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PAY POLICIES FOR STUDENT WORKERS

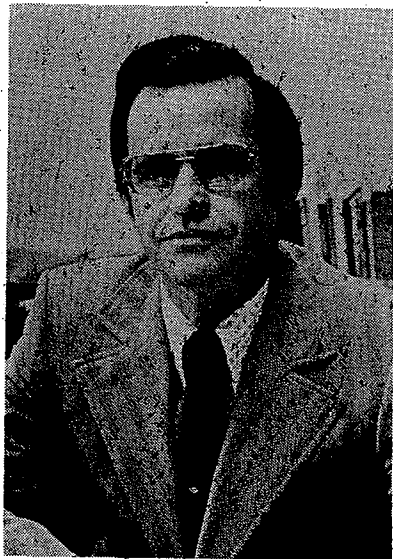
Perry Counts

In reference to pay policies for eligible student workers the *College Work-Study Guidelines* (1968-Revised 1972) states that:

The wages rate for a particular job should be a function of its duties and responsibilities . . . additionally, the wage paid must be appropriate and reasonable in light of such factors as type of work performed, geographical region, and the proficiency of the employee.¹

Paying the same rate to all student workers, and especially the minimum rate allowed by the wage and hour laws, is apparently discouraged. On the basis of equity and fairness there are no valid factors to support a flat-rate. However, a flat-rate offers two major advantages from an administrative point of view, namely ease of administration and the generation of the maximum hours of work from a fixed amount of funds.

A comprehensive survey of all types of colleges in nine southern states revealed that 37% pay the minimum wage to all student workers and 63% pay differential rates. A limited survey in one southern state produced similar results of 38% and 62%.



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The major factors and/or philosophy to support the same rate of pay are:

| | |
|---|-----|
| 1. Easier to administer | 42% |
| 2. Lack of funds | 32% |
| 3. Differential rates is discrimination | 11% |
| 4. Rate of pay immaterial | 5% |
| 5. Need to assist more students | 5% |
| 6. Smallness of program | 5% |

Factors 1, 2, 5, and 6 could be placed under the "ease of administration" rubric and this accounts for 84%. The 16% comprising 3 and 4, are not reasonable according to the guidelines. In fact it would be very difficult to defend a flat rate based on any of the above factors.

For those institutions that provide differential rates of pay, the following factors were used to establish rates:

| | |
|---|-----|
| 1. Job classification | 65% |
| 2. Seniority | 34% |
| 3. Prevailing rate for job classification | 19% |
| 4. Funds available | 8% |
| 5. Financial need | 4% |
| 6. Supervisor's request | 4% |

It appears that the College Work-Study Manual would fully support factors 1 and 3.² Defining seniority (factor 2) as the academic year in school appears questionable. However, defining seniority as work experience over some dimension of time, e.g. one academic year, could be an acceptable factor. Workers on many jobs become more proficient and productive with experience. Support for factors 4 and 5 is not available, and 6 could pose problems.

One plan for establishing differential student rates is based on the following three factors:

1. Job classification
2. Seniority
3. Merit

Each student is placed in a job classification and each job falls in one of seven pay levels. (See Appendix A).³ For example, student X is evaluated and employed as a library student assistant. This could be any one of many routine jobs in the library. Student X is placed in pay level 1, at the minimum rate. This could be a student in any academic year with limited or no experience in library work. Student Y applies for work as a typist with one or two years of high school typing and obtains a passing score on a proficiency test for this skill. Student Y is hired and placed in pay level 2, at the minimum level. Previous experience as a typist in industry or institutions of higher education would be considered and if student Y had had one or more years of documented experience the rate would be step 1 of pay level 2.

A possible distribution of student workers by pay levels for a major university might be as follows:

| <i>Pay Level</i> | <i>% of Workers in Pay Level</i> |
|------------------|----------------------------------|
| 1 | 39% |
| 2 | 29% |
| 3 | 18% |
| 4 | 8% |
| 5 | 3% |
| 6 | 2% |
| 7 | 1% |

One definition of seniority is that after one academic year of satisfactory service the student worker is given an increase to the next step in her/his pay level. Students whose work was not satisfactory, retained on probation, or transferred at the request of their supervisor would not receive an increase. Note that the seniority factor is based on the assumption that the proficiency of the worker increases with experience.

With regard to merit each department could select a very small percentage of their total student workers for an incentive increase based on outstanding performance. Merit increases could be recommended after one full term of employment. Only one merit increase could be given to the same employee in an award year and the maximum merit increases for the same employee is two. Merit increases would be limited to the top 3 to 5 percent of all student employees.

The final decision regarding job classification, seniority, merit and the actual rate of pay for each student worker is made by the Financial Aids Office.

Some administrative personnel are very opposed to differential pay for student workers. Perhaps the financial aid community has done a poor job of selling student work in relation to all the opportunities it provides. The aids office tends to place too much emphasis on the money aspect and the financial need that is usually being met. Many other administrative personnel and supervisors place too much emphasis on manpower needs and costs.

Ramsey (1974) stresses the fact that work-study is multi-dimensional.⁴ Educational institutions are in a unique position to take advantage of more dimensions than manpower and financial aid. Additional dimensions include skill development, careers, personal growth, service, social responsibility, and educational value. The financial aid community could learn a good deal about the different facets of work-study from cooperative education, experiential education and academic internships. Additional concern for giving academic credit for all related work experiences should occur from all areas of higher education, including financial aids.⁵

In attempting to sell differential pay for student workers to an institution, including higher education, the question may arise regarding the cost of

part-time student workers contrasted with the cost of full-time employees. An example of what the writer has in mind is the statement that "for 50% of what the institution now spends on student workers, full-time employees could be hired and the same or more work could be accomplished."

A brief study was made at one university to compare the cost of student workers with the total labor cost of full-time employees. The comparisons were developed under the following assumptions:

1. The salary for full-time employees is near the minimum rate.
2. Graduate assistants are not included.

All full-time employees earn fringe benefits as listed below:

1. Vacation with pay
2. Holidays with pay
3. Sick leave with pay
4. Insurance benefits
5. Retirement benefits
6. Unemployment benefits

The total fringe benefits package adds approximately 30 percent to the total cost for full-time employees. As a general rule part-time student help is provided with no fringe benefits. Using the average pay for student workers and the cost of full-time employees in the lower pay levels, including fringe benefits, the institution could purchase 28 minutes of full-time help for each 60 minutes of part-time student help. Thus, the relative cost is a very important consideration.

A second point is the fact that there was no significant difference in the productivity and efficiency of student workers when compared with full-time employees. A third point is how essential was the work performed by the student workers when compared with full-time employees? Again the result was no significant difference. The work performed by full-time employees was rated to be somewhat more essential but the difference was very small.

Other important considerations noted by various departments were:

1. It would take more full-time help; in fact, we can not find full-time workers to do some of the more routine tasks performed by students.
2. Because we are open seven days and 80 to 100 hours per week, scheduling with only full-time workers is extremely difficult. A great deal of over-time and other problems would occur if students were not available for the unusual hours involved.
3. The ability of full-time employees, hired at the lowest level of pay, often does not compare favorably with the average student worker.

A substantial number of student workers at most institutions are paid with federal funds. Of course, these federal funds would not be available to employ full-time employees.

A copy of the survey instrument for student worker pay policies and the results are included as Appendix B. It is interesting to note that only 59%

of the colleges and universities have institutional work under the control and responsibility of the aids office. This could make the problem of preventing overawards a major one.

In summary it appears the financial aid community should give additional attention to differential student pay policies, job descriptions for student workers and make a strong effort to have more impact regarding institutional work. The multi-directional nature of work-study needs to be stressed. There is ample evidence that, other things being equal, a student with a reasonable amount of work-study (15 to 20 hours per week) will earn higher grades than the student who does not work.⁶ As the volume of money from basic federal grants and many state grant programs increases, the need for revised College Work-Study Program rules will become more apparent. This will be especially true in the areas of the needs test and the current primary goal of the College Work-Study Program, namely providing financial assistance.⁷

REFERENCES

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2. *Ibid.*
3. *Handbook For On-Campus Employment*, (Wayne State University, 1970). pp. 11 and 12.
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5. *American Council on Education. Higher Education and National Affairs* (May 10, 1974). p. 2.
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7. *American Council on Education. op. cit.*