

# INDEPENDENT STUDENT POLICIES AND PRACTICES IN MICHIGAN

*Research Committee of the Michigan Student Financial Aid Association*

Much has been written of late with regard to the subject of financial aid and the "independent" or self-supporting student. As might be expected these discussions often focus upon such topics as philosophic aspects of an equitable definition for such students,<sup>1</sup> legal implications of such status,<sup>2</sup> or financial ramifications of various postures of the topic.<sup>3</sup>

## *The Problem*

Relatively little appears to be available, however, in the way of actual data regarding existing institutional policies and practices in this area. The availability of such a data base would appear to be a necessary prerequisite for meaningful planning and consideration of alternatives. As the *Draft Final Report* of the National Task Force on Student Aid Problems (Keppel Task Force) indicated:

"The absence of policy, procedural, and operational information creates two classes of problems for the individual program administrators:

1. Problems related to the operational aspects of each program as its activities supplement, complement, or in some cases, contradict the activities of other programs;
2. Problems related to long-range program planning, development and modification among financial aid programs."<sup>4</sup>

The need for a better understanding of the relative magnitude of the self-supporting student issue and its related policy components is noted by Hensley in his report on the survey sponsored by the College Scholarship Service Western Region Subcommittee on Needs Analysis.<sup>5</sup>

Material for this article was edited from a recent independent student questionnaire study undertaken by the Research Committee of the Michigan Student Financial Aid Association in November of 1974. Committee members who participated in this joint effort include Editor and Committee Co-Chairman, Lee Peterson, Committee Co-Chairman, Marvin Winegar; Sister Xavier Barton; James Dryer; Kenneth Fridsma; Robert Kinsman; Gladys Rapoport; Robert Warner; Riley Whearty.

With these concerns in mind, the Michigan Student Financial Aid Association (MSFAA), in the fall of 1974, charged its Research Committee with the development of a questionnaire which would systematically review its constituency with regard to the following areas:

1. The relative magnitude of the independent student population in Michigan.
2. Identification of institutional policies in a variety of areas pertaining to the independent or self-supporting student.
3. Indication of various budget allotments currently in use for such students.
4. Indication of perceived "ideal" as opposed to "actual" policies pertaining to aid administration with regard to this category of student.

This article represents an abstract of the full report of the results of that survey.

#### *The Michigan Survey*

The survey instrument was distributed in November, 1974, and usable returns were received from 64 of 87 Michigan colleges and universities (74%) offering undergraduate programs.

While only some 15% of the respondents were able to provide information regarding the relative number of independent or self-supporting students found within their 1974-75 aid applicant population, those responding indicated that this category of applicant represented on the average some 16% of the overall aid applicant pool for the year in question. From separate information from 1974-75 Tripartite Applications for Michigan colleges and universities it is known that there are roughly 100,000 college or university financial aid applicants within the State each year. Projecting this admittedly rough percentage of reported independent or self-supporting students to the overall aid applicant population, it is possible that there may presently be on the order of 16,000 such aid applicants in Michigan. This is assuredly an unrefined estimate, however, and would warrant further validation.

The next main section of the survey asked for information pertaining to various institutional policies regarding the independent or self-supporting aid applicant. First of all in this regard it is important to note that approximately 80% of all respondents reported that they were adhering to the present federal criteria of independent status (federal tax deduction, \$600 ceiling on parental contribution and maximum two week continuous residency in the home). It can be observed, however, that roughly 42% of the respondents indicated that documented payment of room and board within the home could be substituted for separate residence. Those institutions utilizing this alternative indicated formal payments of roughly \$100 per month were required if the student was to qualify for this option. In addition, over 30% of the respondents indicated that marital status, military service, or evidence of ability to support ones self were considered as well in making final decision regarding individual eligibility for independent or self-supporting status.

Turning to the related question of independence from spouse for purposes of financial aid consideration; roughly 65% of all respondents indicated that evidence of formal divorce or legal separation was required before their institution would waive consideration of spouse resources.

The survey also asked a series of questions pertaining to institutional policies regarding the actual processing and packaging of financial assistance for independent or self-supporting students. Here some 95% of the respondents noted that the age of the independent applicant did not affect either the student budget used or the rate at which student income was taxed in the determination of need. Approximately 78% of the respondents noted that they used the College Scholarship Service (CSS) Student Financial Statement (SFS) in the processing of aid applications from independent students on their respective campuses. For the most part respondents (70%) indicated that they adhered to established CSS methodologies in dealing with independent student assets, although approximately 11% did say that student assets were not formally taxed. Several others reported individualized assessment procedures which provided for differential treatment of liquid and nonliquid student assets. With regard to the period of time over which independent applicant resources were considered for purposes of determining eligibility for 1974-75 awards, 47% of the respondents noted that their institutions reviewed the current fiscal year (7/1/74 - 6/30/75), while 25% reportedly scrutinized basic calendar year data (1/1/73 - 6/30/74). The remainder of the respondents reportedly considered academic year financial data itself.

In terms of actual award policy, 75% of the responding Michigan colleges and universities indicated that they did provide "gift" aid (scholarships/grants) to independent students. Thus, some 25% of the respondents are presently limiting independent student funding on their campuses to "non-gift" resources (loans and work options). Of those reportedly offering "gift" aid options to independent students, some 61% noted that their institutional packaging philosophy (in terms of percentage of "gift" aid allotted) for independent students was no different than that for dependent aid applicants. Those noting a differential policy regarding percentage of "gift" aid packaged for independent, as opposed to dependent students, reported use of either a ceiling of some sort (direct educational costs, etc.), or a reversal in packaging priorities (self-help first, etc.) for independent applicants. In terms of overall (gift and non-gift) funding philosophy for independent aid applicants, some 45% of the respondents indicated that such students were being supported only to the extent of direct educational expenses. Thirty-eight percent (38%), however, reported that their philosophy was to fund independent applicants to the full amount of their expense budget as demonstrated need might indicate. The remainder of the respondents indicated an overall funding ceiling of some amount other than direct educational costs for independent students.

### *Independent Student Budgets*

Another area of concern to many financial aid administrators who deal with independent or self-supporting students is the development of equitable expense budgets for such applicants. The student expense budget building process is a complex art which requires insight and knowledge of various expenditure patterns and the overall cost of living. The third major segment of the Michigan Student Financial Aid Research Committee survey broached this issue by asking each school to submit information regarding the various expense allowances that were provided in their institution's 1974-75 independent or self-supporting student budgets. Approximately 89% of the respondents provided this data. Table I summarizes the range of reported expense allowances utilized by the respondents and provides an average figure for each major budget category listed.

While such average expense allowances figures would of course, not accurately reflect the specific budget needs of any particular institution with its own unique circumstances, they do provide aid administrators with some reflection of the contemporary thinking and judgment of a number of their peers in this controversial and little known area.

### *Respondent's Recommendations*

The last major section of the survey instrument asked each respondent to "shift gears" mentally from a systematic reporting on existing policies and practices, to the development of their own "ideal" system of independent student aid analysis. No major departures from predominate policies and procedures were noted in reviewing the responses to this essentially theoretical exercise. The majority of the respondents opted for a definition of independent or self-supporting status based upon some demonstrable measures of economic independence from the family home; as opposed to either the "age of majority" philosophy on the one hand, which would postulate automatic release from parental responsibility once a certain minimal age had been reached, or the more conservative posture on the other hand which would make parental participation a pre-requisite to any formal financial aid consideration whatsoever. The criteria of "yard sticks" suggested as a measure of such independent status closely resembled the factors presently in use — separate residency, parental federal tax deduction status, and parental dollar contribution limitation. The only additional parameter which received sizeable support (38% all respondents) was the inclusion of some systematic measure of evidence of self-support or individual maintenance. The specifics of such a measure were not made clear, but the implication appeared to be that truly "self-supporting" individuals should be able to document their separate living capabilities. The College Scholarship Service Student Financial Statement was the needs assessment document favored by the majority of the respondents.

In terms of processing philosophy, some 73% of the respondents favored including needs analysis as a pre-requisite for all types of aid. Only 16% of those responding favored utilizing formal needs analysis procedures for "gift" aid sources alone (11% nonresponse to this question). Similar-

ly, some 56% of the respondents favored limiting financial assistance for self-supporting students to direct educational expenses. On the other hand, roughly 31% of those responding to this question favored packaging aid to the full budget in question for independent or self-supporting students if sufficient need was present (13% nonresponse to this question).

Finally, the survey asked each respondent to indicate whether any research regarding the independent student had been completed on their respective campus. Only 18% of all respondents indicated that any such formal analysis had been done. Typically, those studies conducted emphasized budget factors and demographic data.

In conclusion, this paper presents a summary of the results of a much more extensive survey regarding the independent student which has been undertaken by the Michigan Student Financial Aid Association. It highlights reported data pertaining to the overall magnitude of the independent or self-supporting student situation at Michigan colleges and universities, various processing policies and procedures that are now being used with regard to such students, average budget allowances presently being utilized, and perceived "ideal" processing system components for the analysis of this controversial population.

#### SUMMARY

The results of this limited survey also clearly indicate the need for further work in this area. For example, from this initial review it is noted that:

- a. a relatively small percentage of schools can readily identify the magnitude of their independent student aid applicant population,
- b. a wide range of categorical budget allocation amounts are presently in use for independent students,
- c. few schools have evidently undertaken actual research in this area,
- d. there appears to be little clear conceptualization regarding an "ideal" system of independent student analysis.

The overall range of responses and incompleteness of the data underscore the importance of undertaking further research in this area.

It is hoped that a meaningful data base can be generated to provide practicing aid administrators with a more comprehensive backdrop against which their institutional policies and procedures can be regularly scrutinized.

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1. See for example:

- a. Curtis, Grant, "Emancipation, Divorce, Separation, Dependency; Who Should Provide Family Information?" *The Journal of Student Financial Aid*, Vol. 5, No. 2, May, 1975, pp. 40-43.
- b. Seward, Charles W. III., "An Examination Of The Independent Student and the Philosophy of Student Financial Aid", *The Journal of Student Financial Aid*, Vol. 2, No. 3, Nov., 1972, pp. 5-9.
- c. Stickgold, Arthur, "The Social and Psychological Implications of Student Independence", in *Who Pays Who? Who Benefits?*, A National Conference on The Independent Student, CEEB, NY, 1974, pp. 45-72.
- d. Van Dusen, William D., "Alternative Definitions of the Self-Supporting Student", *The Journal of Student Financial Aid*, Vol. 5, No. 2, May, 1975, pp. 30-33.

2. See for example:
  - a. Barkin, Thomas G. "Legal Implications of the Office of Education Criteria for the Self-Supporting Student", Discussion Paper No. 222-74, University of Wisconsin Institute for Research on Poverty, Madison, Wisconsin, Sept., 1974.
  - b. Young, D. Parker, "Ramifications of the Age of Majority", Prepared for the Council of Student Personnel Associations in Higher Education 1973.
  - c. "The Legal Ramifications of Student Independence", in *Who Pays? Who Benefits? A National Conference on the Independent Student*, CEEB, NY, 1974, pp. 27-41.
3. See for example:
  - a. Hansen, W. Lee, "The Financial Implications of Student Independence", in *Who Pays? Who Benefits? A National Conference on the Independent Student*, CEEB, NY, 1974, pp. 10-26.
4. *Draft Final Report*, National Task Force on Student Aid Problems, Brookdale, California, March, 1975, p. 60.
5. Hensley, Marvin R. "The Self-Supporting Student: Trends and Implications", *The Journal of Student Financial Aid*, Vol. 4, No. 2, June, 1974, p. 23-29.
6. Copies of the full survey report and data collection instrument are available upon request from the co-chairpersons of the Committee as cited in the preface to this article.

I. 1974-75 NINE MONTH FULLTIME INDEPENDENT STUDENT BUDGET ALLOWANCES

Nine Month Budget Item

Budget Type/School Type	Average Room and Board Allowance		Average Dependent Allowance		Average Book Allowance		Average Travel Allowance		Average Misc. Allowance	
	Range	Average	Range	Average	Range	Average	Range	Average	Range	Average
Single - 0 Dependents										
a. Community Colleges	\$ 960-2,100	\$1,200			\$100-200	\$150	\$260-600	\$350	\$ 90- 780	\$400
b. 4-Yr. Public Schools	\$1,239-2,475	\$1,500			\$120-210	\$150	\$ 50-570	\$400	\$200- 900	\$500
c. Private Colleges	\$ 900-3,000	\$1,800			\$ 70-600	\$200	\$100-600	\$350	\$200-1,000	\$500
Single - 1 Dependent										
a. Community Colleges	\$1,000-2,100	\$1,500	\$ 495-1,800	\$ 600	\$100-200	\$150	\$300-800	\$400	\$210-1,080	\$500
b. 4-Yr. Public Schools	\$1,276-3,655	\$2,300	\$ 400-1,000	\$ 700	\$120-210	\$150	\$200-700	\$500	\$340-1,400	\$700
c. Private Colleges	\$ 900-3,000	\$2,000	\$ 450-1,000	\$ 800	\$ 70-600	\$200	\$100-600	\$350	\$200-1,000	\$500
Single - 2 Dependents										
a. Community Colleges	\$1,000-1,815	\$1,500	\$1,400-3,200	\$1,200	\$100-200	\$150	\$300-800	\$400	\$210-1,080	\$500
b. 4-Yr. Public Schools	\$1,300-3,655	\$2,300	\$ 800-2,000	\$1,400	\$120-210	\$150	\$200-700	\$550	\$340-1,400	\$700
c. Private Colleges	\$ 900-3,000	\$2,000	\$ 900-2,000	\$1,600	\$ 70-600	\$200	\$100-600	\$350	\$200-1,500	\$650
Single - 3 Dependents										
a. Community Colleges	\$1,000-2,325	\$1,800	\$1,800-3,600	\$2,000	\$100-200	\$150	\$300-800	\$400	\$210-1,080	\$500
b. 4-Yr. Public Schools	\$1,276-3,655	\$2,300	\$1,200-3,500	\$2,100	\$120-210	\$150	\$200-700	\$550	\$340-1,400	\$750
c. Private Colleges	\$ 900-3,500	\$2,100	\$1,400-3,000	\$2,100	\$ 70-600	\$375	\$100-600	\$375	\$200-2,000	\$925

### I. 1974-75 NINE MONTH FULLTIME INDEPENDENT STUDENT BUDGET ALLOWANCES

Budget Type/School Type	Nine Month Budget Item		Average Dependent Allowance		Average Book Allowance		Average Travel Allowance		Average Misc. Allowance	
	Average Room and Board Allowance		Range	Average	Range	Average	Range	Average	Range	Average
	Range	Average	Range	Average	Range	Average	Range	Average	Range	Average
Married - 0 Other Dependents										
a. Community Colleges	\$1,000-3,900	\$2,125			\$100-200	\$150	\$300-800	\$400	\$ 90-1,080	\$ 400
b. 4-Yr. Public Schools	\$2,250-3,655	\$2,840			\$120-210	\$150	\$200-800	\$600	\$200-1,400	\$ 750
c. Private Colleges	\$ 900-4,050	\$2,200			\$ 70-600	\$375	\$100-900	\$500	\$200-2,400	\$1,000
Married - 1 Other Dependent										
a. Community Colleges	\$1,000-3,900	\$2,400	\$ 600-1,000	\$ 800	\$100-200	\$150	\$300-800	\$450	\$210-1,080	\$ 500
b. 4-Yr. Public Schools	\$2,250-3,800	\$2,900	\$ 400-1,000	\$ 700	\$120-210	\$150	\$200-825	\$610	\$340-1,400	\$1,020
c. Private Colleges	\$ 900-5,200	\$2,325	\$ 450-1,000	\$ 800	\$ 70-600	\$375	\$100-900	\$500	\$200-2,500	\$1,100
Married - 2 Other Dependents										
a. Community Colleges	\$1,000-4,300	\$2,600	\$1,200-2,000	\$1,600	\$100-200	\$150	\$300-800	\$450	\$210-1,080	\$ 550
b. 4-Yr. Public Schools	\$2,250-3,800	\$2,900	\$ 800-2,000	\$1,400	\$120-210	\$150	\$200-825	\$610	\$340-1,400	\$1,020
c. Private Colleges	\$ 900-5,200	\$2,325	\$ 900-3,000	\$1,600	\$ 70-600	\$375	\$100-900	\$500	\$200-2,500	\$1,100
Married - 3 Plus Other Dependents										
a. Community Colleges	\$1,000-5,100	\$2,800	\$1,400-3,000	\$2,100	\$100-200	\$150	\$300-800	\$450	\$210-1,080	\$ 600
b. 4-Yr. Public Schools	\$2,250-3,800	\$2,950	\$1,200-3,500	\$2,100	\$120-210	\$150	\$200-825	\$610	\$340-1,400	\$1,020
c. Private Colleges	\$ 900-5,200	\$2,325	\$1,500-3,200	\$2,150	\$ 70-600	\$375	\$100-900	\$500	\$200-2,500	\$1,100