

AN ABSTRACT OF THE THESIS OF

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Title: Preferred Criteria for Determining Independent Student Status
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Abstract approved:

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According to some people in the field of financial aid administration the present criteria used to determine independence for financial aid purposes are arbitrary, difficult to verify, and inequitable for some students. Administrators in financial aid have also indicated that the definition of the independent student is highly controversial and changes are called for. There appears to be little clear conceptualization regarding an "ideal" system of independent student analysis.

The impact of the lowering of the age of majority has had direct implications in the financing of post-secondary education. The time-honored assumption that parents have the primary responsibility for the college education of their children is being increasingly challenged, creating a situation that could shake the financial base upon which American higher education is built. Financial aid officers at colleges and universities across the country are concerned about the increasing

number of students who declare themselves independent of their parents and who insist that they be considered for financial aid regardless of their parents' financial situation.

According to present federal regulations, an independent student is one who:

1. Has not and will not be claimed as an exemption for Federal income tax purposes by any person except his/her spouse for the calendar year prior to the academic year for which aid is requested, and
2. Has not received and will not receive financial assistance of more than \$600 from his/her parent(s) in the calendar year(s) in which aid is received and the calendar year prior to the academic year for which aid is requested, and
3. Has not lived and will not live for more than two consecutive weeks in the home of a parent during the calendar year(s) in which aid is received and the calendar year prior to the academic year for which aid is requested.

According to the proposed regulations of the Office of Education the two week residence restriction may be extended to six weeks; the tax exemption requirement would cover the previous two calendar years; the amount of financial assistance from parents would be raised to \$750.

Based upon the results of this study, two alternative models of the independent student have been developed. The study consisted of a questionnaire given to Oregon State University financial aid applicants and to financial aid administrators from the State of Oregon to determine their preferences for criteria to determine the independent student.

The Student model defines an independent student as one who:

1. Provides at least 51 percent of the cost of his/her own support, and
2. Has not and will not be claimed as an exemption for Federal income tax purposes by any person except his/her spouse for the calendar year(s) in which aid is received and the calendar year prior to the academic year for which aid is requested.

The administrator model defines an independent student as one who:

1. Has not and will not be claimed as an exemption for Federal income tax purposes by any person except his/her spouse for the calendar year(s) in which aid is received and the calendar year prior to the academic year for which aid is requested, and
2. Has not received and will not receive financial assistance of more than \$750 from his/her parent(s) in the calendar year(s) in which aid is received and the calendar year prior to the academic year for which aid is requested, and
3. Has not lived and will not live for more than six consecutive weeks in the home of a parent during the calendar year(s) in which aid is received and the calendar year prior to the academic year for which aid is requested.

PREFERRED CRITERIA FOR DETERMINING
INDEPENDENT STUDENT STATUS FOR
FINANCIAL AID PURPOSES

by

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PREFERRED CRITERIA FOR DETERMINING
INDEPENDENT STUDENT STATUS FOR
FINANCIAL AID PURPOSES

INTRODUCTION

The independent student question or issue, in regards to financial aid, concerns and affects both administrators and students. The issue at stake is the question, "What constitutes an 'independent' or 'self-supporting' student?" By asking Oregon State University financial aid applicants and financial aid administrators from the State of Oregon this study attempts to answer that question.

Statement of the Problem

Some administrators and students find fault with the present criteria used to determine the "independent" or "self-supporting" student for purposes of financial aid. The present criteria are a part of Federal regulations which Oregon State University is required to use to administer its financial aid programs. The problem includes five major dimensions:

1. The present criteria are arbitrary, difficult to verify, and inequitable to some students. (Research Committee, MSFAA, 1976)
2. The Office of Education, the National Association of Student Financial Aid Administrators Committee on Emancipation, and other commissions have indicated that the definition of independent students is highly controversial and changes are called for.

3. There appears to be little clear conceptualization regarding an "ideal" system of independent student analysis.
4. A relatively small percentage of schools can readily identify the extent of their independent student aid applicant population. (Research Committee, MSFAA, 1976)
5. Little research has been conducted in this area.

Purpose of the Study

The purpose of this study was to determine if Oregon State University financial aid applicants and student financial aid administrators from the State of Oregon felt that the present criteria were adequate and equitable or whether a different set of criteria should be used. This was accomplished through a questionnaire in which the present criteria were intermixed with possible alternatives. The respondents were instructed to answer "yes" or "no" to possible criteria that could be used to determine independence. The responses of students and administrators were compared to determine any significant differences between the two groups. They were also given the opportunity to place in rank order different factors that could be used to determine independence. A comment section was provided, to enable respondents to offer their own suggestions and ideas for possible criteria. If a large percentage pick criteria not presently used, then that would indicate that people did not think that the present criteria are adequate or equitable and that changes are called for. Implications are drawn from the results and recommendations will be given to the Oregon Association of Student Financial Aid Administrators and other interested parties.

Background for the Study

Approximately fifteen million young people now are finding they can own property outright, borrow money in their own names, and participate in a host of other activities that once were denied them until the age of twenty-one. This new-found freedom began in 1970 when Congress passed a law giving eighteen year-olds the right to vote in national elections. In June, 1971, the Twenty-Sixth Amendment to the Constitution extended the franchise to these youths in state and local elections. Since then, forty-three of the fifty states have granted other rights of an adult to young people when they reach the age of eighteen. The impact of the lowering of the age of majority has had direct implications on the financing of postsecondary education. The time-honored assumption that parents have the primary responsibility for the college education of their children is being increasingly challenged, creating a situation that could shake the financial base upon which American higher education is built. (Mac Donald, Lawrence, Burnett, 1976)

Financial aid officers at colleges and universities across the country are concerned about the increasing number of students who declare themselves independent of their parents and who insist that they be considered for financial aid regardless of their parents' financial situation. Many institutions report increasing instances in which students are declaring themselves independent of their families. This trend was reported to the Special Subcommittee on Education of the Committee on Education and Labor of the House of Representatives.

Curtis, writing for the College Scholarship Service, also reported this trend. (MacDonald, Lawrence, Burnett, 1976)

"Once a student has reached the age of majority and is not claimed by his/her parents as a dependent for income tax purposes," says D. Parker Young, an associate professor of higher education of the University of Georgia, "it will be most difficult to convince the courts that criteria related to the parents must be considered in the student's application for financial aid." (MacDonald, Lawrence, Burnett, 1976)

According to present federal regulations, an independent student is one who:

1. Has not and will not be claimed as an exemption for Federal income tax purposes by any person, except his/her spouse for the calendar year(s) in which aid is received and the calendar year prior to the academic year for which aid is requested, and
2. Has not received and will not receive financial assistance of more than \$600 from his/her parent(s) in the calendar year(s) in which aid is received and the calendar year prior to the academic year for which aid is requested, and
3. Has not lived, or will not live for more than two consecutive weeks in the home of a parent during the calendar year(s) in which aid is received and the calendar year prior to the academic year for which aid is requested.

In the July 12, 1977, issue of the Federal Register, the Office of Education, proposed a revised set of criteria to define the independent student. The proposed regulations were to go into effect

during the 1977-78 academic year. Response to this notice of proposed rulemaking has caused the Office of Education to postpone implementation of the proposed regulations until further study and hearings are held. At the present time there is no official word on the status of the proposed regulations.

According to the proposed regulations, the two week residence restriction may be extended to six weeks; the tax exemption requirement would cover the previous two calendar years; and the amount of financial assistance from parents would be raised to \$750.

The purpose of the test for independence in determining financial aid awards is to determine whether or not the student actually is financially independent of his/her parents. If the student is dependent, then family resources are considered in determining whether or not the student is financially needy. If the student is independent, then only the student's resources are assessed in order to determine whether the student is needy.

To many state and institutional financial aid program managers and to substantial numbers of the students they seek to serve, the independent student definition is less than satisfactory. It is arbitrary, difficult to verify, and inequitable to some students - such as a 35-year-old divorced woman with children who, for reasons of health, lives with her parents for 15 days so that they can care for her children. Her actions would cause her to lose her independent student status. (Van Dusen, 1975)

Another example:

"As a person with her own household, I resent the fact,

and find it humiliating, that I need to swear in front of a notary (and pay money besides) to verify that my parents are not supporting me or contributing money. Point of fact - they're dead. I wrote that in capital letters on my authorization, and I still had to go to a notary to verify this." (CSS Student Advisory Committee, 1976)

Throughout the CSS Student Advisory Committee hearings, repeated testimony was heard about the problems experienced by independent students in obtaining financial assistance. Problems cited included, but were not limited to, the following:

1. Federal and state guidelines for establishing independent status were a source of confusion and frustration for many students (and evidently for some aid officers). Frequently at odds with each other, the regulations in any case did not seem to reflect what many students saw as legal and social realities, nor did they adequately cover the broad range of circumstances in which students actually were (or perceived themselves to be) independent of parental support.
2. Assumptions about dependence often failed to reflect significant cultural differences in the society at large and thus effectively discriminated against genuinely needy students.
3. Many aid offices required students, regardless of age, to produce parental affidavits of nonsupport and often denied applicants aid if their parents refused to present such documentation. (CSS Student Advisory Committee, 1976)

But students are not the only ones frustrated by the present

criteria who are seeking changes in the definition of the independent student. Michael Pernal, a financial aid officer states:

"What makes the independent student problem so perplexing is that, because federal and state funds have not dramatically increased, the increase in self-supporting students has had a negative impact on all student applicants. As independent students drain off more and more of limited resources, the ability of the aid officer to assist all eligible students decreases . . . the legitimate independent student, who is deprived of access to parental support because of circumstances beyond his/her control, is harmed by the student who beats the system. Such students usually come from middle and/or upper-middle-income families and are sophisticated at seeking loopholes in the various regulations. Their ability to obtain aid, in the long run, hurts the chances of those for whom many aid programs were created . . . In short, all of the inequities and inconsistencies that students voice with respect to financial aid administration are crystallized in the independent student dilemma. These inequities create the greatest frustrations for both students and administrators who see sources of revenue shrinking as budgets rise. In my opinion tougher regulations are needed to insure fairness." (Pernal, 1976)

THE RELATED RESEARCH

Dallas Martin, Executive Secretary of the National Association of Student Financial Aid Administrators states the following:

"Like the Office of Education, the higher education community has become increasingly concerned that the definition of the independent student is less than satisfactory in that it is arbitrary, difficult to verify and exceedingly unfair to some students. While there is general agreement among practicing financial aid administrators that such students exist, there is no clear consensus as to how to distinguish between a truly independent student and one who realistically has parental resources available. Consequently, in the past several years numerous conferences, seminars and position papers have addressed this concern. Unfortunately, however, there has been little progress, and minimal agreement in arriving at a more equitable definition of an independent student." (Martin, 1977)

Limited research of a substantive nature has been conducted in the area of the independent student. Most discussions concerning the subject of financial aid and the independent student focus upon such topics as philosophic aspects of an equitable definition for such students, legal implications of such status, or financial ramifications of various postures of the topic. (Hansen, 1974)

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." (National Task Force, 1975)

The Michigan Student Financial Aid Association (MSFAA), in the Fall of 1974, charged its Research Committee with the development of a questionnaire 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.

The results of this limited survey indicated the need for further work in this area. For example, it was noted that:

1. A relatively small percentage of schools can readily identify the magnitude of their independent student aid applicant population.
2. A wide range of categorical budget allocation amounts are presently in use for independent students.
3. Few schools have evidently undertaken actual research in this area.
4. 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. (Research Committee, MSFAA, 1976)

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 whether proportions of self-supporting students were rising in institutions of higher education of the Western Region. An attempt was made to obtain some qualitative measure of the problems and of the rate of increase in proportions of self-supporting students.

Hensley found that higher proportions of self-supporting students appear when it is easier to file as self-supporting than as a dependent student. When no parental statements are required attesting to financial independence there are higher proportions of self-supporting students than when parental financial statements or affidavits of non-support are required. According to Hensley, the problems of administration of self-supporting students can only increase if their proportions continue to increase; there is every indication that will happen. Based on future investigations of the self-supporting student, recommendations for minimizing administrative problems for most institutions of higher education will be forthcoming. (Hensley, 1974)

In the opinion of William D. Van Dusen, an independent educational consultant, the independent student problem is really that of distribution of resources rather than definition. The financial implications of expanded definitions of self-supporting students are

frightening. Assuming that there are about 7.5 million undergraduate students enrolled in postsecondary education, the net loss through foregone parental contribution would be around \$2 billion. Continued reliance on definitions frequently fail to recognize the real situations of students. One alternative to unrealistic definitions which attempt to ration limited resources is a reallocation of priorities to direct more of the gross national product into support for students in post-secondary education. (Van Dusen, 1975)

A diligent search of the literature in financial aid publications, Office of Education publications, and other documents reveals no other relevant studies.

DESIGN OF THE STUDY

The present study was designed to determine the preferences of Oregon State University financial aid applicants and of all financial aid administrators in attendance at the 1977 Fall meeting of the Oregon Association of Student Financial Aid Administrators for criteria to determine the independent student.

This researcher assumed that both students and administrators would select criteria to determine independence for purposes of financial aid, that are not presently used. It was also assumed that there would be significant differences between the responses of students and administrators.

This researcher assumed that students would select criteria that emphasize such factors as: age, marital status, veteran status, longer residence with parents, larger amounts of financial assistance from parents, and any criteria judging independence that are easier to achieve.

On the other hand, it was assumed that administrators would select criteria that might be stricter than that presently used, or criteria that might be easier to verify, such as age and/or marital status. Administrators generally accept the word of students and parents concerning length of residence in the parents' home and the amount of money students receive from their parents. Not everyone acts in good faith and it is impossible to verify what students and parents state on the financial aid application.

The above assumptions were based upon this researcher's experience in the financial aid office at Oregon State University. Many students expressed dissatisfaction with the present criteria used to determine the independent student for purposes of financial aid. Students complained that the present criteria were difficult to achieve and unfair in some instances. In addition, some administrators expressed alarm over the growing number of independent students that demonstrated high financial need. It was also felt that some students are able to "beat" the system, thus, preventing worthy students to receive the financial aid they deserved.

The results of the study will determine retention or rejection of the following null hypothesis:

Ho: There is no significant difference between students and administrators concerning preferences for criteria that could be used to determine the independent student.

Rejection or retention of the null hypothesis is based on the .05 level of significance. The Chi Square test and the Median test were utilized to determine any significant difference between student and administrator responses.

The Chi Square test was used because the data received from the survey questionnaire were discrete (counted) rather than measured values.

The Chi Square test was used to estimate the likelihood that some factor other than chance (sampling error) accounts for the apparent relationship. Since the null hypothesis states that there is no relationship (the variables are independent), the test merely evaluates the

probability that the observed relationship results from chance. As in other tests of statistical significance, it is assumed that the sample observations have been randomly selected.

The Median test was used to determine the significance of the difference between the medians of the responses of students and administrators. It answers the question, Do medians of these randomly selected samples behave like medians from the same population?

Yates Correction for Continuity was used when any cell had a frequency count fewer than ten.

In addition to the above-mentioned statistics, percentages of "yes" responses were used to describe the preferences of students and administrators for criteria that could be used to determine the independent student for purposes of financial aid.

Population of the Study

The population of this study consisted of:

1. All dependent and independent students who submitted Oregon State University financial aid applications by March 1, 1977, and who had a financial need of \$300 and above. The total number of students in this population was 1980. A random sample of 300 students was chosen from this population. The return rate was 66 percent (200). This equalled ten percent (198) of the total population. According to Borg and Gull (1971), a ten percent sample on descriptive studies is sufficient to produce valid conclusions.

Only returning students were included in the population. The main reason for using returning students is that they are the most likely to

be affected by the criteria used to determine the independent student. Most independent students are returning students. Also, returning students have applied for financial aid before and must complete an estimated budget of expenses and resources on their financial aid application. Thus, they are more familiar with financial aid application procedures and the criteria used to determine independence.

Freshmen were not used since most come directly from high school and would not meet the criteria for independence. It was felt that their interest in the subject of their independent student status would not be as high as returning students.

Non-students and students not applying for financial aid were not used because it was felt that they would not be too concerned about the criteria because it doesn't really affect them.

The second portion of the population consisted of:

2. All members of the Oregon Association of Student Financial Aid Administrators in attendance (59) at the 1977 Fall meeting were given a questionnaire. All questionnaires (100 percent) were returned.

Instrument

One survey questionnaire was utilized. The questionnaire, with a cover sheet describing the purpose of the study, consisted of a list of possible criteria to determine the independent student. The present criteria used to determine the independent student were inter-mixed with possible alternatives. Respondents answered "yes" or "no" to the list of criteria. Also, respondents were asked to rank-order

eight broad areas in terms of perceived importance in determining the independent student. A comment section was provided for respondents to offer their own suggestions for criteria to use in determining independence.

Procedures

The procedures utilized in this study were:

1. The survey questionnaire was mailed, requesting that it be completed and returned within two weeks.
2. At the end of two weeks, a follow-up questionnaire was sent to all non-respondents requesting that it be completed and returned within two weeks.
3. Data were compiled and tabulated.
4. The Chi Square test was used to determine any significant difference between a random sample of 40 students and 40 administrators in their choices of possible criteria. The Median test was used to determine any significant difference between students and administrators (same random sample) in their rank-ordering of the broad areas in terms of importance in determining independence. Also, the percentage of "yes" responses was measured for students and for administrators. The percentage of "yes" responses to possible criteria was used to describe the preferences of the following groups: students and administrators, men and women administrators, men and women students, dependent and independent students.

RESULTS OF SURVEY

The results of this survey tend to show two things. First, the null hypothesis that stated no significant difference existed between students and administrators concerning their preferences, must be rejected at the .05 level of significance. Second, the percentages of "yes" responses indicates that students and administrators prefer different criteria to be used to determine the independent student.

A random sample of forty students and forty administrators were selected from the total number of returned questionnaires for statistical analysis. The Chi Square test with Yates Correction for Continuity was utilized to determine any significant difference between student and administrator responses. (see Table 1)

The results in Table 1 indicate a significant difference concerning marital status as a factor in determining the independent student. A significantly larger number of administrators favored the use of marital status as a factor than did students. Under the factor of marital status, four possible conditions or criteria were listed. If marital status were a factor in determining independence, then a significantly larger number of administrators favored the criterion of being married at least one year than did students.

The results in Table 1 indicate a significant difference concerning three possible financial criteria that could be used to determine independence. A significantly larger percentage of administrators favored the proposed (proposed Federal regulations) criterion

Table 1

Significance of Difference between Students and Administrators
on "Yes" and "No" Responses.

<u>Variable</u>	<u>χ^2</u>	<u>df</u>	<u>p<</u>
I. Age	1.27	1	
A. 18	.07	1	
B. 21	.10	1	
C. 25	3.41	1	
II. Educational Level	.00	1	
A. Senior	.00	1	
B. Graduate student	.26	1	
III. Marital Status	5.01	1	.05
A. Married	.00	1	
B. Married one year	8.01	1	.05
C. Married with children	3.41	1	
D. Single parent	.26	1	
IV. Veteran Status	.24	1	
A. Veteran	.07	1	
B. Disabled veteran	2.37	1	
V. When Person Entered College After High School	.00	1	
A. Two years	.14	1	
B. Three years	.26	1	
C. Four years	.00	1	
VI. Financial Factors	.18	1	
A. \$600 from parents	1.98	1	
B. \$750 from parents	11.31	1	.05
C. Work 21 hours a week	8.67	1	.05
D. Work 31 hours a week	1.38	1	
E. 33% gross income of parents	.10	1	
F. 50% gross income of parents	.26	1	
G. 51% of cost of own support	11.43	1	.05
VII. Tax Exemption	9.26	1	.05
A. Not claimed 1976, 1977, 1978	8.67	1	.05
B. No claimed 1975, 1976, 1977, 1978	.00	1	
VIII. Residence With Parents	11.86	1	.05
A. Two consecutive weeks	.08	1	
B. Six consecutive weeks	7.79	1	.05

$p < .05 = 3.84$

that would allow students to receive \$750 from their parents without endangering their independent status, than did students. On the other hand, a significantly larger percentage of students preferred the criterion which stated that students working at least 21 hours per week should be considered independent than did administrators. In addition, a significantly larger percentage of students agreed with the criterion that students who provided at least 51 percent of the cost of their own support should be considered independent than did administrators.

Table 1 shows that a significantly larger number of administrators favored tax exemption status as a factor in determining independence than did students. The present criterion concerning tax exemption status and the proposed criterion were listed under the factor of tax exemption status. A significantly larger percentage of administrators favored the presented criterion used to determine independence than did students.

Finally, Table 1 also shows that a significantly larger percentage of administrators favored residence with parents as a factor in determining independence than did students. The present criterion concerning residence with parents and the proposed criterion were listed under the factor of residence with parents. A significantly larger percentage of administrators favored the proposed criterion to determine independence than did students.

The Median test was utilized to determine any significant difference between students and administrators concerning the rank-ordering of eight factors in order of importance in determining independence

(see Table 2). Table 2 shows that a significant difference did not exist between students and administrators concerning the rank-order importance of criteria.

TABLE 2

Significance of Difference of Means between Students and Administrators on Rank-Order Importance of Criteria.

<u>Variable</u>	<u>χ^2</u>	<u>df</u>	<u>p<</u>
Age	0.46	1	
Educational Level	1.30	1	
Marital Status	0.82	1	
Veteran Status	0.20	1	
Financial Factors	1.20	1	
When Person Entered College	2.50	1	
Tax Exemption	0.00	1	
Residence With Parents	1.80	1	

p < .05 = 3.84

Table 3 shows the median comparison of rank-order importance of criteria of students and administrators. Respondents were asked to rank in order of importance eight different criteria. They were instructed to use "1" to denote the most important, "2" for the next important, "8" for the least important. Administrators ranked tax exemption status as most important, followed by residence with parents. On the other hand, students ranked financial factors as most important, followed by tax exemption status.

TABLE 3

Median Comparison of Rank-Order Importance of Criteria of Students and Administrators.

<u>Criteria</u>	<u>Students (N=200)</u>	<u>Administrators (N=59)</u>
Age	6.6	4.9
Educational Level	6.4	7.1
Marital Status	4.4	4.1
Veteran Status	5.7	5.5
Financial Factors	1.3	2.7
When Person Entered College	5.3	7.0
Tax Exemption	2.5	1.5
Residence With Parents	3.0	2.4

The percentage comparison of "yes" responses of students and administrators (Table 4) concerning all possible criteria (present, proposed, and possible alternatives) show some interesting results.

Although not significantly different from student responses, a majority of administrators (59 percent) indicated that age should be a factor in determining independence. There was no consensus as to what age should be used. Only 40 percent of the students indicated interest in the utilization of age as a factor. Like the administrators, there was no consensus among students concerning which age should be used.

A majority of administrators (63 percent) as opposed to only 47 percent of the students, felt that marital status should be a factor in determining independence. Like the factor of age, administrators and students were unable to reach consensus concerning what condition of marital status should be used.

Table 4

Percentage Comparison of Yes Responses of
Students and Administrators

<u>Criteria</u>	<u>Students (N=200)</u>	<u>Administrators (N=59)</u>
I. Age	40	59
A. 18	23	17
B. 21	15	25
C. 25	2	17
II. Educational Level	9	13
A. Senior	6	6
B. Graduate student	2	6
III. Marital Status	47	63
A. Married	39	34
B. Married one year	5	20
C. Married with children	2	15
D. Single parent	36	34
IV. Veteran Status	33	37
A. Veteran	27	32
B. Disabled veteran	7	5
V. When Person Entered College	28	19
A. Two years	19	10
B. Three years	6	3
C. Four years	2	3
VI. Financial Factors	95	90
A. \$600 from parents	46	13
B. \$750 from parents	35	74
C. Work 21 hours a week	36	8
D. Work 31 hours a week	32	5
E. 33% gross income of parents	18	12
F. 50% gross income of parents	25	15
G. 51% of cost of own support	60	27
VII. Tax Exemption	71	97
A. Not claimed 1976, 1977, 1978	57	88
B. Not claimed 1975, 1976, 1977, 1978	8	6
VIII. Residence With Parents	65	95
A. Two consecutive weeks	21	10
B. Six consecutive weeks	41	85

A majority of administrators (90 percent) and students (95 percent) felt that financial factors should be used in the determination of independence. There were seven possible criteria listed under the heading of financial factors. A majority of administrators (74 percent) approved of the proposed federal criterion that stated students could receive up to \$750 from their parents and still be independent. A majority of students (60 percent) preferred the criterion that students who provide at least 51 percent of the cost of their own support should be considered independent.

Table 4 shows that both administrators (97 percent) and students (71 percent) felt that tax exemption status should be a factor in determining independence. Administrators (88 percent) and students (57 percent) approved of the present criterion of not being claimed as a dependent by parents for income tax purposes.

Finally, administrators (95 percent) and students (65 percent) favored residence with parents as a factor in determining independence. Students were unable to reach consensus concerning the length of residence with parents allowed. Administrators felt that the federal government's proposed criterion of six consecutive weeks with parents was adequate as opposed to the present two consecutive weeks criterion.

The criterion or factor which received the least amount of support from both students (9 percent) and administrators (13 percent) was that of educational level. Thus, a majority of students and administrators did not feel that a student's educational level (class standing) should be a factor in determining independence.

Another factor which did not receive much support was when a person entered college after finishing high school. Only 28 percent of the students and 19 percent of the administrators preferred this criterion in determination of independence.

The percentage comparison of "yes" responses of men and women students is shown on Table 5. The results are very similar to those indicated on Table 4 by all students. In terms of percentage differences, the largest difference was on the criterion of single parents. Women students (43 percent) were more willing to consider single parents as independents than did the men (30 percent).

The percentage comparison of "yes" responses of independent and dependent students is shown on Table 6. The results show more percentage differences than the breakdown comparison of male and female students.

Table 6 shows that a majority of dependent students (59 percent) approve of using marital status as a factor in determining independence as opposed to only 36 percent of the independent students. There were four criteria listed under marital status. A majority of dependent students (55 percent) preferred the criterion that married students should be considered independent. There was no consensus among the independent students concerning the marital status criteria.

Both independent students (79 percent) and dependent students (61) favored the use of tax exemption status as a factor in determining independence. A majority of independent students (65 percent) preferred the present criterion of not being claimed as a dependent by

Table 5

Percentage Comparison of Yes Responses
of Men and Women Students

<u>Criteria</u>	<u>Men</u> <u>(N=103)</u>	<u>Women</u> <u>(N=97)</u>
I. Age	39	42
A. 18	19	27
B. 21	16	14
C. 25	3	1
II. Educational Level	7	12
A. Senior	4	8
B. Graduate student	2	3
III. Marital Status	47	47
A. Married	39	40
B. Married one year	5	6
C. Married with children	3	1
D. Single parent	30	43
IV. Veteran Status	34	35
A. Veteran	26	28
B. Disabled veteran	7	7
V. When Person Entered College	23	34
A. Two years	13	26
B. Three years	5	8
C. Four years	4	0
VI. Financial Factors	95	96
A. \$600 from parents	46	47
B. \$750 from parents	33	37
C. Work 21 hours a week	31	41
D. Work 31 hours a week	31	33
E. 33% gross income of parents	15	21
F. 50% gross income of parents	20	30
G. 51% of cost of own support	57	64
VII. Tax Exemption	74	68
A. Not claimed 1976, 1977, 1978	58	56
B. Not claimed 1975, 1976, 1977, 1978	10	6
VIII. Residence With Parents	71	60
A. Two consecutive weeks	27	14
B. Six consecutive weeks	41	42

Table 6

Percentage Comparison of Yes Responses
of Independent and Dependent Students

<u>Criteria</u>	<u>Independent (N=107)</u>	<u>Dependent (93)</u>
I. Age	41	40
A. 18	29	16
B. 21	11	20
C. 25	1	3
II. Educational Level	8	11
A. Senior	6	6
B. Graduate student	2	3
III. Marital Status	36	59
A. Married	26	55
B. Married one year	7	3
C. Married with children	3	1
D. Single parent	28	46
IV. Veteran Status	35	33
A. Veteran	29	25
B. Disabled veteran	6	9
V. When Person Entered College	26	31
A. Two years	20	18
B. Three years	5	9
C. Four years	0	4
VI. Financial Factors	97	93
A. \$600 from parents	46	47
B. \$750 from parents	32	39
C. Work 21 hours a week	34	39
D. Work 31 hours a week	26	36
E. 33% gross income of parents	9	28
F. 50% gross income of parents	12	40
G. 51% of cost of own support	55	67
VII. Tax Exemption	79	61
A. Not claimed 1976, 1977, 1978	65	47
B. Not claimed 1975, 1976, 1977, 1978	6	10
VIII. Residence With Parents	72	58
A. Two consecutive weeks	23	17
B. Six consecutive weeks	43	37

their parents as opposed to only 47 percent of the dependent students.

The percentage comparison of "yes" responses of men and women administrators is shown on Table 7. The results are fairly similar to those of administrators in general in Table 4. More men (22 percent) preferred the age of 18 in determining independence than did women (11 percent). More women (33 percent) preferred the criterion of students providing at least 51 percent of the cost of their own support than did men (22 percent).

Students used the open comment section; administrators did not (the time limit could have been a factor). Nine students made the point that any criteria used to determine independence should not place any restrictions on what the student did the previous year (such as living at home, receiving money from parents, etc.). These particular students felt that any criteria used to determine independence should address only the academic year for which the student is applying for aid.

Several students mentioned that living at home but paying room and board should not be considered as "living at home". Several others stated that students should be allowed to live at home during the summer without affecting their independence status.

Three students suggested that income tax returns be used in determining independence. One student felt that the present criteria promotes lying because administrators don't check up on them. Another student presented this model for the independent student: provides 80 percent of own support, married, claims own tax exemption.

Table 7

Percentage Comparison of Yes Responses
of Men and Women Administrators

<u>Criteria</u>	<u>Men (N=32)</u>	<u>Women (N=27)</u>
I. Age	59	59
A. 18	22	11
B. 21	25	26
C. 25	12	22
II. Educational Level	16	11
A. Senior	9	4
B. Graduate Student	6	7
III. Marital Status	66	59
A. Married	34	33
B. Married one year	22	18
C. Married with children	12	18
D. Single parent	37	30
IV. Veteran Status	41	33
A. Veteran	31	33
B. Disabled veteran	9	0
V. When Person Entered College	19	18
A. Two years	6	15
B. Three years	3	4
C. Four years	6	0
VI. Financial Factors	91	89
A. \$600 from parents	16	11
B. \$750 from parents	75	74
C. Work 21 hours a week	3	15
D. Work 31 hours a week	3	7
E. 33% gross income of parents	12	11
F. 50% gross income of parents	19	11
G. 51% of cost of own support	22	33
VII. Tax Exemption	97	96
A. Not claimed 1976, 1977, 1978	84	92
B. Not claimed 1975, 1976, 1977, 1978	9	4
VIII. Residence With Parents	94	96
A. Two consecutive weeks	12	7
B. Six consecutive weeks	81	89

SUMMARY

According to some authorities in the field of financial aid administration, the present criteria used to determine independence are arbitrary, difficult to verify, and inequitable to some students. Administrators in financial aid have also indicated that the definition of the independent student is highly controversial and changes are called for. There appears to be little clear conceptualization regarding an "ideal" system of independent student analysis.

The impact of the lowering of the age of majority has had direct implications on the financing of postsecondary education. The time-honored assumption that parents have the primary responsibility for the college education of their children is being increasingly challenged, creating a situation that could shake the financial base upon which American higher education is built. Financial aid officers at colleges and universities across the country are concerned about the increasing number of students who declare themselves independent of their parents and who insist that they be considered for financial aid regardless of their parents' financial situation.

According to present federal regulations, an independent student is one who:

1. Has not lived with parents for two consecutive weeks, and
2. Has not been claimed as an exemption by anyone other than a spouse, and
3. Has not received financial assistance of more than \$600 from parents.

According to the proposed regulations of the Office of Education, the two weeks residence restriction may be extended to six weeks; the tax exemption requirement would cover the previous two calendar years; the amount of financial assistance from parents would be raised to \$750.

Results from this survey indicate that administrators and students agree with the present criterion concerning tax exemption status. Administrators favored it more strongly than did students.

Both students and administrators did not agree with the present criterion concerning residence with parents. The proposed criterion concerning residence with parents (six weeks) was preferred by administrators, but not students. Although, both felt that residence with parents, in general, should be a factor in determining independence.

Students and administrators did not agree with the present criterion of receiving up to \$600 from parents. Administrators did approve of the proposed criterion of \$750 from parents, students did not.

Both students and administrators felt that financial factors should be used in determining independence, but there was no real consensus as to what financial factors should be used. A majority of administrators felt that age and marital status (not presently used, nor proposed) should be a factor in determining independence, but there was no consensus concerning what age or what condition of marital status should be used.

IMPLICATIONS

The assumption that there is disagreement concerning the present criteria used to determine independence is valid in the case of Oregon State University students and financial aid administrators in Oregon.

There appears to be agreement between students and administrators concerning three general factors - federal income tax exemption status, financial, and residence with parents. There is much less agreement as to how these general factors can be made into specific criteria that measure independence.

The lack of agreement between students and administrators prevents development of a single model for determining the independent student. Thus, two models have been developed, a student model and an administrator model. Both models are based upon results from this survey.

The student model defines an independent student as one who:

1. Provides at least 51 percent of the cost of his/her own support, and
2. Has not and will not be claimed as an exemption for Federal income tax purposes by any person except his/her spouse for the calendar year(s) in which aid is received and the calendar year prior to the academic year for which aid is requested.

The administrator model defines an independent student as one who:

1. Has not and will not be claimed as an exemption for Federal income tax purposes by any person except his/her spouse for the calendar year(s) in which aid is received and the calendar year prior to the academic year for which aid is requested, and
2. Has not received and will not receive financial assistance of more than \$750 from his/her parent(s) in the calendar year(s) in which aid is received and the calendar year prior to the academic year for which aid is requested, and
3. Has not lived and will not live for more than six consecutive weeks in the home of a parent during the calendar year prior to the academic year for which aid is requested.

The difficulty with comparing administrators and students is that administrators are more knowledgeable concerning the present and proposed criteria used to determine the independent student. In addition, administrators are more aware and concerned with consequences of changing the present model. Students, on the other hand, know that independent students generally receive more financial aid than dependent students. Thus, many students perceive that it is to their advantage to seek independence for purposes of financial aid.

Both of these models would impact the application process and the amount of money available, if either one were instituted.

The student model is a more radical departure from the present criteria, thus it would have more of an impact. Potentially, the student model could result in more students declaring themselves

independent for purposes of financial aid. Since independent student budgets are generally larger than dependent student budgets and independent students generally have fewer resources, an increase in the number of independent students would result in higher financial "needs" that must be met by administrators. If the amount of financial aid available does not increase in relation to increasing numbers of independent students, then fewer numbers of students will be able to have their financial need met. This could result in students not being able to attend college due to a lack of financial aid to meet their expenses. This is directly contrary to the primary purpose of a collegiate financial aid program which should be to provide financial assistance to accepted students who, without such aid, would be unable to attend that college.

Although not as radical as the student model, the administrator model could also result in larger numbers of students declaring themselves independent for purposes of financial aid.

The Office of Education proposed regulations concerning the independent student would have a very large impact on the student model. In fact, the proposed regulations would completely replace the student model since there are no common criteria between them. There is no agreement between the student model and the proposed regulations.

On the other hand, there is considerable agreement between the administrator model and the proposed regulations. They have two criteria in common, residence with parents and financial assistance from parents. The only difference between them concerns tax exemption

status. The administrator model requires that students cannot be claimed by their parents (on federal income tax returns) for one year prior to the academic year for which aid is requested. The proposed regulations would require that students cannot be claimed by their parents (on federal income tax returns) for two years prior to the academic year for which aid is requested. Thus, with a little compromise, the administrator model and the proposed regulations could be compatible.

It would appear that the student model developed from this study would alarm those financial aid officers who are concerned about the increasing number of students who declare themselves independent of their parents for purposes of financial aid. The student model could result in more students declaring themselves independent of their parents.

According to the literature reviewed for this study, many aid administrators and students are not satisfied with the present criteria used to determine independence. Also, there is much disagreement concerning what type of criteria should be used. The results of this study tend to verify this situation. It shows that there is little consensus concerning this issue of defining an independent student.

The student model reflects the students' attitude of developing an independent student definition which would be easier to achieve because it is less restrictive. This attitude reflects the laws of our country which allow eighteen-year-olds most of the rights, privileges, and responsibilities of an adult. Thus, it is only natural that

young people who consider themselves as adults, would also consider themselves independent of their parents for financial aid purposes.

The administrator model reflects the concern of administrators who are charged with the responsibility of distributing limited financial resources to as many needy students as possible, in the most equitable manner. This is not an easy job, since you cannot please everyone. Although the administrator model is different from the present criteria, it is not a radical departure.

This study is somewhat compatible with the opinions of William Van Dusen. He stated that the real problem is not the definition of independence, but rather, the amount of resources available for financing postsecondary education. Rather than trying to reach consensus (with many different groups of people) on how to distribute very limited resources, we should be reordering our priorities to increase those resources. Although this is idealistic, it is really no more idealistic than developing a definition of an independent student for purposes of financial aid that is acceptable to administrators, students, parents, and taxpayers alike.

The major implication of this study is financial. A change in the present criteria would increase or even potentially decrease the number of independent students. Thus, financial aid resources would be divided among a larger or smaller number of students. Naturally, this would have a tremendous impact upon the administrators that must distribute resources equitably. A larger number of independent

students with high financial "need" would prevent some students with low "need" from obtaining aid. Then the administrator is faced with the dilemma of providing some aid to all "needy" students or providing full aid (to meet the full "need") for some students. In either case, the administrator is faced with developing new sources of aid.

Although the administrator will feel the impact of a change, it is the student who will experience the greatest change. It is the student who must in reality deal with any changes. A change in the criteria may force students to wait longer or shorter periods of time to establish independence, to provide more or less documentation to prove independence. The student has much at stake in this matter of change.

Related to the direct costs of changing the criteria (mentioned above) are the indirect costs of paperwork and staff time if any changes in the criteria require more verification and documentation of independence by students and their parents. These hidden costs could greatly affect the efficient operation of a financial aid office.

Although financial costs (direct and indirect) of changing the present criteria could be very high, the greatest implication could actually be a value question. Who bears the responsibility for providing for a student's education? Is it the sole responsibility of the student himself/herself? Or is it the responsibility of the student's family? These perplexing value questions provide a real stumbling block to financial aid administrators. If an independent (according

to the criteria) student comes from a family with adequate resources to pay for his/her education and they do not provide the student with the resources, should taxpayer money be used to support that student? This is a very difficult question to answer. Ultimately, that question needs to be answered before real equity can be achieved in relation to defining the independent student for purposes of financial aid.

The issue of the independent student will continue to be discussed and debated. It is important to get ideas from as many people as possible: students, parents, taxpayers, and administrators. It is the hope of this researcher that this study has contributed to that discussion.

RECOMMENDATIONS

The results of this study would indicate that there is a need for further research in several areas. First, this type of a study (concerned with determining preferences for criteria) needs to be carried out on a larger scale. Hopefully the study would be carried out on a number of campuses across the country and would utilize the responses of: students, administrators, parents, and taxpayers. Second, there needs to be research conducted on the financial impact of changing the criteria. Lastly, there needs to be research in the area of resolving the value question of responsibility of one's education. All three areas need to be addressed if there is to be real progress in defining the independent student for purposes of financial aid.

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APPENDIX I
Cover Letter for Students

This questionnaire is part of a research project for a Master's degree at Oregon State University. Its purpose is to elicit responses from OSU students to determine preferred criteria for determining independent student status for awarding financial aid. There is considerable discussion about the present criteria used to determine an independent student. We would like to know your preferences so that recommendations can be made to the Oregon Association of Student Financial Aid Administrators. Your name was randomly selected from a list of currently enrolled OSU students who have applied for financial aid. The results of this questionnaire will be tabulated and described. No names will appear in the study. The code number at the bottom of the questionnaire is for follow-up purposes only. Please complete the questionnaire and return it to the OSU Financial Aid Office within two weeks. Thank-you.

Please supply the following demographic information:

1. Male_____ Female_____
2. Age_____
3. Single_____ Married_____ Separated_____ Divorced_____
4. Veteran_____ Non-Veteran_____
5. Considered Independent_____ Dependent_____ Uncertain_____

(for 1977-78
aid year)

APPENDICES

APPENDIX II
Cover Letter for Administrators

This questionnaire is part of a research project for a Master's degree at Oregon State University. Its purpose is to elicit responses from student financial aid administrators from the State of Oregon. There is considerable discussion about the present criteria used to determine an independent student. We would like to know your preferences so that recommendations can be made to the Oregon Association of Student Financial Aid Administrators. The results of this questionnaire will be tabulated and described. No names will appear in the study. Please supply the following demographic information:

1. Age_____
2. Male_____ Female_____
3. Institutional Type
____Proprietary
____4-year Public
____Private - Independent
____Community College
____Other
4. Title_____
5. Length of service in field of student financial aid administration_____
6. Length of service in field of student financial aid administration at present institution_____

APPENDIX III
Questionnaire

There is much discussion and many differing opinions concerning the type of criteria to be used to determine, for purposes of financial aid, the "independent" or "self-supporting" student. Listed below are possible conditions or situations that could be used to determine "independence". Please respond to each statement by answering either "yes" or "no". "Yes" indicates that you feel that particular statement should be used in determining "independence". "No" indicates that you feel that particular statement should not be used in determining "independence". If you feel that other conditions or situations should be considered in determining independence, please make your suggestions in the comment section.

- I. Age should be a factor in determining independence? If yes, then respond "yes" or "no" to the following age considerations.
- A. Over the age of 18
 - B. Over the age of 21
 - C. Over the age of 25
- II. Educational level should be a factor in determining independence? If yes, then respond "yes" or "no" to the following educational level considerations.
- A. Senior
 - B. Graduate student
- III. Marital status should be a factor in determining independence? If yes, then respond "yes" or "no" to the following marital status considerations.
- A. Married
 - B. Has been married for at least one year
 - C. Married, with children
 - D. Single parent
- IV. Veteran status (completed military obligation) should be a factor in determining independence for all Federal financial aid programs? If yes, then respond "yes" or "no" to the following considerations.
- A. Veteran
 - B. Disabled Veteran

- V. _____ When a person enters college in relation to graduation from high school should this be a factor in determining independence? If yes, then respond "yes" or "no" to the following considerations.
- _____ A. Person who delays entry into college from high school for two years.
 - _____ B. Person who delays entry into college from high school for three years.
 - _____ C. Person who delays entry into college from high school for four years.
- VI. _____ Financial factors should be used in determining independence? If yes then respond "yes" or "no" to the following considerations.
- _____ A. Has not or will not receive financial assistance of more than \$600 from parents for the years 1976, 1977, 1978 (for consideration for aid for 1977-78).
 - _____ B. Has not or will not receive financial assistance of more than \$750 from parents for the years 1976, 1977, 1978 (for consideration for aid for 1977-78).
 - _____ C. Person who works an average of 21 hours or more a week during the school year.
 - _____ D. Person who works an average of 31 hours or more a week during the school year.
 - _____ E. Person whose gross income for the entire year is at least 33% of their parents' gross income.
 - _____ F. Person whose gross income for the entire year is at least 50% of their parents' gross income.
 - _____ G. Person who provides at least 51% of cost of own support for 12-month year.
- VII. _____ Tax exemption status (federal income tax) should be a factor in determining independence? If yes, then respond "yes" or "no" to the following considerations for the academic year 1977-78.
- _____ A. Has not or will not be claimed for federal income tax purposes for the following calendar years: 1976, 1977, 1978., or
 - _____ B. Has not been claimed for federal income tax purposes for the following calendar years: 1975, 1976, 1977, 1978.
- VIII. _____ Residence with parents should be a factor in determining independence? If yes, then respond "yes" or "no" to the following considerations for the academic year 1977-78.
- _____ A. Has not lived at home for 2 consecutive weeks for the years 1976, 1977, 1978.
 - _____ B. Has not lived at home for 6 consecutive weeks for appropriate years: 1976, 1977, 1978.

Questionnaire

Please rank the following factors in the their relative importance that you feel should be considered when determining whether a student is considered independent. Use "1" to denote the most important, "2" for next important, "8" for least important. Please rank all factors.

- Age
- Educational level
- Marital Status
- Veteran Status
- Financial Factors
- When person entered college
- Tax Exemption
- Residence with parents

COMMENTS:
