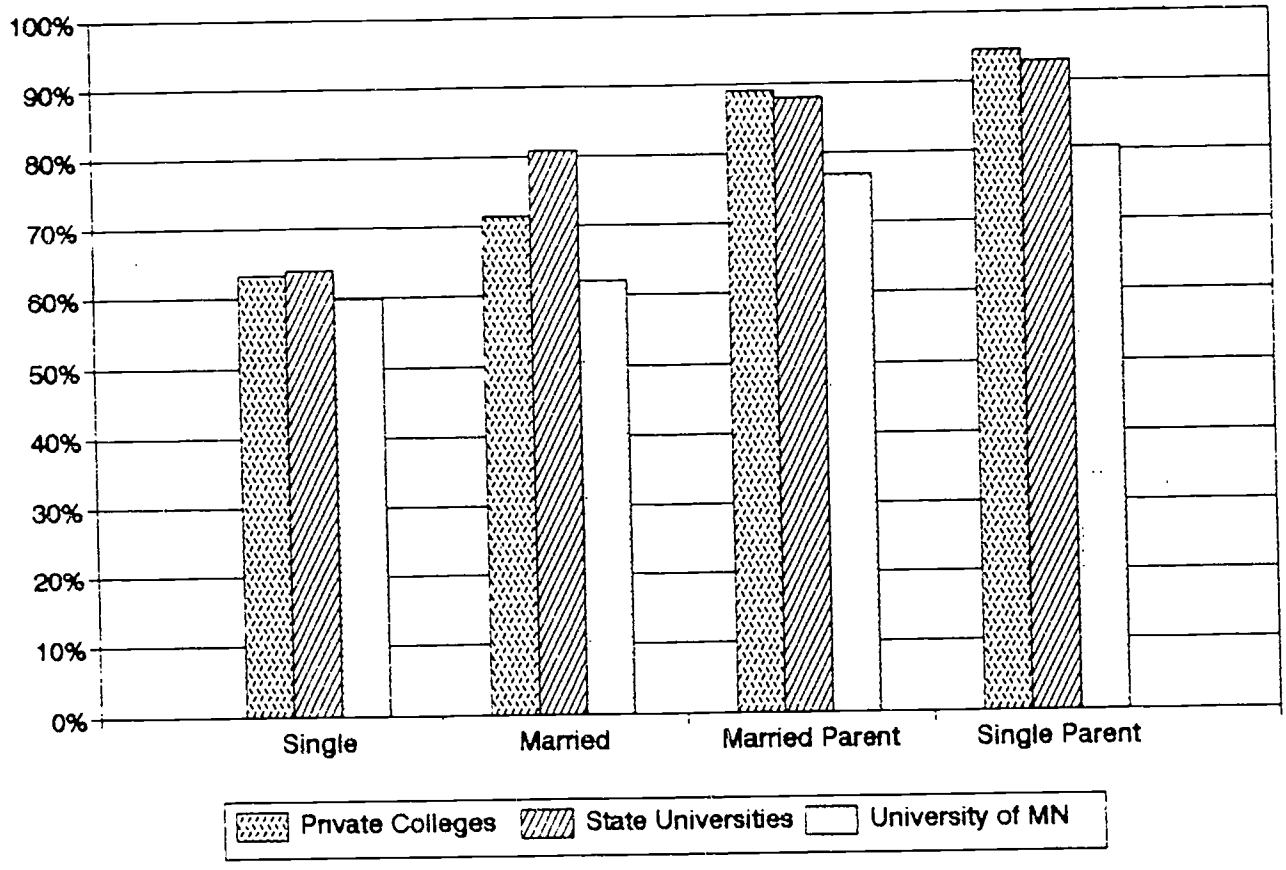
Figure Sixty-Four
Actual and Expected Contributions For
Married Parent Independent Students



Saving and Preparing For College

The story of how independent students prepare for college closely tracks with that of dependent students. Collectively, **only one in five independent students saved or invested to help pay for college.** Naturally, for low-income students, it is nearly impossible to save. But, for students of higher incomes low saving rates are equally present. In fact, the group most likely to save are single non-parents, the poorest of the four cohorts. Figure Sixty-Five Shows the proportion of independent students who did not save or invest for college before attending.

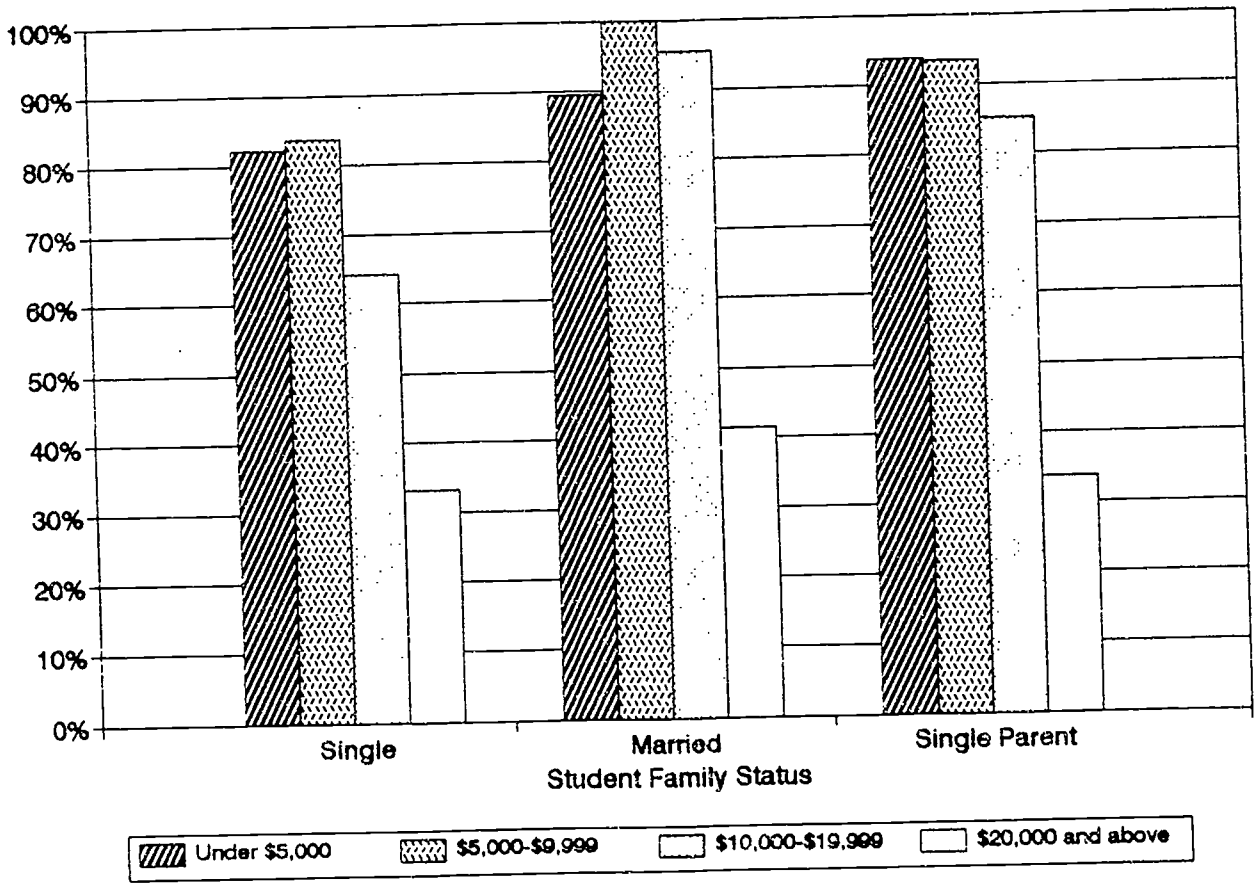
Figure Sixty-Five
Proportion of Independent Students Who did not Save
or Invest for College Before Attendance



Applying For Financial Aid

There are a significant number of independent students attending full-time who do not apply for financial aid. Ironically, **single and single parent independent students**, both of whom on average carry larger loan burdens, **are particularly under-represented in the aid applicant pool.** Figure Sixty-Six shows the proportion of independent students who applied for financial aid by family income class and family status.

Figure Sixty-Six
Proportion of Independent Students Who Applied
For Financial Aid By Income and Family Status



Given the family resources of most independent students, the extent of their competing obligations and how they pay for college, it is not surprising that nearly half of all independent students (47 percent) anticipate a reduction in their financial commitment before they graduate, with the incidence of reduced support most likely among low-income single students and married students with family incomes above $20,000. Figures Sixty-Seven and Sixty-Eight show the proportion of independent students who are likely to reduce their support by system, income and family status.

Figure Sixty-Seven
The Proportion of Independent Students
Who are Likely To Reduce Their Support By Income and Family Status

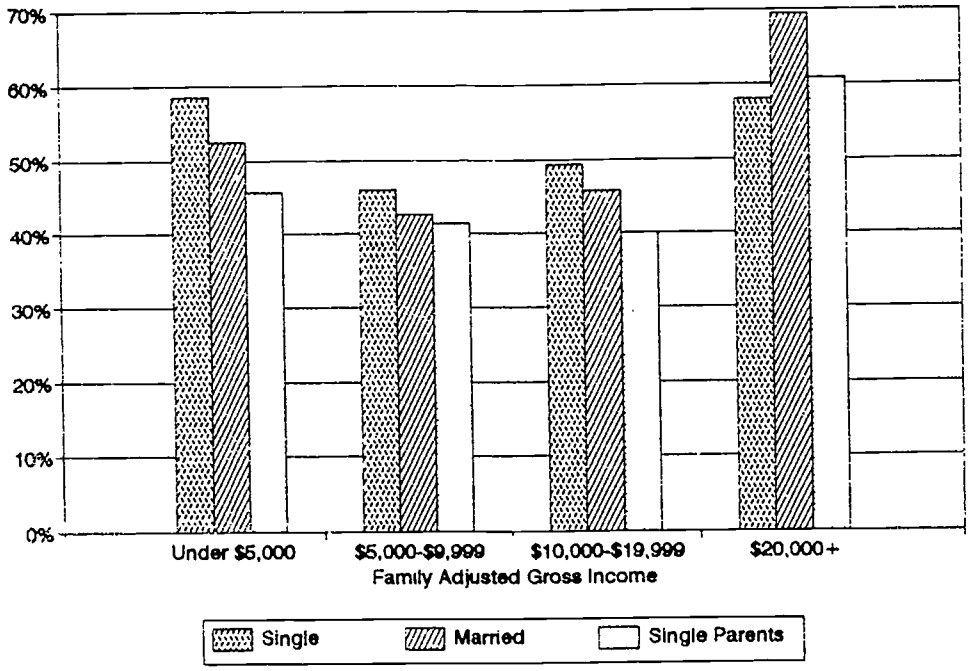
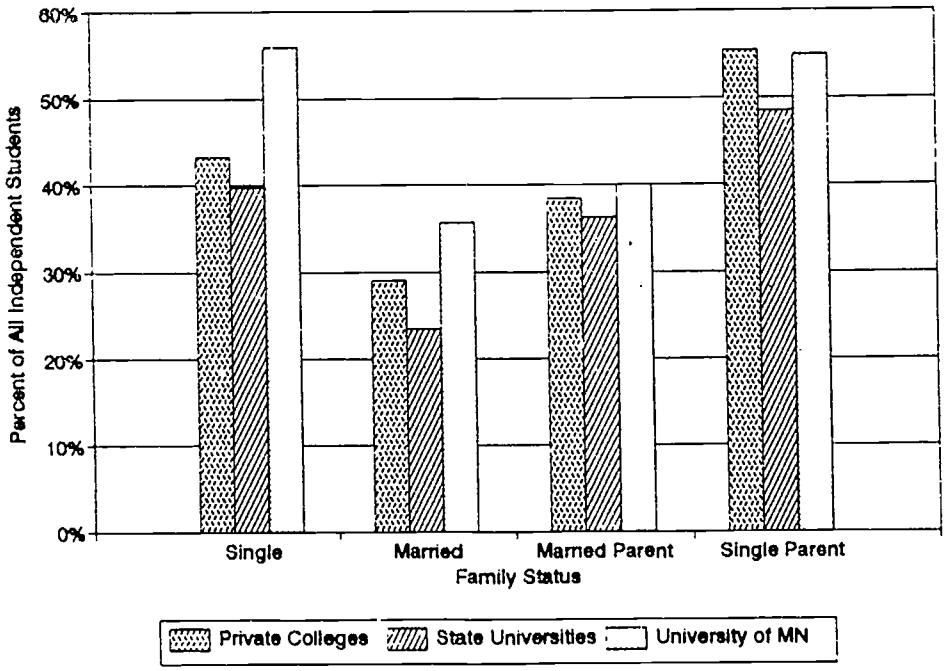


Figure Sixty-Eight
The Proportion of Independent Students Who are Likely
To Reduce Their Support By System and Family Status



9. Patterns of Utilization and Choice

The resilience of independent students is perhaps best demonstrated by their anticipated time to completion. Collectively, 45 percent of all independent students anticipate that completing college will require six or more years, and nearly one out of five expect their program will take eight or more years from start to finish. As with dependent students, the vast majority -- 99.1 percent of all independent students -- plan to finish. Figures Sixty-Nine, Seventy and Seventy-One show student expectations regarding time to completion for each system by family status.

Figure Sixty-Nine
Private College Student Expectations
Regarding Years to Completion

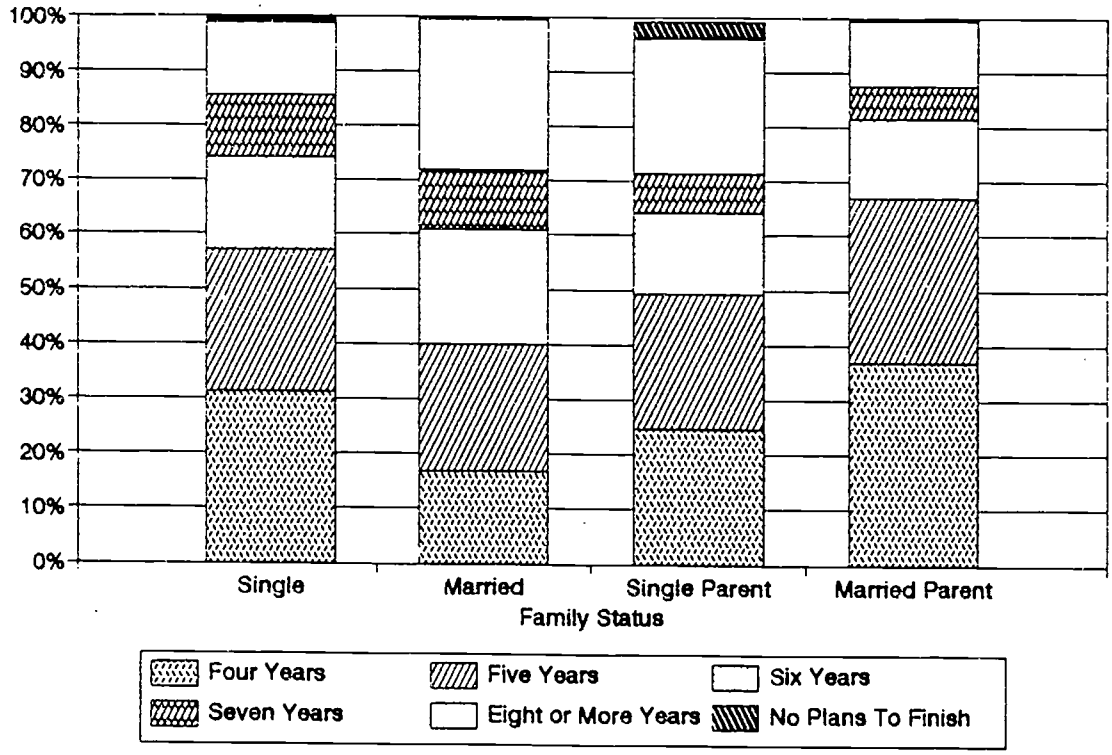


Figure Seventy
State University Student Expectations
Regarding Years to Completion

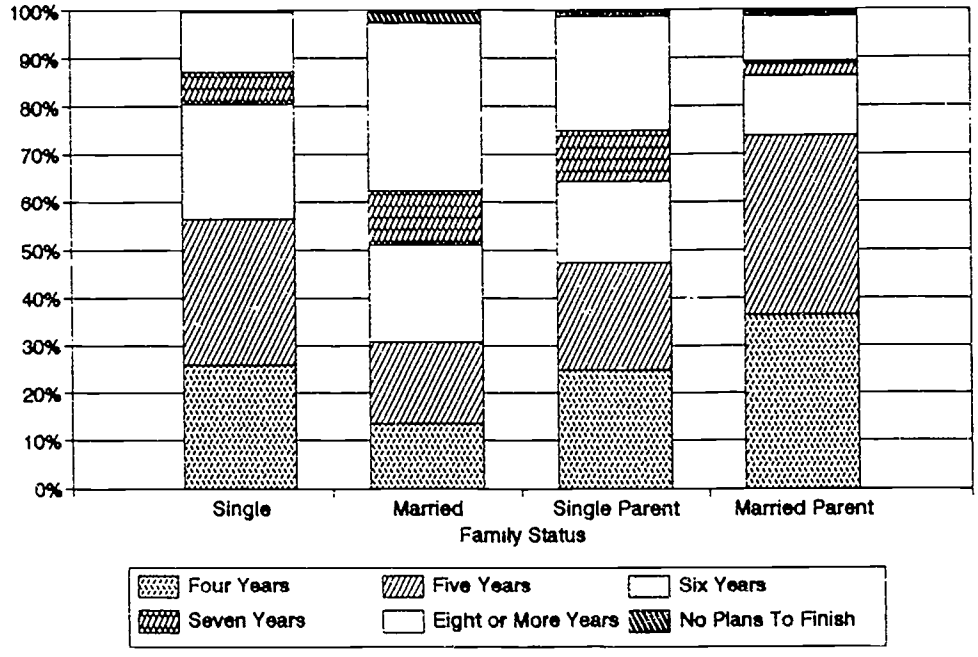
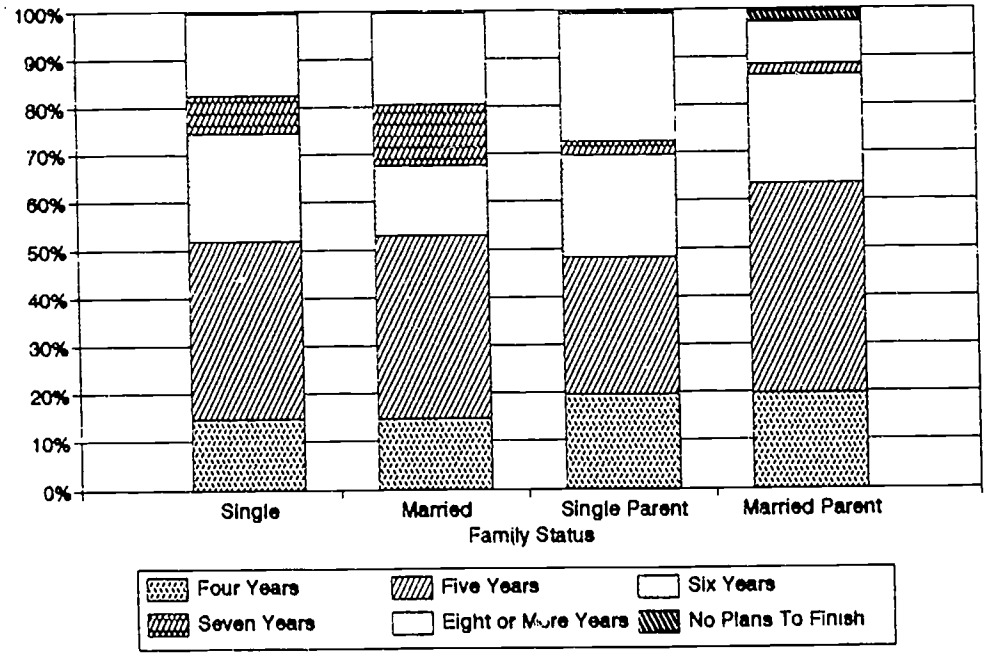


Figure Seventy-One
University of Minnesota Student Expectations
Regarding Years to Completion



Credit Load

In contrast with dependent students, who collectively take about 90 percent of a fifteen credit load, attendance patterns among independent students are more complex, with much greater term-to-term load variation and a much greater likelihood of stopping out. Collectively, 57 percent of all independent students take a full-time load, with another 18 percent taking six to eleven credits. About 14 percent take less than six credits, and one out of ten stop out. While the pattern varies by system and income, married parents are consistently less likely to take full-time loads. Table Twelve shows credit loads of independent students for spring term by family status and system.

Table Twelve
Credit Load of Independent Students for Spring Term
By Family Status and System

Private Colleges	Full-Time 12+ Credits	Part-Time 6-11 Credits	Part-Time 1-6 Credits	Not Attending	All Loads
Single	64.0%	18.8%	9.6%	7.6%	100.0%
Married	69.5%	15.0%	12.3%	3.2%	100.0%
Married Parent	42.3%	23.2%	24.5%	10.0%	100.0%
Single Parent	55.6%	18.7%	15.2%	10.5%	100.0%
All Students	56.6%	19.7%	15.3%	8.4%	100.0%

State Universities	Full-Time 12+ Credits	Part-Time 6-11 Credits	Part-Time 1-6 Credits	Not Attending	All Loads
Single	62.0%	11.0%	12.4%	14.6%	100.0%
Married	28.5%	10.9%	36.3%	24.3%	100.0%
Married Parent	27.0%	27.5%	30.3%	15.3%	100.0%
Single Parent	65.1%	14.0%	11.2%	9.6%	100.0%
All Students	44.0%	19.0%	22.3%	14.7%	100.0%

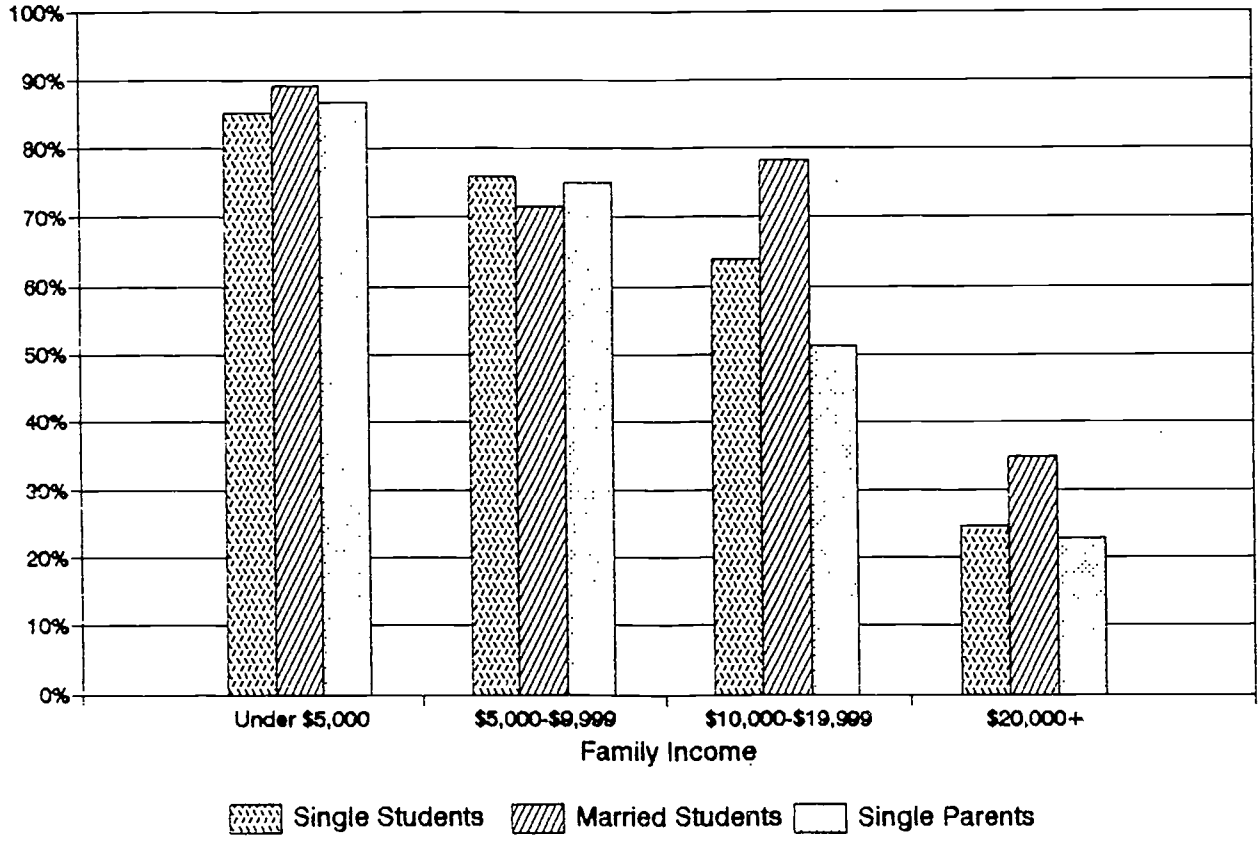
University of MN	Full-Time 12+ Credits	Part-Time 6-11 Credits	Part-Time 1-6 Credits	Not Attending	All Loads
Single	73.0%	13.8%	4.6%	8.6%	100.0%
Married	78.1%	11.0%	2.2%	8.8%	100.0%
Married Parent	54.5%	21.2%	12.6%	11.7%	100.0%
Single Parent	73.1%	15.9%	4.0%	6.9%	100.0%
All Students	69.9%	15.2%	5.9%	9.0%	100.0%

Almost invariably, poorer students are more likely to take full-time loads, which reinforces the strong interrelationship between employment and course load. While this pattern makes sense, it reinforces the financial trap that independent students face. They take as many courses as they can afford and they work as many hours as their course load permits. Table Thirteen shows the distribution of independent students by course load, family status, and employment status. Figure Seventy-Two shows the proportion of independent students taking a full-time load by family income and family status.

Table Thirteen
Credit Load of Independent Students For Spring Term
By Labor Force Status

	Spring Term Course Load				
Laborforce Status	Full-Time 12+ Credits	Part-Time 6-11 Credits	Part-Time 1-6 Credits	Not Enrolled	All Students
Full-Time	10.0%	9.6%	9.8%	6.7%	36.1%
Part-Time	28.8%	6.1%	2.9%	2.2%	40.0%
Unemployed-Seeking	4.9%	1.1%	0.3%	0.5%	6.9%
Unemployed-Not Seeking	13.3%	1.3%	1.4%	1.1%	17.1%
All Students	57.1%	18.1%	14.3%	10.5%	100.0%

Figure Seventy-Two
The Proportion of Independent Students Taking a
Full-Time Load by Family Income and Family Status



Residence

To help defray the costs of attendance, about 9.4 percent of all male and 6.8 percent of all female independent students attending full- or part-time live with their parents. Figures Seventy-Three and Seventy-Four show the proportion of independent students living with their parents by system and by income.

Figure Seventy-Three
Proportion of Independent Students Living With Parents By System

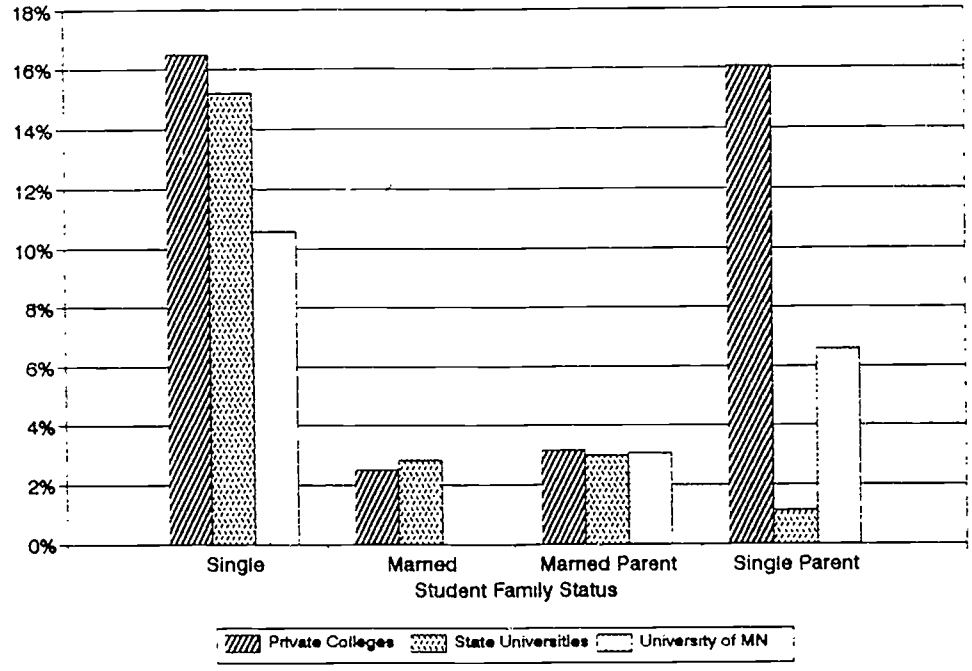
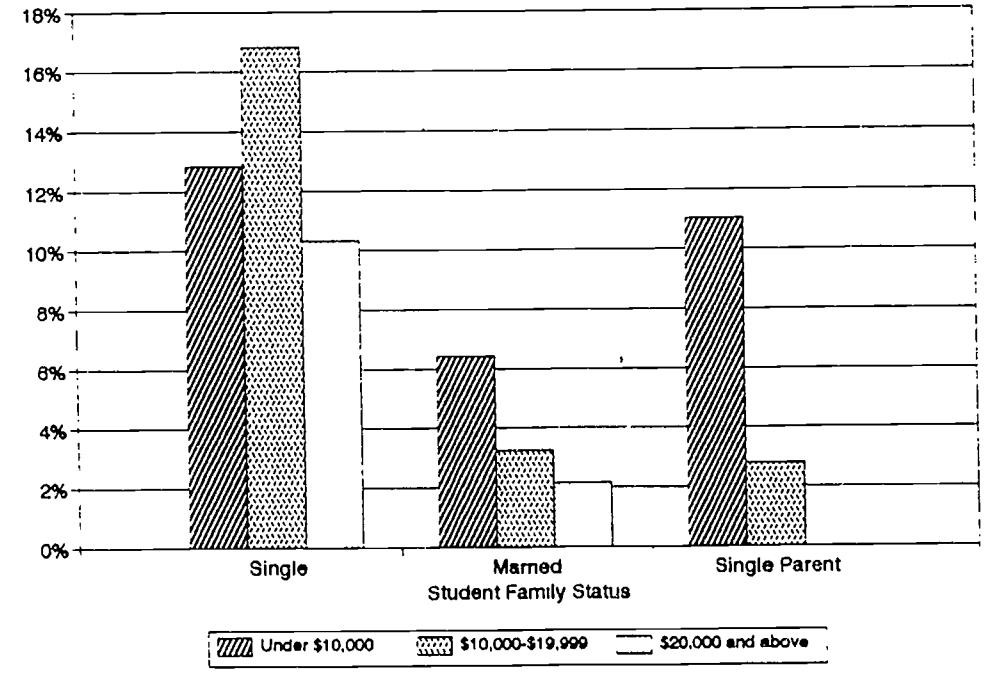


Figure Seventy-Four
Proportion of Independent Student Living With Parents By Income



Choice

As with dependent students, the overwhelming majority of independent students attend their first-choice institution. For parents and students working full-time, however, institutional choice is far more likely to be constrained due to family considerations. As a result, about 22 percent of all independent students did not have a second-choice institution. Figure Seventy-Five shows the proportion of independent students attending their first-choice institution by system and family status.

Figure Seventy-Five
Proportion of Independent Students
Attending Their First-Choice Institution by System
and Family Status

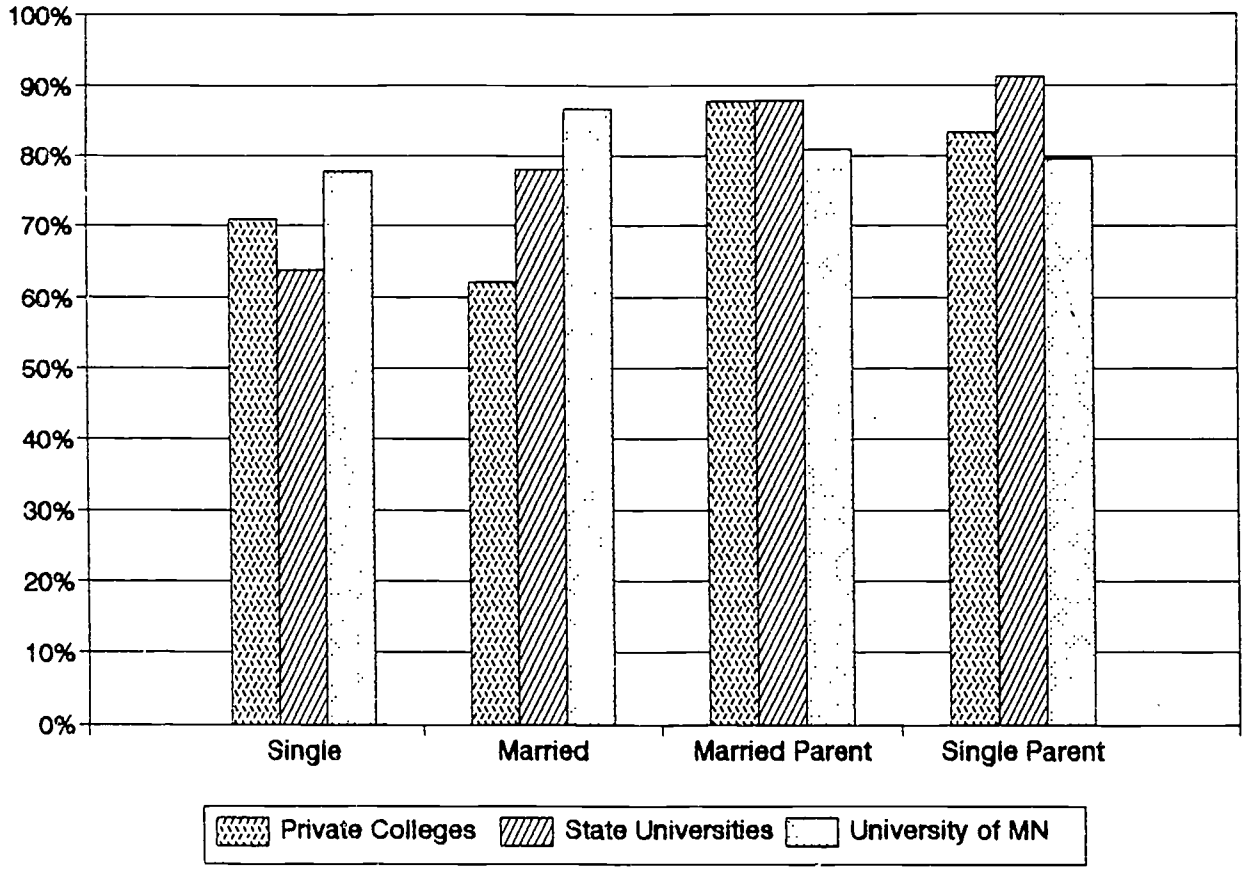


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Table Fourteen shows the distribution of independent students by family status and by first- and second-choice systems.

Table Fourteen
Distribution of Independent Students by Family Status and First- and Second-Choice Systems

Single Students

First Choice	Second Choice: Minnesota 2 YR Public	State University	University of MN	Non-MN Public	Minnesota Private	Non-MN Private	Total
MN 2 YR Public	0.0%	1.4%	0.6%	0.0%	3.0%	0.0%	5.0%
State University	0.9%	9.5%	3.8%	0.3%	1.3%	0.2%	16.0%
University of MN	0.6%	4.6%	20.4%	4.1%	8.4%	1.3%	39.4%
Non-MN Public	0.0%	1.4%	2.5%	0.0%	1.5%	0.0%	5.4%
MN Private	1.0%	3.4%	9.1%	1.2%	15.4%	0.7%	30.8%
Non-MN Private	0.0%	0.0%	1.9%	0.0%	1.5%	0.0%	3.4%
Total	2.5%	20.3%	38.3%	5.6%	31.1%	2.2%	100.0%

Married Students

First Choice	Second Choice: Minnesota 2 YR Public	State University	University of MN	Non-MN Public	Minnesota Private	Non-MN Private	Total
MN 2 YR Public	0.0%	0.9%	0.0%	0.0%	3.3%	0.0%	4.2%
State University	0.0%	15.5%	5.7%	1.9%	2.2%	0.0%	25.3%
University of MN	0.0%	4.3%	19.4%	4.5%	8.0%	1.2%	37.4%
Non-MN Public	0.0%	0.0%	2.3%	0.0%	0.0%	0.0%	2.3%
MN Private	0.0%	4.7%	11.6%	0.0%	13.7%	0.0%	29.9%
Non-MN Private	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.9%
Total	0.0%	26.3%	38.9%	6.4%	27.2%	1.2%	100.0%

Single Parents

First Choice	Second Choice: Minnesota 2 YR Public	State University	University of MN	Non-MN Public	Minnesota Private	Non-MN Private	Total
MN 2 YR Public	0.0%	1.4%	0.8%	0.0%	0.8%	0.0%	2.9%
State University	1.3%	30.7%	4.7%	0.6%	3.2%	0.6%	41.1%
University of MN	0.8%	4.1%	8.0%	1.4%	6.0%	0.8%	21.1%
Non-MN Public	0.0%	0.0%	0.0%	0.0%	1.4%	0.0%	1.4%
MN Private	0.8%	1.9%	9.1%	1.2%	19.2%	0.0%	32.2%
Non-MN Private	0.0%	0.0%	0.8%	0.0%	0.6%	0.0%	1.3%
Total	2.9%	38.1%	23.3%	3.2%	31.2%	1.4%	100.0%

Married Parents

First Choice	Second Choice: Minnesota 2 YR Public	State University	University of MN	Non-MN Public	Minnesota Private	Non-MN Private	Total
MN 2 YR Public	0.0%	2.5%	0.5%	0.0%	1.5%	0.0%	4.4%
State University	0.4%	29.1%	5.7%	0.0%	4.5%	0.0%	39.7%
University of MN	0.4%	3.2%	10.1%	1.4%	6.0%	0.5%	21.5%
Non-MN Public	0.0%	0.4%	1.3%	0.0%	0.0%	0.0%	1.7%
MN Private	1.3%	3.2%	7.4%	0.9%	18.9%	0.0%	31.7%
Non-MN Private	0.0%	0.0%	0.9%	0.0%	0.0%	0.0%	0.9%
Total	2.1%	38.4%	25.9%	2.3%	30.9%	0.5%	100.0%

10. Conclusion

The findings of this study will undoubtedly take us down many paths in the months ahead. The material described here represents only the first round of analysis. More specifically, in the months to follow this data will be applied in several important ways:

First, we plan to share this research widely with other state and national policymakers and higher education leaders. Though Minnesota's financing policy is similar to that found in other states, and despite a high level of statistical reliability, many of the findings in this report directly challenge conventional wisdom. If the findings of this research are to be accepted and acted upon, they will have to be replicated in other states.

Second, based on the distribution of family incomes by system and the structure of family resources and patterns of support, we plan to run a series of simulations which examine the impact of alternative higher education financing policies. These simulations will include an alternative needs analysis that would equalize the debt burden of families by family income, along with a number of high aid high/tuition scenarios. The objective of these simulations is to develop policies that result in a more equitable and progressive distribution of public resources than the current framework in Minnesota allows.

Third, using Minnesota data from the decennial census, we plan to examine in some detail the college participation rates of families, controlling for a number of critical social and economic characteristics, such as income, family size, educational attainment and marital status. It is vital that we understand more precisely who is and who is not attending college, and the extent to which barriers to attendance are tied to family finances.

Fourth, while insight into this issue can be gleaned from our survey, we anticipate the need to return to the field to explore parents' thinking and financial resources while their sons and daughters are still in high school.

These areas of further inquiry notwithstanding, we are struck by several troubling but actionable realities:

1) Despite -- or perhaps because of -- the enormous unmet financial need that already exists, **financial aid is not fully utilized.** Conservatively, an additional ten percent of all Minnesota families with students enrolled in college (both dependent and independent students) should be applying for aid.

2) **Students from wealthier families are, in general, more likely to attend college** than those from poor families. In other words, participation by low-income

people is lower than it should be. This finding is particularly worrisome because it clearly reinforces the long-term polarization of social and economic classes.

3) In general, **families with incomes under $40,000 are making an extraordinary effort to support their children**, committing as much as five times their expected contribution under federal guidelines. This finding seriously challenges the present needs analysis and the adequacy of current grant aid.

4) **Our higher education financing system is regressive**, requiring a greater proportion of income and a significantly larger debt burden for low-income families than for those with high incomes. This is a clear indication that participation is at least partially linked to ability to pay. Simply stated, what families of lower incomes must actually contribute to meeting college costs is in many instances more than they can afford.

5) **Families do a dismal job of preparing for college**, and nearly half are likely to falter in their support. This finding is particularly significant because there are profound differences in the financing behavior of those families who have and have not saved for college.

6) **Low-income students are seeking the same traditional college experience as those students with high incomes.** In aggregate, low-income students take the same course loads and are as likely to live away from home. The parents of low-income students -- indeed all parents -- expect their son or daughter to complete a college degree and at least 80 percent, regardless of income, expect them to earn it within five years.

In addition, our research has illuminated the significant differences between the attendance and financing behavior of dependent and independent students. Our current framework for financing higher education -- at a federal, state and individual level -- is based on a profile of college bound students which no longer exists. The data examined in this study suggests that policymakers consider developing policies that more adequately address the needs of our diverse student body.

Of all the things we could note about this research, perhaps the most important is the role that family income plays in explaining who attends college and how it is financed. Ironically, reliable data on family income has been virtually non-existent at the state level. Given the turmoil in higher education finance, this gap can have devastating consequences. Alternatively, the availability of such information can profoundly and positively reshape the financing policies of tomorrow.

The preceding study fills a portion of that long-standing gap in our collective knowledge, and should serve policymakers well.

APPENDIX A

Survey Instrument

Minnesota Private College Research Foundation

Augsburg College Bethel College Carleton College College of St Benedict College of St Catherine College of St Scholastica Concordia College (Moorhead) Concordia College (St Paul) Gustavus Adolphus College Hamline University Macalester College Minneapolis College of Art and Design St John's University St Mary's College of Minnesota St Olaf College University of St Thomas

To the Parents of

Minnesota's private colleges, in partnership with the University of Minnesota and Minnesota's State Universities, need your help to study how families pay for college. The Minnesota Private College Research Foundation, which represents the state's private liberal arts colleges, is conducting this study to develop new funding policies for higher education.

You were selected from a pool of 80,000 Minnesotans to respond to a brief survey concerning college costs and financial resources. Your response, representing a private college household, will be combined with responses from 8,000 other households to develop a profile of all families in the state who have at least one member attending a four-year Minnesota college or university.

Some of the survey questions relate to family income and debt. We are aware that this information is personal and that you may be concerned about your privacy. **To guarantee that your answers remain confidential, we are taking several precautions:** First, all personal identifiers (names, addresses and phone numbers) will be deleted from all records upon receipt of your completed survey. Second, all data processing will be handled by a well-established research firm, which has signed a contract explicitly forbidding the reproduction or use of this data in any form. Third, all data will be tabulated for groups of no fewer than 300 households, making it impossible to identify individual families.

It is critical that the families who respond to this survey be fully representative of Minnesota's college population. An accurate profile is assured only if **families from all backgrounds** participate equally in this study. Your response is very important, but it is useful only if it is complete. Please be sure to answer all of the questions, even if you can only estimate a response. We will not verify any of the information you provide. If you do not respond by July 13, we will contact you again by phone to assure that we achieve a truly representative sample.

Questions 12-19 of the following survey pertain to the student below. Please review this information, and make appropriate changes in box #1 of the questionnaire which begins on the next page.

Student Name:	**Student's Age:** 21	**Fall-Term**
Institution: Macalester	**Academic Level:** JUNIOR	**Credit Load:** Full-Time

Your help on this project is vital to the future of higher education, particularly as education costs rise and competition for public resources intensifies. If you have any questions about the survey, please call Brian Zucker, project director, at (612) 228-9061. If you would like a summary of the results, please mark the box on the last page of the survey. Thank you for your assistance on this research.

Sincerely,

David B. Laird, Jr., President

P.S. Please complete the survey within 9 days to avoid a follow-up phone call.

Marking Instructions

- Pencil or pen can be used to complete this survey.
- Please circle the number next to your answer.
- Clearly indicate any changes you make.
- Do not skip any questions unless directed to do so.

FAMILY INFORMATION

1. Please review the information in the last paragraph of the letter on the front page and in the box below make any necessary corrections regarding the student named.

Student's Full Name: _____

Institution: _____

Student's Age: _____

Academic Level: _____ Fall Term Credit Load: _____

Answer questions 12-20 in terms of the student named on the front page cover letter (hereafter referred to as *"the student"*).

2. What is your gender (the person completing this questionnaire)?

   1 Male 2 Female

3. How many family dependents will/did you report on your 1991 Federal income tax return?

   0 Zero 5 Five
   1 One 6 Six
   2 Two 7 Seven
   3 Three 8 Eight or more
   4 Four

4. Would you describe your living arrangement as:

   1 a two-parent household?
   2 a one-parent household?

5. Please identify the following:

   Your Age _____

   Your Spouse's Age (if applicable) _____

   Number of Children
   Under 18 years old _____
   18-23 years old _____
   24 years or older _____

6. Number Of Family Members Attending College: Please enter the number for each family group.

   1 You and (if applicable) your spouse _____
   2 Children under 24 years old _____
   3 Children 24 years and older _____

7. Please identify the following:

   Highest Degree You Have Earned

   1 High school or less
   2 One or two year vocational/college degree
   3 Four-year college degree
   4 Graduate/Professional degree

   Highest Degree Your Spouse (if applicable) Has Earned

   1 High school or less
   2 One or two year vocational/college degree
   3 Four-year college degree
   4 Graduate/Professional degree

8. Your Employment Status

   1 Full-time (35 + hours per week)
   2 Part-time (less than 35 hours per week)
   3 Unemployed -- seeking work
   4 Unemployed -- not seeking work

   Your Spouse's (if applicable) Employment Status

   1 Full-time (35 + hours per week)
   2 Part-time (less than 35 hours pe week)
   3 Unemployed -- seeking work
   4 Unemployed -- not seeking work

9. Please indicate below the approximate combined Adjusted Gross Income reported by you and (if applicable) your spouse on your 1991 Federal income tax return(s):

1	Did not file a return	12	50,000 - 54,999
2	$0 - 4,999	13	55,000 - 59,999
3	5,000 - 9,999	14	60,000 - 64,999
4	10,000 - 14,999	15	65,000 - 69,999
5	15,000 - 19,999	16	70,000 - 79,999
6	20,000 - 24,999	17	80,000 - 89,999
7	25,000 - 29,999	18	90,000 - 99,999
8	30,000 - 34,999	19	100,000 - 149,999
9	35,000 - 39,999	20	150,000 - 249,999
10	40,000 - 44,999	21	250,000 and above
11	45,000 - 49,999		

10. Please indicate whether you rent or own your current residence and provide the information requested.

Do you :
1 rent your current residence?
2 own your current residence?

If you rent . . .
a. your approximate rent payment is?
$ __.__00.00 per month

If you own . . .
b. the approximate market value of your current residence is? (to the nearest thousand dollars)
$ ___,000.00

c. The approximate outstanding debt or balance owed on your current residence is? (to the nearest thousand dollars)
$ ___,000.00

11. Do you or (if applicable) your spouse own all or part of a business or farm?

1 Yes
2 No

PAYING FOR COLLEGE: 1991-92 Academic Year

12. Indicate, to the best of your knowledge, *the student's* course load for each of the following terms:

Not attend
Part-time, 1-6 credits (1 to 2 courses)
Part-time, 7-11 credits (2 to 3 courses)
Full-time, 12+ credits (4 + courses)

A. Winter Term* 1991-1992	1	2	3	4
B. Spring Term 1992	1	2	3	4

* If the institution does not have a winter term answer B. only.

13. Where did *the student* reside for each of the following terms:

Elsewhere
With parent(s)

A. Fall Term 1991-1992	1	2
B. Winter Term 1991-1992	1	2
C. Spring Term 1992	1	2

14. For the 1991-92 academic year, was a Family Financial Statement (FFS) submitted for the student?

1 Yes
2 No

15. What do you estimate as the total cost to send *the student* to college for all of the terms s/he was enrolled during the 1991-92 academic year? Include tuition, fees, books, transportation, incidental living expenses and room and board. If the student lives at home exclude room and board.

a. $__,___.00

Of that total amount, how much will your spouse (if applicable) and you pay from:

15b. income/savings? $__,___.00

15c. loans? $__,___.00

How much will the student pay from:

15d. employment during the 1991-92 academic year? $__,___.00

15e. savings? $__,___.00

15f. student loans? $__,___.00

How much of the balance will be paid by:

15g. grants or scholarships? $__,___.00

15h. relatives or friends? $__,___.00

15i. other (please specify in five words or less) $__,___.00

_____

_____

15j. TOTAL (sum of line 15b. to 15i.) $__,___.00

NOTE: The TOTAL in line 15j. should add up to the amount you entered in line 15a.

PLANS AND EXPECTATIONS

16. **Did you begin to save or invest for *the student's* college education:**

1 Before s/he entered 9th grade
2 After s/he entered 9th grade
3 Did not save for college

17. **To the best of your knowledge, was the college named in the cover letter (on page 1) *the student's* first choice institution?**

Write the number here

1 Yes → Use the reference list below and indicate *the student's* second choice institution → _____
2 No → Use the reference list below and indicate *the student's* first choice institution → _____
3 Don't know

Reference List

Minnesota State Universities

1 Bemidji State University
2 Mankato State University
3 Metropolitan State University
4 Moorhead State University
5 St. Cloud State University
6 Southwest State University
7 Winona State University

University of Minnesota Campuses

8 U of M Duluth
9 U of M Morris
10 U of M Twin Cities

Private Colleges

11 Augsburg College
12 Bethel College
13 Carleton College
14 College of St. Benedict
15 College of St. Catherine
16 College of St. Scholastica
17 Concordia Moorhead
18 Concordia St. Paul
19 Gustavus Adolphus College
20 Hamline University
21 Macalester College
22 Minneapolis College of Art and Design
23 St. John's University
24 Saint Mary's College of Minnesota
25 St. Olaf College
26 University of St. Thomas

Other

27 Another Minnesota public college or university (2-year)
28 Another Minnesota private college or university
29 Non-Minnesota public college or university
30 Non-Minnesota private college or university
31 Student did not have a second choice institution
Don't know

18. **From start to finish, approximately how many years do you expect *the student* will take to earn his/her undergraduate degree?**

1 Less than 4 years
2 4 years
3 5 years
4 6 years
5 7 years
6 More than 7 years
7 No plans to finish

19. **Between now and *the student's* expected date of graduation, is your family financial support most likely to:**

1 Continue or increase (at least keeping pace with increases in tuition and living expenses)
2 Decrease

20. **Considering your household financial situation, how much do you feel you and (if applicable) your spouse should be expected to contribute for *the student* to attend his/her institution at *the student's* 1991-92 class load? (to the nearest 100 dollars)**

$ __ __ , __ 0 0.00

THANK YOU FOR YOUR HELP!

Please return your completed questionnaire in the enclosed postage-paid envelope to:

Questar Data Systems
2905 West Service Road
Eagan, Minnesota 55121-2199

If you would like a summary of the survey results, please mark here: ☐

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UNIVERSITY OF MINNESOTA

Office of the President
202 Morrill Hall
100 Church Street S.E.
Minneapolis, MN 55455-0110

Dear

The University of Minnesota, in partnership with Minnesota's State Universities and Minnesota's private colleges, needs your help to study how families pay for college. This research, funded by a national foundation, will help develop new state and national funding policies for higher education.

You were selected from a pool of 80,000 Minnesotans to respond to a brief survey concerning college costs and financial resources. Your response, representing a University of Minnesota household, will be combined with responses from 8,000 other households to develop a profile of all families in the state who have at least one member attending a four-year Minnesota college or university.

Some of the survey questions relate to family income and debt. We are aware that this information is personal and that you may be concerned about your privacy. **To guarantee that your answers remain confidential, we are taking several precautions:** First, all personal identifiers (names, addresses and phone numbers) will be deleted from all records upon receipt of your completed survey. Second, all data processing will be handled by a well-established research firm, which has signed a contract explicitly forbidding the reproduction or use of this data in any form. Third, all data will be tabulated for groups of no fewer than 300 households, making it impossible to identify individual families.

It is critical that the families who respond to this survey be fully representative of Minnesota's college population. An accurate profile is assured only if **families from all backgrounds** participate equally in this study. Your response is very important, but it is useful only if it is complete. Please be sure to answer all of the questions, even if you can only estimate a response. We will not verify any of the information you provide. If you do not respond by July 13, we will contact you again by phone to assure that we achieve a truly representative sample.

Questions 13-20 of the following survey pertain to the student below. Please review this information, and make appropriate changes in box #1 of the questionnaire which begins on the next page.

Student Name:	**Student's Age:** 26	**Fall-Term**
Institution: UM Twin Cities	**Academic Level:** JUNIOR	**Credit Load:** Full-Time

Your help on this project is vital to the future of higher education, particularly as education costs rise and competition for public resources intensifies. If you have any questions about the survey, please call Brian Zucker, project director, at (612) 228-9061. If you would like a summary of the survey results, please mark the box on the last page of the survey. Thank you for your assistance on this research.

Sincerely,

Nils Hasselmo

Nils Hasselmo, President

Please complete the survey within 9 days to avoid a follow-up phone call.

Marking Instructions

- Pencil or pen can be used to complete this survey.
- Please circle the number next to your answer.
- Clearly indicate any changes you make.
- Do not skip any questions unless directed to do so.

FAMILY INFORMATION

1. **Please review the information in the last paragraph of the letter on the front page and in the box below make any necessary corrections.**

Your Full Name: _____
Institution: _____
Your Age: _____
Academic Level: _____ Fall Term Credit Load: _____

2. **What is your gender . . . ?**

   1 Male 2 Female

3. **How many family dependents will/did you report on your 1991 Federal income tax return?**

   0 Zero 5 Five
   1 One 6 Six
   2 Two 7 Seven
   3 Three 8 Eight or more
   4 Four

4. **What is your marital status?**

   1 Married 2 Not married

5a. **Are you a parent?**

   1 Yes
   2 No (Go to Question 6.)

5b. **Is your living arrangement a:**

   1 two-parent household?
   2 one-parent household?

6. **Please identify the following:**

   Your Spouse's Age (if applicable) _____

   Number of Children
   Under 18 years old _____
   18-23 years old _____
   24 years or older _____

7. **Family Members Attending College:**
   Please enter the number for each family group.

   1 You and (if applicable) your spouse _____
   2 Children under 24 years old _____
   3 Children 24 years and older _____

8. **Please identify the following:**

   Highest Degree You Have Earned

   1 High school or less
   2 One or two year vocational/college degree
   3 Four-year college degree
   4 Graduate/Professional degree

   Highest Degree Your Spouse (if applicable) Has Earned

   1 High school or less
   2 One or two year vocational/college degree
   3 Four-year college degree
   4 Graduate/Professional degree

9. **Your Employment Status**

   1 Full-time (35 + hours per week)
   2 Part-time (less than 35 hours per week)
   3 Unemployed -- seeking work
   4 Unemployed -- not seeking work

   Your Spouse's (if applicable) Employment Status

   1 Full-time (35 + hours per week)
   2 Part-time (less than 35 hours per week)
   3 Unemployed -- seeking work
   4 Unemployed -- not seeking work

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10. Please indicate below the approximate combined Adjusted Gross Income reported by you and (if applicable) your spouse on your 1991 Federal income tax return(s):

1	Did not file a return	12	50,000 - 54,999
2	$0 - 4,999	13	55,000 - 59,999
3	5,000 - 9,999	14	60,000 - 64,999
4	10,000 - 14,999	15	65,000 - 69,999
5	15,000 - 19,999	16	70,000 - 79,999
6	20,000 - 24,999	17	80,000 - 89,999
7	25,000 - 29,999	18	90,000 - 99,999
8	30,000 - 34,999	19	100,000 - 149,999
9	35,000 - 39,999	20	150,000 - 249,999
10	40,000 - 44,999	21	250,000 and above
11	45,000 - 49,999		

11. Please indicate whether you rent or own your current residence and provide the information requested.

Do you:
1 rent your current residence?
2 own your current residence?

If you rent . . .
a. your approximate rent payment is?
$ __.__00.00 per month

If you own . . .
b. the approximate market value of your current residence is? (to the nearest thousand dollars)
$ ___,000.00

c. The approximate outstanding debt or balance owed on your current residence is? (to the nearest thousand dollars)
$ ___,000.00

12. Do you or (if applicable) your spouse own all or part of a business or farm?

1 Yes
2 No

PAYING FOR COLLEGE: 1991-92 Aacademic Year

13. Indicate, to the best of your knowledge, your course load for each of the following terms:

	Not attend	Part-time, 1-6 credits (1 to 2 courses)	Part-time, 7-11 credits (2 to 3 courses)	Full-time, 12+ credits (4 + courses)
A. Winter Term* 1991-1992	1	2	3	4
B. Spring Term 1992	1	2	3	4

* If the institution does not have a winter term answer B. only.

14. Where did you reside for each of the following terms:

	Elsewhere	With parent(s)
A. Fall Term 1991-1992	1	2
B. Winter Term 1991-1992	1	2
C. Spring Term 1992	1	2

15. For the 1991-92 academic year, did you submit a Family Financial Statement (FFS)?

1 Yes
2 No

16. What do you estimate as the total cost to attend college for all of the terms you were enrolled during the 1991-92 academic year? Include all incidental expenses such as tuition, fees, books, transportation, etc., but exclude room and board.

a. $__ __,__ __ __.00

How much will you pay from:

16b. employment during the 1991-92 academic year? $__ __,__ __ __.00

16c. savings? $__ __,__ __ __.00

16d. student loans? $__ __,__ __ __.00

How much of the balance will be paid by:

16e. grants or scholarships? $__ __,__ __ __.00

16f. relatives or friends? $__ __,__ __ __.00

16g. other (please specify in five words or less) $__ __,__ __ __.00

_____

_____

16h. TOTAL (sum of lines 16b. to 16g.) $__ __,__ __ __.00

NOTE: The TOTAL in line 16h. should add up to the amount you entered in line 16a.

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PLANS AND EXPECTATIONS

17. Did you begin to save or invest for your college education:

1 3 or more years before attending
2 1 to 2 years before attending
3 Did not save for college

18. Was your current college your first choice institution?

Write the number here

1 Yes → Use the reference list below and indicate your **second** choice institution → _____
2 No → Use the reference list below and indicate your **first** choice institution → _____
3 Don't know

Reference List

Minnesota State Universities

1 Bemidji State University
2 Mankato State University
3 Metropolitan State University
4 Moorhead State University
5 St. Cloud State University
6 Southwest State University
7 Winona State University

University of Minnesota Campuses

8 U of M Duluth
9 U of M Morris
10 U of M Twin Cities

Private Colleges

11 Augsburg College
12 Bethel College
13 Carleton College
14 College of St. Benedict
15 College of St. Catherine
16 College of St. Scholastica
17 Concordia Moorhead
18 Concordia St. Paul
19 Gustavus Adolphus College
20 Hamline University
21 Macalester College
22 Minneapolis College of Art and Design
23 St. John's University
24 Saint Mary's College of Minnesota
25 St. Olaf College
26 University of St. Thomas

Other

27 Another Minnesota public college or university (2-year)
28 Another Minnesota private college or university
29 Non-Minnesota public college or university
30 Non-Minnesota private college or university
31 Student did not have a second choice institution
32 Don't know

19. From start to finish, approximately how many years do you expect it will take to earn your undergraduate degree?

1 Less than 4 years
2 4 years
3 5 years
4 6 years
5 7 years
6 More than 7 years
7 No plans to finish

20. Between now and your expected date of graduation, is your household financial support most likely to:

1 Continue or increase (at least keeping pace with increases in tuition and living expenses)
2 Decrease

21. Considering your household financial situation, how much do you and (if applicable) your spouse feel you should be expected to contribute to attend your institution at your 1991-92 class load? (to the nearest 100 dollars)

$ __ __ , __ 0 0.00

THANK YOU FOR YOUR HELP!

Please return your completed questionnaire in the enclosed postage-paid envelope to:

Questar Data Systems
2905 West Service Road
Eagan, Minnesota 55121-2199

If you would like a summary of the survey results, please mark here: ☐

APPENDIX B

The following tables provide tabulations of the data by system and dependency status. Where applicable, the survey questions and the table or figure to which the data relate are given for reference. The following abbreviations are used: PC = Private College; SU = State University; UM = University of Minnesota; Total = all respondents.

DEPENDENT STUDENTS

Question 2.
What is your gender?

Gender	PC	SU	UM	Total
Male	41.3%	38.2%	42.4%	40.6%
Female	58.7%	61.8%	57.6%	59.4%

Question 3.
How many family dependents will/did you report on your 1991 federal income tax return?

Family Dependents	PC	SU	UM	Total
Zero	6.1%	6.9%	7.2%	6.7%
One	6.7%	7.5%	7.7%	7.3%
Two	12.3%	14.8%	17.1%	14.8%
Three	22.6%	24.2%	21.8%	22.9%
Four	27.1%	26.3%	27.1%	26.8%
Five	16.3%	13.6%	13.6%	14.5%
Six	6.0%	4.5%	4.3%	4.9%
Seven	2.1%	1.2%	0.8%	1.4%
Eight +	0.8%	1.0%	0.5%	0.8%

Question 4.
Would you describe your living arrangement as:

Living Arrangement	PC	SU	UM	Total
Two-parent	85.7%	86.9%	85.6%	86.1%
One-parent	14.3%	13.1%	14.4%	13.9%

Question 5.
Please identify the following:

Number of Children

Under 18 Years	PC	SU	UM	Total
Zero	50.5%	54.0%	56.2%	53.6%
One	29.9%	27.7%	28.1%	28.5%
Two	13.6%	12.2%	11.3%	12.3%
Three	4.4%	4.2%	3.3%	3.9%
Four	1.1%	0.9%	0.4%	0.9%
Five	0.5%	0.4%	0.1%	0.4%
Six	0.1%	0.4%	0.0%	0.1%
Seven +	0.1%	0.1%	0.0%	0.1%

18-23 Years	PC	SU	UM	Total
Zero	5.6%	6.4%	5.8%	5.9%
One	45.2%	46.5%	43.6%	45.1%
Two	41.2%	37.6%	42.4%	40.4%
Three	7.0%	8.5%	6.8%	7.5%
Four	1.0%	1.0%	1.4%	1.1%

24 Years or Older	PC	SU	UM	Total
Zero	73.5%	64.3%	69.9%	69.3%
One	11.5%	17.4%	17.5%	15.4%
Two	6.7%	8.3%	5.9%	7.0%
Three	4.1%	4.1%	3.0%	3.7%
Four +	2.3%	3.6%	2.2%	2.7%

Question 6.
Number of family members attending college (number for each family group):

You and (if applicable) your spouse

	PC	SU	UM	Total
Zero	90.2%	91.3%	91.3%	91.0%
One	9.0%	7.9%	7.8%	8.2%
Two	0.8%	0.8%	0.8%	0.8%

Children Under 24 Years of Age

	PC	SU	UM	Total
Zero	5.0%	7.6%	4.7%	5.8%
One	59.1%	59.1%	56.8%	58.4%
Two	31.8%	29.1%	34.3%	31.7%
Three	3.9%	4.2%	3.7%	3.9%
Four	0.2%	0.1%	0.4%	0.2%

Children 24 Years or Older

	PC	SU	UM	Total
Zero	92.3%	91.0%	91.3%	91.5%
One	6.3%	7.0%	7.3%	6.9%
Two	1.2%	1.5%	1.3%	1.3%
Three	0.2%	0.4%	0.1%	0.2%
Four	0.0%	0.1%	0.0%	0.0%

Question 9.
Please indicate below the approximate combined Adjusted Gross Income reported by you and (if applicable) your spouse on your 1991 federal income tax return(s):

Income	PC	SU	UM	Total
No response	7.2%	7.4%	5.0%	6.5%
Did not file	0.7%	0.9%	0.8%	0.8%
$0 - 4,999	1.9%	2.5%	1.8%	2.1%
5,000 - 9,999	1.9%	2.2%	2.0%	2.0%
10,000 - 14,999	2.9%	3.9%	2.0%	2.9%
15,000 - 19,999	3.3%	4.5%	3.3%	3.7%
20,000 - 24,999	6.3%	6.6%	5.5%	6.1%
25,000 - 29,999	5.8%	9.6%	5.8%	7.1%
30,000 - 34,999	9.5%	7.0%	7.0%	7.8%
35,000 - 39,999	7.0%	7.1%	6.2%	6.8%
40,000 - 44,999	6.5%	8.4%	7.6%	7.5%
45,000 - 49,999	6.7%	8.0%	8.6%	7.8%
50,000 - 54,999	6.4%	7.4%	6.2%	6.7%
55,000 - 59,999	4.7%	5.4%	6.4%	5.5%
60,000 - 64,999	4.7%	5.0%	5.7%	5.1%
65,000 - 69,999	4.1%	2.7%	4.9%	3.9%
70,000 - 79,999	5.0%	4.5%	6.4%	5.3%
80,000 - 89,999	3.9%	2.2%	3.9%	3.3%
90,000 - 99,999	2.5%	1.6%	3.4%	2.5%
100,000 - 149,999	6.0%	2.5%	5.5%	4.7%
150,000 - 249,999	2.5%	0.7%	1.8%	1.7%
250,000 and above	0.7%	0.1%	0.2%	0.4%

Question 10.
Please indicate whether you rent or own your current residence.

Residence	PC	SU	UM	Total
No Response	1.5%	1.4%	1.7%	1.5%
Rent	5.7%	6.3%	6.7%	6.2%
Own	92.8%	92.3%	91.7%	92.3%

Question 11.
Do you or (if applicable) your spouse own all or part of a business or farm?

Own	PC	SU	UM	Total
No Response	2.2%	2.7%	3.4%	2.8%
Yes	29.0%	30.1%	23.2%	27.4%
No	68.9%	67.2%	73.4%	69.8%

Question 12.
Indicate, to the best of your knowledge, the student's course load for each of the following terms:

Winter Term 1991-1992	PC	SU	UM	Total
No Response	17.9%	1.5%	2.0%	7.1%
12+ credits	76.4%	88.0%	84.3%	82.9%
7-11 credits	3.3%	6.3%	10.5%	6.7%
1-6 credits	1.1%	1.1%	1.2%	1.1%
not attending	1.3%	3.1%	2.0%	2.1%

Spring Term 1992	PC	SU	UM	Total
No Response	2.2%	2.0%	1.9%	2.0%
12+ credits	91.0%	84.7%	82.2%	86.0%
7-11 credits	4.4%	6.7%	11.1%	7.4%
1-6 credits	0.5%	1.1%	1.3%	0.9%
not attending	1.9%	5.5%	3.5%	3.6%

Question 13.
Where did the student reside for each of the following terms:

Fall Term 1991	PC	SU	UM	Total
No Response	1.6%	1.0%	1.9%	1.5%
With parent(s)	12.3%	13.0%	24.9%	16.7%
Elsewhere	86.1%	86.0%	73.2%	81.7%

Winter Term 1991-1992	PC	SU	UM	Total
No Response	15.7%	0.8%	0.5%	5.7%
With parent(s)	11.2%	13.6%	24.9%	16.6%
Elsewhere	73.2%	85.6%	74.6%	77.8%

Spring Term 1992	PC	SU	UM	Total
No Response	1.6%	1.0%	1.5%	1.4%
With parent(s)	13.4%	16.1%	26.0%	18.5%
Elsewhere	85.0%	83.0%	72.6%	80.2%

Question 14.
For the 1991-1992 academic year, was a Family Financial Statement (FFS) submitted for the student?

FFS Submitted	PC	SU	UM	Total
No Response	1.0%	1.1%	3.8%	2.0%
Yes	78.2%	62.9%	54.3%	65.1%
No	30.8%	36.0%	42.0%	33.0%

Question 16.
Did you begin to save or invest for the student's college education:

Began Saving	PC	SU	UM	Total
No Response	1.5%	1.6%	1.7%	1.6%
Before 9th grade	32.4%	23.1%	30.4%	28.6%
After 9th grade	13.3%	12.5%	14.5%	13.4%
Did not save	52.8%	62.8%	53.4%	56.3%

Question 17.
To the best of your knowledge, was the college named in the cover letter the student's first choice institution?

First Choice	PC	SU	UM	Total
No Response	6.2%	9.3%	9.1%	8.2%
Yes	82.2%	66.6%	68.9%	72.6%
No	10.0%	20.9%	19.8%	16.9%
Don't know	1.7%	3.2%	2.2%	2.4%

Question 19.
Between now and the student's expected date of graduation, is your family financial support most likely to:

Financial Support	PC	SU	UM	Total
No Response	3.4%	5.5%	4.5%	4.5%
Continue or increase	64.8%	58.6%	58.0%	60.5%
Decrease	31.8%	36.0%	37.5%	35.1%

INDEPENDENT STUDENTS

Question 1.
What is your age?

Age	PC	SU	UM	Total
18	0.3%	0.0%	0.3%	0.2%
19	1.8%	0.9%	2.5%	1.7%
20	1.2%	1.2%	1.6%	1.3%
21	3.9%	1.8%	3.3%	3.0%
22	1.8%	.7%	6.1%	3.2%
23	2.6%	2.7%	6.2%	3.8%
24	5.4%	3.1%	7.2%	5.3%
25	12.5%	.4%	13.6%	10.6%
26	8.2%	5.1%	12.5%	8.6%
27	9.0%	4.2%	11.1%	8.2%
28	3.5%	4.7%	4.7%	4.3%
29	2.8%	2.5%	5.1%	3.5%
30	2.8%	4.0%	2.8%	3.2%
31	3.4%	4.9%	3.5%	3.9%
32	3.7%	4.5%	2.7%	3.6%
33	3.5%	4.5%	3.0%	3.7%
34	3.3%	3.7%	1.7%	2.9%
35	4.3%	3.0%	1.7%	3.0%
36	2.9%	4.4%	0.9%	2.9%
37	4.4%	4.5%	0.6%	3.2%
38	1.6%	3.3%	1.1%	2.0%
39	2.9%	6.0%	1.4%	3.4%
40	2.0%	4.5%	1.6%	2.7%
41	1.4%	2.6%	0.6%	1.5%
42	1.6%	3.3%	0.9%	1.9%
43	1.5%	2.0%	0.6%	1.3%
44	2.0%	1.9%	0.6%	1.5%
45	0.5%	2.2%	0.9%	1.2%

Question 1. (continued)

Age	PC	SU	UM	Total
46	1.1%	1.0%	0.0%	0.7%
47	0.2%	0.9%	0.0%	0.4%
48	1.0%	1.0%	0.0%	0.7%
49	0.5%	0.6%	0.3%	0.5%
50	0.5%	0.5%	0.3%	0.4%
51	0.6%	0.9%	0.0%	0.5%
52	0.0%	0.5%	0.0%	0.2%
53	0.3%	0.0%	0.0%	0.1%
54	0.5%	0.0%	0.0%	0.2%
56	0.0%	0.5%	0.3%	0.2%
57	0.0%	0.7%	0.0%	0.2%
59	0.0%	0.3%	0.0%	0.1%
60	0.0%	0.2%	0.0%	0.1%
61	0.0%	0.2%	0.0%	0.1%
62	0.0%	0.3%	0.0%	0.1%

Question 2.
What is your gender?

	PC	SU	UM	Total
No Response	1.1%	0.5%	0.3%	0.6%
Male	34.1%	30.9%	53.4%	39.6%
Female	64.8%	68.6%	46.3%	59.8%

Question 3.
How many family dependents will/did you report on your 1991 federal income tax return?

Family Dependents	PC	SU	UM	Total
Zero	27.1%	20.1%	38.2%	28.6%
One	33.6%	24.1%	37.0%	31.7%
Two	12.3%	17.5%	11.5%	13.7%
Three	12.6%	13.1%	6.8%	10.8%
Four	8.4%	14.5%	4.1%	8.9%
Five	4.1%	7.0%	1.4%	4.1%
Six	1.7%	3.5%	1.1%	2.1%
Seven	0.2%	0.2%	0.0%	0.2%
Eight +	0.0%	0.0%	0.0%	0.0%

Question 5a.
Are you a parent?

	PC	SU	UM	Total
No response	5.0%	3.9%	4.1%	4.4%
Yes	44.0%	62.6%	29.1%	45.0%
No	51.0%	33.5%	66.8%	50.7%

Question 5b.
Is your living arrangement a:

Living Arrangement	PC	SU	UM	Total
No Response	54.2%	35.9%	67.3%	52.7%
Two-parent	27.8%	42.4%	19.6%	29.7%
One-parent	18.1%	21.8%	13.1%	17.6%

Question 6.
Please identify the following:

Number of Children

Under 18 Years	PC	SU	UM	Total
Zero	60.1%	44.9%	71.7%	59.1%
One	21.0%	17.7%	15.9%	18.2%
Two	12.2%	21.1%	7.8%	13.6%
Three	5.6%	11.4%	3.3%	6.7%
Four	0.8%	4.7%	1.1%	2.2%
Five	0.2%	0.0%	0.0%	0.1%
Six	0.0%	0.2%	0 3%	0.2%

18-23 Years	PC	SU	UM	Total
Zero	89.5%	84.9%	96.6%	90.4%
One	6.7%	8.9%	1.7%	5.8%
Two	3.3%	5.4%	0.8%	3.1%
Three	0.5%	0.5%	0.8%	0.6%
Four +	0.0%	0.3%	0.0%	0.1%

24 Years or Older	PC	SU	UM	Total
Zero	97.1%	93.5%	98.0%	96.2%
One	1.7%	2.3%	0.3%	1.4%
Two	0.7%	1.7%	1.1%	1.2%
Three	0.0%	1.0%	0.3%	0.4%
Four	0.3%	0.7%	0.0%	0.3%
Five	0.2%	0.0%	0.0%	0.1%
Six	0.0%	0.2%	0.0%	0.1%
Seven	0.0%	0.7%	0.3%	0.3%

Question 7.
Family members attending college:

You and (if applicable) your spouse

Family Members	PC	SU	UM	Total
Zero	92.7%	94.0%	93.5%	93.4%
One	7.3%	6.0%	6.5%	6.6%

Under 24 Years	PC	SU	UM	Total
Zero	92.4%	89.1%	95.0%	92.9%
One	4.3%	7.4%	2.8%	4.8%
Two	2.5%	3.2%	1.9%	2.5%
Three	0.9%	0.3%	0.3%	0.5%

24 Years or Older	PC	SU	UM	Total
Zero	99.4%	98.1%	97.8%	98.5%
One	0.6%	1.4%	1.0%	1.0%
Two	0.0%	0.0%	1.1%	0.4%
Three	0.0%	0.2%	0.0%	0.1%
Four	0.0%	0.3%	0.0%	0.1%

Question 10.
Please indicate below the approximate combined Adjusted Gross Income reported by you and (if applicable) your spouse on your 1991 federal income tax return(s):

Income	PC	SU	UM	Total
No response	4.6%	2.6%	1.1%	2.8%
Did not file	7.4%	5.6%	7.4%	6.8%
$0 - 4,999	10.9%	9.1%	16.5%	12.2%
5,000 - 9,999	16.9%	15.5%	20.7%	17.7%
10,000 - 14,999	9.8%	8.0%	19.5%	12.5%
15,000 - 19,999	9.5%	5.7%	9.4%	8.2%
20,000 - 24,999	6.1%	7.3%	5.2%	6.2%
25,000 - 29,999	7.9%	8.1%	5.4%	7.1%
30,000 - 34,999	6.8%	6.7%	4.5%	6.0%
35,000 - 39,999	3.1%	6.0%	1.4%	3.5%
40,000 - 44,999	4.0%	5.0%	2.8%	3.9%
45,000 - 49,999	2.1%	5.3%	1.7%	3.0%
50,000 - 54,999	2.9%	5.5%	0.5%	3.0%
55,000 - 59,999	2.1%	1.5%	0.8%	1.5%
60,000 - 64,999	0.8%	2.7%	0.9%	1.4%
65,000 - 69,999	1.7%	0.9%	0.3%	1.0%
70,000 - 79,999	1.1%	2.0%	0.3%	1.1%
80,000 - 89,999	0.5%	0.9%	0.3%	0.6%
90,000 - 99,999	0.3%	0.5%	0.3%	0.3%
100,000 - 149,999	1.6%	0.9%	0.6%	1.0%
150,000 - 249,999	0.0%	0.3%	0.6%	0.3%
250,000 and above	0.0%	0.0%	0.0%	0.0%

Question 11.
Please indicate whether you rent or own your current residence.

Residence	PC	SU	UM	Total
No Response	8.1%	3.3%	5.1%	5.5%
Rent	48.8%	38.3%	70.4%	52.7%
Own	43.2%	58.4%	24.6%	41.8%

Question 12.
Do you or (if applicable) your spouse own all or part of a business or farm?

Own	PC	SU	UM	Total
No Response	6.9%	5.9%	7.4%	6.8%
Yes	6.5%	11.6%	4.5%	7.5%
No	86.7%	82.5%	88.1%	85.8%

Question 13.
Indicate, to the best of your knowledge, your course load for each of the following terms:

Winter Term 1991-1992	PC	SU	UM	Total
No Response	18.9%	2.6%	3.9%	8.5%
12+ credits	44.1%	45.4%	70.6%	53.5%
7-11 credits	18.2%	17.6%	13.3%	16.4%
1-6 credits	14.0%	24.2%	7.0%	14.9%
not attending	4.8%	10.2%	5.2%	6.7%

Spring Term 1992	PC	SU	UM	Total
No Response	4.1%	3.3%	3.9%	3.8%
12+ credits	54.1%	42.4%	67.2%	54.8%
7-11 credits	18.7%	18.8%	14.5%	17.3%
1-6 credits	15.2%	21.4%	5.7%	14.0%
not attending	7.9%	14.0%	8.7%	10.2%

Question 14.
Where did you reside for each of the following terms:

Fall Term 1991	PC	SU	UM	Total
No Response	7.2%	6.1%	4.7%	6.0%
With parent(s)	11.4%	5.0%	8.0%	8.1%
Elsewhere	81.5%	89.0%	87.4%	85.9%

Winter Term 1991-1992	PC	SU	UM	Total
No Response	14.15%	2.7%	1.8%	6.3%
With parent(s)	9.45%	4.9%	7.1%	7.2%
Elsewhere	76.40%	92.4%	91.1%	86.6%

Spring Term 1992	PC	SU	UM	Total
No Response	4.5%	3.5%	1.8%	3.3%
With parent(s)	10.5%	5.2%	7.1%	7.6%
Elsewhere	84.9%	91.4%	91.1%	89.1%

Question 15.
For the 1991-1992 academic year, did you submit a Family Financial Statement (FFS)?

FFS Submitted	PC	SU	UM	Total
No Response	5.3%	4.2%	5.3%	4.9%
Yes	64.4%	49.9%	70.2%	61.7%
No	30.3%	46.0%	24.5%	33.4%

Question 18.
Was your current college your first-choice institution?

First Choice	PC	SU	UM	Total
No Response	10.56%	10.4%	9.4%	10.1%
Yes	68.55%	71.7%	70.7%	70.3%
No	19.54%	15.9%	17.9%	17.8%
Don't know	1.35%	2.0%	2.0%	1.8%

Question 20.
Between now and your expected date of graduation, is your household financial support most likely to:

Financial Support	PC	SU	UM	Total
No Response	3.4%	5.5%	4.5%	4.5%
Continue or increase	64.8%	58.6%	58.0%	60.5%
Decrease	31.8%	36.0%	37.5%	35.1%

APPENDIX C

ADDITIONAL STATISTICAL TABLES

The following tables provide additional detail on the respondents by family status, income class, system and dependency status. In the case of tabulations by income, the tables show the average adjusted gross income for each of seven income classes. The following abbreviations are used: PC = private college respondents; SU = State Universities; UM = University of Minnesota; Total = all respondents.

The tabulations roughly follow the survey instrument. Where applicable, the question from which the data are delivered and the figures or tables constructed from the information are given for reference.

DEPENDENT STUDENTS

Question 4.
Proportion of Dependent Students From Single-Parent Households
(Figure 8)

System	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
PC	48.9%	41.7%	24.1%	13.1%	2.7%	1.5%	0.9%
SU	36.0%	32.0%	16.1%	7.3%	4.8%	1.2%	3.9%
UM	49.9%	56.0%	20.6%	7.0%	5.4%	3.0%	2.9%
Total	44.0%	42.3%	20.1%	9.0%	4.4%	2.0%	2.3%

Question 5.
Proportion of Children Under 18 Years of Age by Family Income
(Figure 9)

Number of Students	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
0	63.0%	55.4%	50.9%	48.0%	50.0%	53.3%	59.2%
1	21.3%	23.5%	28.0%	31.2%	32.3%	30.6%	27.7%
2	9.7%	13.5%	13.0%	14.2%	13.0%	13.1%	9.4%
3	3.6%	4.7%	5.8%	4.9%	3.8%	2.3%	3.3%
4	0.9%	1.9%	1.3%	0.9%	0.8%	0.2%	0.2%
5	0.9%	0.7%	0.6%	0.4%	0.1%	0.4%	0.2%
6	0.0%	0.0%	0.2%	0.3%	0.1%	0.2%	0.0%
7	0.3%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
8	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%
9	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
10	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%
11	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%

Question 9.
Income Distribution of Parents of Dependent Students
(Figures 6, 7)

Income	PC	SU	UM
No Response	7.2%	7.4%	5.0%
Did Not File Return	0.7%	0.9%	0.8%
$0 - 4,999	1.9%	2.5%	1.8%
5,000 - 9,999	1.9%	2.2%	2.0%
10,000 - 14,999	2.9%	3.9%	2.0%
15,000 - 19,999	3.3%	4.5%	3.3%
20,000 - 24,999	6.3%	6.6%	5.5%
25,000 - 29,999	5.8%	9.6%	5.8%
30,000 - 34,999	9.5%	7.0%	7.0%
35,000 - 39,999	7.0%	7.1%	6.2%
40,000 - 44,999	6.5%	8.4%	7.6%
45,000 - 49,999	6.7%	8.0%	8.6%
50,000 - 54,999	6.4%	7.4%	6.2%
55,000 - 59,999	4.7%	5.4%	6.4%
60,000 - 64,999	4.7%	5.0%	5.7%
65,000 - 69,999	4.1%	2.7%	4.9%
70,000 - 79,999	5.0%	4.5%	6.4%
80,000 - 89,999	3.9%	2.2%	3.9%
90,000 - 99,999	2.5%	1.6%	3.4%
100,000 - 149,999	6.0%	2.5%	5.5%
150,000 - 249,999	2.5%	0.7%	1.8%
$250,000 and Above	0.7%	0.1%	0.2%

*Note: Table has been scaled to include non-respondents.

Question 13.
Proportion of Full-time Dependent Students Living With Parents by System
(Figure 39)

System	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000	Total
PC	13.9%	11.3%	13.0%	12.7%	15.2%	10.3%	9.1%	12.4%
SU	10.2%	18.7%	15.5%	12.6%	14.8%	11.7%	9.3%	13.5%
UM	22.6%	25.3%	25.7%	23.7%	30.7%	24.7%	10.7%	24.4%

Question 12.
Proportion of Dependent Students by Credit Load and Family Income
(Figure 38)

Private Colleges

Credits	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
12+	86.6%	95.5%	91.9%	95.4%	92.8%	92.4%	93.3%
6-11	7.3%	1.4%	5.2%	2.3%	6.0%	5.4%	5.3%
1-6	0.0%	0.0%	1.1%	1.1%	0.0%	0.6%	0.6%
Not Attending	6.1%	3.1%	1.9%	1.2%	1.3%	1.6%	0.9%

State University System

Credits	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
12+	84.2%	82.6%	85.3%	89.8%	85.8%	86.0%	91.2%
6-11	7.9%	9.7%	9.1%	5.5%	5.5%	7.0%	4.9%
1-6	3.1%	1.3%	0.4%	0.9%	0.7%	1.2%	1.0%
Not Attending	4.8%	6.4%	5.2%	3.8%	8.0%	5.8%	2.9%

University of Minnesota

Credits	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
12+	85.5%	84.9%	90.0%	81.9%	84.0%	84.0%	78.0%
6-11	6.1%	8.0%	7.1%	13.1%	11.1%	12.5%	16.8%
1-6	3.5%	0.9%	1.2%	0.6%	1.0%	1.8%	1.6%
Not Attending	4.9%	6.2%	1.7%	4.4%	3.9%	1.7%	3.6%

Question 14.
Proportion of Full-time Dependent Students Applying for Aid by System
(Figure 26)

System	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
PC	94.7%	96.1%	94.6%	91.2%	85.6%	79.0%	33.8%
SU	91.2%	84.8%	86.5%	71.2%	52.7%	35.4%	17.3%
UM	86.3%	84.1%	78.1%	70.9%	60.3%	40.4%	15.0%

Question 14.
Proportion of Full-time Dependent Students Applying for Aid by Number of Children in the Household
(Figure 27)

Children in Family	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
1	88.2%	81.6%	68.4%	57.1%	38.7%	31.9%	10.2%
2	89.1%	79.4%	85.9%	79.5%	56.3%	47.6%	16.3%
3	97.2%	93.4%	80.2%	72.9%	61.8%	44.5%	19.1%
4	90.4%	93.6%	88.9%	79.0%	66.2%	51.7%	24.0%
5	100.0%	93.2%	94.4%	76.9%	72.2%	52.8%	25.2%
6	100.0%	100.0%	96.9%	93.8%	85.5%	76.8%	44.5%

Question 15.
Funding Sources As A Percent of Attendance Costs for Full-Time Students By System and Family Income
Full-time Only
(Figure 13)

Private Colleges

Source	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Parent Employment	12.1%	15.5%	23.7%	26.7%	37.4%	45.6%	73.0%
Parent Loan	5.2%	3.7%	5.5%	6.9%	6.3%	7.9%	6.3%
Student Employment	10.5%	10.4%	11.3%	9.5%	9.8%	9.7%	6.2%
Student Savings	5.0%	6.0%	5.0%	5.0%	5.8%	5.6%	4.7%
Student Loan	22.5%	21.1%	17.5%	18.7%	13.6%	11.5%	4.0%
Grants/ Scholarships	37.3%	39.3%	33.7%	28.5%	23.6%	13.8%	4.7%
Relative	4.0%	1.9%	1.6%	1.6%	1.4%	2.8%	0.3%
Other	3.4%	2.1%	1.7%	3.1%	2.2%	3.0%	0.8%

Question 15.
Funding Sources As A Percent of Attendance Costs for Full-Time Students By System and Family Income
Full-Time Only
(Figure 14)

State University System

Source	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Parent Employment	12.1%	22.3%	28.2%	39.2%	44.5%	56.4%	73.3%
Parent Loan	3.3%	2.3%	4.3%	4.4%	4.5%	5.3%	2.5%
Student Employment	21.5%	22.0%	21.5%	21.2%	18.2%	18.7%	10.4%
Student Savings	6.6%	6.5%	8.0%	10.2%	9.3%	5.8%	5.2%
Student Loan	21.8%	15.5%	15.1%	14.3%	15.2%	8.5%	4.3%
Grants/ Scholarships	29.1%	27.5%	19.8%	7.9%	5.5%	2.0%	1.6%
Relative	2.7%	1.5%	1.6%	1.4%	1.0%	0.5%	1.0%
Other	2.8%	2.4%	1.5%	1.4%	1.8%	2.8%	1.9%

Question 15.
Funding Sources As A Percent of Attendance Costs for Full-Time Students By System and Family Income
Full-Time Only
(Figure 15)

University of Minnesota

Source	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Parent Employment	12.4%	19.4%	29.0%	33.7%	41.1%	55.7%	70.3%
Parent Loan	3.2%	2.4%	1.1%	2.7%	6.0%	3.0%	1.7%
Student Employment	17.3%	22.2%	20.9%	20.9%	20.6%	18.1%	13.2%
Student Savings	6.7%	8.4%	7.9%	7.8%	9.6%	11.7%	8.0%
Student Loan	20.6%	18.4%	18.8%	17.1%	13.7%	5.2%	2.8%
Grants/ Scholarships	32.3%	26.8%	19.3%	14.6%	7.2%	4.2%	2.6%
Relative	5.1%	1.9%	1.5%	1.3%	1.1%	1.4%	0.4%
Other	2.5%	0.4%	1.4%	1.8%	0.6%	0.8%	1.1%

Question 16.
When Families Started Saving for College by System and Family Income
(Figures 25, 29, 31, 33, 34)

PC	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Before 9th Gr.	13.6%	18.3%	26.3%	28.7%	30.3%	41.6%	48.6%
After 9th Gr.	15.2%	13.7%	8.7%	13.8%	14.4%	12.3%	17.7%
Did Not Save	71.2%	68.0%	65.0%	57.5%	55.3%	46.1%	33.7%

SU	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Before 9th Gr.	11.3%	11.5%	18.8%	23.2%	31.2%	24.3%	36.9%
After 9th Gr.	6.0%	10.1%	10.1%	15.4%	13.8%	15.7%	20.7%
Did Not Save	82.7%	78.4%	71.1%	61.4%	55.0%	60.0%	42.4%

UM	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Before 9th Gr.	16.6%	16.6%	21.3%	28.2%	31.9%	37.0%	41.9%
After 9th Gr.	7.9%	7.3%	12.7%	14.5%	19.9%	15.6%	16.8%
Did Not Save	75.5%	76.1%	66.0%	57.3%	48.2%	47.4%	41.3%

Question 17.
Proportion of Dependent Students Attending Their First-choice Institution by System and Family Income (Figure 40)

PC	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Yes	83.2%	87.7%	86.5%	89.1%	91.6%	90.2%	84.2%
NO	12.1%	10.9%	10.7%	9.2%	7.5%	9.4%	13.9%
Don't Know	4.6%	1.4%	2.8%	1.7%	0.9%	0.5%	1.9%

SU	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Yes	75.6%	77.0%	79.2%	74.4%	70.4%	71.4%	70.7%
NO	21.8%	16.1%	19.0%	24.0%	25.8%	25.4%	24.9%
Don't Know	2.6%	6.9%	1.8%	1.6%	3.8%	3.2%	4.4%

UM	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Yes	87.4%	72.4%	78.2%	80.2%	74.3%	76.7%	68.4%
NO	8.8%	23.8%	20.6%	18.6%	24.5%	19.5%	27.8%
Don't Know	3.8%	3.9%	1.2%	1.2%	1.2%	3.8%	3.8%

Question 18.
When Parents Expect Students to Finish College by System and Family Income
(Figures 35, 36, 37)

PC	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
4 Years	69.5%	70.4%	66.2%	71.6%	69.2%	72.9%	77.5%
5 Years	21.6%	22.1%	26.3%	19.8%	25.2%	23.2%	19.0%
6+ Years	8.0%	7.5%	7.0%	8.6%	4.7%	3.4%	3.5%
Not Finish	0.9%	0.0%	0.4%	0.0%	0.9%	0.6%	0.0%

SU	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
4 Years	31.3%	31.6%	30.5%	28.9%	27.2%	25.6%	28.4%
5 Years	58.6%	54.3%	51.7%	56.5%	63.1%	58.0%	58.7%
6+ Years	9.3%	13.4%	16.4%	14.1%	8.6%	15.2%	12.9%
Not Finish	0.8%	0.7%	1.3%	0.5%	1.1%	1.2%	0.0%

UM	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
4 Years	33.0%	37.1%	33.0%	31.6%	31.5%	32.1%	33.2%
5 Years	46.4%	46.8%	51.7%	54.4%	55.4%	53.9%	53.1%
6+ Years	19.6%	16.1%	15.3%	13.6%	12.8%	14.0%	13.2%
Not Finish	1.0%	0.0%	0.0%	0.5%	0.4%	0.0%	0.4%

Question 19.
Proportion of Parents Likely to Reduce Support by System and Family Income
(Figure 28)

System	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
PC	47.3%	37.8%	40.3%	32.9%	35.5%	29.0%	17.6%
SU	50.7%	47.3%	44.7%	42.9%	33.5%	24.4%	19.8%
UM	55.4%	45.5%	48.2%	50.3%	40.4%	27.9%	23.2%

Average and Net Cost of Attendance by System and Family Income
Full-Time and Part-Time Students
(Figures 10, 11, 12)

PC	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Average Cost of Attendance	$14,174	$14,178	$14,322	$15,009	$14,606	$15,254	$16,553
Net Cost Of Attendance	$8,844	$8,131	$9,267	$10,423	$11,102	$13,089	$15,841

SU	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Average Cost of Attendance	$7,322	$6,285	$6,595	$6,937	$7,013	$7, 234	$7,680
Net Cost Of Attendance	$5,054	$4,605	$5,513	$6,524	$6,681	$6,967	$7,464

UM	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Average Cost of Attendance	$7,627	$7,582	$7,775	$7,380	$7,544	$7,520	$8,720
Net Cost Of Attendance	$4,984	$5,947	$6,351	$6,417	$7,109	$7,296	$8,360

*Note: full-time and part-time students

Actual, Self-Defined and Congressional Methodology Parental Contributions by System and Family Income (Figures 18, 19, 20, 21)

Three System Composite

Parent Contributions	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Actual	$1,456	$1,878	$2,807	$3,466	$4,264	$5,566	$8,729
Self Defined	$1,162	$1,342	$1,817	$2,578	$3,328	$4,387	$7,140
CM	$81	$291	$1,083	$2,421	$,4,630	$8,617	$16,575

Self-Defined Contributions by System

Self-Defined	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
PC	$1,810	$1,889	$2,313	$3,282	$4,632	$6,337	$10,189
SU	$770	$1,064	$1,554	$2,344	$2,753	$3,245	$4,595
UM	$994	$1,094	$1,560	$1,954	$2,784	$3,608	$5,130

Actual Contributions by System

Actual Contributions	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
PC	$2,459	$2,513	$4,109	$4,840	$6,278	$8,060	$12,706
SU	$1,013	$1,560	$2,089	$3,088	$3,390	$4,572	$5,521
UM	$956	$1,584	$2,166	$2,524	$3,408	$4,226	$6,051

Parental Contribution for Full-Time Students As A Percent of Cost of Attendance and Family Income
Full-Time Only
(Figure 24)

PC	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Average Cost of Attendance	$14,174	$14,178	$14,322	$15,009	$14,606	$15,254	$16,553
Parent Contribution As Percent Of Cost Of Attendance	17.3%	19.2%	29.2%	33.6%	43.7%	53.5%	79.3%
Parent Contribution As Percent Of Family Income	24.9%	11.7%	12.6%	11.9%	11.7%	11.6%	10.2%

SU	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Average Cost Of Attendance	$7,322	$6,285	$6,595	$6,937	$7,013	$7, 234	$7,680
Parent Contribution As Percent Of Cost Of Attendance	15.4%	24.6%	32.5%	43.6%	49.0%	61.7%	75.8%
Parent Contribution As Percent Of Family Income	11.4%	6.7%	6.5%	7.1%	6.3%	6.4%	4.5%

UM	$9,855	$23,245	$33,140	$42,420	$54,425	$70,210	$129,000
Average Cost Of Attendance	$7,627	$7,582	$7,775	$7,380	$7,544	$7,520	$8,720
Parent Contribution As Percent Of Cost of Attendance	15.6%	21.8%	30.1%	36.4%	47.1%	58.7%	72.0%
Parent Contribution As Percent Of Family Income	12.1%	7.1%	7.1%	6.3%	6.5%	6.3%	4.9%

Question 2.
Gender of Independent Students By Family Status and System
(Figure 41)

PC	Single	Married	Married Parent	Single Parent	Total
Male	45.1%	53.8%	28.1%	10.4%	34.4%
Female	54.9%	46.2%	72.0%	89.6%	65.6%

SU	Single	Married	Married Parent	Single Parent	Total
Male	55.1%	22.1%	32.4%	11.5%	32.0%
Female	44.9%	77.9%	67.6%	88.5%	68.1%

UM	Single	Married	Married Parent	Single Parent	Total
Male	63.1%	55.3%	46.9%	22.5%	53.3%
Female	36.9%	44.7%	53.1%	77.5%	46.8%

Question 8.
Educational Attainment of Spouses for Married Independent Students by System
(Figure 46)

Education	PC	SU	UM	All Spouses
High School Degree	42.1%	28.8%	21.3%	7.9%
1 - 2 Year Degree	32.2%	36.2%	24.1%	7.4%
4 Year Degree	38.6%	25.7%	28.4%	7.3%
Graduate Degree	37.0%	31.2%	24.3%	7.5%

Question 8.
Educational Attainment of Independent Students By Marital Status and System
(Figures 44, 45)

PC	High School Degree	1 - 2 Year Degree	4 Year Degree	Graduate Degree
Married	47.1%	47.3%	5.6%	0.0%
Single	55.2%	38.1%	6.7%	0.0%
All	52.0%	41.7%	6.3%	0.0%

SU	High School Degree	1 - 2 Year Degree	4 Year Degree	Graduate Degree
Married	36.0%	61.3%	1.4%	1.4%
Single	49.0%	49.5%	0.5%	1.0%
All	41.8%	56.0%	1.0%	1.2%

UM	High School Degree	1 - 2 Year Degree	4 Year Degree	Graduate Degree
Married	54.1%	41.6%	2.7%	1.5%
Single	70.5%	25.4%	3.2%	0.8%
All	65.3%	30.6%	3.1%	1.1%

Question 9.
Labor Force Status of Independent Students By Family Status
(Figure 47)

Labor Status	Single	Married	Married Parent	Single Parent
Full-Time	35.8%	45.1%	41.3%	26.3%
Part-Time	50.8%	36.1%	30.6%	32.4%
Seeking	7.1%	8.2%	6.1%	6.4%
Not Seeking	6.3%	10.6%	22.0%	34.9%

Question 9.
Labor Force Status of Independent Students By System
(Figure 48)

System	Full-Time	Part-Time	Seeking	Not Seeking
PC	41.5%	35.7%	7.4%	15.4%
SU	42.3%	31.9%	6.1%	19.7%
UM	25.1%	51.6%	7.2%	16.1%

Question 10.
Income Distribution of Independent Students
(Figures 49, 50)

Income	PC	SU	UM
No Response	4.6%	2.6%	1.1%
Did Not File Return	7.4%	5.6%	7.4%
$0 - 4,999	10.9%	9.1%	16.5%
5,000 - 9,999	16.9%	15.5%	20.7%
10,000 - 14,999	9.8%	8.0%	19.5%
15,000 - 19,999	9.5%	5.7%	9.4%
20,000 - 24,999	6.1%	7.3%	5.2%
25,000 - 29,999	7.9%	8.1%	5.4%
30,000 - 34,999	6.8%	6.7%	4.5%
35,000 - 39,999	3.1%	6.0%	1.4%
40,000 - 44,999	4.0%	5.0%	2.8%
45,000 - 49,999	2.1%	5.3%	1.7%
50,000 - 54,999	2.9%	5.5%	0.5%
55,000 - 59,999	2.1%	1.5%	0.8%
60,000 - 64,999	0.8%	2.7%	0.9%
65,000 - 69,999	1.7%	0.9%	0.3%
70,000 - 79,999	1.1%	2.0%	0.3%
80,000 - 89,999	0.5%	0.9%	0.3%
90,000 - 99,999	0.3%	0.5%	0.3%
100,000 - 149,999	1.6%	0.9%	0.6%
150,000 - 249,999	0.0%	0.3%	0.6%
$250,000 and Above			

*Note: Table has been scaled to include non-respondents

Question 13.
Spring Term Credit Load By Family Income and Family Status
(Figure 72)

Single	$0-4,999	$5,000-9,999	$10,000-19,999	$20,000+
12+	85.1%	75.8%	64.0%	24.6%
6-11	6.2%	10.7%	21.4%	28.8%
1-6	3.6%	4.0%	6.8%	26.1%
Not Attending	5.0%	9.5%	7.9%	20.5%

Married	$0-4,999	$5,000-9,999	$10,000-19,999	$20,000+
12+	89.3%	71.6%	78.2%	34.9%
6-11	5.2%	0.0%	18.9%	22.9%
1-6	0.0%	5.9%	1.4%	27.9%
Not Attending	5.5%	22.5%	1.5%	14.3%

Single Parent	$0-4,999	$5,000-9,999	$10,000-19,999	$20,000+
12+	86.8%	75.0%	51.2%	22.8%
6-11	4.5%	16.3%	27.2%	23.8%
1-6	2.6%	0.0%	10.4%	40.6%
Not Attending	6.1%	8.6%	11.2%	12.8%

Question 14.
Spring Residence of Independent Students By Family Status and System
(Figure 73)

PC	Single	Married	Married Parent	Single Parent	Total
With Parents	16.5%	2.5%	3.1%	16.1%	11.1%
Elsewhere	83.5%	97.5%	96.9%	84.0%	88.9%

SU	Single	Married	Married Parent	Single Parent	Total
With Parents	15.2%	2.8%	3.0%	1.1%	5.5%
Elsewhere	84.8%	97.2%	97.0%	98.9%	94.5%

UM	Single	Married	Married Parent	Single Parent	Total
With Parents	10.6%	0.0%	3.0%	6.6%	7.1%
Elsewhere	89.4%	100%	97.0%	93.4%	92.9%

Question 15.
Proportion of Independent Students Applying For Financial Aid
By Family Status amd System
(Figure 66)

System	Single	Married	Married Parent	Single Parent
PC	75.7%	65.8%	87.7%	91.9%
SU	72.7%	45.6%	64.2%	91.4%
UM	80.6%	76.1%	70.6%	87.3%

Question 16.
Distribution of Funding Sources for Independent Students
By Family Status and System
(Figures 57, 58, 59)

Private Colleges

Source	Single	Married	Married Parent	Single Parent
Relative	5.9%	0.1%	2.6%	3.2%
Other	6.9%	13.5%	14.8%	10.5%
Student Employment	21.4%	35.3%	20.2%	6.7%
Student Savings	5.3%	3.6%	5.3%	4.5%
Student Loan	33.9%	23.2%	19.0%	30.1%
Grants/ Scholarships	26.5%	24.3%	38.0%	44.9%

State University System

SU	Single	Married	Married Parent	Single Parent
Relative	4.6%	0.1%	1.9%	0.7%
Other	10.8%	15.8%	12.7%	13.5%
Student Employment	37.1%	50.9%	38.1%	16.3%
Student Savings	5.1%	12.7%	9.0%	4.8%
Student Loan	18.5%	10.8%	21.4%	27.2%
Grants/ Scholarships	23.9%	9.7%	16.9%	37.5%

University of Minnesota

UM	Single	Married	Married Parent	Single Parent
Relative	4.3%	8.9%	5.4%	2.0%
Other	3.2%	2.3%	8.5%	1.3%
Student Employment	25.5%	22.6%	23.4%	8.5%
Student Savings	6.5%	6.0%	7.1%	1.0%
Student Loan	37.1%	44.6%	31.0%	34.6%
Grants/ Scholarships	23.4%	15.6%	24.6%	52.6%

Question 17.
When Independent Students Started Saving for College by System and Family Status
(Figure 65)

PC	Single	Married	Married Parent	Single Parent
Three Years	15.5%	6.1%	7.3%	2.8%
Less Than Three Years	21.2%	22.5%	3.7%	2.7%
Did Not Save	63.3%	71.4%	89.0%	94.4%

SU	Single	Married	Married Parent	Single Parent
Three Years	9.2%	7.9%	5.3%	4.8%
Less Than Three Years	26.8%	11.4%	6.8%	2.4%
Did Not Save	64.0%	80.8%	88.0%	92.8%

UM	Single	Married	Married Parent	Single Parent
Three Years	16.7%	14.9%	5.5%	9.0%
Less Than Three Years	23.5%	23.0%	17.5%	10.6%
Did Not Save	59.9%	62.1%	77.0%	80.5%

Question 18.
Proportion of Independent Students Attending Their First-Choice Institution By Family Status and System (Figure 75)

PC	Single	Married	Married Parent	Single Parent
Yes	71.1	62.1	87.8	83.3
No	28.9	37.9	12.3	16.7

SU	Single	Married	Married Parent	Single Parent
Yes	63.8	78.1	87.9	91.2
No	36.2	21.9	12.1	8.9

UM	Single	Married	Married Parent	Single Parent
Yes	77.9	86.7	80.9	79.6
No	22.1	13.3	19.1	20.4

Question 19.
Expected Number of Years to Graduation by System and Family Status
(Figures 69, 70, 71)

PC	Single	Married	Married Parent	Single Parent
Four Years	31.2%	17.0%	24.8%	36.8%
Five Years	26.0%	23.2%	24.8%	30.3%
Six Years	17.3%	20.8%	15.0%	14.7%
Seven Years	11.4%	11.1%	7.4%	6.0%
Eight +	13.4%	27.9%	25.0%	12.2%
No Plan to Finish	0.8%	0.0%	3.1%	0.0%

SU	Single	Married	Married Parent	Single Parent
Four Years	25.9%	13.6%	24.8%	36.3%
Five Years	30.4%	17.1%	22.5%	37.4%
Six Years	24.2%	20.4%	17.1%	12.5%
Seven Years	6.6%	11.4%	10.7%	3.2%
Eight +	12.8%	35.0%	23.8%	9.5%
No Plan to Finish	0.0%	2.4%	1.1%	1.1%

UM	Single	Married	Married Parent	Single Parent
Four Years	14.7%	14.8%	19.7%	19.9%
Five Years	37.0%	38.1%	28.7%	43.7%
Six Years	23.1%	14.9%	21.6%	22.8%
Seven Years	7.9%	12.9%	2.9%	2.4%
Eight +	17.3%	19.4%	27.1%	8.9%
No Plan to Finish	0.0%	0.0%	0.0%	2.4%

Question 20.
Proportion of Independent Students Likely To Reduce Support
By Family Status and Family Income
(Figure 67)

Income	Single	Married	Single Parent
$0-4,999	58.5%	52.5%	45.6%
$5,000-9,999	45.9%	42.7%	41.4%
$10,000-19,999	49.3%	45.7%	40.0%
$20,000+	58.0%	69.4%	60.7%
Total	52.0%	64.3%	46.3%

Question 20.
Proportion of Independent Students Who Are Likely To Reduce Their Support
By System and Family Status
(Figure 68)

System	Single	Married	Married Parent	Single Parent	Total
PC	44.3%	29.0%	38.3%	55.3%	42.6%
SU	39.7%	23.4%	36.3%	48.3%	38.4%
UM	55.8%	35.6%	40.0%	54.9%	49.7%

APPENDIX D

Algorithm for Fully Allocated Instructional Costs and
Estimated Public Sector Tuition and Financial Aid Subsidies by State

Fully Allocated Instructional Costs (FAIC)

Instructional Share1 (INSHR1) =
(Instruction/(Instruction + Research + Public Service)

Instructional Share2 (INSHR2) =
(Instruction/(Instruction + Research)

FAIC = Instruction + (INSHR2*Academic Support) +
(INSHR1*Instructional Support) + Student Services +
(INSHR1*Plant O&M) + (INSHR1*Mandatory Transfers)

TUITION SHARE = Tuition revenue as a percent of estimated fully allocated undergraduate and graduate instructional costs

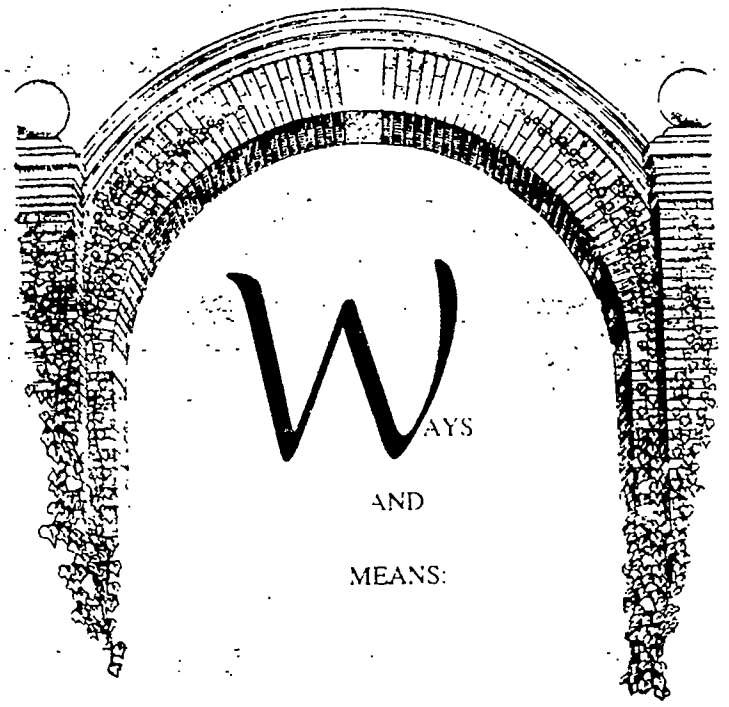
AID SHARE = Grant and scholarship expenditures as a percent of estimated fully allocated undergraduate and graduate instructional costs: includes federal, state and institutional grants.

SOURCE = IPEDS Institutional financial reports Fiscal Year 1989-1990; non-imputed file. All public sector institutions granting baccalaureate degrees or above.

Estimated Public Sector Tuition and Financial Aid Subsidies by State

	Tuition Share	Aid Share
Alabama	35.7%	12.4%
Alaska	16.9%	4.4%
Arizona	38.2%	12.7%
Arkansas	31.2%	19.6%
California	18.7%	5.9%
Colorado	34.1%	13.0%
Connecticut	33.6%	7.6%
Delaware	40.2%	12.2%
District of Columbia	10.0%	3.7%
Florida	21.1%	7.9%
Georgia	24.5%	12.4%
Hawaii	15.3%	5.2%
Idaho	23.6%	14.2%
Illinois	30.9%	9.3%
Indiana	32.4%	11.4%
Iowa	34.3%	13.0%
Kansas	30.7%	10.5%
Kentucky	28.5%	14.2%
Louisiana	40.3%	20.2%
Maine	27.9%	15.5%
Maryland	35.5%	7.3%
Massachusetts	24.3%	6.7%
Michigan	37.6%	12.6%
Minnesota	33.2%	13.7%
Mississippi	33.8%	25.3%
Missouri	31.6%	15.0%
Montana	26.4%	18.5%
Nebraska	29.8%	13.3%

	Tuition Share	Aid Share
Nevada	23.0%	5.6%
New Hampshire	75.7%	13.7%
New Jersey	25.6%	10.1%
New Mexico	22.5%	17.7%
New York	19.6%	8.8%
North Carolina	17.8%	10.9%
North Dakota	32.3%	20.4%
Ohio	41.4%	11.3%
Oklahoma	28.3%	23.2%
Oregon	Missing	Missing
Pennsylvania	38.5%	10.8%
Rhode Island	37.8%	10.5%
South Carolina	35.3%	9.8%
South Dakota	36.7%	18.1%
Tennessee	26.8%	10.2%
Texas	24.0%	11.3%
Utah	29.2%	17.7%
Vermont	71.3%	15.9%
Virginia	36.6%	8.9%
Washington	24.9%	13.4%
West Virginia	25.6%	16.8%
Wisconsin	34.6%	17.0%
Wyoming	17.6%	14.9%



WAYS AND MEANS:

HOW MINNESOTA FAMILIES PAY FOR COLLEGE

EXECUTIVE SUMMARY

MINNESOTA PRIVATE COLLEGE RESEARCH FOUNDATION

NOVEMBER 1992

WAYS AND MEANS:
HOW MINNESOTA FAMILIES PAY FOR COLLEGE

Minnesota Private College Research Foundation

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November 1992

Ways and Means:
How Minnesota Families Pay For College

Executive Summary

Preface: The Fiscal Environment for Families and Higher Education

Fiscal Year 1993 marks the third consecutive year of budget retrenchment for state and local governments. The National Association of State Budget Officers reported in April 1992 that 35 states reduced their Fiscal Year 1992 appropriations, up from 29 states the previous year. More than a dozen states will again face budget shortfalls in Fiscal Year 1993 despite significant reductions in the annual rate of spending growth.

As one of the largest discretionary budget items for state governments, higher education has not been spared from budget cuts. Among the 35 states forced to reduce their already approved Fiscal Year 1992 budgets, only three maintained their prior year funding commitment to higher education.

Minnesota's experience parallels national trends. Appropriations for higher education in Minnesota have been reduced in each of the last three fiscal years as the state has attempted to manage a budget shortfall that cumulatively totalled nearly $2.5 billion over the 1990 to 1992 period. Additional budget reductions in Minnesota are likely for future fiscal years: the State Department of Finance has projected a shortfall of more than $800 million for the 1994-95 biennium.

Despite increases in state financial aid funding, grant aid as a percent of attendance costs has fallen. During the past four years, public sector attendance costs nationally (including tuition and living costs) have risen by approximately $12 billion, while state and federal grant aid has increased by less than $500 million.

Again, Minnesota's circumstances are similar. While financial aid funding increased in total dollars between 1986 and 1991, over the same period the percentage of Minnesota students' financial need met by government grant aid fell by over 25 percent. At the same time, average undergraduate tuition rates increased between 25 percent and 40 percent at the four public postsecondary systems, and by more than 55 percent at the private colleges. Need not met by government grant aid rose by over 50 percent to $370 million for students attending public and private colleges in Minnesota in the 1986 to 1991 period.

Federal reauthorization of the Higher Education Act will not provide relief to the states. Though the 1992 Higher Education Amendments *authorized* larger Pell Grants, the federal appropriations process actually reduced the maximum grant for Fiscal Year 1993. The enduring impact of the 1992 reauthorization may be limited to higher loan limits and expanded loan eligibility.

Government support for higher education has fallen at the same time family ability to pay for college has eroded. Median household income in the U.S. declined by five percent in real terms between 1989 and 1991. Nationally, household purchasing power has fallen below 1979 levels. Minnesotans have fared at least as badly as the nation as a whole. The Census Bureau reported in September 1992 that average household incomes in Minnesota fell by ten percent compared to the previous year. In addition, for those

families attending Minnesota colleges and applying for financial aid, inflation-adjusted home equity plummeted by nearly 50 percent between 1985 and 1991. Unfortunately, the prospects for economic growth and restoration of household purchasing power remain grim for the foreseeable future.

Access to the public or private higher education institution most appropriate for a student's needs has been an explicit public policy objective in Minnesota for more than a decade. And yet, while the financial circumstances of both the state and families have significantly changed, surprisingly little is known about who attends Minnesota's colleges, how they pay for their education, or the nature of their choices and expectations. Our survey focused on family characteristics of undergraduate students attending one of the state's three baccalaureate degree-granting systems: the seven State Universities, the three baccalaureate campuses of the University of Minnesota, and Minnesota's sixteen four-year private liberal arts colleges. By focusing on families, the survey provides a much-needed baseline from which to evaluate the impacts of current higher education policy and develop new policy approaches.

DEPENDENT STUDENTS IN MINNESOTA

■ WHO ARE THEY?

Dependent students make up the majority of students attending baccalaureate colleges in Minnesota. They represented nearly 80 percent of survey respondents.

More than 60 percent of the parents of dependent students have had at least one year of college, a level of education attainment more than one and a half times that of similar aged adults in the general population. While parent educational attainment for all three systems combined is high, pronounced differences exist between the State Universities and Minnesota's two other baccalaureate systems: the State Universities have nearly twice the percentage of "first generation" dependent students as the other two systems.

Nearly 85 percent of all parents of dependent students work, with about half of all families having two parents working full-time. Parent labor force participation is similar for all three systems and exceeds state norms. Given that an individual's prime earning years are between the ages of 40 and 60, the majority of families in our survey may have reached the upper bound of their incomes. Because nearly half of these parents have *at least* one child under the age of 18, their financial pressures will likely intensify in the future.

College participation in the three baccalaureate systems is dominated by middle and upper income families. More than half of all families in the three baccalaureate systems reported incomes in excess of $40,000 per year, and more than a quarter reported incomes of greater than $60,000 per year. For the three systems combined, median family income in 1991 exceeded the estimated state median for families with parents of similar age by more than 13 percent. *Median family income by system is $42,250 for State University students, $45,500 for private college students, and $48,250 for University of Minnesota students.*

Students from families with incomes of less than $30,000 are consistently underrepresented in all three systems relative to their proportion of all families. *Families with annual incomes in excess of $50,000 are about three times more likely to have a student attending a four-year institution as families with incomes under $30,000.*

Studies have consistently documented the private benefits of postsecondary education for more than three decades; college graduates have higher lifetime earnings than high school graduates. Our survey results affirm those findings. *Families that include at least one parent with a baccalaureate degree are about three times as likely to have an income above $60,000 as those with lower education levels.* Consistent with parent educational attainment, a sharp difference exists between families with students attending State Universities and families with students in the other two baccalaureate systems. The median family income of State University students (who are almost twice as likely to be the first in their families to attend college) is nearly 10% below that of private college students, and nearly 15% below that of University of Minnesota students.

Average household size is similar across and within systems for families with incomes above $30,000. The absence of a second parent explains much of the drop in household size for families with incomes below $30,000. *Single-parent households represent more than 40 percent of all households with incomes of less than $30,000.* The percentage of single parent families at lower incomes is between four and eight times greater than the percentage of single parent families with incomes above $40,000.

■ HOW DO THEY PAY FOR COLLEGE?

College cost of attendance includes tuition, fees and living expenses. The average cost of attendance at private colleges exceeds costs at public colleges by $7,000 to $8,000. The gap between the two public baccalaureate systems is $500 to $1,000 (the University of Minnesota is the higher cost system). The survey results indicate that *parents with dependents in college use student budgets nearly identical to those used by campus financial aid officers in all three systems. This finding affirms that parents have realistic expectations of the total costs of higher education.*

Grant aid (from all sources) reduces the price gap between the private colleges and public colleges by 39 percent for families with incomes under $35,000. The public/private price gap declines by more than 20 percent for families with incomes between $40,000 and $60,000. Among the two public baccalaureate systems, financial aid reduces attendance costs for families with incomes under $35,000 by more than one-fourth, nearly equalizing costs between State Universities and the University of Minnesota.

Despite significant differences in attendance costs by system and family income, the general structure of college financing is similar for the three baccalaureate systems. Parent's share, student's share, grant aid and loans are proportionately similar across systems for each family income level.

■ PARENT SHARE

Actual parent contributions in all three systems significantly exceed contributions expected under the Congressional Methodology, the universal federal formula for determining parental contributions. The difference is particularly acute for students attending the private colleges. Congressional Methodology defines parent contribution expectations regardless of college cost; parent contributions should be a function of the resources a family has available for higher education. Yet, in practice, all families sending their children to private colleges pay more, regardless of income. For families with incomes under $45,000, actual parent contributions of private college students exceed those of public college students by $1,000 to $2,000. Thus, while the Congressional Methodology purports to be cost blind for purposes of determining need and awarding state and federal grant aid, it in fact neither sets nor predicts actual parental contributions.

When asked what they *should* contribute to their child's education given their financial situation, all parents' predictably suggested lower amounts than their actual contribution. However, *families with incomes above $35,000 seek larger reductions — in absolute and relative terms — than those with incomes below $35,000. In fact, the survey results clearly indicate that lower income families make the greatest financial effort as a percent of their income and in relation to financial aid guidelines.* Self-defined contributions for families with incomes of less than $60,000 — two-thirds of all families — exceed contributions expected by Congressional Methodology by more than 300 percent. Because the gap between expected and actual contributions is not considered for purposes of federal or state grant awards, parents must either contribute significantly larger portions of current earnings or savings than expected by the federal guidelines, or borrow beyond their means.

■ STUDENT SHARE

Student contributions towards their education from work and savings are nearly constant across incomes for the University of Minnesota and the private colleges. Work and savings contributions from State University students are lower than the other two systems at virtually every income level. The average student at the University of Minnesota and the private colleges contributes nearly $2,100 in current income and savings to his or her education -- an amount that may reflect an upper bound expectation for student contributions. By comparison, Minnesota financial aid policy expects University of Minnesota students receiving financial aid to contribute more than $3,500. Private college students receiving financial aid are expected to contribute more than $6,000 — or nearly three times the current average student contribution from work and savings.

■ GRANTS AND LOANS

While grant aid from all sources represents a significant component of family financing packages, on average it does not represent more than 40 percent of the cost of attendance for even the lowest income families. With the exception of minimal contributions from savings, relatives and other sources, grant aid is the only thing standing between current income and debt for many families. The progressive distribution of grant aid notwithstanding, low and moderate income families in all three baccalaureate systems face the most significant burden (relative to their incomes) for funding the difference between the cost of attendance and grant aid.

Despite the significant financial burdens placed on low and middle income families, the proportion of full-time dependent students applying for financial aid reveals a systematic pattern of under-utilization. Nearly one in five families with incomes under $45,000 — families most likely to qualify for financial aid — have not applied for aid even though their child is attending full-time. While the survey could not clearly identify the reasons families may have for not seeking financial aid, the number of non-applicants indicates that aggregate need may be at least $50 million greater than previous estimates of $575 million.

Students with family incomes under $35,000 borrow nearly twice as much annually as those with incomes above $45,000. Lower income families borrow more in total dollars and more as a percent of their incomes. Average annual debt for private college students and parents with family incomes of less than $25,000 is between $3,500 and $4,000 — representing 15 percent to 40 percent of family income. Average debt for students and parents in the public systems with family incomes of less than $25,000 is between about $1,200 and $1,900 — or about five percent to 20 percent of family income.

Average debt for families with incomes between $30,000 and $55,000 never exceeds the average

annual dollar amount borrowed by low income families. In addition, debt levels of middle and upper income families never come close to the percentage of family income sacrificed by low income families. Predictably, families with incomes in excess of $55,000 borrow the least in total and as a percent of their income.

Despite the commitment of institutions and the government to need-based grant aid, low and moderate income families face a tremendous financial burden in paying for college — one which exceeds basic financial aid guidelines and which represents a greater level of effort than that faced by middle and upper income families. The cost burden helps to explain the underrepresentation of lower income families in all three baccalaureate systems. It appears that fewer lower income families are willing or able to take the financial risks necessary for them to pursue a baccalaureate degree in Minnesota.

■ SAVINGS

More than 56 percent of all Minnesota parents with dependent students enrolled in college have not saved or invested in preparation for their child's college education. Not surprisingly, families with the lowest incomes are least likely to save. However, even at incomes greater than $45,000, nearly half of all parents report that they have not saved. The savings practices of parents flies in the face of long held public policy expectations. State and federal higher education policies have consistently and historically acknowledged the primary role of the family in paying for college.

Perhaps not surprisingly given the condition of family resources, *more than one-third of all parents believe that their financial support will not keep pace with attendance costs and may even decrease before their son or daughter graduates.* Though low income families are most likely to reduce their financial support, one in four families with incomes greater than $50,000 also anticipate some reduction in their support for their children's college education.

In stark contrast, those who have saved for college contribute substantially more to their children's education than non-savers, regardless of income. Moreover, parents who have saved are 20 percent less likely to reduce their support than non-savers.

■ FAMILY CHOICES AND EXPECTATIONS

No less than 80 percent of all parents — across all incomes and systems — expect their son or daughter to finish college and earn a degree within five years. The responses bear little relation to actual completion rates — particularly in the two public baccalaureate systems. The finding is particularly significant because the survey included parents of freshman, sophomores and juniors. It suggests that the majority of parents expect their children to earn a degree within five years even though completion within that time is highly unlikely.

The vast majority of dependent students are committed to a traditional collegiate experience, irrespective of family income. Low income students are at least as likely, and in some cases more likely, to attend full-time and live away from home as middle and upper income students. More than 80 percent of all dependent students in the three baccalaureate systems took a full credit load and lived away from home during spring term 1992.

Most parents indicated that their son or daughter attends their first-choice institution. Perhaps surprisingly, high-cost institutions were the most likely first- choice for students with family incomes of less than $40,000. This suggests that low income families who have accepted the steep financial burdens

they will face to attend a Minnesota baccalaureate institution — public or private — make value judgements in favor of high cost institutions. It also suggests that the interaction of federal, state, and institutional grant aid is a powerful factor in sustaining college choice for those students committed to a baccalaureate education.

INDEPENDENT STUDENTS IN MINNESOTA

■ WHO ARE THEY?

The survey classified all students over age 24 as independent students. Consistent with financial aid policies, independent students were divided into four distinct groups for analytic purposes: single, single parents, married, married parents. Though the groups share the common pursuit of a baccalaureate degree, each faces distinct financial constraints and personal and professional obligations that compete directly with their educational goals.

Nearly half of all independent students are parents, with more than one in six identified as single parents. While all three systems have similar proportions of married non-parents, the systems diverge sharply for all other classifications. Single non-parents represent about half of all independent students at the private colleges and the University of Minnesota, while married parents constitute the largest group of independent students at the State Universities. State Universities also have the largest proportion of single parents.

Women comprise nearly 60 percent of all independent students in the three baccalaureate systems. Family status appears to be the most significant factor influencing system choice among women. Single women, for example, are more likely to attend private colleges, while married women without children most often attend State Universities. Single non-parent females select the University of Minnesota least often. In general, women make up a larger share of total independent student enrollment in the private colleges and State Universities than in the University of Minnesota, regardless of family status.

Female independent students are older than their male counterparts in all three systems, regardless of family status. The average female student is nearly four years older than the average male student (32.2 compared to 28.4). The participation and age of independent female students suggests an end, or at least a narrowing, in the long-standing disparity in male and female educational attainment.

Less than three percent of all independent students have already earned a baccalaureate degree. In all three systems, proportionately more married students than single students have attended or transferred from a two-year college. Among married students, one in five are the first in their household to attend college, and two-thirds are the first to seek a baccalaureate degree. Women comprise more than 60 percent of the "first generation" students. *Nearly 35 percent of all independent students work full-time.* The percentage of independent students working full-time and attending a State University or private college is virtually identical, and is nearly two times larger than the percentage of University of Minnesota students working full-time. However, the unemployment rate among independent students remains high, averaging 9.8 percent for male students and 7.4 percent for female students, both considerably higher than the Minnesota's overall unemployment rate. Single parents are the most likely to be unemployed or not seeking employment, while single non-parents are most likely to work at least part-time.

When taken altogether, independent students have family incomes significantly below those of dependent students. However, differences in family status reveal significant income differences among the various categories of independent students. The median income of single students is $8,600, compared to a median income of $34,000 for married students. Because the State Universities enroll the greatest percentage of married independent students, and the University of Minnesota the least, the median family income of independent students attending a State University is more than double that of University of Minnesota students. The private colleges sit squarely in the middle across all income ranges.

■ HOW DO THEY PAY FOR COLLEGE?

Family status and attendance patterns play a key role in understanding the ways in which independent students pay for college. The variations in financing largely depend on whether a student attends full-time or part-time. Credit load, in turn, is a function of family status. Under current financial aid guidelines, the likelihood that an independent student will receive assistance is linked both to credit load and, for many students, an income which nearly approaches the poverty threshold.

■ WORK AND SAVINGS

About 20 percent of the attendance costs of ***full-time*** *independent students are paid through current income and five percent through savings. For* ***part-time*** *independent students, employment and savings account for 25 percent to 30 percent of attendance costs.* Because attendance costs for independent students do not typically include room and board expenditures, independent student contributions are similar to contributions made by dependent students.

Like low income dependent students, the actual contributions of independent students with incomes under $15,000 typically exceed federal guidelines under Congressional Methodology. However, on average, low income independent students contribute only about $200 more than expected under federal rules. On the other hand, independent students with family incomes of greater than $20,000 (who collectively represent 42 percent of all independent students) actually contribute far less than expected under federal guidelines, suggesting that these students rely heavily on either loans or other third-party financing in order to pursue their education. Family status significantly influences the relationship of actual contributions to expected contributions. On average, single and married parents earning less than $20,000 contribute more than expected, while non-parents generally contribute less. In any case, the deviations from expected contribution levels challenge the Congressional Methodology as a realistic needs analysis.

Like their dependent student colleagues, *the majority of independent students do not save; only one in five independent students saved or invested for their college education.* Not more than 40 percent of any of the independent student groups indicated that they had saved for their college education. Surprisingly, single non-parents — the poorest of the four independent student groups — are the most likely to have saved. Savings rates for single non-parent students exceed those of their married and parent counterparts in all three systems.

Nearly half of all independent students (47 percent) expect to reduce their financial commitment before they graduate. Low income single students and married students with family incomes above $20,000 are most likely to reduce their financial commitment. University of Minnesota students are more likely to decrease their financial commitment than students in either the State Universities or the private colleges, regardless of family status.

■ GRANT AID

For most independent students, grant aid constitutes the major source of funding for college. This is true for both full-time and part-time students, even though grants account for five to ten percent less of the financial aid package for part-time students than for full-time students.

Like dependent students, significant numbers of independent students do not apply for financial aid even though they attend full-time. *Though they typically have the lowest incomes, single independent students, including both parents and non-parents, are least likely among all independent students to apply for financial aid.*

■ OTHER FUNDING SOURCES

Unlike dependent students, independent students often receive financial assistance from third party sources. *For low income independent students, third party funding represents more than five percent of the cost of attendance. However, for independent students with incomes greater than $40,000, third party sources represent about ten percent of the cost of attendance.* Employer and Veteran's Administration benefits represent the two most common sources of "other income." Third party financing for dependent students consistently accounts for less than two percent of total cost.

■ LOANS

For both full-time and part-time independent students, loans typically represent between 30 percent and 40 percent of the college financing package. Not surprisingly, higher income part-time students typically borrow less than all other independent students. Independent students attending the University of Minnesota borrow more as a percentage of attendance costs than students attending either the State Universities or the private colleges.

■ STUDENT CHOICES AND EXPECTATIONS

Collectively, 45 percent of all independent students anticipate that completing college will require six or more years. Nonetheless, nearly all independent students plan to acquire a baccalaureate degree. Interestingly, expected time to completion of independent students more closely resembles actual rates for *all* students in both the State Universities and the University of Minnesota.

Independent students have more complex attendance patterns than dependent students. Term-to-term credit loads vary significantly and periodic enrollment disruptions are more common. As expected, credit loads also vary by family status. As independent students move up in age and income, changes in family status from single to married become more likely. At the same time, credit load reductions also become more likely, with students dropping from full-time to part-time status. The State Universities, who have the highest percentage of married students, have the most part-time students. On the other hand, the University of Minnesota, with the most single students, has the highest percentage of full-time students.

During spring term 1992, 57 percent of all independent students took a full-time credit load (12 or more credits), 18 percent took six to eleven credits, 14 percent took less than six credits, and the remainder did not attend. While credit load patterns vary by system, married students were consistently less likely to take full-time loads than single students.

Students with incomes under $5,000 are more likely to attend full-time than students from all other

incomes, regardless of family status. In other words, those students least likely to be working take the largest credit loads.

As with dependent students, *the overwhelming majority of independent students attend their first-choice institution.* However, family and employment circumstances often limit the student's institutional choices. Not surprisingly, about 22 percent of all independent students did not indicate a second-choice institution.

■ LOOKING TO THE FUTURE: CONCLUSIONS

1. *State and federal higher education financing policies require a much greater income commitment and a significantly larger debt burden for low income families than for high income families.* This clearly indicates that access to higher education is at least partly linked to ability to pay. In general, families with incomes under $40,000 commit as much as five times their expected contribution under federal guidelines. This challenges the present needs analysis and the adequacy of current grant aid. In addition, it raises serious questions in Minnesota about the variance between actual parent budgets and the budgets used by the Higher Education Coordinating Board to award State Grants.
2. *Students from wealthier families are more likely to attend college — public or private — than those from poor families.* Participation from low income families is significantly lower than it should be in terms of their representation in the total population. To the extent that parental educational attainment is linked to student participation, this finding reinforces the trend of increasing polarization among social and economic classes. Parents who have not attended at least some college are the least likely to have children who pursue baccalaureate degrees.
3. *Contrary to popular belief, Minnesota's three baccalaureate degree-granting systems serve families with similar economic and social characteristics.* The long-held myth of private colleges as exclusive enclaves for the wealthy is unfounded in Minnesota.
4. *Financial aid is not fully utilized.* Despite changes in family budgets and need, fewer dependent and independent students apply for aid than should be expected. Conservatively, ten percent more Minnesota families should apply for aid than currently do. This suggests the need to review current strategies for distribution of financial aid information.
5. *Families do a poor job of preparing for college.* Those who save are far more likely to sustain their financial support throughout their children's or their own college education. Sustained or increased family commitments, particularly among those most able, allows public policymakers to direct limited resources to those students and families most in need.
6. *Low income students seek the same traditional college experience as students from families with high incomes.* As a group, low income students take the same course load and are as likely to live away from home as their higher income colleagues. In addition, the vast majority of parents across all income levels expect their son or daughter to complete a college degree within five years. This questions the use of state financial aid to increase student course loads by rationing aid to part-time students while holding non-aid recipients harmless.

THE SURVEY

The Minnesota family financing study was designed to address a number of critical gaps in our collective understanding of who attends college and how families finance postsecondary education. The survey was organized around four areas of inquiry: demographic, social and economic characteristics of families; cost of college and sources of funding; patterns of attendance and utilization; and institutional choice.

The survey population consisted of the known universe of freshmen, sophomores and juniors whose families are Minnesota residents and who attended any of Minnesota's 26 public or private baccalaureate degree-granting campuses during fall term 1991. Families responding to the survey were asked a total of 35 questions. Dependent and independent students received slightly different questionnaires to accommodate differences in support and household composition.

Because the family rather than the student is the subject of our analysis, the survey instrument for dependent students was designed for completion by parents, while the questionnaire for independent students was addressed to the students themselves. The survey used a random sample proportionately distributed among institutions and by population characteristics to insure fully projectable results. The study used four criteria to establish student quotas: credit load, dependency status, academic level and institution of attendance.

With an initial sample of 8,001 students, the survey achieved a 68.7 percent response rate before adjusting for households with missing or incorrect addresses or phone numbers. The response rate was more than ten percent greater than the rate determined as necessary for providing projectable findings (60 percent).

The family financing survey was administered using two mail waves and a telephone follow-up of non-respondents. The mail waves were sent in June 1992, with phone calls beginning in July 1992. All phone interviewers participated in training sessions, and interviewer calls were regularly monitored for quality control. When calling households, interviewers made allowances for as many as six attempts at contact before a family was classified as unreachable.

With a total of *5,347 completed interviews, the survey represents about a one in fifteen sample for each of the three baccalaureate systems.* Adjusting for families who could not be contacted raises the survey's participation rate to 85.9 percent for families of dependent students and 89.1 percent for independent students. The sample margin of error is plus or minus three to eight percent, with a 95 percent level of confidence. Dependent students represented 78.7 percent of completed interviews, while independent students represented 21.2 percent.

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