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STAFFING PATTERNS IN FINANCIAL AID OFFICES: AN OVERVIEW OF THE NASFAA NATIONAL SURVEY*

by Kristin P. Anton, Ellis C. Gedney,

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Introduction

Student financial aid, in the form of scholarships or grants, loans, and work-study, has increased astronomically since the 1950s, mainly due to federal government initiatives. In 1979-80, student aid from federal programs alone was estimated to be nearly $7 billion. (Van Dusen & O'Hearne, 1980). State, institutional, and private student financial aid added considerably to the total.

The size of professional and support staffs in financial aid offices has failed to keep pace with workload in large proportions of postsecondary institutions (Kates, et al., 1978). Attempts have been made to develop staffing formulas for the financial aid office (e.g., Morris, 1979). Rather than using the formula approach to the problem of inadequate staffing, this study investigated staffing patterns by function in relation to the selected workload measure — number of financial aid applicants — in a national sample of postsecondary institutions. The results provide concrete data which financial aid administrators and others may use to evaluate the adequacy of the numbers of staff in their financial aid offices.

Design of the Study

In May 1980 the NASFAA Committee on Institutional Management Services mailed a questionnaire on staffing patterns to the 1900 members of the national association, along with the ballot for President-elect. NASFAA members representing 684 institutions returned the questionnaire, a response rate of 36%.

Public and private institutions were represented in proportion to their numbers in the nation a whole, but only 54 proprietary institutions were included in the sample. The proportions of colleges and universities whose highest degree awarded was the Bachelor of Arts or the Doctor of Philosophy corresponded closely to national figures. However, community colleges were underrepresented and institutions granting the Master's degree were overrepresented in the sample.

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In addition to characteristics of institutions, the questionnaire asked for dollars administered per program, number of full-time-equivalent (FTE) staff by financial aid office function (13 functions), and the degree of computer support by function (nine types of computer support). Three measures of workload were requested: number of financial aid applicants, number of need-based recipients, and total dollars administered. Number of applicants was selected as the workload measure to categorize by size, then to relate to number of staff and degree of computer support by function. It is assumed that the number of applicants generally reflects the size of the institution.

Number of financial aid applicants was divided into 14 size categories, placed along the horizontal axis of each graph. Number of FTE staff (or degree of computer support) by function was placed on the vertical axis. A curve related number of staff (or degree of computer support) to number of applicants. By examining the curve on each function or automation chart, the reader may discover how staffing levels (or computer support) at his or her institution compare to those of other institutions with similar numbers of financial aid applicants.

Findings

Table A displays the staffing matrix as it appeared on the questionnaire, with a summary of the results for the sample as a whole. Of the 684 institutions responding to the survey, only 470 completed at least some part of the staffing matrix. The average number of total FTE staff for these instituitons was 11.35. The 200-plus institutions which did not complete the matrix were primarily small colleges which had one- to two-person financial aid offices. It is evident from Table A that clerical support staff outnumber professional staff for most financial aid office functions. However, nearly all of the institutions which completed at least some portion of the staffing matrix (450 out of 470) indicated that they had professional counselors. Most of these institutions (446 out of 470) reported that the professional staff performs needs analysis and packaging, while only one-fourth (118 out of 470) indicated clerical support for this function. Student employees, particularly work-study students, augment support staff in a fraction of the institutions responding.

The remainder of the findings relate staffing patterns and computer support to workload (size categories of number of financial aid applicants).

Economies of Scale

A major goal of the effort to relate number of staff to size of workload was to identify economies of scale. It is expected that there are lower unit costs (number of staff per number of applicants) in larger financial aid offices since the costs of supervision and management are spread over a larger number of employees, and a larger staff allows for specialization of function and greater adjustments to peaks and valleys of workload. In addition, larger financial aid offices are more likely than smaller offices to have developed computer support for several functions.

To identify economies of scale, an index was created by computing the ratio of the number of staff to the number of applicants in one of the medium-sized categories of financial aid applicants: this ratio or index number is assumed to

be the level of efficiency in an average-sized financial aid office. The midpoint of each category of financial aid applicants was then divided by the index number to produce a series of points making up an "expected curve" or index of the ratio of number of staff to number of applicants. Economies of scale are found where the actual curve dips below the expected curve.

Comparing the expected curve with the actual curve (Chart 1), it can be noted that economies of scale increase somewhat after the point where the curves intersect (the index point), remain steady across several size categories, then increase again for the largest institutions. Overall, therefore, economies of scale do exist in financial aid offices. Interesting questions for analysis by function are: Which staff functions account for overall economies of scale? What role does computer support play in staff savings?

Although 13 staff functions and nine types of computer support for these functions were examined in the study, only a few of the findings are highlighted here:

List of Staff Functions and Types of Computer Support
Included in the 1979-80 NASFAA Survey

Staff Functions	Types of Computer Support
Student Record Maintenance	Student Record Maintenance
Needs Analysis/Packaging	Tracking
Award Processing	Needs Analysis
Counseling	Packaging
Loan Billing and Collection	Award Letter
GSL Processing	Checks, Voucher Production
Enrollment Monitoring	Enrollment Monitoring
Work-Study Administration	Fund Control Reports
Student Placement	FISAP
Scholarship Processing	
Veterans' and Social	
Security Processing	
Data Processing	
Others (miscellaneous)	

Computer Support in Financial Aid Offices
The degree to which financial aid offices use computer support depends greatly upon the size of their workload, as depicted below:

Financial Aid Offices Using Computer Support
for One or More Functions

Number of Financial Aid Applicants	Number of Institutions using Computer Support for One or More Functions	Percent of Institutions in the Size Category (and total n)
1-99	7	35% (20)
100-599	61	31% (199)
600-1,199	73	67% (109)
1,200-1,899	29	42% (69)
1,900-2,999	33	79% (42)
3,000-4,199	34	81% (42)
4,200-5,499	26	96% (27)
5,500-6,999	15	94% (16)
7,000-8,999	13	93% (14)
9,000-10,999	11	100% (11)
11,000-13,999	2	100% (2)
14,000-17,999	6	86% (7)
18,000-22,999	1	100% (1)
23,000 or more	5	100% (5)

Not surprisingly, the nine automation charts by function revealed that larger institutions tend to use a higher degree of computer support for more functions than smaller institutions do. Charts 3, 5, and 6 display the relationship between numbers of financial aid applicants and computer support for the functions of student record maintenance, needs analysis, and packaging.

Data Analysis by Staff Function and Related Computer Support

Two of the staff functions and related types of computer support have been selected for detailed presentation: student records maintenance and needs analysis/packaging. Student records maintenance was one of the first financial aid office functions to be partially automated. Computerization enabled office staffs to report aggregate statistics and to generate mailing labels. Computer support for needs analysis and packaging, on the other hand, has been much slower to develop. Relatively few institutions have computerized these complex procedures (see Charts 5 and 6).

Student records maintenance is a major clerical function of the financial aid office. The staff applicant curve for this function closely parallels the curve for total FTE (compare Chart 1 and Chart 2). However, economies of scale are greater for student record maintenance than for overall FTE in the largest institutions (11,000 or more applicants, with one notable exception). This phenomenon is clearly related to the degree of computer support usually provided when huge numbers of records must be processed. Except for the smallest institutions, more than half of the reporting financial aid offices use some degree of computer support for student records maintenance (see Chart 3). The vast majority of the larger institutions use computer support for this function, and many of the largest ones use it to a high degree.

A major function of financial aid professionals and their support staff is to assess student need, then allocate funds from grants, loans, and work-study to meet that need. Chart 4 displays the staff applicant curve for needs analysis/packaging. The curve shows modest economies of scale for some of the medium-sized, compared to small, institutions, and indicates dramatic fluctuations in staff for the larger institutions. In medium-sized institutions, economies of scale for needs analysis/packaging staff appear to be due to sizable amounts of computer support (see Charts 5 and 6). All except one of the 14 institutions in the largest four categories have small needs analysis/packaging staffs, compared to numbers of applicants, and generally use substantial computer support. A striking exception to this pattern, however, are the ten institutions in the 9,000-10,999 category, which have large needs analysis/packaging staffs while enjoying as much computer support as the medium-sized institutions. On the other hand, the two institutions in the 11,000-13,999 category have small needs analysis/packaging staffs and use no computer support for either function.

Needs analysis and packaging require the development of sophisticated software packages to conform to highly complex procedures. Although some institutions have developed the software to combine grants, loans, and work-study into packages that consistently implement institutional policies (Van Dusen & O'Hearne, 1980), these survey results suggest that large institutions have not necessarily done so any more successfully than medium and small institutions.

Economies of scale generally were found to be substantial and closely related to computer support for the remaining staff functions as well. The support staff functions of award and scholarship processing, in particular, demonstrated economies of scale. Counseling, a function of the professional staff, showed economies of scale in the middle size categories, but not for most of the largest size categories.

Summary and Conclusions

Previous studies have surveyed staffing patterns in some regions of the United States (Kates, et al., 1978; Morris, 1979). The national 1979-80 NASFAA survey of staffing patterns focused on the relationships of staff size by function, and the degree of computerization of related functions, to numbers of financial aid applicants. In summary:

Financial aid office staff performing clerical and logistical functions were found to outnumber professional staff.

Some economies of scale were found, notably for support staff functions such as student records maintenance and award processing.

Several relationships of economies of scale to degree of computerization were identified, particularly for support staff functions. Complex tasks performed primarily by professionals are more difficult to automate.

Computerization plays an important role in the staffing issue, but it is definitely not a panacea for limiting the number of staff; there were many exceptions to economies of scale among the larger institutions which use considerable computer support. Depending on the ease of automation, computerization may quickly reduce the need for clerical work and improve accuracy, as for routine functions like award letters. On the other hand, it may require a great deal of time to develop and implement, as for complex functions like application tracking and the packaging of financial aid.

In conclusion, this study of staffing averages at institutions categorized by numbers of financial aid applicants provides a gauge by which readers may evaluate their institutions' staffing levels. These concrete data are intended to be useful to financial aid administrators and others in evaluating the adequacy of the numbers and types of their staff.

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SUMMARY OF NASFAA STAFFING SURVEY RESULTS, 1979-80
STAFFING MATRIX*

	Professional	Clerical/ Support	Student Work-Study	Student Non-Work-Study	TOTAL
Student Record Maintenance	281: .36	420: .98	303: 1.43	74: .69	462: 2.17
Needs Analysis/ Packaging	446: .81	118: .89	36: 1.31	22: .62	456: 1.16
Award Processing	352: .51	327: .78	130: 1.04	31: .51	452: 1.29
Counseling	450: .89	225: .54	88: 1.03	23: .52	454: 1.37
Loan Billing/ Collection	156: .42	132: .78	46: .88	9: .54	208: 1.03
GSL Processing	339: .32	311: .52	111: .78	25: .62	431: .87
Enrollment Monitoring	220: .25	262: .38	116: .45	24: .19	371: .57
Work-Study Administration	376: .37	281: .45	149: .65	26: .45	420: .89
Student Placement	224: .41	154: .48	70: .91	24: .68	279: .88
Scholarship Processing	336: .31	236: .47	72: .59	18: .26	390: .67
Veterans and Social Security	136: .35	96: .52	34: .73	11: .76	169: .77
Data Processing	203: .41	194: .81	90: .91	23: .50	266: 1.26
Other (combined)	148: .93	130: 1.34	75: 1.68	20: .71	196: 2.32
TOTAL	469: 3.99	455: 4.39	327: 4.05	113: 1.63	470: 11.35
FTE's not allocated**	107: 1.51	77: 1.66	34: 2.05	10: .96	107: 3.44

*Each entry consists of two numbers, separated by a colon. The first is the total number of institutions which responded in that space. The second is the average number of FTE's entered by those institutions.

**Some institutions failed to allocate FTE's by function; these figures, then, represent FTE's allocated only by position. They are not included in the totals on the line above.

Prepared by M. Kong, California Institute of Technology.

FIGURE 1

	July-December 1978	January-June 1979	July-December 1979	January-July 1980
Number of Jobs Listed	723	579	637	438
Percent Listed by Organizations	57%	38%	56%	54%
Percent Listed by Private Individuals	43%	62%	44%	46%
Number of Organizations Listing Jobs	208	91	165	249
Percent Responding to Follow-up	54%	67%	70%	47%
Number of Jobs Filled by UMC Students	398	255	304	178
Percent hired by Organizations	22%	49%	43%	43%
Percent Hired by Private Individuals	78%	51%	57%	57%
Amount of Money Paid by Organizations to Students	32,000	41,020	63,480	162,250
Expenditures Per Period	9,500	9,500	9,500	9,500
Cost Effectiveness Ratio by Period	3.3/1	4.3/1	6.7/1	17/1

Fiscal Year Cost Effectiveness Ratio	FY 1978-79 4/1	FY 1979-80 12/1

CHART I

— TOTAL FTE OF FINANCIAL AID OFFICES BY NUMBER OF FINANCIAL AID APPLICANTS

- - - Expected Curve of Ratio of FTE to Number of Financial Aid Applicants
(Index: 1 to 200)

NUMBER OF FINANCIAL AID APPLICANTS

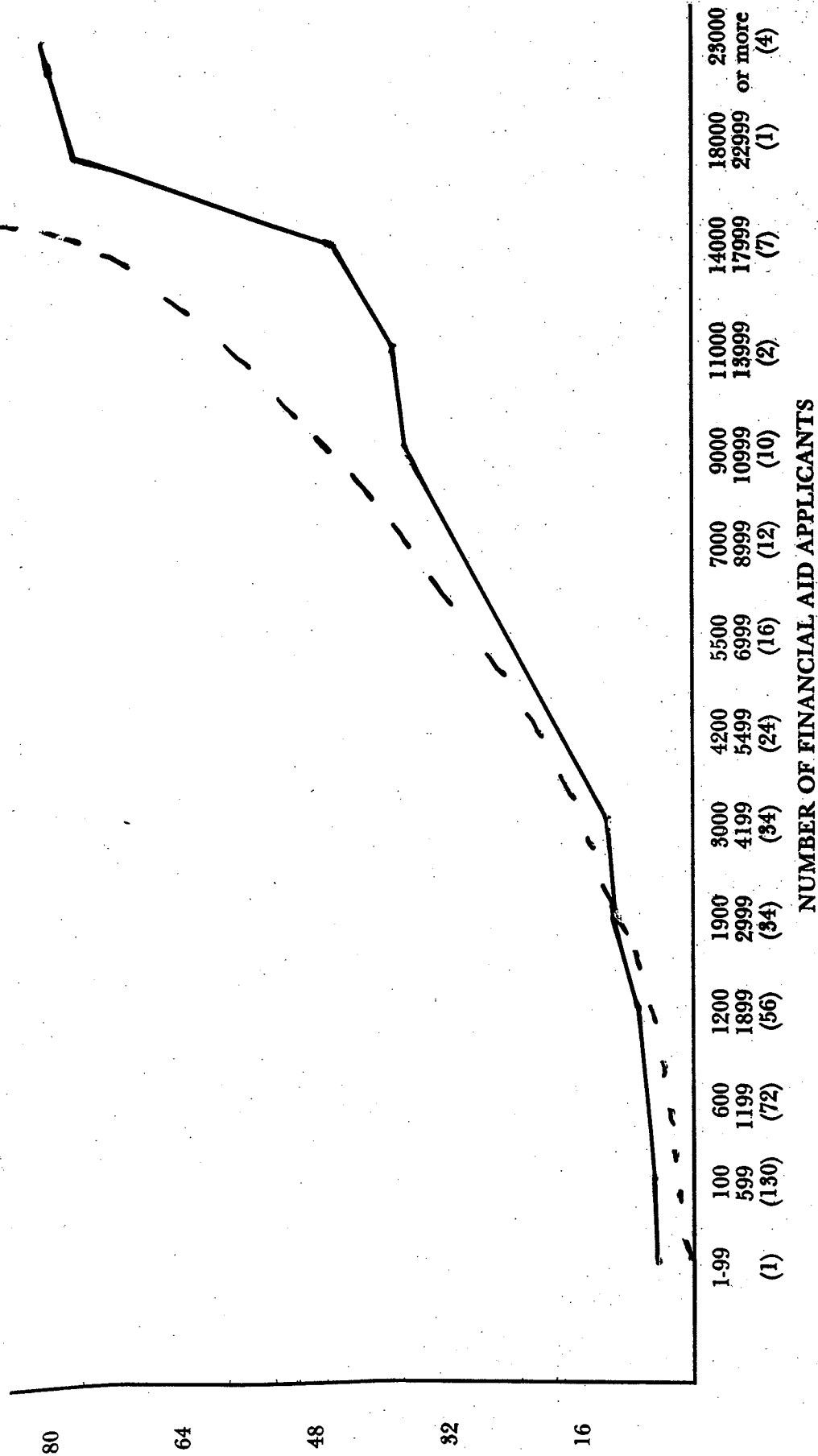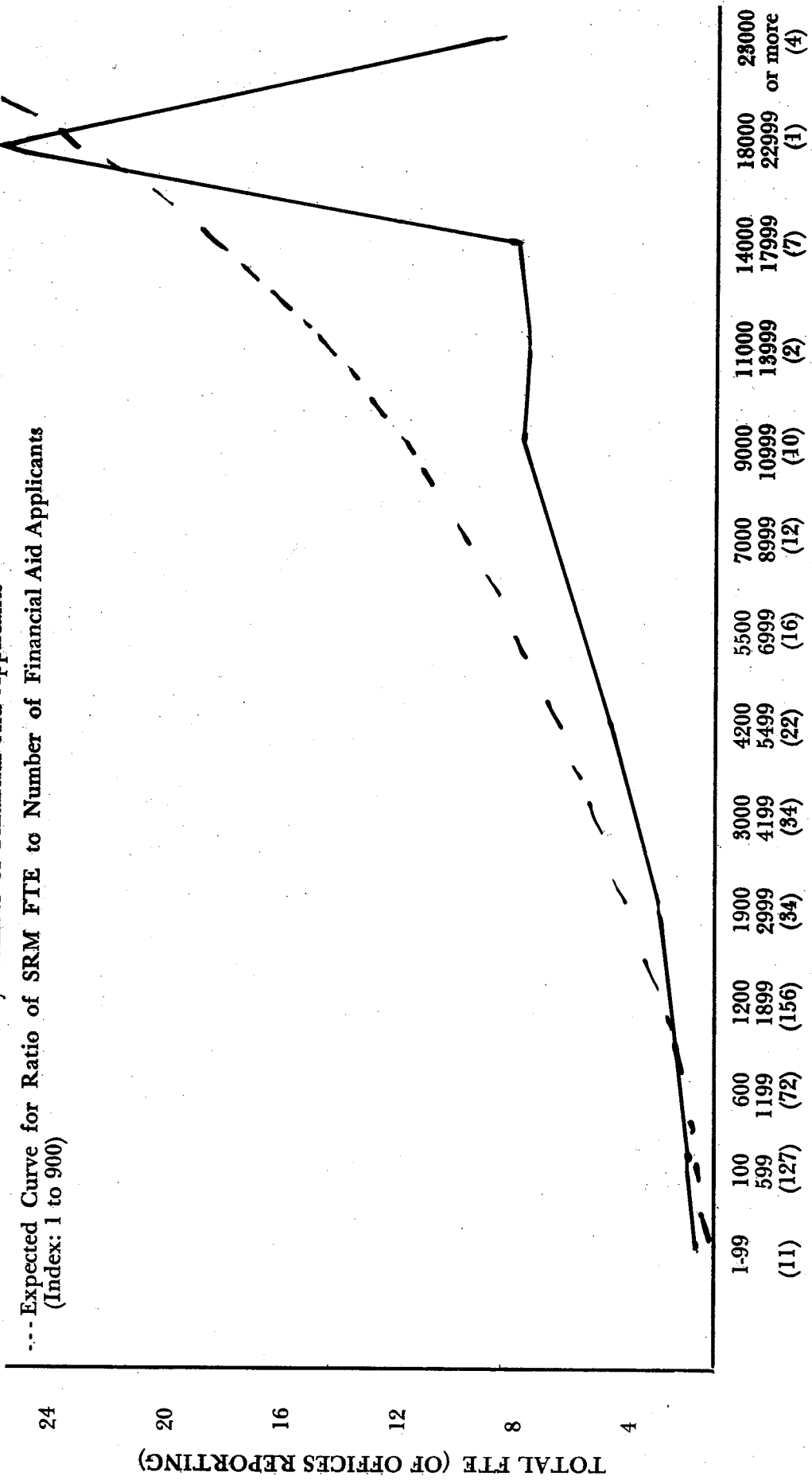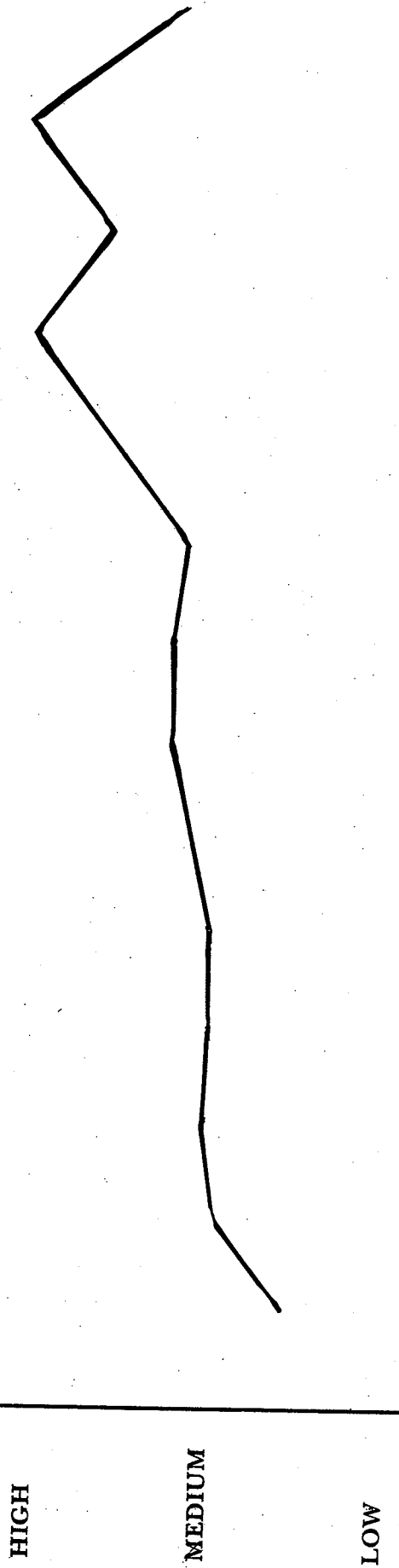| 1-99 | 100 599 | 600 1199 | 1200 1899 | 1900 2999 | 3000 4199 | 4200 5499 | 5500 6999 | 7000 8999 | 9000 10999 | 11000 13999 | 14000 17999 | 18000 22999 | 23000 or more |
| (1) | (130) | (72) | (56) | (34) | (34) | (24) | (16) | (12) | (10) | (2) | (7) | (1) | (4) |

CHART 2

STUDENT RECORD MAINTENANCE STAFF

— Total FTE for Institutions by Number of Financial Aid Applicants

-·- Expected Curve for Ratio of SRM FTE to Number of Financial Aid Applicants
  (Index: 1 to 900)

TOTAL FTE (OF OFFICES REPORTING)

NUMBER OF FINANCIAL AID APPLICANTS

1-99	100 599	600 1199	1200 1899	1900 2999	3000 4199	4200 5499	5500 6999	7000 8999	9000 10999	11000 13999	14000 17999	18000 22999	23000 or more
(11)	(127)	(72)	(156)	(34)	(34)	(22)	(16)	(12)	(10)	(2)	(7)	(1)	(4)

CHART 3

STUDENT RECORD MAINTENANCE

Degree of Automation Among Financial Aid Offices Using Computer Support for SRM

HIGH — MEDIUM — LOW
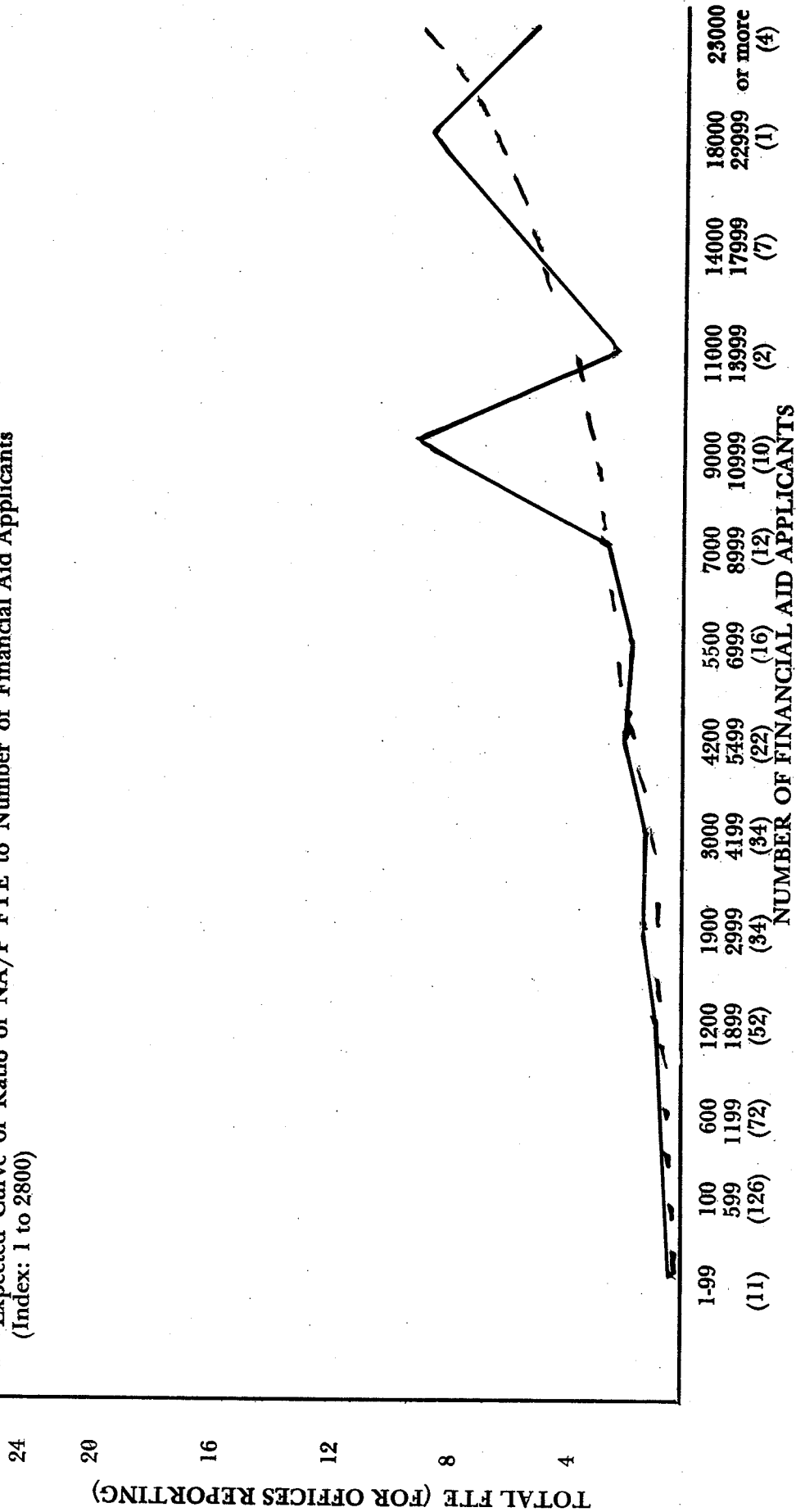
NUMBER OF FINANCIAL AID APPLICANTS

FINANCIAL AID OFFICES USING COMPUTER SUPPORT FOR STUDENT RECORD MAINTENANCE

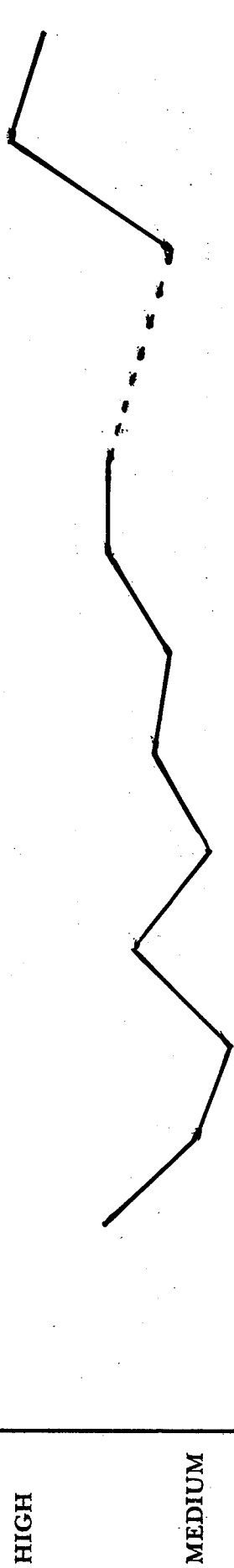|	1-99	100 599	600 1199	1200 1899	1900 2999	3000 4199	4200 5499	5500 6999	7000 8999	9000 10999	11000 13999	14000 17999	18000 22999	23000 or more
N	5	37	61	44	28	30	23	12	12	8	2	6	1	5
%	25%	19%	56%	64%	67%	71%	85%	75%	86%	73%	100%	86%	100%	100%
TOTAL	20	199	109	69	42	42	27	16	14	11	2	7	1	5

CHART 4

NEEDS ANALYSIS/PACKAGING STAFF

— Total FTE for Institutions by Number of Financial Aid Applicants

- - - - Expected Curve of Ratio of NA/P FTE to Number of Financial Aid Applicants (Index: 1 to 2800)

TOTAL FTE (FOR OFFICES REPORTING)

24 20 16 12 8 4

NUMBER OF FINANCIAL AID APPLICANTS

1-99	100 599	600 1199	1200 1899	1900 2999	3000 4199	4200 5499	5500 6999	7000 8999	9000 10999	11000 13999	14000 17999	18000 22999	23000 or more
(11)	(126)	(72)	(52)	(34)	(34)	(22)	(16)	(12)	(10)	(2)	(7)	(1)	(4)

CHART 5

NEEDS ANALYSIS

Degree of Automation Among FAO's Using Computer Support for Needs Analysis

FINANCIAL AID OFFICES USING COMPUTER SUPPORT FOR NEEDS ANALYSIS

	1-99	100 599	600 1199	1200 1899	1900 2999	3000 4199	4200 5499	5500 6999	7000 8999	9000 10999	11000 13999	14000 17999	18000 22999	23000 or more
N	0	10	19	9	9	13	11	7	6	4	0	4	1	4
%	0	5%	17%	13%	21%	31%	41%	44%	43%	36%	0	57%	100%	80%
TOTAL	20	199	109	69	42	42	27	16	14	11	2	7	1	5

NUMBER OF FINANCIAL AID APPLICANTS

CHART 6

PACKAGING

Degree of Automation Among FAO's Using Computer Support for Packaging

NUMBER OF FINANCIAL AID APPLICANTS

FINANCIAL AID OFFICES USING COMPUTER SUPPORT FOR PACKAGING

	1-99	100 599	600 1199	1200 1899	1900 2999	3000 4199	4200 5499	5500 6999	7000 8999	9000 10999	11000 13999	14000 17999	18000 22999	23000 or more
N	0	6	7	5	6	7	6	6	5	5	0	2	0	3
%	0	3%	6%	7%	14%	17%	22%	38%	36%	45%	0	29%	0	60%
TOTAL	20	199	109	69	42	42	27	16	14	11	2	7	1	5