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# Family Knowledge of Postsecondary Costs And Financial Aid

by Don Hossler,  
Jack Schmit, and  
Gary Bouse

*Federal policymakers have recently expressed interest in family knowledge of student financial aid and postsecondary costs and the impact of family knowledge on student access. Analyzing a longitudinal data set of Indiana high school students, this study looks at student and parental knowledge of student financial aid and postsecondary costs. The results suggest that parents are more interested than students in information about postsecondary costs and student financial aid. Furthermore, the findings indicate that efforts to increase family knowledge should simultaneously focus on general information about aid and costs rather than on details about specific aid programs. This article was presented at the Seventh Annual Meeting of the Student Financial Aid Research Network Conference, Washington, D.C., May 16, 1990.*

The growing federal deficit and increased competition for public dollars have resulted in growing interest in current financial aid policies. Questions have been raised about the actual effects of federal financial aid upon student access (see, for example, Hansen, 1982). Hearn and Longanecker (1985) have examined the potential benefits of moving to a targeted subsidy model of student aid. In this context, several important questions have been raised by federal policymakers. This article examines one of these questions. How much do families know about postsecondary costs and student financial aid?

## Knowledge of Financial Aid and Postsecondary Costs

Recent studies of family financial aid knowledge are limited. Dixon's study of the parents of eighth grade students in Illinois (1986) suggests that parents are not well informed about most federal aid programs, but they are interested in receiving more information. In addition, most of the parents reported that they either did not know much about the costs of going to college or, Dixon noted, their cost estimates were not accurate. This study, however, did not compare knowledge of postsecondary costs or financial aid with postsecondary plans. In a series of focus group interviews Brouder (1987) found that most low- and middle-income families were not well informed about specific aid programs. She did not explore the relationship between knowledge and postsecondary aspirations. Survey data gathered from a sample of Pennsylvania junior high school students indicated there was a relationship between postsecondary aspirations and interest in financial aid information (Davis, 1988).

There is also a dearth of information about changes in parental and student knowledge of postsecondary costs and student financial aid over time. Higgins (1984) and Ekstrom (1985) found changes in student knowledge from the sophomore to senior year in high

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school. A study conducted in California found that the changes in knowledge may be superficial (Wolfinger, 1988). A telephone survey conducted by the Council for the Advancement and Support of Education (1988) reported that students overestimate the costs of education. Additionally, many students have inaccurate information about financial aid. Olson and Rosenfeld (1984), in an analysis of *High School and Beyond* data, found that many parents could not accurately identify several federal financial aid programs. In total, we know little about student and family knowledge of financial aid or postsecondary costs. The results of this investigation provide additional insight into some of these issues.

### **Purpose**

This study looks at student and parental knowledge of student financial aid and the costs of postsecondary education. Policymakers are concerned that student access and choice may be adversely affected by a lack of information about postsecondary costs and financial aid. By combining longitudinal and in-depth qualitative and quantitative data from a small sample, this exploratory study examines the following questions:

- To what extent are high school students and their parents knowledgeable about student financial aid and postsecondary costs?
- What factors are associated with student and family knowledge about financial aid and postsecondary costs?
- Over time, do students and families become more knowledgeable about financial aid and postsecondary costs?

Insights into these questions can assist public policymakers in determining if efforts to increase student and family knowledge of financial aid are warranted. If warranted, the findings from this study can also assist policymakers in determining when interventions are likely to increase student access and choice.

### **Method**

The participants for this study are a representative sub-sample taken from a longitudinal data set of 4,923 students, and their parents, from 21 high schools within the state of Indiana. A cluster design was used in selecting schools to assure that the sample represented adequate numbers of ethnic minorities, students at all levels of socioeconomic status, and rural as well as metropolitan high schools (Babbie, 1973). The total sample of students and parents were surveyed seven times between their freshman and senior years in high school (1986-87 to 1989-90). The total sample is part of a longitudinal study of student college choice funded by the Lilly Endowment.

The representativeness of the total sample has been previously studied. Hossler and Stage (1988) reported on the results of a telephone survey of students who did not respond to rounds one and two of the surveys in the ninth grade. The telephone survey was conducted during the summers between the students' freshmen and junior years in high school. The results indicated few differences between respondents and non-respondents. Black students were

more likely to have responded. More important, non-respondents were less likely to plan to attend a postsecondary education institution after high school. Therefore, these results may not be representative of the entire population of Indiana high school students, but the total sample appears to be representative of students planning to continue their education after high school.

The sub-sample used for this study consists of 56 students and parents who, besides participating in the survey research elements of this longitudinal study, were interviewed over a two-year period. During their junior and senior years in high school (1988-90) they were interviewed eight times.<sup>1</sup> T-tests (which compare the means between two groups) were run on important student and family characteristics (such as family income, parental education, race, and student GPA) comparing the total sample with the sub-sample. This was done to determine whether the sub-sample is similar to the total sample. Except for father's education, there were no significant differences between the total sample and the sub-sample.

The data analyzed for this article were drawn from both the surveys and interviews. Demographic information, including gender, ethnicity, family income, family size, parental levels of education, and student GPA, was taken from completed surveys. In addition, attitudinal and behavioral data were taken from the surveys including postsecondary plans, interest in receiving more information about financial aid, the importance of cost in postsecondary decisions, and student and parental saving for postsecondary education.

The interviews provided opportunities to ask questions which could not be included on the surveys because of space limitations. In addition, the interviews permitted us to explore the rationales behind the plans and attitudes of students and their parents. This enabled us to develop a richer understanding of student and parental attitudes and plans. Interview data were also used to track changes in student and parental information and plans over time.

### **Surveys and Interviews**

The surveys for year one of this study (1986-87) were based on previous research on college choice. Draft versions of the surveys were subsequently field tested for construct validity and understandability before distribution. In years two and three, surveys were developed based upon research on college choice and insights gained from interviews.

Semi-structured interview protocols were employed. Interviews were developed by a review of relevant research and a content analysis of previous interview and survey findings. The development of both the surveys and the interview protocols was an iterative process. Each new interview and survey was based upon insights and questions which emerged from previous data collection efforts.

### **Analysis**

Qualitative data were analyzed in two ways. Interview data for each respondent were analyzed searching for shifts in parental and student knowledge of financial aid. In addition, several scales measur-

ing student and parental knowledge of postsecondary costs and financial aid were constructed from the interview responses. The procedures used to develop each scale are described in Appendix A.

After the scales scores were computed for each respondent in the sample, a series of frequency distributions were computed for each variable using the statistical analysis software SPSS-X. In addition, Pearson R Correlation Coefficients were computed running each independent variable against the dependent variables. Although the sub-sample is small, step-wise multiple regression was run pairing the independent variables with the dependent variables. The small sample size and number of combined missing cases limited the utility of the regression analysis. Nevertheless, the results raise interesting questions that merit further exploration.

### **Limitations**

The results of this study have several limitations. The respondents come from one state and may not be representative of students and parents in other states. Also, the questions which were used to explore knowledge of financial aid and postsecondary costs were different each year. Therefore, changes reported in this section may be the result of actual changes in knowledge, or they may reflect the different questions which were asked. In addition, although T-tests indicate that the sub-sample used for this study is similar to the entire sample, the results from some of the analytic techniques employed are less reliable with small samples. Finally, students and parents in this study may be more knowledgeable about postsecondary education and educational costs than the general population as the result of their participation in this study over a four-year period.

### **Financial Aid and Postsecondary Costs**

It is difficult to answer questions about the extent of student and parental knowledge of financial aid without grounding the findings in the context of time. Our findings indicated that student and parental knowledge varied between the freshman year and the senior year in high school. *When* questions are asked about postsecondary costs and financial aid has a great deal to do with how much students and parents know. Therefore the findings will be reported by student year in high school.

### **Freshmen and Sophomores**

It should be stated at the outset that the findings reported in this section must be interpreted with some caution. Some of the indicators of student and family knowledge were derived from different samples of students. We believe the differences reported here are representative of actual changes in information.

In the ninth grade, 77 percent of the parents and 59 percent of the students reported on the first survey that they wanted more information about financial aid. One year later, it appeared that parents and students still lacked information. Interview data from focus group interviews conducted during the tenth grade year (see footnote 1) indicate that most of the parents and students lacked accurate information about postsecondary costs and financial aid. Only parents who had recently attended a college or vocational school, or

who had older children who had attended a college or vocational school, felt they knew much about financial aid. Student and parental knowledge of financial aid can be captured best by one parent's response to a question about how much she knew about financial aid, "Nothing, I have no idea."

Focus groups conducted in the tenth grade revealed that students generally expressed less interest or concern than their parents about financial aid. They viewed issues related to cost and aid as the responsibility of their parents. As one sophomore boy commented, "My parents will take care of that." Parents were not so confident of their ability to "take care of that." The mother of the same student described her son as follows: "He doesn't know the difference between tuition and financial aid. He told me he expected me to cover between \$8,000 and \$10,000 a year for college. I don't know where he thinks we are going to come up with that."

Parents in the focus groups at each high school were asked to estimate what it would cost to send a student to college for four years. When parents with children already in school are omitted, estimates ranged from a low of \$20,000 to a high of \$60,000. In total, it appears that ninth and tenth grade students and parents lack information about both the costs of postsecondary education and about student financial aid.

### Juniors

During the junior year, parents and students seem to learn a great deal more about costs and financial aid. During the interviews, both parents and students in the sub-sample were asked to estimate the costs of attending a postsecondary education institution while living at home, and while living on the campus (or away from home). Their answers were subsequently rated as having low, moderate, or high accuracy. It should be noted that there were large differences in these estimates. We had access, however, to the names of the actual postsecondary institutions the students were considering attending. Thus, one student who estimated that it would cost \$4,000 a year to live at home and attend Ball State University, and another student who estimated it would cost \$2,000 a year to live at home and attend a campus of the Indiana Vocational and Technical Institute (IVY Tech) could both receive high accuracy ratings (see Appendix A for a description of how this scale was constructed). Table 1 reveals that more than 60 percent of the students and parents were at least moderately accurate in their cost estimates.

**TABLE 1**  
**Parental and Student Estimates of Postsecondary Costs**

Accuracy of Estimate	Students	Parents
Low	23.5%	27.8%
Moderate	47.1	41.7
High	21.6	22.2
Don't know	7.8	8.3

Students in the interview groups were also asked a series of questions about their general knowledge of financial aid. Questions included: a) do you think you are eligible for financial aid, b) why are you eligible or not eligible, and c) can you estimate how much aid you will be eligible for? A scale was constructed based upon responses to these questions. Table 2 suggests that many students had at least a moderate level of knowledge of financial aid.

**TABLE 2**  
**Student General Knowledge of Financial Aid Eligibility**

Student Knowledge	
Low	9.5%
Some	7.1
Moderate	38.1
High	33.3
Very High	12.0

Another way of measuring financial aid knowledge is to ask students and parents whether they think they will be eligible for student financial aid. Table 3 reveals that the majority of students and parents believed that they were eligible for aid. However, we could not verify the accuracy of their responses. We have no way of knowing whether a student who responded that he or she was not eligible for aid was in fact eligible for aid. Previous work (Council for the Advancement and Support of Education, 1988; Higgins, 1984) suggests that these estimates of eligibility may not be entirely accurate.

**TABLE 3**  
**Student and Family Perceived Eligibility For Financial Aid**

Eligibility Knowledge	Student	Parent
Don't know	7.1%	6.9%
"Knew of their eligibility"	92.9	93.1

Overall, these results suggest that by the eleventh grade both students and parents became considerably more knowledgeable about postsecondary costs and financial aid.<sup>1</sup> Students and parents may have lacked a complete picture of the costs of a variety of postsecondary institutions, but they had a general idea of postsecondary costs, especially of the costs of the institution(s) which they were considering. In addition, students and parents had a general knowledge of financial aid programs and their eligibility for aid.

**Seniors**

In another attempt to measure student and parent knowledge of postsecondary costs, we asked students in the twelfth grade and their parents to name a low-cost institution, a moderate-cost institution,

and a high-cost institution. Again a scale was developed to measure the accuracy of the lists of institutions (see Appendix A). The accuracy of each list was judged, in part, on the basis of the internal logic of each list. For example, if one student rated Purdue University as a low-cost institution, Earlham College as a moderately-priced institution, and the University of Chicago as a high-priced institution, the student was given a high score for accuracy. Similarly, another student might list IVY Tech as a low-cost institution, Indiana University-Purdue University at Indianapolis (IUPUI) as a moderate-cost institution, and Indiana University as a high-cost institution and also receive a high accuracy score. In Table 4 we find greater variation in student and parent knowledge. Table 4 shows that nearly 70 percent of all students and more than 50 percent of all parents had either a low knowledge of cost or did not know the costs of a range of institutions.

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*“By the eleventh grade both students and parents became considerably more knowledgeable about postsecondary costs and financial aid.”*

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**TABLE 4**  
**Parental and Student Ratings of High, Moderate, and Low Costs Institutions**

<b>Knowledge of Costs</b>	<b>Students</b>	<b>Parents</b>
Low	60.8%	38.9%
Moderate	5.9	8.3
High	23.5	36.1
Don't Know	9.8	16.7

During an interview in the spring of their senior year, a list of federal, state, and campus-based financial aid programs was given to each student. They were asked to describe or define each of these aid programs. The list of aid programs included: federal grants/Pell Grants, federal loans, federal work-study, state loans and grants, scholarships from colleges, non-need-based merit aid.<sup>2</sup> The findings demonstrate that 50 percent of the students provided an acceptable description of four to six financial aid programs. Nevertheless, the remaining half of the students in this sub-sample were not well informed about the range of financial aid programs which might be available to them. The findings are consistent with previous studies on student and parent knowledge (Council for the Advancement and Support of Education, 1988; Ekstrom, 1985; and Wolfinger, 1988). In total, however, most students had at least a moderate level of knowledge of financial aid programs. This table, nevertheless, masks considerable variation in the depth of student knowledge of these programs. Some students offered a brief description of an aid program which met minimum criteria for “understanding,” while other students demonstrated a detailed knowledge of some aid programs. This is consistent with findings reported in the Eureka Project in California (1988).



**TABLE 5**  
**Student Knowledge of Specific Federal, State, and**  
**Campus-Based Financial Programs**

<b>Student Knowledge</b>	
Could describe at least one financial aid program	13.9%
Describe two aid programs	16.7
Describe three aid programs	16.7
Describe four aid programs	13.9
Describe five aid programs	22.2
Describe six aid programs	13.9
Could not describe any programs	2.8

**Correlates of Student  
and Parent Knowledge  
of Costs and Aid**

In an effort to identify factors associated with parental and student knowledge of postsecondary costs and financial aid, Pearson R Correlation Coefficients were computed. Student and parent knowledge variables were used as dependent variables and family background characteristics as the independent variables. Besides background characteristics, we also considered the importance of institutional costs. In the surveys, students and parents were asked to rate the role that institutional costs would play in their decision to attend a specific college. We treated the importance of cost as an independent variable to see if it was associated with student and parent knowledge of financial aid. Tables 6 and 7 report all of the coefficients which were significant. Given the exploratory nature of this study, and a small sample size, we elected to minimize the likelihood of a Type I error and set the level of significance at the .10 level.

**TABLE 6**  
**Correlates of Student Knowledge of Postsecondary Costs**  
**and Financial Aid**

<b>Independent Variables</b>	<b>Measures of Knowledge of Costs</b>	
Income by general knowledge of aid	-.3136	p=.004***
	<b>Measures of Aid Knowledge</b>	
Father's education by general knowledge of aid	-.3335	p=.011**
Father's education by estimate of eligibility for financial aid	-.3066	p=.018**
Importance of postsecondary costs for parents by general knowledge of aid	.5712	p=.001****

\* p < .10  
 \*\* p < .05  
 \*\*\* p < .01  
 \*\*\*\* p < .001

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*“The extent to which students and parents are knowledgeable about financial aid depends on when the question is asked.”*

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Table 6 shows that income and father's education were negatively associated with student knowledge of financial aid. In addition, father's education was negatively correlated with student knowledge about eligibility for aid. These are counter-intuitive. We expected that well-educated and high-income parents would talk more to their children about financial aid and going to college. Instead it appears that the reverse is true. Davis (1988) also reported that low-income students had more information about financial aid. Perhaps well-educated and wealthier parents tell their children that they will not be eligible for financial aid. Or as Davis suggests, schools with large numbers of low-income students provide more information about financial aid programs.

Table 6 also shows a more intuitive relationship between the importance of postsecondary costs for parents' and students' general knowledge of aid. Apparently, if parents were sensitive to the costs of postsecondary education, students were more knowledgeable about financial aid. The same relationship is evident in Table 7 when the relationship between parental sensitivity to cost and their general knowledge of aid is examined.

The associations between the independent variables of family income and parental education and parental knowledge of financial aid were in the expected direction. Parents with higher income, and mothers and fathers with more education, knew more about postsecondary costs and financial aid. Thus, while children of well-

**TABLE 7**  
**Correlates of Parental Knowledge of Postsecondary Costs and Financial Aid**

<b>Independent Variables</b>	<b>Measures of Knowledge of Costs</b>	
Family income by accuracy of rating high, moderate and low cost institutions	.45154	p=.004***
Mother's education by accuracy of rating high, moderate and low cost institutions	.2601	p=.069*
Mother's education by parental estimates of cost	.3723	p=.031**
	<b>Measures of Aid Knowledge</b>	
Father's education by general aid knowledge	.2443	p=.082*
Family size by general aid knowledge	.2938	p=.061*
Importance of cost by general aid knowledge	.6986	p=.000****

\* p < .10

\*\* p < .05

\*\*\* p < .01

\*\*\*\* p < .001

educated and high-income families may lack information, their parents do not. This reinforces our earlier observation that high-income and/or well-educated parents may tell their children that either they will not be eligible for aid (so don't be concerned) or "we will take care of your schooling." Family size was also correlated with general aid knowledge. Perhaps larger families had less discretionary income and were therefore motivated to learn more about financial aid.

We ran a series of stepwise multiple regressions to see if we could identify predictors of student or parent knowledge of financial aid. Given the small number of cases, the results should be interpreted with caution. Nevertheless, a consistent pattern emerged for both students and parents. The *only* predictors of parental and student knowledge of aid were parental and student sensitivity to cost. In each case the R-squared value was high. For students the R-squared value was .69898 and for parents the R-squared value was .48847. The strength of both of these associations, regardless of the small sample size, indicates that sensitivity to costs was a strong motivator to learn more about financial aid. Although the sample size was small, the consistent pattern of a positive association between knowledge and sensitivity to cost reinforces the results.

### **Summary**

These findings suggest that students and parents became more knowledgeable about postsecondary costs and financial aid as students got closer to leaving high school. Family income and parental education were negatively associated with student knowledge of postsecondary costs and financial aid, but positively associated with parental knowledge of postsecondary costs and financial aid. These findings merit further examination. For this sub-sample, however, student and parental sensitivity to costs exerted a strong influence on student and parental knowledge of financial aid.

### **Discussion**

This investigation suggests that the extent to which students and parents are knowledgeable about financial aid depends on when the question is asked. Ninth and tenth grade students appeared to have little sense of college costs or student financial aid. The same is true of their parents unless the parents had older children who had already attended a postsecondary institution, or unless one or both of the parents had recently attended. These results are consistent with the previous work of Brouder (1987) and Dixon (1986). The findings from this study, however, also show that ninth and tenth grade students were less interested in issues of cost and aid than were their parents. Students believed that issues of cost and aid were the responsibilities of their parents.

As students and their parents came closer to high school graduation, knowledge of costs and aid increased. On four of the five measures of knowledge of postsecondary costs and financial aid (see Tables 1-5), more than 50 percent of the students and parents were at least moderately knowledgeable. Based upon the interview data and

previous work in this area (Council for the Advancement and Support of Education, 1988; Higgins, 1984; Ekstrom, 1985; and Olson and Rosenfeld, 1984), the depth and accuracy of this information should be interpreted with caution. A review of the interview data reveals a wide range of understanding of specific aid programs. Nevertheless, a large number of students and parents was at least familiar with a variety of forms of financial aid. For students, family income and parental education were negatively associated with student knowledge of costs and financial aid.

A probable explanation of these findings is that well-educated families with high incomes were less likely to express concerns about financial aid to their children. This may be because they realized they were unlikely to qualify for financial aid. As a result, their children did not see a need to be informed about financial aid. This explanation is supported by the positive relationship reported in Table 7 between the independent variables of family income and parental education and the dependent variables of parental knowledge of costs and aid. In addition, as Davis (1988) found, students attending low-income high schools may receive more information about financial aid. Understanding the factors which are associated with student and parental knowledge of costs and aid are of value to public and institutional policymakers. This is an area which merits further investigation.

Both parental and student knowledge of financial aid increased when parents reported that the institutional costs would be an important determinant of the postsecondary institution which their children would attend. Not surprisingly, as concerns about cost increased, parents and students were more motivated to learn more about postsecondary costs and student financial aid.

### **Implications**

These findings suggest a series of difficult situations for policymakers. It appears that students and parents may not lack information about postsecondary costs and financial aid by the time students complete the eleventh grade. Nevertheless, most students in this sample had decided whether or not they would enroll in a postsecondary education institution by the end of the ninth grade, when student and parental knowledge of costs and aid are still low. Thus, financial aid and cost knowledge may indeed be a barrier to postsecondary access.

A simple solution would seem to be to provide increased parental and student information while students are still in elementary or junior high school. This may be the solution, but we doubt it is a simple solution. Based upon these findings, we postulate that one of the reasons knowledge is low is because attending a college or vocational school is in the distant future for parents and their children during the time students are in elementary or junior high school. We believe attempts to provide specific information at an early age may fail because parents and students are not yet ready to receive this information. In addition, given the relationship between parental and student sensitivity to cost and financial aid knowledge,

efforts that focus solely on aid information without accompanying information about postsecondary costs are less likely to be effective.

We recommend that any attempts to provide information about postsecondary costs or financial aid be kept simple. Targeted information for low- and moderate-income families should communicate that government aid can make it possible for anyone to attend some form of postsecondary education if they are motivated. Information campaigns should include an emphasis on access for all students. Information on costs should also be included. It appears that information about aid only becomes salient to students and parents when they are concerned about costs. One way to increase concerns about postsecondary costs is to provide more information about costs to students and parents, *but especially to parents*. An emphasis on academic success should be minimal since many vocational and technical schools admit students with a wide range of abilities. In a labor market of ever increasing sophistication, youth who will enter a vocational and technical career require additional training beyond high school.

Our results also suggest that middle- and high-income students require less attention. Their parents are either capable of providing them with sufficient information about financial aid, or information is unnecessary because the students will not be eligible for student financial aid.

Based upon the findings from this study we offer the following recommendations for policymakers and financial aid researchers.

**Recommendations for  
Policymakers**

- Efforts to increase student and parental knowledge of financial aid and the costs of postsecondary education should start prior to the ninth grade.
- Informational campaigns should target low- and moderate-income families.
- Informational campaigns should not attempt to provide detailed information about costs and aid. Rather, they should emphasize the postsecondary costs and general availability of aid for everyone at these income levels. In addition, campaigns should emphasize student access to four-year colleges and universities as well as vocational and technical education.

**Recommendations for  
Researchers**

- Further investigations of changes over time in student and parental knowledge of financial aid and postsecondary education costs should be conducted.
- Investigations with large data sets which permit multivariate analysis should be conducted to identify the factors associated with student and parental knowledge of aid and costs.
- Future investigations of knowledge of postsecondary education costs should identify the types of institutions being considered. Otherwise investigators may underestimate or overestimate parental and student knowledge of costs and aid. ♦

### Notes

<sup>1</sup>In addition, a separate sub-sample of 60 students and parents participated in a series of focus group interviews during their sophomore year in high school (1987-88). Although we could not identify individual students and parents from these interviews, findings from these groups are used to track changes in parent and student knowledge of financial aid and postsecondary costs.

<sup>2</sup>If students did not understand the term, it was discussed with them, without providing a comprehensive description.

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### Appendix A: Creating Scales from Interview Data

In analyzing the qualitative data included in this article, six scales were created to measure student and parental knowledge of postsecondary costs and financial aid. The scales were created by aggregating results from each student and parent from the questions asked of all 56 students and/or parents in the interview sub-sample. The following is a description of how each scale was created.

### Estimates of Postsecondary Costs

Each interviewee was asked to give a cost for college while living at home versus living on-campus or in off-campus housing other than at the parent's residence. Accuracy was judged by comparing the esti-

mated cost (of living on and off campus) with the respondent's first choice postsecondary institution. If estimates were within (+ or -) \$1000 of the costs respondents were assigned a "high" rating. If the estimates of actual costs were off by + or - \$1000 to \$2000 respondents were assigned a rating of "moderate." If the estimates of costs were off by more than \$2000 then respondents were assigned a rating of "low." Costs of living on-campus were used for students who indicated that they planned to live away from home or to live on campus.

**Accuracy of Rating Costs**

Respondents were asked to identify a low-, moderate- and high-cost postsecondary education institution. The scale was created by assigning one point for each correct answer. For example, if a person guessed that Indiana University was low cost, DePauw University was medium cost, and Harvard was high cost, that person was given three points and would receive a high rating for accuracy. If a person listed Yale University in the place of DePauw, the person would only receive 2 points for this rating because there is not a large difference in cost between Yale and Harvard.

**Knowledge of Ability to Receive Aid (Measure of 2 Questions Asked of Students)**

A range of 1-8 points was possible on this scale. The larger the point total, the greater the amount of knowledge. Points were assigned on the following basis:

- 1 pt. - responded "don't know" to question of their eligibility for financial aid.
- 2 pts. - for yes or no response, indicating they had some information (we did not assess accuracy) about their aid eligibility.
- 1 pt. - respondents received additional points for each reason they offered for their eligibility (i.e. "my family makes too much money," " my sister received aid last year," etc).
- 1 pt. - if respondent estimated how much aid they thought they would receive (we had no means to assess accuracy of estimates).

**Specific Knowledge of Financial Aid Programs**

The following financial aid programs were listed for students: federal loans, federal grants, College Work-Study, state scholarships, state loans, college scholarships, merit or non-need based aid. Respondents received 1 point for each program they could correctly describe.